

ACCT Summary: H.R. 1

The overall economic recovery and stimulus bill contains a number of key areas that ACCT outlined to the Obama Administration and Congress in its stimulus proposal in December.

ACCT is pleased that the Administration and Congress have incorporated ACCT's priorities in the final stimulus bill. ACCT's priorities included: 1) a \$700 increase in the Pell Grant maximum; 2) \$5 billion for community college infrastructure; and 3) \$1.5 billion for job-training funds focused on community college campuses.

The final version of H.R. 1 includes the following provisions, which will have a positive impact on community colleges and its students:

1) \$53.6 billion for the State Fiscal Stabilization Fund. Approximately \$48.3 billion will be allocated to states based upon school age population and total population. Governors must use 82% of these funds to support k-12 education and higher education. Funding received must first be used to restore state aid to school districts under each respective state's primary elementary and secondary education funding formulae to the greater of the fiscal year 2008 or 2009 level in each of fiscal years 2009, 2010, and 2011, and, where applicable, to allow existing formula increases for elementary and secondary education for fiscal years 2010 and 2011 to be implemented; and to restore state support to public institutions of higher education to the greater of the fiscal year 2008 or fiscal year 2009 level, to the extent feasible given available stabilization funds. Public institutions of higher education receiving Stabilization funds must use these funds for educational and general expenditures, and in such a way as to mitigate the need to raise tuition and fees, or for modernization, renovation, or repairs of facilities that are primarily used for instruction, research, or student housing. Any remaining education funds must be allocated to school districts based on the Federal Title I formula.

The conference agreement also provides that governors shall use 18% of state allocations for public safety and other government services, which may include education services and higher-education modernization, renovation and repair activities.

2) \$15.6 billion to increase the maximum Pell Grant by \$500. An additional \$1.4 billion was provided to eliminate the shortfall in the mandatory portion of the Pell Grant program. This aid will help 7 million students pursue postsecondary education.

3) \$3.95 billion for job training, including state formula grants for adult, dislocated worker, and youth programs. \$2.95 billion will be distributed by formula funds, and Workforce Investment

Boards can contract with institutions of higher education and eligible training entities to provide training. \$750 million will be available for competitive grants; \$500 million will be for programs focused on the Green Jobs Act and \$250 million for other job programs, with priority for health-care sector jobs.

4) A new \$2,500 tuition tax credit, with 40% refundability.

5) \$200 million for the work-study program.