

Federal Policy and Advocacy Update

FEDERAL APPROPRIATIONS UPDATE

On July 28, the Democratic leadership of the Senate Appropriations Committee released its FY 2023 Senate Appropriations bills. The Senate version proposes more modest increases for higher education compared to the House version, reflecting the political realities of needing to negotiate with Republicans in an evenly divided chamber. The bill proposes \$83.4 billion for the U.S. Department of Education, which is \$7 billion above the enacted FY 2022 spending level but \$3.3 billion below the FY 2023 House spending bill. Nevertheless, it is widely expected that the Senate will not consider its spending bills until after the midterm elections. With federal funding set to expire on September 30, Congress will likely pass a stop-gap funding measure called a Continuing Resolution (CR) which would carry-over FY 2022 spending levels until an agreement on the FY 2023 appropriations bills can be reached. As of this writing, the senate bill proposes the following higher education investments for FY 2023:

- \$500 increase to the maximum Pell Grant for the 2023-24 academic year. The bill would also extend Pell eligibility to DACA recipients (same as the House version).
- \$75 million increase to expand retention and completion grants (\$125 million below the House version).
- \$138 million increase for Federal TRIO programs (\$23 million below the House version).
- \$54 million increase for Hispanic Serving Institutions (\$10 million less below the House version).
- \$50 million increase to expand Strengthening Community College Training Grants (same as the House version).
- \$25 million increase for Federal Work-Study (\$9 million below the House version).
- \$20 million increase for the Supplemental Educational Opportunity Grant (SEOG) program (\$5 million below the House version).

LEGISLATIVE AND CONGRESSIONAL UPDATE

On August 2, President Biden signed into law the Creating Helpful Incentives to Produce Semiconductors (CHIPS) Act of 2022 which authorizes new federal funding to spur domestic semiconductor manufacturing. While the Chancellor's Office was hopeful that Congress would approve a proposal to extend Pell Grant eligibility to short-term training programs lasting a period of at least 8 weeks, the CHIPS Act did not ultimately include this provision. Thus, students attending short-term programs continue to not be eligible for the Pell Grant. However, the CHIPS Act extends eligibility to community colleges to access several grant opportunities from the National Science Foundation, including a grant to enhance the effectiveness of science, technology, education, and mathematics (STEM) education on community college campuses through the Advanced Technological

Education program, and a grant to expand workforce development activities at community colleges in microelectronics manufacturing.

ADMINISTRATION UPDATE

In July, the U.S. Department of Education (USED) published proposed regulatory language on two higher education topics that will likely impact community colleges. Firstly, on July 12, USED unveiled proposed changes to Title IX regulations, which would overhaul implementation of the federal law that bans discrimination on the basis of sex in educational settings. The proposed rule would prohibit discrimination based on sex stereotypes, sex characteristics, pregnancy or related conditions, sexual orientation, and gender identity. The Chancellor's Office is currently seeking feedback from campus Title IX Coordinators on the potential impact of the proposed regulations. Secondly, on July 26, USED published proposed regulatory language to extend Pell Grants to incarcerated individuals. Under the proposal, state correctional agencies must determine if prison education programs are operating in the best interests of their students by assessing several performance indicators such as job placement rates post-release, median earnings of program completers, and rates of faculty turnover, among others. The Government Relations Division is currently conducting an analysis to assess the programmatic impact of these new data reporting requirements on the colleges. The effective date of these regulations is July 1, 2023.