

Federal Policy and Advocacy Update

FEDERAL LEGISLATIVE UPDATE

On August 16, President Biden signed into law the Inflation Reduction Act of 2022. This bill provides new federal investment to boost domestic energy production and reduce carbon emissions, among other provisions. Relevant to community colleges, the bill allocates \$200 million in grants to states to create training programs for contractors for the installation of high-efficiency home energy equipment and expands workforce development programs to support the maintenance, charging, and operation of zero-emission vehicles. Further, the bill would expand career training programs that prepare workers to enter industries that reduce greenhouse gasses and air pollutants. Because several California Community Colleges (CCC) campuses offer workforce programs in the energy and advanced manufacturing sector, they may be eligible for these grants. The Government Relations Division will provide information to the colleges on how to apply to these grant opportunities once the Environmental Protection Agency issues guidance in the coming months.

On August 4, 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 bill did not ultimately include a provision to extend Pell eligibility to students attending short-term workforce programs, it allows community colleges to access several grant opportunities. For example, the bill allocates \$10 billion to establish 20 regional technology and innovation hubs intended to create high-wage jobs in industries that boost America's global competitiveness and promote collaboration between community colleges, private industry, economic development agencies, and community organizations. Additionally, the bill authorizes \$150 million to expand the Advanced Technological Education program intended to enhance the effectiveness of Science, Technology, Engineering and Mathematics (STEM) education on community college campuses. The Government Relations Division is monitoring when these new grants opportunities will be made available.

FEDERAL IMMIGRATION POLICY UPDATE

On August 24, the Biden administration issued a final rule to codify the Deferred Action for Childhood Arrivals (DACA) policy into federal regulations. The rule would preserve the existing eligibility criteria for DACA and would maintain the existing process for obtaining work authorization. The rule also provides clarification that expunged criminal convictions and immigration offenses are not automatic disqualifiers of eligibility. Further, the rule codifies into regulations a fee structure for two forms that DACA requestors must submit to United States Citizenship and Immigration Services (USCIS). The effective date of the regulations is October 31. However, an injunction related to DACA from the United States District Court for the Southern District of Texas remains in effect, and USCIS is currently prohibited from processing new DACA requests and related employment authorization under the final rule. USCIS may only process renewals at this time.

ADMINISTRATION UPDATE

On August 24, the Biden administration announced a final extension of the pause on student loan repayment, interest, and collections through December 31 as well as targeted student loan debt cancellation for borrowers with loans held by the Department of Education. Borrowers with an annual income of under \$125,000 (for individuals) or under \$250,000 (for married couples or heads of households) in either the 2020 or 2021 tax year who also received a Pell Grant while enrolled in college will be eligible for up to \$20,000 in debt cancellation. If a borrower was enrolled in an Income-Driven Repayment plan prior to the repayment pause on March 13, 2020, they will likely have their loan balances automatically cancelled as the United States Department of Education (USED) already has income data on file. Other borrowers will have to submit an online application to receive loan cancellation, which will be made available by the Department sometime in October. Borrowers who submit the loan cancellation application should expect to have their request processed within four to six weeks. Moreover, borrowers may request refunds for any federal student loan payments made during the repayment pause. To request a refund, the Department has instructed borrowers to contact their loan servicer directly. The Department plans to issue guidance in the coming weeks to provide further clarity to borrowers on the student loan cancellation process.

In addition to the targeted debt cancellation announcement, the Biden administration also announced on August 24 its intention to Issue a Notice of Proposed Rulemaking to create a new Income-Driven Repayment plan that will substantially reduce future monthly payments for lower and middle-income borrowers by as much as half. The plan would also fully cover a borrower's unpaid monthly interest to ensure that their loan balance does not grow so long as monthly payments are being made. Further, the rule would also forgive loan balances after 10 years of payments, instead of the current 20 years for borrowers with original loan balances of \$12,000 or less. This policy is intended to provide relief to individuals who attended low-cost institutions, such as community colleges. The proposed regulations will be published in the Federal Register sometime in September and a public comment period will be open for a period of 30 days.

On August 17, USED's Office of Federal Student Aid (FSA) released further details of the Fresh Start initiative first announced in April 2022. Fresh Start is geared toward helping student loan borrowers who had defaulted on their federal loans prior to the pandemic payment pause and will restore eligibility for Title IV aid to about 7.5 million borrowers as well as enable them to gain access to Income-Driven Repayment and other payment options. These borrowers will have at least one year to make payment arrangements before defaulting and being subject to further collection activity.

On August 12, USED issued a notice in the Federal Register inviting applications for college completion grants under the Postsecondary Success Program. The purpose of this program is to create or expand evidence-based activities that support students who are close to completion, including those currently enrolled in higher education and students who are no longer enrolled because of challenges they faced during the COVID-19 pandemic. Community colleges will receive priority in the selection process. A total of \$5

million in grants are available, and the Department estimates that of 5-8 institutions will be awarded funds in the range of \$600,000 to \$1,000,000 per institution for a grant period of 24 months. The application deadline is October 11, 2022.