

Federal Policy and Advocacy Update

(Provided by the California Community Colleges Chancellor's Office. Information current as of April 7, 2023).

CONGRESSIONAL UPDATE

On March 13th, the Congressional Budget Office (CBO) sent a letter to House Education and the Workforce Committee Chair Virginia Foxx (R-NC) and Senate Committee on Health, Education, Labor and Pensions (HELP) Committee Ranking Member Bill Cassidy (R-LA) in response to their inquiries about the cost of the Biden administration's proposed changes to the Income-Driven Repayment program (IDR). CBO estimates that the changes, announced in January, would increase the cost of the federal student loan program by \$230 billion over the next 10 years—\$76 billion for outstanding loans and \$154 billion for estimated new loans during that period. The IDR proposal would amend the existing Revised Pay As You Earn (REPAYE) program to increase income limits before a borrower has to make payments and, for those above the thresholds, payments would be reduced from 10% to 5% of discretionary income.

On March 17th, the Government Accounting Office (GAO) issued a determination that the student loan forgiveness proposal, introduced by President Biden in August 2022, should be considered a new "rule" and therefore subject to review under the Congressional Review Act (CRA). The CRA requires federal agencies to submit a report on each new rule to the House and the Senate for review and approval. Following the GAO report, Senate HELP Committee Ranking Member Bill Cassidy (R-LA) announced that he and several other Senate Republicans will introduce a resolution of disapproval under the CRA. Unlike most legislation in the Senate, this does not require 60 votes for approval but can pass by a simple majority, as it can in the House. Representative (Rep.) Virginia Foxx (R-NC), who chairs the House Education and the Workforce Committee, applauded the GAO findings and criticized the loan forgiveness plan.

LEGISLATIVE UPDATE

On March 10th, House Education and the Workforce Ranking Member Bobby Scott (D-VA) released the *Jobs to Compete Act*, which expands Pell Grant eligibility to adults in high-quality, short-term training programs. According to Rep. Scott, this expansion will address increased demand for short-term training courses and a two-thirds reduction in federal investment in workforce development programs over the past 40 years.

ADMINISTRATION UPDATE

On March 9th, President Biden released his fiscal year 2024 budget proposal. Among higher education investments, the President's budget proposal includes the following:

- \$200 million investment toward aligning the last two years of high school and the first two years of higher education by expanding access to dual enrollment, work-based learning, college and career advising, and the opportunity to earn industry-recognized credentials while in high school.

- \$500 increase to the discretionary maximum Pell Grant, expanding access to the grant to reach over 6.8 million students. This request builds on increases to the maximum Pell Grant award by \$900 over the past two years and provides a path to double the maximum award by 2029.
- Creation of a new Federal-State partnership to expand free community college across the United States.
- \$500 million in a new discretionary grant program to provide two-years of free community college for students enrolled in high-quality programs that lead to a four-year degree or a good-paying job.
- Two years of subsidized tuition for students from families earning less than \$125,000 enrolled in a four-year Historically Black College and University (HBCU), Tribally Controlled College and University (TCCU), or Minority-Serving Institution (MSI).
- \$2.7 billion for the Office of Federal Student Aid, a \$620 million increase above the 2023 enacted level, to support student loan borrowers and provide improvements to student loan servicing, modernize FSA's digital infrastructure, and simplify and streamline the process of administering its financial aid programs.
- \$178 million to U.S. Education Department's (USED) Office for Civil Rights (OCR), a 27% increase above the 2023 enacted level, to provide OCR the capacity to protect equal access to education through the enforcement of civil rights laws.
- Investment in Federal TRIO Programs, Gaining Early Awareness and Readiness for Undergraduate Programs, and Postsecondary Student Success Grants Program to support strategies to improve the retention, transfer, and completion rates of students.
- New funding for postsecondary mental health supports and investments in student supports and academic success by providing critical resources to support students' basic needs, including increased funding to help students access non-student aid public benefits and to provide affordable child care for low-income student parents.
- Increase of \$429 million above the 2023 enacted level to increase institutional capacity at HBCUs, TCCUs, MSIs, and under-resourced institutions, including community colleges. This includes \$350 million for four-year HBCUs, TCCUs, and MSIs to expand research and development infrastructure at these institutions.

On March 2nd, USED released guidance outlining how it will require leaders of private colleges that fail to operate in a financially responsible way to assume personal liability for the cost of unpaid debts owed to the Department of Education.

On March 14th, USED announced that it will utilize "secret shoppers" from the Enforcement Office of FSA to monitor postsecondary institutions' compliance with the laws and regulations governing their participation in the federal student aid programs. This will help identify potentially deceptive or predatory practices used to recruit and enroll students.

On March 23rd, USED announced public hearings to receive stakeholder feedback on potential issues for future rulemaking sessions. Further information on the public hearings is available on [USED's website](http://www2.ed.gov/policy/highered/reg/hearulemaking/2023/index.html) (www2.ed.gov/policy/highered/reg/hearulemaking/2023/index.html).

On March 28th, USED released a draft of the new simplified Free Application for Federal Student Aid (FAFSA) along with other supplementary materials. The draft materials only include the paper application, though most students use the online portal to apply for aid. According to experts, the online version will be simpler than the paper version released, which included 46 questions and is 21 pages long, and the simplified FAFSA will be less intimidating than in the past. Implementation of the simplified FAFSA has already been delayed a year, and the new version will be available to students in December 2023. USED will accept comments on the form it released last week until May 23rd before the document is finalized.

On March 30th, USED's Office of Career and Technical Education released a memo outlining how institutions and state higher education agencies can help their students access important benefits, including the Supplemental Nutrition Assistance Program (SNAP); Temporary Assistance for Needy Families (TANF); Special Supplemental Nutrition Program for Women, Infants, and Children (WIC); Affordable Connectivity Program (ACP); and Medicaid. The memo is available on [USED's website](http://www2.ed.gov/about/offices/list/ovae/pi/AdultEd/phe-snap-memo.pdf) (www2.ed.gov/about/offices/list/ovae/pi/AdultEd/phe-snap-memo.pdf).