Federal Policy and Advocacy Update

(Provided by the California Community Colleges Chancellor's Office. Information current as of June 1, 2023).

CONGRESSIONAL UPDATE

On May 3rd, representatives from the University of California (UC), California State University (CSU), and California Community Colleges (CCCs) held a joint briefing in Washington, D.C. to provide congressional staff with updates and legislative priorities shared by the three segments, including increased federal support for student financial aid (such as the Pell Grant), a pathway to citizenship for undocumented students, and expansion of access to basic needs support programs such as CalFresh (aka SNAP at the federal level). A total of 22 staff representing Democratic and Republican offices alike were in attendance.

On May 10th, the United States (U.C.) Senate confirmed Glenna Wright-Gallo to be the Assistant Secretary for Special Education and Rehabilitative Services. Wright-Gallo has a long history working in special education, most recently as assistant superintendent of special education in the Office of Superintendent Public Instruction in Washington. The Office of Special Education and Rehabilitative Services (OSERS). OSERS supports programs that help educate children and youth with disabilities and provides for the rehabilitation of youth and adults with disabilities through the Office of Special Education Programs and the Rehabilitative Services Administration.

On May 16th, U.S. Education Department (USED) Secretary Miguel Cardona responded to questions from lawmakers on the Republican-led House Education Committee regarding several hot-button issues, including inclusivity of transgender students and the use of COVID-19 funds. On the other hand, the Committee and Secretary Cardona had some agreement over expanding the Pell Grant to short-term, workforce programs. Short-term Pell bills have been introduced to this effect by both Democratic and Republican members this Congress. Secretary Cardona also signaled to the Committee that USED intends to restart student loan payments later this year, acknowledging that the COVID-19 emergency that prompted the pause is now over.

On May 27th, Speaker McCarthy and the Biden Administration announced they have come to an agreement on provisions related to the budget and raising the debt ceiling. Negotiations over the debt ceiling had been ongoing throughout most of May following a bill passed by the Republican-led House proposed significant spending cuts and a reduction in programs. The deal struck by Speaker McCarthy and the Biden Administration does not include many of those cuts or reductions; instead, it keeps non-defense spending flat for the 2024 fiscal year, allowing it to increase by 1% in the 2025 fiscal year while adopting the 3.5% defense spending increase adopted in the Biden Administration's proposed budget. In addition, the deal includes changes to work requirements for Supplemental Nutrition Assistance Program (SNAP) and Temporary Assistance for Needy Families (TANF) but no work requirements for Medicaid. The deal also keeps in-tact provisions of the Inflation Reduction Act and does not repeal the Biden Administration's student loan forgiveness plan. However, the student loan repayment pause that has been in place from the COVID-19 pandemic will be required to end on

August 30th under the deal. The debt ceiling package must go through Congress and signed by the President by June 5th, the latest date that the U.S. has sufficient funds to pay for its current spending according to Treasury Secretary Janet Yellen. The measure passed the House on May 31st with a 314-117 bipartisan vote. It is expected to pass the Senate on a bipartisan vote as well.

LEGISLATIVE UPDATE

On April 28th, U.S. Representatives (Reps.) Lloyd Doggett (D-TX), Mike Kelly (R-PA), Danny K. Davis (D-IL), and Adrian Smith (R-NE) introduced the Tax Free Pell Grants Act, which would expand the usage of Pell Grants on a tax-free basis while improving coordination with the American Opportunity Tax Credit (AOTC), and ensuring students do not lose out on any AOTC benefits. According to Rep. Doggett, this legislation would also expand eligible expenses under the existing tax credit to include computers and childcare.

On May 22nd, the White House issued a veto threat for a bill passed by the House of Representatives that would rescind the Biden Administration's efforts to forgive up to $20,000 in federal student loans for students. The vote came as the Supreme Court continues to weigh the merits in a pair of lawsuits brought against the debt relief program, and which the Court will decide this summer. The bill is fast-tracked under the Congressional Review Act, which requires only a simple majority to be passed in the Senate. The Congressional Review Act allows Congress to act swiftly to block major administration rules. Despite the White House's veto threat, the bill made it through a procedural hurdle with the help of Democratic Senators Joe Manchin (WV) and Jon Tester (MT) and Independent Senator Kyrsten Sinema (AZ).

ADMINISTRATION UPDATE

On May 9th, President Biden honored the nation's public school teachers at the White House for National Teacher Appreciation Day. The President's Proclamation officially recognizing National Teacher Appreciation Day identified several policy priorities affecting teachers and students from kindergarten through college, including fixing the Public Service Loan Forgiveness Program and investing in child care. The Presidential Proclamation coincides with National Teacher Appreciation Week, running from May 8th to May 12th, 2023.

On May 10th, USED released a Dear Colleague letter that impressed upon institutions of higher education (IHE) the importance of utilizing Federal Work Study (FWS) or other resources to increase the number of college students who serve as tutors, mentors, student success coaches, postsecondary coaches, and integrated student support coordinators. USED called on IHEs that receive FWS to set a goal of using at least 15% of their FWS funds for community service within the next two years and to devote any increase in the use of community service FWS compensation toward employment in P-12 schools or out-of-school programs. Additionally, USED announced the first cohort of 26 IHEs that have already committed to using FWS toward these purposes.

On May 15th, USED responded to a lawsuit brought in March by student loan refinancing company SoFi, asking the federal judge to dismiss the lawsuit altogether. SoFi sued claiming damages from the Biden Administration's pause in student loan payments, which allows all federal student loan borrowers to forgo monthly payments for the time being. The pause has been extended multiple times throughout the COVID-19 pandemic, and most recently until after the Supreme Court issues its opinion on the legality of the Biden Administration's student loan forgiveness plan. USED's motion to dismiss emphasized the Department's legal authority to pause payments and that the purpose of federal student loans is to give aid to students, not ensure the financial wellbeing of private companies.

On May 17th, USED announced new proposed rules that establish safeguards against unaffordable debt or insufficient earnings from career training programs, along with new measures to increase transparency across all postsecondary programs. The proposed Gainful Employment (GE) rule would terminate access to Federal financial aid for career training programs that routinely leave graduates with unaffordable debt burdens or with earnings that are no higher than workers without any education beyond high school. In addition, the proposed rules would also increase transparency regarding the true costs and financial outcomes of nearly all undergraduate and graduate degree programs. The proposed GE rule is estimated to protect more than 700,000 students annually who would otherwise enroll in one of nearly 1,800 low-performing programs. According to USED, these accountability measures will not only better protect students enrolled in low-financial-value programs but will also encourage improvements across all of higher education. The period for public comment will run for 30 days beginning May 19, 2023, and are expected to be finalized November 1, 2023 and go into effect July 1, 2024.