

Federal Policy and Advocacy Update

(Provided by the California Community Colleges Chancellor's Office. Information current as of February 1, 2024).

ADVOCACY UPDATE

During the week of February 5th, a large delegation of stakeholders from the California Community Colleges (CCCs), including Chancellor Christian and Board of Governors President Amy Costa, met with members of Congress in Washington, D.C., including members who represent Californians and/or sit on key Congressional Committees. The meetings allowed CCC advocates to raise key federal legislative priorities for the community college system. The trip to D.C. was scheduled in conjunction with the Association of Community College Trustees' (ACCT) 2024 National Legislative Summit.

CONGRESSIONAL UPDATE

On January 18th, Congress passed another temporary funding measure, referred to as a Continuing Resolution (CR), to avoid a government shutdown when the current two-tiered CR expire January 19th and February 2nd, respectively. Department of Education funding is tied to the February 2nd deadline. The new CR continues current funding levels to March in a similar two-tiered fashion, this time with expected shutdown deadlines set to March 1st and March 8th for respective agencies. The March 1st deadline includes the departments of Agriculture, Energy, Veterans Affairs, Transportation, and Housing and Urban Development, while the March 8th deadline includes the departments of Commerce, Justice, State, Defense, Homeland Security, Interior, Labor, Education, and Health and Human Services. The new CR and associated funding deadlines come amidst agreement on a framework for long-term fiscal year (FY) 2024 appropriations, which generally keeps funding even with FY 2023 levels, except \$20 billion drawn back from the Internal Revenue Service (IRS) and \$6.1 billion in unspent emergency coronavirus funds.

On January 23rd, the U.S. Department of Education (USED) announced it will be correcting an error with the newly updated Free Application for Federal Student Aid (FAFSA) that amounted to \$1.8 billion in aid being withheld from students who qualify for it. The error involved a failure to include adjustments for inflation in calculations of the aid for which students are eligible. USED has committed to correcting the error in time for the 2024-2025 award year, but has not provided a specific timeline for when the correction will be made.

On January 24th, over twelve Congressional Republicans led by Sen. Bill Cassidy (R-LA) and Rep. Virginia Foxx (R-NC) requested an inquiry from the Government Accountability Office (GAO) into the delays in implementation of the new FAFSA, required by the FAFSA Simplification Act, passed in 2020. The letter to the GAO focused on impacts to students due to the delays and whether colleges are receiving adequate guidance on the new FAFSA. For its part, the GAO said it will make a decision about the inquiry request in about a week.

LEGISLATIVE UPDATE

On December 12th, the Bipartisan Workforce Pell Act (H.R. 6585) passed the House Committee on Education and the Workforce. This legislation serves as a compromise between House Republicans and Democrats on expanding Pell Grant eligibility to programs shorter than 15 weeks, including many workforce programs that enroll students who meet the Pell Grant's financial need requirements. The Bipartisan Workforce Pell Act will need to pass the House of Representatives, the Senate, and receive signature from the President before becoming law.

On December 12th, A Stronger Workforce for America Act (H.R. 6655) passed the House Committee on Education and the Workforce. This legislation would update and reauthorize the Workforce Investment and Opportunity Act (WIOA) for the first time since 2014. WIOA provides funding for the bulk of the nation's workforce training programs. Updates to WIOA under this legislation include dedicated funding to upskilling workers; emphasis on employer-led initiatives that equip workers with the skill sets to fill jobs in critical industries; individual training accounts for displaced workers; work-based learning for youth; transition services for the formerly incarcerated; and enhancements to workforce education programs at community colleges that align with in-demand jobs.

On January 30th, House Democrats released their Roadmap to College Student Success, which features various legislative proposals aimed toward making college more affordable, improving access to high-quality programs and supporting students once they are in school. Among its proposals, the Roadmap would expand the Pell Grant to cover graduate programs, require institutions to tell students when they are eligible for federal food assistance programs, waive tuition and fees for two years of community college, and improve federal higher education data systems and better support students with disabilities. The Roadmap comes in response to House Republican proposals aimed at addressing college cost, particularly the College Cost Reduction Act (H.R. 6951). As the year goes on, more bills will be added to the Roadmap.

On January 31st, the House Education and the Workforce Committee convened to mark up the College Cost Reduction Act (H.R. 6951), a bill offered by House Republicans to address the expense and cost transparency of higher education. Among other components, the bill would require the Secretary of Education to create a standardized financial aid offer form for students and families; caps the total amount of federal student aid a student can receive annually at the median cost of college attendance; sunsets the Federal Supplemental Education Opportunity Grant program and the Leveraging Education Assistance Program and replaces them with a new performance-based "PROMISE" grant program; caps aggregate student loan limits for undergraduate, graduate, and graduate professional programs; and eliminates existing federal student loan repayment plans to replace with only two repayment plan options.

ADMINISTRATION UPDATE

On January 2nd, USED released six issue papers on six rule areas the Department is proposing to change. These include Cash Management, Return of Title IV Funds, Accreditation, State Authorization, Distance Education, and TRIO program rules. From January 8-11th, the Institutional Quality and Program Integrity Committee, made up of

non-federal negotiators from 15 constituency groups, met to discuss most of these issues as an early step in the negotiated rulemaking process. A subcommittee also met on January 12th to discuss the TRIO program. Additional meetings of the Committee will occur in February and March while the Subcommittee will meet again in February. Discussions at the meetings inform the Department's development and refinement of rule changes proposals.

On January 11th, USED announced it will begin debt forgiveness next month for borrowers on the Saving on a Valuable Education (SAVE) Plan who originally took out \$12,000 or less for college and have made as few as 10 years of payments. Eligible borrowers will have their debts cancelled without having to take any action. USED is encouraging borrowers who may benefit from this forgiveness to sign up for the SAVE Plan. According to USED, there are 6.9 million borrowers enrolled in the SAVE Plan as of early January, more than double the enrollment on the Revised Pay As You Earn (REPAYE) plan it replaced in August. Importantly, the shorter time to forgiveness benefit will particularly help borrowers who attended community colleges; these students typically borrow smaller amounts. Overall, the Department estimates that the SAVE Plan will make 85% of future community college borrowers debt free within 10 years. The SAVE Plan will also help borrowers who are more likely to struggle with their loans, as most borrowers in default originally borrowed \$12,000 or less.

On January 19th, USED announced \$4.9 billion worth of debt relief for 73,600 borrowers due to fixes to income-driven repayment (IDR) forgiveness and Public Service Loan Forgiveness (PSLF), according to USED. The debt relief includes \$1.7 billion for 29,700 borrowers through administrative adjustments to IDR payment counts that have brought borrowers closer to forgiveness and address longstanding concerns with the misuse of forbearance by loan servicers. In total, \$45.7 billion in IDR relief for 930,500 borrowers has been approved by the current Administration. An additional \$3.2 billion was forgiven for 43,900 borrowers through PSLF, including borrowers who have benefitted from the Biden-Harris Administration's limited PSLF waiver as well as regulatory improvements made to the program by the Administration. Total relief through PSLF is now \$56.7 billion for 793,400 borrowers since October 2021. Prior to the Biden-Harris Administration's fixes to PSLF, only about 7,000 borrowers had ever received forgiveness. The total loan forgiveness approved by the Biden-Harris Administration now stands at \$136.6 billion for more than 3.7 million Americans.

On January 22nd, the Chancellor's Office signed onto a letter addressed to the Members of the Program Integrity and Quality Committee and Federal TRIO Programs Subcommittee, expressing support for the expansion of eligibility for Federal TRIO programs to include undocumented students.

On January 30th, USED announced more than 3.1 million FAFSA forms have been successfully submitted since the 2024-25 redesigned application went live on December 30th, 2023. USED also announced that it has updated the Student Aid Index (SAI) calculation to appropriately account for inflation after observers discovered USED erred in its calculation of inflation, causing student aid amounts to be lower than they should be. College administrators are also raising concerns that students from "mixed status families" are prevented from qualifying for aid. This occurs when a U.S. citizen student

has undocumented parents who are unable to provide a social security or individual taxpayer identification number, as required by the FAFSA. Finally, USED announced that it would have to further delay its processing of applications by about two months to March 2024. This delay comes on top of previous delays with FAFSA implementation and the usual FAFSA timeline for this year. In response to these delays, Reps. Virginia Foxx (R-NC) and Burgess Owens (R-UT) sent a letter to USED Secretary Miguel Cardona demanding documents and communication about USED's implementation of the new FAFSA.