March 1, 2018

NATIONAL LEGISLATIVE SUMMIT

On February 11-14, Chancellor Oakley, Board Chair Estolano, Member Haynes, Special Advisor Menon, and Vice Chancellors' Feist and Metune participated in the Association of Community College Trustees (ACCT) National Legislative Summit. Leaders of the Community College League of California and the Academic Senate for California Community Colleges joined the team. We had a successful series of meetings with key members of Congress, including Representative Virginia Foxx, Representative Brent Guthrie, Senator Dianne Feinstein, Senator Lamar Alexander's Chief of Staff, and members of the California Delegation with an active role on the House Workforce and Education Committee. During the League's Annual Delegation Breakfast, Chair Estolano and Chancellor Oakley were able to engage our community college leaders in a conversation about the importance of our federal advocacy and our 2018 priorities.

FEDERAL BUDGET AGREEMENT

On February 9, 2018, President Trump signed the Bipartisan Budget Act of 2018. The two-year budget agreement increases spending for the military and domestic programs by nearly $300 billion. Among its provisions, the agreement includes emergency spending for disasters caused by Hurricanes Harvey, Irma, and Maria, California Wildfires; as well as, $2 billion for FY-18 and $2 billion for FY-19 aimed at student centered programs that aid college completion and affordability, including those that help police officers, teachers, and firefighters.

On Monday, February 12, 2018, President Trump released the FY-19 Budget Proposal, entitled: Efficient, Effective, Accountable: An American Budget. The budget proposes $4 trillion in spending for FY-19, aiming to reduce spending by $3.6 trillion over the next 10 years. Additionally, the proposal establishes a series of "pillars of reform" which include ending wasteful spending, expanding economic growth, preserving peace through strength, building the wall, building infrastructure, supporting American working families, protecting our veterans, combatting the opioid addiction, fighting high medical drug prices, moving from welfare to work, more pathways to affordable education and jobs, and promoting school choice. While the proposal establishes a number of recommendations that are of concern to our colleges and students, the proposal is largely symbolic. The full budget proposal can be found here: https://www.whitehouse.gov/omb/budget/.

HIGHER EDUCATION ACT REAUTHORIZATION

On February 13, 2018, the Senate Health, Education, Labor and Pensions (HELP) Committee announced that it was seeking comments for the Committee's consideration regarding the reauthorization of the Higher Education Act (HEA) of 1965. Comments were due by Friday, February 23, 2018. Chancellor Oakley submitted comments that focused on the following areas:

- **Strengthening Financial Aid-** California has the largest "free tuition" program in the nation; nearly half of all community college students and 70 percent of full-time students receive tuition waivers under the California College Promise Grant. Yet, low- and middle-income students face substantial financial barriers to completion. Over a third of our students experience housing insecurity and 12 percent experience food scarcity. Inadequate financial aid forces students to take fewer classes or work longer hours; these choices make them less likely to be academically successful. Increased access to and funding for federal Pell Grants and Supplemental

Educational Opportunity Grants (SEOG) are essential to reducing debt burdens and enhancing college completion for community college students.

Allowing students in shorter educational programs to be eligible for Pell Grants has the potential to provide significant benefits to students seeking affordable, high quality, short-term educational and training opportunities. However, in order to protect the taxpayers' investment and ensure students are receiving the knowledge and skills needed for our workforce, expanded access to Pell Grants should be accompanied by accountability measures that ensure short-term programs have strong labor market outcomes. Accountability is necessary to ensure we maintain public trust in postsecondary education, protect students and taxpayer investments; as well as, to assure industry and employers that our postsecondary system is providing the knowledge, skills, and talent to meet their needs, critical to our competitiveness as a country.

Our colleges and students have benefitted from changes to the Free Application for Federal Student Aid (FAFSA), including allowing the use of prior-year tax data and early availability of the FAFSA. Overall, however, too many community college students continue to face obstacles in completing the federal financial aid application including verification burdens that disproportionately affect low-income students. The FAFSA can and should be further simplified and those overly burdensome questions on the FAFSA that do not have a significant impact on financial aid determination should be eliminated.

- **Supporting Federal Loan Program Participation-** While California Community Colleges have long prioritized need-based grant-aid to support our students, we recognize the important role that federal student loans play in ensuring students can afford to attend and succeed in college. If our students must use loans to attend college, it is vital to ensure students are protected from insurmountable debt burdens and unreasonable loan repayment terms. We strongly support recent enhancements to the federal loan program, such as Income-Based Repayment and the Public Service Loan Forgiveness.

  Despite improvements to the federal loan program in recent years, 22 California Community Colleges do not currently participate in the federal loan program, out of concerns related to administrative burden, student debt loads, and penalties associated with high Cohort Default Rates (CDR). The Chancellor's Office is working closely with these colleges to encourage them to re-enter the loan program. Changes to the administration of the loan program would support and align with California's efforts. Specifically, the Department of Education recently proposed, but has not yet enacted, a rule to allow low borrowing rate colleges to challenge CDR from any year, as opposed to just the year in which a school would actually be subject to sanctions. This allowance helps ensure community colleges continue to participate in the federal loan program. Congress should ensure that the Department implements this allowance, in order to provide community colleges needed exemptions and help them avoid timely and costly challenge processes. Additionally, to CDR, colleges can benefit from greater transparency around loan repayment information for student loan borrowers, that can help grow a shared understanding of the impact of student debt burden on former students, and identify new solutions to support student loan borrowers.

  A growing number of colleges are concerned with students accessing excessive loan amounts and have sought explicit congressional authority to reduce loan amounts for specified categories of students. We share the concern that borrowing without sufficient progression towards a student's educational goal can adversely affect them if they are unable to attain their credential and realize the economic gains associated with their postsecondary education. However, we encourage Congress to evaluate efforts to help borrowers make better borrowing decisions and manage student debt burdens, to ensure that policy changes in this area do not lead to inequitable treatment of borrowers in similar circumstances, including an understanding of the full costs of attending college. We are particularly interested in further discussion around disbursement timelines and more effective and appropriate loan counseling for students.

- **Clarifying the Role of Learning Innovations like Competency Based Education-** California is estimated to face a degree and credential attainment gap of 2.4 million by 2025. This shortfall has implications for the social mobility of our residents and the economic competitiveness of our nation. To alleviate the gap, our colleges must take immediate action to increase college attendance and graduation rates, particularly among our adult learner population. This strategy is about expanding the set of learning pathways to credentials with a focus on the skills and competencies needed in the workforce and is foundational to future educational opportunities and career advancement. We believe that critical to this approach is the expansion of Competency Based Education (CBE) programs. CBE delivers academic content based on what a student knows and can do, rather than following a traditional course taking pattern that requires students to spend a specific amount of time in a classroom. When colleges offer CBE, our students have the opportunity to complete their credentials and degrees with greater relevancy, faster, and more affordably. It is important that HEA reflect and support these types of revolutions in higher education. It is equally important that appropriate controls and oversight be implemented, to ensure programs are effective, affordable, and high quality and that Title IV funds are protected against loopholes that would allow unscrupulous actors to exploit students and taxpayers.

- **Expanding Access to Student Level Data-** California has made great strides to expand access to data that allows students and the public to receive accurate, relevant, and representative information to know what they can expect in return for their investment of time and money. However, California and our institutions have a difficult time providing complete information because only the federal government has access to complete earnings information. The current federal limitation on data collection for only students who receive federal financial aid is problematic for purposes of disclosure, accountability, and program and institutional improvement.

- **Assuring Oversight and Accountability-** The Federal Student Aid programs are a vital resource to provide low- and moderate-income students the opportunity to enroll in and succeed at our institutions. In turn, colleges have a responsibility to ensure we are working towards strong outcomes for our students and being good stewards of public funds. A critical part of meeting that responsibility is ensuring that we are holding colleges accountable for measurable outcomes and that students have reliable, comparable, and consumer-friendly program-level information about cost and performance. A meaningful accountability structure should not ignore the well-documented abuses in the for-profit higher education industry. Accountability must ensure public funds are appropriately spent and that students are protected from poor performing colleges and programs. Far too many students enroll in career-training programs with the promise of high-wage jobs, only to find themselves with a credential not valued in the market place and insurmountable student loan debt. Congress should ensure that all colleges that participate in the Federal Student Aid program are using public funds responsibly and that a robust, transparent, accountability and oversight structure protects against the abuses of bad actors.

DEFFERED ACTION FOR CHILDHOOD ARRIVALS

On February 13, 2018, U.S. District Court Judge Nicholas G. Garaufis issued a nationwide injunction that requires the Department of Homeland Security (DHS) to resume renewals under the Deferred Action for Childhood Arrivals (DACA). In January, a federal judge in California similarly ordered the Administration to restart DACA renewals. U.S. Citizenship and Immigration Services then resumed accepting DACA renewals for the first time since October, allowing undocumented immigrants seeking to extend their enrollment to submit applications. As with the California order, the Administration is not required to accept new DACA applications as a result of this new injunction.

In recent weeks, the Senate considered a series of amendments in an attempt to reach consensus on a bipartisan immigration reform proposal, including a DACA fix, which could overcome procedural hurdles in the Senate, requiring the support of 60 Senators to pass. Specifically, the Senate considered four amendments ranging from the Trump Administration’s immigration framework; a bipartisan proposal to provide an estimated 1.8 million undocumented immigrants a path to citizenship, while spending $25 billion on border security; a proposal to extend certain undocumented immigrants a path to citizenship that did not include funding for a border wall; and a proposal related to sanctuary cities. None of the amendments received sufficient support to pass the Senate leaving next steps related to a DACA fix unclear.

On Monday, February 26, 2018, the U.S. Supreme Court declined to hear the DACA case, and instead ordered an appeals court should hear the case first. The Trump Administration had attempted to bypass the 9th Circuit Court of Appeals and go directly to the Supreme Court.