



# Persistence and a Little Creativity

by Jee Hang Lee

DURING THE PAST SEVERAL YEARS, community colleges have faced unprecedented enrollment increases. While many institutions faced more than 10 percent hikes, some rural colleges saw enrollments rise by 30 percent or more. At the same time, the challenging economic climate at the federal and state levels has hampered the ability of community colleges to deal with this wave of new students. Even with these two major factors, community colleges continue to provide educational, career, and workforce-training opportunities to millions of students. In short, they continue to be engines of prosperity for their communities.

Recognizing the importance of community colleges, President Barack Obama made community colleges a focal point in his higher-education policy agenda, culminating with the announcement of the American Graduation Initiative (AGI). AGI brought national attention and publicity to the important role that only community colleges can play in increasing the number of Americans with post-secondary education or credentials. With the signing of the Health Care and Education Reconciliation Bill of 2010, community colleges will receive significant federal funds, which are critical in this time of state budget cuts. This legislative victory would not have happened without vocal support from the thousands of community college trustees, presidents, and other leaders who continually advocate on behalf of the importance of community colleges in helping the national, state, and local economies.

The legislative process over the past year has been a rollercoaster, and we at ACCT want to provide background on what transpired.



## A Little Refresher

During his first address to Congress last February, President Obama outlined a number of higher education goals, which include ensuring that every American should obtain at least one year of postsecondary education and working to regain America's world leadership in higher education attainment by 2020. At first glance, the AGI's goals would place a heavy emphasis on the multiple missions of community colleges. In its budget request for FY2010, the administration also proposed making the Pell Grant program mandatory (not subject to the discretionary appropriations process), as well as eliminating the Federal Family Education Loan (FFEL) program and converting all federal loans to the Direct

Loan program. There was strong support for the elimination of FFEL because many lenders had left colleges — and especially community colleges — in the wake of the credit crunch, prompting Congress to pass legislation making the federal government the lender of last resort. Politically, the Pell proposal seemed unlikely because the cost of converting Pell to a mandatory program vastly exceeded the savings generated through the elimination of FFEL, and key lawmakers, including Appropriations Committee members, opposed the move. While there was support for the conversion to direct loans, it became clear that there were not 60 votes in the Senate, which would have forced the use of reconciliation to enact the change.

Last year during the federal budget process, Congress passed the FY2010 Budget Resolution, which provides the funding roadmap for the government. Specifically, the legislation included instructions stipulating that Congress could use the budget reconciliation process for health care and education but would also need to generate savings of \$1 billion in each section. Under Congress rules, there can only be one reconciliation bill a year. Most importantly from the Senate perspective, this bill cannot be filibustered and only requires 51 votes to pass. Although the rules do not allow a filibuster, senators can offer amendments to this type of legislation, slowing down the process. In the past decade, the reconciliation process has been used five times — including, most recently, during the passage of the College Cost Reduction and Access Act of 2007.

With Congress moving towards using the reconciliation process for the elimination of FFEL, the Administration announced the American Graduation Initiative (AGI). Totalling \$12 billion, the AGI would have supported community college modernization and programs across the country. In return, the administration challenged community colleges to graduate 5 million more students — through degrees, certificates, or transfers — by 2020. The administration wanted the initiative, the largest targeted federal investment in community colleges, funded through the savings generated from the elimination of the FFEL program.

Last summer, the House of Representatives, led by Education and Labor Committee Chairman George Miller (D-Calif.), started crafting legislation that would encompass the goals outlined by the administration. Chairman Miller introduced H.R. 3221, the Student Aid and Fiscal Responsibility Act (SAFRA) of 2009. The Congressional Budget Office said that eliminating the FFEL program would save \$87 billion over 10 years. Given this score, H.R. 3221 used the savings to fund the Pell Grant program, AGI, early learning programs, K-12 modernization, other higher education programs, and deficit reduction. The House passed the bill by a vote of 253-171 last September. After House passage, the Senate started to work on its version of SAFRA, which was drafted but

never released. Due to the uncertainty related to health care and the use of reconciliation, the Senate waited for health care legislation to play out and resolve itself. While the Senate passed its version of health care with 60 votes in late December, the dynamics of the legislation shifted when Scott Brown won the Senate seat in Massachusetts. Brown's election changed the voting calculus and the health debate endgame. The use of reconciliation for health care became a reality, which, in turn, pushed back consideration of SAFRA until the final steps for health care legislation could be determined. Meanwhile, due to a number of colleges shifting to the direct loan program, the cost savings generated by the elimination of the FFEL program dropped to \$68 billion. This new cost estimate, along with a projected Pell Grant shortfall of \$19.5 billion, jeopardized the funding allocations within the bill.

### **Mother Nature: On Our Side?**

More than three feet of snow fell on Washington, D.C., in February, causing the National Legislative Summit to be postponed. The snow also forced the federal government to close for several days, postponing votes in the House and Senate. With the AGI and SAFRA in flux, ACCT needed to continue the drumbeat for those critical dollars and rescheduled the NLS for March. The NLS reconvened at the most critical time, as Congress and the administration negotiated the details of the final reconciliation bill. Four hundred community college trustees, presidents, students, and other leaders who attended the NLS descended on Capitol Hill to advocate on behalf of AGI and SAFRA. During the NLS, ACCT got final word that SAFRA would be part of the reconciliation. Unfortunately, we also learned that the prospects for AGI were bleak. While the Senate and House leaders agreed to include education reconciliation with health care, there were some disagreements about what would be included on the education side. With the Senate pushing to use the \$68 billion savings, that recalculation and the Pell Grant shortfall constricted the funding allocations for all programs. Additionally, some members were balking at authorizing new programs within reconciliation.

Due to the strong advocacy efforts at the NLS and during the last year, community colleges had done an effective job of emphasizing the importance of AGI and SAFRA for colleges and students. As the Administration and Congress looked to provide funds to community colleges, they searched for an existing program that they could use as a vehicle for this much-needed support. The Administration was able to find a program that was created by the American Recovery and Reinvestment Act that would focus funds on community colleges for dislocated workers. The reconciliation bill provided \$2 billion for the Community College and Career Training Grant Program (\$500 million for each of four years, during fiscal years 2011-2014). Each state will be guaranteed one half of one percent of the total funding, which totals \$2.5 million per state. The program will be run by the Department of Labor, with coordination from the Department of Education. For perspective, the CCCT grant funding is four times as large as the Career Pathways program (formerly the Community Based Job Training Grant program), which has been the signature federal program for community colleges.

While the funding is not as robust as AGI, the fact that Congress and the administration provided so much support for community colleges is a testament to the persistence and hard work of community college trustees, presidents, students, and other leaders in supporting the critical need to fund AGI and SAFRA. Today, we celebrate the hard work that led to these additional dollars; however, more work needs to be done to get AGI enacted into law and funded. Congressional supporters and the administration have already signaled that they are looking to get AGI passed. Through your efforts, we have already received a major infusion of federal funds for community colleges. It took a lot of persistence — and just a little creativity — to get it done.



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