

Community Colleges and the State of the Union

On January 24th, President Obama gave his annual State of the Union Address to Congress and the nation. Part of his plan includes significant investment in education and community colleges. Accompanying the State of the Union Address is a blueprint developed by the White House describing the initiatives mentioned during the speech. Below are excerpts from the President's Blueprint for an America Built to Last:

- **Forge new partnerships between community colleges and businesses to train and place 2 million skilled workers:** Many industries have had difficulty filling jobs requiring specific technical skills, even with many Americans still looking for work. In coming years, America will need to fill millions of mid- and high-level skilled positions in industries from healthcare to advanced manufacturing, clean energy to information technology. The President proposed a new initiative to train and place two million Americans in good jobs through partnerships between businesses and community colleges that give workers the skills employers explicitly need.

This is a new proposal, and it is anticipated that new funding will be designated in the President's proposed FY 2013 budget. Additional plans by the White House include the following:

- **Preventing student loan interest rates from doubling, and doubling the number of work-study jobs:** The President called on Congress to stop the interest rate on subsidized Stafford student loans from doubling on July 1st of this year. In addition, the President wants to double over five years the number of work-study jobs for college students who agree to work their way through school.
- **Permanently extending tuition tax breaks that provide up to \$10,000 for four years of college:** The President is proposing to make the American Opportunity Tax Credit permanent, maintaining a tax cut that provides up to \$10,000 for tuition over four years of college.
- **Rewarding Schools that Keep College Affordable:** The President is proposing to change the way federal student aid is distributed by implementing an improved formula that shifts aid from schools with rising tuition to those acting responsibly, focused on setting responsible tuition policy, providing good value in education, and ensuring that higher numbers of low-income students complete their education. He is also proposing to increase the amount of campus-based aid to \$10 billion annually. The increase is primarily driven by an expansion of loans in the Perkins program.
- **The Race to the Top: College Affordability and Completion:** The President is proposing a program that would spur systemic state reforms to reduce costs for students and promote success in our higher education system at public colleges. This \$1 billion investment would incentivize states to: (1) Revamp the structure of state financing for higher education; (2) Align entry and exit standards with K-12 education and colleges to facilitate on-time completion; and (3) Maintain adequate levels of funding for higher education.
- **Empowering Families and Students to be Informed Consumers:** President Obama is proposing new tools to provide students and families with information on higher education, presented in a comparable and easy-to-understand format, including: (1) Creating a College Scorecard for all degree-granting institutions; (2) Making the 'Financial Aid Shopping Sheet' a required template for all colleges; and (3) Collecting earnings and employment information from colleges.

The President's priority plan and speech also mentioned: Passage of the DREAM Act; streamlining training and employment services for dislocated workers; and calling upon states to address drop-out prevention by requiring high school students to stay in school until they turn 18. Most of these proposals will require Congressional action, but they will also be reflected in the President's FY 2013 budget plan expected to be released February 13th.