Community College Position on Senate Stimulus "4.0" Legislation

The Senate is expected to consider funding legislation to address COVID-19 issues in the coming weeks, following approval by the House of Representatives of the HEROES Act, H.R. 6800. At this time of economic crisis, community colleges urge the Senate to consider the following in its stimulus legislation.

1) **Provide $46 Billion for Higher Education, Using the Institutional Allocation Formula in H.R. 6800; Refine the Maintenance-of-Effort (MOE) language.**
   - H.R. 6800 does not provide the full higher education request of $46.6 billion. This amount is the bare minimum required to meet the needs of community colleges, with their invaluable contributions to economic and social well-being.
   - The student headcount-based formula used in H.R. 6800 to distribute funds reflects student populations and relative institutional needs better than that in the CARES Act and should be retained. Funds should be provided directly from the U.S. Department of Education (ED) to institutions.
   - The state maintenance-of-effort language in H.R. 6800 is not tenable given current state fiscal realities. States should be required to continue to devote no less than the percentage of their budgets (including stabilization resources provided to them through the stimulus 4.0 legislation) that they provided to higher education (including need-based student aid) in fiscal year 2019.

2) **Adopt the HEROES Act Language for the Institutional Use of Stabilization Funds**
   - H.R. 6800 provides needed institutional flexibility for addressing their own fiscal needs and those of their students. It enables institutions to use funds to backfill the financial gaps created by dramatically reduced public support and declining enrollments, while modifying campus activities to adapt to COVID-19.
   - Language addressing student emergency grants in H.R. 6800 will facilitate a far more efficient and comprehensive allocation of funds than that in the CARES Act, and its subsequent implementation. It is critical that new legislation apply to CARES Act grants as well as any additional funding that may be provided.

3) **Establish Dedicated Community College Job Training Funding and Provide More Flexible Workforce Education Opportunities**
   - The federal government needs to immediately provide to community colleges training support for individuals ravaged by the recession. $1 billion should be allocated in each of fiscal years 2020 and 2021, and funds should be available through FY 2023, as institutions reconfigure workforce programs to respond to a radically new economic and educational environment.
   - Pell Grant eligibility should be extended to programs between 150 and 600 hours, at least through the end of 2022. Newly unemployed and chronically underemployed individuals – those most impacted by the economic crisis – will primarily benefit from such eligibility. In order to address concerns about fraud, eligibility should be limited to public and non-profit institutions.

4) Temporarily Alter the Lifetime Learning Tax Credit to Cover $2,000 in Workforce-Oriented Training

- The Lifetime Learning Tax Credit (LLC) should be better focused on individuals needing to develop job-oriented skills. Through the end of 2022, the LLC should cover 100% of an individual's first $2,000 of tuition and qualified expenses. This would help provide economic opportunity as the economy recovers. Currently, the LLC is overwhelmingly beneficial for graduate and professional students, at the expense of working community college students.

5) Include Institutions of Higher Education in the Main Street Lending Program and Paycheck Protection Program

- Community colleges have a deep economic impact on their communities and many need access to low-cost capital to help them navigate dramatically diminished revenues. The HEROES Act provides institutional access to the Main Street Lending Program and the Senate is urged to adopt this policy.
- For the same reasons, public colleges also should be made eligible for any additional funds provided to the employers to pay for the mandated paid sick and Family and Medical Leave Act (FMLA) leave enacted in the "Families First Coronavirus Response Act." Senate legislation should include an extension of the Paycheck Protection Program. This would provide public colleges with the same needed eligibility that private, non-profit colleges currently have.

6) Make Public Institutions Eligible for Employee Retention and Family Medical Leave Act Tax Credits

- H.R. 6800 makes public institutions eligible for an expanded employee refundable payroll tax credit and for the refundable tax credit that supports these provisions.

7) Support Students During the Pandemic

- Maintain the student borrower relief provided in the CARES Act. The effects of this pandemic will likely be felt beyond the current sunset of these provisions and borrowers will need this support as they struggle to recover financially.
- Provide $5 billion in financial aid for students during the economic crisis. These resources should be distributed through the Supplemental Educational Opportunity Grant (SEOG) program based on institutions' relative share of Pell Grant recipients. The institutional share should be waived, and disbursements should only be made to institutions that received an SEOG allocation in the previous fiscal year.

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