

FACT SHEET - SENATE FY 2013 LABOR – HHS – EDUCATION APPROPRIATIONS BILL

On June 14th, the Senate Appropriations Committee passed its FY 2013 LHHS-ED bill by a vote of 16 to 14. Most education and workforce programs were level funded. There were several pertinent authorizing changes made in the bill. All of the changes and funding levels will need to be included in the final FY 2013 bill passed by the House and Senate, and signed into law in order to be enacted.

- Increase the Pell Grant Max - The bill includes an \$85 increase for the maximum Pell Grant award, bringing the new maximum to \$5,635. This is an automatic statutory cost of living increase created by formula under the Health Care and Education Reconciliation Act of 2010.
- Authorizing Changes to Reduce Pell’s 2014 Shortfall - For FY 2013 the Pell Grant program has a cumulative surplus of \$2.087 billion. The Senate’s bill applies this surplus to the FY 2014 projected shortfall, which is now estimated to be \$6 billion. Additionally, the bill makes authorizing changes to provide additional savings that will be applied to the Pell Grant program for FY 2014 and beyond. These changes include:
 - eliminating the use of room and board in the cost of attendance calculation for Pell Grant eligibility for distance education students who receive all of their instruction online. Only tuition and fees, books and supplies will be covered under cost of attendance.
 - limiting the duration of a student borrower’s in-school interest subsidy to 150 percent of the normal time required to complete the educational program. This provision would impact new borrowers only. For students enroll on a less than full-time basis, the Secretary of Education shall specify how a proportional calculation will be applied to their loans.
 - reducing the amount of loan rehabilitation funds that may be retained by guaranty agencies.

Combined, these three changes generate \$3.517 billion in savings which will be applied to the FY 2014 shortfall, thus lowering the shortfall to \$2.4 billion according to CBO estimates.

Pell Funding in FY 13 As Proposed in the Senate	FY 2013 (In Millions of Dollars)
Discretionary Appropriations	\$22,824
Mandatory Funding	\$7,587
Reduced Program Costs	\$16
Surplus for 2013	\$2,087
Additional Offsets put Towards Pell Funding	\$3,096
Total Funding from FY 2013	\$35,610
Total Funding Needed for FY 2013	(\$30,659)
Surplus to be carried over for FY 2014	\$4,951
Expected FY 2014 Pell Shortfall including FY 2013 Carryover	(\$2,444)

- Partial Restoration of Ability-to-Benefit - The bill includes partial restoration of Pell Grant and Title IV eligibility for Ability-to-Benefit (AtB) students participating in career pathway programs. These career pathway programs co-enroll participants in connected adult education and eligible postsecondary programs; provide counseling and supportive services; provide structured course sequences; provide opportunities for acceleration to attaining recognized postsecondary credentials; are organized to meet the needs of adults; are aligned with the education and skill needs of the regional economy; and collaborate with partners in business, workforce development, and economic development. This eligibility change will expire in seven years but it will allow Congress as it reauthorizes the Higher Education Act to permanently extend and/or broaden eligibility to a larger number of AtB students.

- Bans the Use of Federal Funds for Marketing, Recruitment, and Advertising - The bill bans colleges and universities from using federal educational resources on marketing, recruitment, and advertising. This is defined as advertising and promotion activities, including paid announcements in newspapers, magazines, radio, television, billboards, electronic media, naming rights, or any other public medium of communication, including paying for displays or promotions at job fairs, military installations, or college recruiting events. It also includes payment for third party recruiters and employees responsible for overseeing enrollment. The provision also requires institutions of higher education that receive federal dollars to report annually to the Secretary of Education and Congress the institution's expenditures of advertising, marketing and recruiting.
- New First in The World Competition - Of the President's FY 2013 budget request proposals for higher education, the only new one to be included in the Senate's bill was the "First in the World" competition. It was funded at \$39 million.
- Increase in Governor's WIA Set Aside for Training - The bill increases the current set aside for Governors to reserve a portion WIA State grant program funding from 5 to 10 percent. These funds may be used to support on-the-job and incumbent training to improve the skills of workers for in-demand occupations or industries.
- Study on Regulatory Impact on Higher Education - The bill sets aside \$1,000,000 for the National Research Council to conduct a study on the impacts of federal regulations and reporting requirements on institutions of higher education. The study shall include the number of regulations and reporting requirements affecting institutions, the estimated time required and costs to institutions to comply with the regulations and reporting requirements, and recommendations for consolidating, streamlining, and eliminating redundant and burdensome regulations and reporting requirements.
- Permits Contracts to Institutions of Higher Education Under WIA - The bill permits local workforce boards under WIA to award a contract to an institution of higher education or other eligible training provider if the board determines that it would facilitate the training of multiple individuals in high-demand occupations.
- Renaming OVAE - The bill includes a new provision changing the name of the Office of Vocational and Adult Education to the Office of Career, Technical, and Adult Education.

PROGRAM	FY 2011 Funding	FY 2012 Omnibus ⁱ	FY 2013 Senate Funding
SEOG	\$735,990,000	\$734,599,000	\$734,599,000
Federal Work Study	\$978,531,000	\$976,682,000	\$976,682,000
Career and Technical Education State Grants (Perkins)	\$1,122,164,000	\$1,123,030,000	\$1,123,030,000
Adult Basic and Literacy Education	\$596,120,000	\$594,993,000	\$594,993,000
TRIO	\$826,522,000	\$839,932,000	\$839,932,000
GEAR UP	\$302,816,000	\$302,244,000	\$302,244,000
Title I Grants to LEAs	\$14,463,416,000	\$14,516,468,000	\$14,616,468,000
IDEA State Grants	\$11,465,960,000	\$11,577,855,000	\$11,677,855,000
WIA State Grants	\$2,657,300,000	\$2,603,300,000	\$2,603,300,000
Strengthening Institutions	\$83,832,000	\$80,623,000	\$80,623,000
Hispanic Serving Institutions	\$104,395,000	\$100,432,000	\$100,432,000
Asian American and Native American Pacific Islander Serving Institutions	\$3,199,000	\$3,199,000	\$3,199,000
Tribally Controlled Colleges and Universities	\$26,820,000	\$25,713,000	\$25,713,000
Predominately Black Institutions	\$9,602,000	\$9,262,000	\$9,262,000

i – for FY 2012, there was an across the board cut of .189% included in the final bill.