COMMUNITY COLLEGE AGENDA FOR THE TRUMP ADMINISTRATION

AMERICAN ASSOCIATION OF COMMUNITY COLLEGES

Community College Agenda for the Trump Administration

As the new administration of President-elect Donald J. Trump develops its higher education policies, the American Association of Community Colleges (AACC) is pleased to present its vision of how the federal government can be help community colleges fulfill their mission of building a stronger America by providing high-quality education and related programs. AACC represents the nation's more than 1,100 community colleges and their students.

Community colleges remain by far the most affordable sector of higher education. They have an average full-time annual tuition and fees of $3,435, and enroll 7.3 million credit students annually—close to 45% of all U.S. college undergraduates. In addition, at least 5 million students take non-credit classes, often in workforce-oriented programs to enhance job skills. The average student age is 28.

The country will benefit if the Trump administration's policies reflect current community college trends and priorities. These include a laser-like focus on student completion and success and more sophisticated methods of addressing the needs of business, within an overall context of continued public sector disinvestment.

Higher education is a private good benefitting those who obtain it, but it is also a substantial public good. Greater educational attainment is highly correlated with higher earnings, more tax payments, and the use of fewer government services. A 2015 AACC report shows that investments in community college students earn considerable rates of return to both individual students and the broader society. College graduates also contribute to society in many other less tangible ways.

Recent years have witnessed a sizable decline in state and local funding for community colleges. The Great Recession played a large role in this, but the trend started before then and has not fully abated since. In the 2013–14 academic year, community colleges received roughly 48% of their revenues from state and local sources and 30% from tuition and fees. As a portion of their overall revenue stream, over the last decade state and local support for community colleges decreased by 8%, while tuition revenues increased by the same amount. This clearly illustrates the direct correlation between public support for institutions and what students pay. Meantime, per-student, inflation-adjusted state expenditures have declined.

The following proposals represent some, but not all, of AACC's highest federal priorities. AACC welcomes the opportunity to work with the new administration to further develop these ideas and assist in policy development in related areas.

Help Students Access and Succeed in College

1) Strengthen the Pell Grant Program

The Federal Pell Grant Program is the most important source of support for low- and middle-income students seeking to pursue higher education. Research continues to show that access to, and success in, college are highly correlated to family income. Approximately 38% of community college students receive Pell Grants—more than 3 million each year—with the majority receiving the maximum grant. In addition to tuition and fees, Pell Grants help pay for books and equipment, transportation, and living expenses. This is especially important for community college students, whose non-tuition costs are often greater than tuition.

In the last 8 years, the maximum Pell Grant has grown substantially, from $4,310 to the current $5,815. However, more can be done to strengthen the program to better assist today's students.

- Reinstate the Year-Round Pell Grant: After being in existence for just a year, in 2011 Congress eliminated the ability of students to receive additional Pell funds during an award year if they wished to attend school year-round. (The studies often take place during the summer, hence the moniker "Summer Pell.") Community college leaders strongly believe that year-round Pell would help students both complete their programs more rapidly and in greater numbers.

- Ensure that the Pell Grant Maximum Keeps Pace with Inflation: For the last several years, the Pell Grant maximum award has been indexed to the Consumer Price Index, paid for with mandatory funding. Absent further action, these increases will stop after the 2017–18 award year, and increases in the maximum grant will have to come from additional appropriations. The indexing of the Pell Grant has helped to ensure its value at a time when higher education and associated costs have continued to rise. A Pell Grant maximum award indexed to a higher education price index (which is keyed to the costs of attending college) would ensure that the program is sustaining support to students. Pell Grants are synonymous with higher education opportunity and this change will help ensure that this opportunity is maintained.

- Adapt the Pell Grant Program to New and Additional Educational Offerings: Higher education is rapidly evolving, as students, institutions, employers, and others are closely examining the educational offerings and outcomes of a growing number of entities. Innovations such as competency-based education, micro and stackable credentials, training directed to industry certifications, and other advances are occurring continuously. AACC believes that the federal student aid programs need to accommodate these changes, by expanding Pell Grant eligibility to these programs on a limited basis, giving institutions the ability to choose which programs have had the most success in placing or retaining students in good jobs.

2) Invest in the Development of Open Educational Resources

For many community college students, the cost of textbooks and other educational materials is a significant component of their cost of attendance—about $1 spent on materials for every $3 spent on tuition. The federal government can help students by supporting the development and adoption of high-quality open educational resources that are available at no or minimal cost. Support should come from a combination of new resources and continuing the requirement that materials developed using federal funds be licensed as open educational resources. Any such policy must be finely crafted so it does not inadvertently deter the development by the private sector of new and improved educational materials. Instead, it should encourage the cooperation of producers and consumers of copyrighted material to seek a model that offers more high-quality open resources to students and college faculty.

3) Help the Most Economically At-Risk Students Stay in School

Even if all the above proposals were adopted, many community college students would still be forced to leave school because of unanticipated expenses. For many at-risk students, these expenses are not large. A recent study by the Federal Reserve Bank found that more than half of U.S. households would not be able to pay an unexpected expense of $400 without borrowing money or selling a possession. A number of colleges and organizations have found that micro-grants that help students with expenses such as car repairs or medical treatments can reap large dividends by preventing them from dropping out. The federal government is the largest investor in needy students through the Title IV programs, giving it a vested interest in ensuring that small, unanticipated expenses don't cause students to leave college. Through the establishment of a new Micro-Grant for Student Success Fund, distributed to colleges based on their number of Pell Grant recipients and administered by the institutions, the federal government could do just that.

Childcare expenses are another major reason students drop out of college or don't enroll in the first place. Many community colleges operate daycare centers for their students, often in conjunction with early childhood education programs, but demand far outstrips supply. The federal Child Care Access Means Parents in School Program (CCAMPIS) currently supports some campus childcare centers, but current CCAMPIS funding of $15 million is woefully inadequate. It should be increased to at least $100 million annually.

4) Rethink the Tax Code's Student Financing Provisions

The federal government provides an enormous amount of support for higher education attendance through the tax code—$20 billion for tax credits alone, two-thirds the cost of the Pell Grant program. It is widely acknowledged that these credits, along with the code's savings incentives, loan interest, and tuition deductions are not targeted to those who need them the most, and are poorly integrated with each other. The Trump administration should work aggressively to rationalize these tax provisions, and ensure that they are structured to provide support for individuals with the greatest financial need, as they are least likely to attend and complete college. In particular, the American Opportunity Tax Credit should be altered to ensure that the lowest income community college students qualify for the credit.

Invest In Community College Workforce Training Capacity

1) Reestablish Direct Federal Support for Community College Training Programs

From 2005 to 2014, the federal government provided competitive grant funds to community colleges to help them expand and improve their capacity to train workers for quality jobs. Starting with the Community-Based Job Training Grants and continuing with the Trade Adjustment Assistance Community College and Career Training Grants (TAACCCT), the last two administrations, from different political parties, have shown a commitment to direct support for community colleges in this vital mission.

AACC proposes an annual $500 million Community College and Industry Partnerships program that engages key players, particularly business and industry, in expanding, modernizing, and otherwise improving community colleges' ability to educate the workforce of today and tomorrow. The uses of program funds would be relatively flexible and include faculty and curriculum development to align programs with industry needs; equipment and infrastructure expansion and modernization; development of innovative program designs, such as competency-based models, apprenticeships, and other workplace learning; and facilitation of broad-based college/business coalitions, including sector-based initiatives.

2) Increase Investment in Existing Workforce Education Programs

Community colleges rely heavily on several federal workforce programs, all of which are funded well below their historic highs, despite an increased need for these programs and services that often far outstrips the resources currently provided. AACC calls on the next president to support restoring the following vital programs to their inflation-adjusted historic highs. That said, dramatic increases are needed and well justified.

- Perkins Career and Technical Education (CTE) Basic State Grants: Perkins Act resources flow through state agencies to local secondary and postsecondary education institutions to support improvement of CTE programs at each level and bolster the connections between programs.

- Workforce Innovation and Opportunity Act (WIOA) Title I Programs: These programs provide formula funding to train and otherwise assist dislocated workers, low-income adults and at-risk youth.

- Adult Education and Family Literacy Act (AEFLA): Authorized in Title II of WIOA, the AEFLA program helps adults attain basic literacy, numeracy and English language skills, G.E.D. certificates, and helps them make the transition to postsecondary education.

- National Science Foundation Advanced Technological Education (ATE) Program: The ATE program awards competitive grants to community colleges to develop and improve technician and STEM education in a variety of cutting-edge fields, such as nanotechnology and biotechnology. Industry partners are heavily involved in program development.

Invest in Community College Infrastructure

In his presidential campaign, President-elect Trump emphasized the need for American to make substantial new investments in its physical infrastructure. This need for additional infrastructure expenditure has been felt acutely at America's community colleges for many years.

For almost two decades, the federal government contributed significantly in building college facilities through the Higher Education Act, although that support has long since been phased out. However, a Senate version of the 2009 American Recovery and Reinvestment Act (ARRA) included dedicated funding for community college facilities, and the American Graduation Initiative as passed by the U.S. House of Representatives included a new program of facilities funding relying on a state match. Neither of these initiatives was enacted, despite clear evidence of the potential benefits.

State-of-the art facilities are integral to the ability of community colleges to provide state-of-the art education and related training. The overall state of facilities is severely lacking. The problem is so massive that a comprehensive estimate of the need is difficult to obtain, as needs evolve with changing technology and private-sector demands, and the cost of projects themselves. But without doubt, the amount is greater than $10 billion.

The federal government should invest in community college facilities in two different respects. The first is in the institutional facilities themselves, which, as stated, are badly in need of investment.

New projects should be awarded on the basis of relative need as determined by states, which would be required to demonstrate the impact of the proposed project on workforce outcomes. A state match of 33% of the total cost of a project would be required. A $5 billion investment over 3 years will help community colleges begin to make necessary improvements to their physical plant. In addition, support needs to be provided in a sufficiently flexible fashion as to accommodate the multiple financing mechanisms used by community colleges, which may include the ability to use debt financing with federal support.

President-elect Trump has stated his support for broad infrastructure projects to make America's roads, bridges, airports, public facilities, and other aspects of the country's physical plant again the world's envy and to help businesses compete in a global economy. These projects will require newly trained workers in order to meet the demand for a skilled workforce. Therefore, 1% of any infrastructure funds should be devoted to providing training for professions directly related to infrastructure efforts. Colleges wishing to compete for funds would have to have state or local workforce entities certify the need for workers in that area, in alignment with any new infrastructure projects.

Lighten the Regulatory Burden on Community Colleges and Produce Better Higher Education Data

Community colleges must be held accountable for their stewardship of considerable federal resources. They also must meet certain quality and financial stability thresholds to ensure that students and taxpayers are not at risk. To achieve this, some federal regulation is necessary.

Sometimes, however, the burden and costs of complying with regulations outweigh their benefits. The resources directed towards regulatory compliance either come at the price of higher tuition or reduced educational services—there is no other source of funds. Some colleges, because of difficulties experienced in fulfilling their obligations, report a counterproductive relationship with the Department of Education, when both parties share the same goal of educating students.

In some instances, the regulatory compliance burden could be improved by focusing regulations on institutions or sectors that are most closely linked to the issue that the regulations seek to address. The gainful employment regulations are a prime example: no community college program failed the debt and earnings metrics, yet they are nonetheless subject to the regulations' extensive reporting and disclosure requirements.

The new administration must commit to smarter regulation that more closely examines the relationship between value and onus of compliance. Since the Trump administration will likely be responsible for enacting regulations based on a reauthorized Higher Education Act, this is especially important. AACC urges consideration of the recommendations made in Recalibrating Regulation of Colleges and Universities: Report of the Task Force on Federal Regulation of Higher Education.

One of the primary federal regulatory burdens imposed on colleges and universities comes in the form of information collections. The largest such collections are the surveys conducted for the Integrated Postsecondary Education Data System (IPEDS). Responding to IPEDS surveys requires hundreds, if not thousands, of staff hours at each institution. The burden of these collections tilts the focus of community college institutional research capacity to compliance, rather than to institutional improvements. Furthermore, the IPEDS information may be inaccurate or misleading, particularly in the case of the graduation rate measurements for community colleges.

In order to produce better data, as well as lighten institutional burden, AACC has long supported the establishment of a federal student-unit-record database. We urge the Trump administration to work with Congress to establish such a database. In addition, it is essential to establish a more accurate graduation rate, and to make public the average earnings of program completers. In all cases, strict privacy protections must be maintained.

Much rides on the success of the nation's community colleges. They cannot fulfill their mission without the federal government, nor can the federal government meet critical national needs without their contributions. President Trump can play an essential part in ensuring that this interaction is positive, which will greatly benefit the American public.

For additional information about these recommendations or community colleges, see www.aacc. nche.edu or contact David Baime, AACC Senior Vice President for Government Relations and Policy Analysis, dbaime@aacc.nche.edu.

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