

COMMUNITY COLLEGES HOT TOPICS

Federal and State Updates

January 2016

Federal Watch (Excerpts from American Association of Community Colleges)

Congress Finalizes FY 2016 Spending Bill

Last month, the FY 16 Consolidated Appropriations Act, which contains all 12 appropriations bills that fund the federal government, was released. We are thrilled to report that the revised program funding levels are almost universally positive for community colleges. Nearly every key community college program was increased or received the same amount as last year. Of particular note, the omnibus bill did not include cuts to the current Pell Grant surplus that both the committee-passed bills contained. The omnibus provided the same amount for Pell Grants as the FY 15 LHHS bill, resulting in a scheduled \$140 increase (to \$5,915) to the Pell Grant maximum award for 2016-17. Highlights of the spending bill include:

- Adult basic education state grants received an increase of \$13 million (2.3%). This program, unlike many other community college priorities, has not bounced back substantially from the sequester cuts of FY13, but this year's increase covers half the remaining gap.
- The Perkins Career and Technical Education state grants are funded at their FY15 level. U.S. Department of Labor workforce training programs authorized under Title I of the Workforce Innovation and Opportunity Act were all increased.

In the compromise final bill, several higher education-related policy riders, including one that would have prevented the U.S. Department of Education from further implementing the gainful employment regulations, were not included in the final legislation. AACC had supported inclusion of those riders. Policy riders, in general, were the last stumbling block to agreement between Congressional leaders and the administration on the final appropriations package.

The omnibus appropriations bill also contains a massive tax "extenders" bill, and it is of note that it has not been paid for by offsetting budget cuts or revenue increases, as Congressional budget rules generally prescribe. In the extenders, a top AACC priority, the American Opportunity Tax Credit (AOTC), was made permanent. The AOTC was created in the 2009 Recovery Act, and was scheduled to revert to the smaller, less beneficial Hope Scholarship Tax Credit at the end of 2017. Therefore, the permanent establishment of this \$2,500 credit, which covers course materials as well as tuition and required fees, is a substantial accomplishment. It carried a huge price tag, more than

\$10 billion annually. The AOTC has been strongly supported by President Obama, whose 2008 presidential campaign sought creation of a similar tax provision.

Passage of Every Student Succeeds Act

On December 10, President Obama signed into law the Every Student Succeeds Act (ESSA). This long-awaited legislation, approved overwhelmingly by Congress, reauthorizes the Elementary and Secondary Education Act. It replaces the No Child Left Behind Act and includes numerous reforms designed to hold all students to high academic standards to better prepare them for college and the workforce, while ceding more control to the state and local authorities to make school improvements. ESSA also reduces the multiple testing requirements.

Perkins Loan Program Extension

Congress also approved a 2-year extension of the Federal Perkins Loan program. Originally authorized by the National Defense Education Act of 1958, the Perkins Loan program provides low-interest loans to needy students. The program's authority expired on September 30 so this legislation authorizes an extension of the program. For more information, see the Community College Daily.

Change in Fall Enrollment Still in Negative Territory

Last month, the National Student Clearinghouse issued its fall 2015 enrollment numbers which showed a continuing decline since the enrollment peak in the fall of 2010 for 2-year public institutions. Although 4-year private non-profits and public institutions experienced a 1 year increase of 1.6% and .4% respectively, enrollments at 4-year private for-profits declined by 13.7%, and 2-year public institutions saw a 2.4% decline. For more details on the report, read the Community College Daily.

Jobs in Healthcare Projected to Add Most Jobs in Next Decade

The Bureau of Labor Statistics of the U.S. Department of Labor released employment projections for 2014–2024 and healthcare jobs are expected to increase their share of employment from 12% in 2014 to 13.6% in 2024, representing about one out of four new jobs. Nine of the top 15 fastest growing occupations in the 2014–2024 decade are in healthcare. In the second and third positions are two occupations requiring an associate degree—occupational therapy assistants and physical therapist assistants, both with expected growths topping 40%. Community colleges play a large role in educating people in these fields. This is also true of several other occupations projected to have the most job growth. These include registered nurses, nursing assistants, and medical assistants. A series of reports on employment projections for 2014–2014 are available in the December issue of the BLS Monthly Labor Review. The 2016–17 Occupational Outlook Handbook.

State Watch

2015 Budget Priorities Update

At their December meeting, the North Carolina State Board of Community Colleges approved the following 2016 Budget Priorities:

- 1) Invest in Student Success Strategies: Restore \$25 million of management flex cut by reinvesting funds made available through our enrollment adjustment to promote implementation of student success strategies (tutoring labs, supplemental instruction, etc.).
- 2) Close the Interest Gap: Provide \$2 million to promote student and family awareness of career options and paths. Funds would support various activities, including the use of various forms of media as well as providing a labor market information (such as EMSI's Career Coach) to all colleges. Funds would potentially be matched by external sources.
- 3) Equipment: Provide \$10 million NR to provide equipment funds to complement bond funds.
- 4) Placeholder in case we need funds for NC GAP and/or Career and College Ready Graduates pilots.
- 5) Carryforward Authority: Currently, our statutes authorize carryforward of unexpended equipment, instructional resources, customized training, and performance-based funding monies. Under existing authority, our System carried forward \$34 million this past fiscal year. UNC received a temporary increase in its carryforward authority specifically for renovation and repairs.

Multiple Pathways to High School Equivalency

Under consideration by the State Board, the "multiple pathways to high school equivalency" model is an alternative for earning a high school equivalency diploma through a combination or repackaging of currently established academically valid elements to document achievement of specifically determined content standards. A review of existing options for earning a high school equivalency (HSE) diploma revealed a single commonality in alignment across the various assessments – the College & Career Readiness Standards by the US Department of Education. Based on these standards, as well as N. C. essential Standards established by the Department of Instruction, five primary content areas were determined for the Multiple pathways model including: Language Arts Literacy, Mathematics, Science, Social Studies, and Technology. Instead of completing all parts of a single HSE assessment for high school equivalency, the content areas are repackaged as independent elements with each having multiple established and validated pathways through which to earn high school equivalency credit. Based on this new model, students will now be able to earn credit for content areas using the following five pathways: High school Courses, Adult High School Courses, High School Equivalency Assessment, other Standardized Testing, and College Courses.