



May 2018

## FEDERAL POLICY AND ADVOCACY OVERVIEW

Under the direction of our new Federal Consulting Firm, Nelson Mullins Riley & Scarborough (NMRS), the Chancellor's Office has been able to enhance outreach and advocacy. The Government Relations Division was alerted that U.S. Department of Education received funding in the FY 2018 Omnibus Appropriation for two new higher education programs and the office is preparing to submit comments regarding development of these programs. On our behalf, NMRS urged Senator Feinstein to support an effort to expand the textbook pilot by \$10 million in the FY 2019 appropriation and NMRS will pursue expansion of the cybersecurity program. NMRS's relationship with national education associations based in DC has yielded engagement and opportunities to partner and position the Chancellor's Office and our *Vision for Success* in alignment with that of other organizations, in order to gain maximum success with our specific agenda.

NMRS Federal Consultant, Connie Myers, also attended the Reagan Institute Education Summit (RISE) – a daylong, bipartisan conference assessing the American education landscape –and used that opportunity to connect the California Community Colleges and our *Vision for Success* with many of our nation's leading education experts and funders, including Microsoft Philanthropies President, Mary Snapp, and Arizona State University President, Michael Crow. We have many mutual endeavors and look forward to pursuing and enhancing those partnerships. In April, the NMRS team met with Board Vice Chair, Tom Epstein, and Member Geoff Baum in Washington to determine their key areas of interest and to gain their insights for positioning our system in DC.

## CONGRESSIONAL POLICY UPDATE

***College Transparency Act*** – Senators Warren and Hatch have introduced a bill to overturn the federal ban on student unit records and allow a unit record data system in order to provide prospective students and policymakers with the information to make decisions about enrollment and federal funding. Such a federal system would allow community colleges to capture comprehensive, national data on student transfer, completion, and employment outcomes. National higher education associations, student groups and consumer advocates, support the legislation.

- *Position: Support*

***Making Pell Non-Taxable*** – The American Opportunity Tax Credit provides a maximum tax credit of \$2,500 a year to college students and their parents. This covers “qualified tuition and related expenses” which includes tuition, required fees, and course materials for four years. Because community college tuition and fees are very low, the Pell Grant generally exceeds the qualified tuition and related expenses – meaning that the lowest income community college students often end up paying taxes on their Pell Grants. Bipartisan legislation introduced by Rep. DeSauliner would make the entire Pell Grant non-taxable and would provide an important benefit to the financially neediest college students. H.R. 3581 is supported by a broad coalition of students, institutions, and other stakeholders.

- *Position: Support*

***GEAR Up for Success Act*** - Senators Cornyn (R-TX) and Harris (D-CA) have introduced the GEAR UP for Success Act. This bill would improve and strengthen the Gaining Early Awareness and Readiness for Undergraduate Program (GEAR UP). A federal grant program that currently serves more than 635,000 students across the nation and helps empower local partnerships of K-12 schools, institutions of higher education, state agencies, and community organizations to increase post-secondary expectations and readiness, improve high school graduation rates and postsecondary enrollment rates, and raise awareness of postsecondary options among students and

families. This legislation amends Section 404 of the *Higher Education Opportunity Act* and would improve GEAR UP research and evaluation at the local and national levels; empower state and local leadership on the GEAR UP scholarship component; retain state and local flexibility in the design and implementation of programs; and, reduce administrative burden for GEAR UP grantees.

- *Position: Proposed Support*

***Open College Textbooks*** – The FY 2018 Omnibus appropriations bill included \$5 million for a pilot program to support the creation and expansion of high quality, open college textbooks. In April, California Senators Harris and Feinstein signed a coalition letter to the Senate Appropriations Subcommittee on Labor, Health and Human Services, Education, and Related Agencies in support of an additional \$10 million in FY 2019 for the program.

- *Position: Support*

## **ADMINISTRATIVE UPDATE**

***Executive Order on Work Requirements*** - On April 10, President Trump signed an Executive Order (EO) titled “Reducing Poverty in America by Promoting Opportunity and Economic Mobility.” The EO orders Secretaries of various federal agencies to review their public assistance programs and guidance documents and to strengthen existing work requirements. Concerns have been raised that denying vital benefits does not promote employment and will ultimately make it more difficult for Americans to find economic security.

***Disabled Veteran Loan Discharge*** - The Departments of Education and Veterans Affairs have announced that the Department of Education will begin matching borrowers on the National Student Loan Data System (NSLDS), who have federal student loans or aid through the Teacher Education Assistance for College and Higher Education (TEACH) Grant program, to the Veterans Affairs database. Borrowers identified in the match will be mailed a customized letter, explaining eligibility for loan discharge, and a total and permanent disability application. The Department has been encouraged by some in Congress to streamline this process and make debt relief automatic.

***Higher Education Grant Projects*** – The FY 2018 appropriations bill included funding for two new higher education grant programs meant to support cybersecurity education (\$1 million) at community colleges and support open textbooks projects (\$5 million) through a competitive grant program to encourage colleges and universities to create free online textbooks.

***Student Loan Servicing Preemption*** – In March, the U.S. Department of Education issued guidance indicating federal preemption of state laws regulating federal student loan servicers. California is among a handful of states that have enacted laws attempting to ensure students are provided with accurate and complete information from servicers regarding their student loan repayment options. In response, California Attorney General Xavier Becerra joined a coalition of 30 Attorneys Generals countering the Department’s assertion and urging Congress to reject changes to the Higher Education Act that would allow for federal preemption of state-level student protections. Even with the guidance, a number of additional states have introduced legislation to regulate loan servicers, including Washington, Colorado and Massachusetts.

## **DEFERRED ACTION FOR CHILDHOOD ARRIVALS**

Judge Bates of the District Court for the District of Columbia ruled in favor of Microsoft, Princeton University, and a DACA recipient (all represented by Jenner & Block) in a challenge to the government’s rescission of DACA. Judge Bates ruled that the government violated the Administrative Procedure Act when it rescinded DACA because it failed to provide a reasoned basis for the rescission. Judge Bates thus ordered the rescission vacated in its entirety. This will require the government to accept new DACA applications and accept applications for advance parole in addition to renewing deferred status for existing DACA beneficiaries. However, Judge Bates stayed his decision for 90 days to allow the government an opportunity to provide a valid rationale for ending the program or to file an appeal to the D.C. Circuit.