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September Preview

When Congress returns from its August recess after Labor Day, it will face a confluence of thorny issues that can easily derail the best intentions of avoiding a government shutdown. Congress faces several hurdles that must be met by the end of September, each with their own set of political and budget complications.

First, Congress and the administration must decide by the end of September whether to iron out an omnibus bipartisan budget deal for FY 2018, or pass a Continuing Resolution (CR) to keep the government doors open pending a final budget resolution. Funding for higher education, including key programs for LACCD and its campuses and students, are tied up in these discussions. Below, we have outlined several recent higher education developments.

These negotiations will hinge, in part, on whether, Congress and the administration decide to lift sequestration cuts – across the board reductions in defense and domestic discretionary funding – which are scheduled to go into effect at the end of September. If Congress and the administration are not able to negotiate new spending levels and sequestration takes effect, it will have significant implications for both defense and non-defense domestic discretionary spending.

Second, Congress and the administration must agree to raise the debt ceiling in September in order to avoid having the US government default. A key question will be whether spending cuts favored by the conservative House Freedom Caucus will be attached to any deal to raise the debt limit. It is likely that not only Democrats but also Republican leaders would push back on efforts to couple cuts to raising the debt ceiling.

A third factor influencing negotiations is how adamantly the Trump administration will push to fund a southern border wall in any final FY 2018 deal. Senate Democrats are expected to oppose funding for the wall, as they did in the 2017 omnibus deal. This highly partisan issue could easily turn into a legislative impasse that impacts keeping the government's doors open.

Adding to the legislative pileup will be attempts to demonstrate action on tax reform, infrastructure spending and maybe ACA repeal. Below are some funding and legislative developments important to LACCD.

House Committee Marks up FY 2018 Labor-HHS-Ed Appropriations Bill

LACCD has been active in its advocacy for full funding for Pell grants as well as the TRIO, Hispanic Serving Institutions (HSI) and other higher education programs.

Recently the House Appropriations Committee marked up its bill to fund programs within the Departments of Labor, Health and Human Services and related agencies for FY 2018.

The bill includes $156 billion in discretionary funding, a $5 billion reduction from last year's level. Under the House bill, the Department of Education would see a $2.4 billion cut in funding, which is far less than the $10 billion cut proposed by the Trump Administration. Specifically, the subcommittee included $24.2 billion for Student Financial Assistance programs – the same as the FY 2017 enacted level and $1.26 billion above the President's FY 2018 budget request.

The House mark-up is a mixed bag. The good news is that the maximum Pell Grant award is maintained at $5,920. However, the House bill seeks to rescind $3.3 billion of the $8.5 billion in Pell surplus. Higher education leaders have expressed serious concerns over the rescission from the Pell surplus and have vowed to advocate against it in any final House-Senate agreement while pushing for full funding for Pell grants and other key student programs. LACCD has joined in coalition with the higher education advocacy organizations in advancing Pell grant funding as well as in keeping its House and Senate delegation engaged in support of LACCD student assistance programs.

Funding for other programs important to community colleges include:

- $1.12 billion for Career and Technical Education: State Grants, the same as the FY 2017 enacted level.
- $24.2 for the Pell Grants program, the same as the FY 2017 enacted level.
- $733,130,000 for the Federal Supplemental Educational Opportunity Grants (SEOG), the same as the FY 2017 enacted level.
- $988,728,000 for the Federal Work-Study program, the same as the FY 2017 enacted level.
- $86,534,000 for the Part A, Strengthening Institutions program, the same as the FY 2017 enacted level.
- $17,795,000 for the Hispanic Serving Institutions program, the same as the FY 2017 enacted level.
- $9,671,000 for the Promoting Post-baccalaureate Opportunities for Hispanic Americans program, the same as the FY 2017 enacted level.
- $3,348,000 for the Asian American Pacific Islander program, the same as the FY 2017 enacted level.
- $9,648,000 for the Minority Science and Engineering Improvement Program, the same as the FY 2017 enacted level.

- $1.01 billion for TRIO programs, which is $60,000,000 above the FY 2017 enacted level.

- $350,000,000 for GEAR-UP (Gaining Early Awareness and Readiness for Undergraduate Programs), which is $10,246,000 above the FY 2017 enacted level.

- $35,000,000 for the Office of Apprenticeship Services. The committee has asked the Employment and Training Administration (ETA) to expand apprenticeships programs through outreach and increased employer engagement in registered apprenticeships.

In addition to LACCD's advocacy on higher education funding priorities, we will continue to position the District in support of, and participation in, the Department of Labor/ETA apprenticeship programs, as well as the advancement of legislation expanding apprenticeship opportunities (as discussed in the section on the PARTNERS Act).

The Senate has not marked up its Labor-HHS-Education Appropriations bill at this time and is scheduled to do so in September.

House/Senate Committees Act on FY 2018 NSF Appropriations; Funding for Hispanic Serving Institutions

The House and Senate Appropriations Committees marked up their FY 2018 Commerce, Justice, Science funding bill, which included the National Science Foundation's grant programs. The Holland & Knight team has been supportive of the HACU efforts to establish National Science Foundation (NSF) funding commitments to fund STEM programs at Hispanic Serving Institutions. This efforts has been bipartisan involving key House and Senate members of the authorizing and appropriations committees. Below are the recent actions taken by House and Senate Appropriations Bill.

In the House bill, NSF is funded at $7.3 billion overall, which is $133 million below FY 2017 level. However, research and related activities are funded at current levels of $6 billion. Further, House bill report included language providing for funding of a grants programs for Hispanic Serving Institutions. It stated that "over the past several years, this Committee has encouraged NSF to create a program within EHR (Education Human Resources Directorate) to focus on Hispanic Serving Institutions (HSIs). Such a program was authorized by section 7033 of the America COMPETES Act (Public Law 110–69). The Committee reminds NSF that language was included in Public Law 115–31, the fiscal year 2017 Appropriations Act, directing NSF to establish such an HSI program at no less than $15,000,000. The Committee provides the same level of funding for fiscal year 2018 and encourages NSF to use this program to build capacity at institutions of higher education that typically do not receive high levels of NSF funding. NSF shall provide a report on this program no later than 120 days after enactment of this Act that demonstrates such an investment no later than September 30, 2018."

The Senate funded NSF at $7.3 billion overall ($161 million below FY 2017). Research and related activities are funded at $5.9 billion, $115 million below FY 2017 levels. The Senate bill report language stated: “Hispanic-Serving Institutions [HSI] Program.— Hispanic Americans continue to be underrepresented in science and engineering disciplines. The Committee provides $15,000,000 as authorized under 42 US. 1862o–12 for NSF to implement an HSI Program that is designed to increase the recruitment, retention, and graduation rates of Hispanic students pursuing associate or baccalaureate degrees in STEM fields.”

GI Bill Education Benefits Expanded

The “Forever GI Bill” was recently signed into law. The $3 billion expansion of veterans education benefits removes, for new enlistees, the 15-year limit on when recipients must use their GI Bill benefits. Additionally, the bill increases education assistance for National Guard and Reserve troops, Purple Heart recipients and for dependents of fallen troops.

The House Veterans Affairs Committee Chair, Representative Phil Roe, MD (R-TN) and Ranking Member, Representative Tim Walz (D-MIN) had introduced bipartisan legislation that would improve and expand GI Bill benefits to veterans and their surviving family members. The legislation removed the 15 year cap for GI benefits and expanded it for life, allowing veterans to use their GI benefits anytime throughout their life. The bill also:

- Restored benefits to veterans affected by school closures, including ITT and Corinthian College;
- Provided 100% of GI Bill eligibility to Post 9/11 Purple Heart recipients;
- Would provide significant increases in GI Bill funding for Reservists and eligibility as well as dependents, surviving spouses and surviving dependents;
- Increased opportunities for veterans to complete a STEM degree and other high technology programs.

Efforts to Preserve DACA Continues with Introduction of Bipartisan Dream Act Bill

With no clear signal coming from the Trump administration and deepening concerns over the status of DACA immigrants, a letter was recently signed by over 100 legal scholars and law professors, urging President Trump to keep intact the DACA program instituted by the Obama administration, citing constitutional, statutory and case law grounds for doing so. The letter is, in part, in response to Texas and nine other Republican-led states that are threatening to sue the Trump administration over the program, calling it “illegal”.

In a bipartisan effort to protect the status of Dreamers and provide a permanent solution, Senators Lindsey Graham (R-SC) and Dick Durbin (D-IL) introduced the

Dream Act, which would allow immigrant students who grew up in the US to earn lawful permanent residence and eventually American citizenship. Known as Dreamers, they have lived in the US since they were children, built their lives here, and are Americans in every respect except for their status. However, under current law they live in fear of deportation with no chance of becoming citizens.

“These young people have lived in America since they were children and built their lives here,” said Senator Graham. “There is support across the country for allowing Dreamers -- who have records of achievement -- to stay, work, and reach their full potential. We should not squander these young people’s talents and penalize our own nation. They have a powerful story to tell and this may be an area where both parties can come together.”

Similarly Senator Durbin has said: “Hundreds of thousands of talented young people who have grown up in our country are at risk of deportation to countries they barely remember. I’ll do everything in my power…to give them the chance to become American citizens so they can contribute to a brighter future for all Americans.”

The Dream Act would allow these students to earn lawful permanent residence and eventually US citizenship if they:

- Are longtime residents who came to the US as children.
- Graduate from high school or obtain a GED.
- Pursue higher education, or work lawfully for at least three years, or serve in the military.
- Pass security and law enforcement background checks and pay a reasonable application fee.
- Demonstrate proficiency in the English language and a knowledge of US history.
- Have not committed a felony or other serious crimes and do not pose a threat to the US.

Expanded Apprenticeship PARTNERS Act Introduced

Senator Tammy Baldwin (D-WI), a member of the Senate Health, Education, Labor and Pensions (HELP) Committee, unveiled a new bill to expand apprenticeship programs and increase investment in public-private partnerships. Under the “Pairing Apprenticeships with Regional Training Networks to meet Employer Requirements (PARTNERS) Act,” states would submit applications to the U.S. Department of Labor for funding that would allow them to provide grants of up to $500,000 to fund local public-private partnerships to start or run workforce training programs, including apprenticeships.

California Files First State Sanctuary Cities Lawsuit

Through the state's Attorney General, Xavier Becerra, California is the first state in suing over the Trump administration's anti-sanctuary cities policy announced last month, arguing that the Justice Department is violating the Constitution by denying grants to jurisdictions that don't provide access to local jails, including notice to immigration authorities. Attorney General Becerra cited the 10th Amendment that reserves unenumerated powers to the states and the focus of the suit in protecting people. The state, in joining Chicago and San Francisco, also pointed out that the administration lacks congressional authority to enforce new conditions on federal grants to local and state jurisdictions.

Healthcare Outlook Uncertain

As we reported earlier in our July 27-Aug 2, 2017 summary of activities, Republican Senator John McCain (R-AZ), along with fellow Republican Senators Lisa Murkowski (R-AK) and Susan Collins (R-ME), cast the crucial vote killing Senate passage of a "skinny" Affordable Care Act (ACA) repeal bill.

Since the dramatic vote came as Congress was starting its August recess, it remains unclear what efforts will be made by the Administration, House and Senate GOP leadership, and the conservative wing of the party to put healthcare back on the legislative agenda after a bruising lost on the Senate floor and other top priorities beginning to crowd the legislative calendar for this year. The House Freedom Caucus introduced a petition to force a House floor vote that would focus on repealing ACA.

Even if this effort were to succeed on the House side, it is unlikely to gain any traction on the Senate side. The chair of the Senate Finance Committee, Senator Orrin Hatch (R-UT), has made it clear that his committee has no time to revisit repeal/replace legislation and has room for only one healthcare item, the extension of the Children's Health Insurance Program, whose funding runs out September 30. Considerable attention on the Senate side seems to be turning toward working in a bipartisan fashion to find potential solutions to stabilizing the current ACA market especially with regard to increases in premiums and declining insurer participation. Republican Senator Lamar Alexander (R-TN), the chair of the Health, Education, Labor and Pensions (HELP) Committee, and his Democratic counterpart, ranking member Senator Patty Murray (D-WA) are working together to find ways to shore up ACA and pass some ACA stabilization or fix legislation.

While still continuing to push for ACA repeal, the administration has recognized that, in the meantime, it must maintain insurance subsidies under ACA to avoid a collapse of the ACA healthcare market throughout the country. Unfortunately, the administration, instead of adopting a stabilizing strategy, has taken a month to month payment approach. Also of note is that under ACA, the Secretary of Health and Human Services has broad waiver authority to respond to individual state requests aimed at stabilizing their insurance markets under ACA and providing a great deal of flexibility to states to adjust to state factors. We may likely see an increase in such waiver applications.