

## Federal Policy and Community Colleges After the 2024 Elections

The 2024 national elections create a new federal policy landscape for community colleges. Despite many unknowns, several possible outcomes come into focus in light of the new Congress and President-elect Trump. What follows is an overview of some features of the changed political landscape, as well as some of the likely priorities of incoming President Trump and the next Congress.

### United States Congress

#### U.S. House of Representatives

- House party control has not yet been determined (as of Nov. 11), but it seems highly likely that the Republicans will retain a narrow majority.
- On the House Education and the Workforce Committee, Dr. Virginia Foxx (R-NC) will not remain in a leadership role; she has been “term-limited” by the rules of the Republican caucus. (Foxx was already given a waiver to serve as chair in the current Congress.) However, given Dr. Foxx’s long interest and expertise in higher education policy, she is likely to play a prominent role in this area as a continuing committee member.

Reps. Burgess Owens (R-UT) and Tim Walberg (R-MI) are vying for Foxx’s role as top Republican on the House Education and Workforce Committee. Owens currently serves as chair of the Higher Education and Workforce Development subcommittee. Walberg has served on the committee for his entire 8 term run in Congress.

- Assuming Republican control of the House, Representative Jason Smith (R-MO) is poised to chair the tax-writing Ways and Means Committee. Among many other things, the AACC-supported “Tax-Free Pell Grant Act” will hopefully be on the table in the discussions around a massive tax bill.
- Representative Tom Cole (R-OK), a relatively moderate Republican, is slated again to chair the House Appropriations Committee.

#### U.S. Senate

- With the change in Senate party control, Dr. Bill Cassidy (R-LA), the current ranking member on the Senate Health, Education, Labor and Pensions (HELP) Committee, will likely take the helm. Cassidy is a strong supporter of the College Transparency Act and the JOBS Act, top AACC priorities. Cassidy would also be the Republican point person on any potential higher education budget reconciliation legislation (as would the chair of the House education committee). Current chair Bernie Sanders (I-VT) is expected to serve as ranking member.
- Under Republican party control, the Senate Appropriations Committee is expected to be headed by the relatively moderate Susan Collins (R-ME). This committee has a long, though not exclusive, tradition of bipartisanship, though that could be tested by party differences in spending policy.
- The Finance Committee, which writes tax legislation in the Senate, will probably be chaired by Mike Crapo (R-ID). Tax legislation is almost certain to be a major item on the 2025 Congressional agenda because of many provisions of the expiration of the 2017 Tax Cut and Jobs Act (TCJA).

## Potential Upcoming Policy Proposals

Some policies supported by President-elect Trump and Congressional Republicans follow. The first Trump Administration placed a strong emphasis on apprenticeships and the benefits of skills-based education, and to some extent deregulation were major themes as well. Some changes in these areas were accomplished through the regulatory process at the Department of Education (ED). Regulatory initiatives could be undertaken but legislation is likely to be forthcoming as well, once the 119<sup>th</sup> Congress is organized and legislative work begins.

### *Budget Policy*

The current statutory caps on annual appropriations expire at the end of the current fiscal year. These caps, which are huge in the aggregate, greatly impact the amount of money available for individual programs of interest to community colleges, such as Pell Grants and most others. The likely vehicle for imposing revised spending limitations in FY 26 and beyond is the need for Congress to increase the debt limit extension early in 2025. The previous debt limit negotiations, in 2023, led to the current limits on annual appropriations. Community colleges will have much at stake when these limits are debated. Given the election returns, there will likely be strong pressure to reduce spending available for key priorities. Even in the absence of statutory caps on appropriations, a more fiscally conservative Congress can be expected to exert downward pressure on spending.

The FY 2025 appropriations process is not likely to be concluded in 2024, and final spending levels for FY 2025 will probably be determined next year. This could result in reductions from current (FY 2024) spending levels and a delay in program funds being awarded.

A related issue of great concern to community college advocates is the cost of the Pell Grant program, which with the new FAFSA and expanded eligibility is forecasted to expand the program's cost. Increases in the maximum grant will be increasingly difficult to come by, and reductions may conceivably be on the table.

### *Higher Education Policy*

As explained immediately below, federal student loans will likely be a centerpiece of a Republican agenda. However, other changes to the student aid programs may also be on the table. It seems quite possible that the “[College Cost Reduction Act](#)” (CCRA, H.R. 6951), which was approved by the House Education and Workforce Committee along party lines in January 2024, may be advanced, though modifications seem possible. The CCRA has received attention among community colleges for its complicated risk-sharing provisions, which are coupled with grants to institutions that are calculated to have good outcomes (again, under a complex formula). The legislation makes many other far-reaching changes to the student financial assistance programs and higher education policy as well. Senate Republican positions on the CCRA are not clear. In addition, although the legislation has garnered more than 150 co-sponsors, its full implications have not received much public discussion.

### *Federal Student Loans*

Student loan policy is likely to be front and center in 2025. Congressional Republicans have reviled President Biden's efforts to cancel student loans and reform student loan programs through regulatory efforts such as creating the new income-contingent repayment “Saving on a Valuable Education” or SAVE program, which is now held up in court.

Congressional Republicans have advocated several major changes to student loan policies. For example, current education committee chair Foxx has proposed eliminating Public Service Loan Forgiveness and the Graduate Student Plus Loan Program (as in the CCRA). The former, which can tender extremely large benefits irrespective of need, has been particularly harshly criticized. Dr. Foxx has also proposed substantial changes to loan repayment terms. AACC has supported some of these proposals, including a cap on the overall interest that students must pay regardless of whether they are in an income-contingent plan—a way of ensuring that low-income borrowers don't end up in a trap of increasing loan balances.

While only about 12% of all community college students take out loans, they still are of great importance to those who rely on them. Furthermore, institutions are held responsible for student loan defaults.

Budget “reconciliation,” which would depend upon Republicans retaining control of the House of Representatives, is a likely venue for such changes, and they could be sweeping.

### *Campus Policies*

In recent months Congress, particularly the House Education and the Workforce Committee, has focused on a number of high-profile issues related to campus policies and activities, that could broadly be described as falling under the categories of “culture wars.” These issues include the application of the First Amendment to institutions, the accreditation process, and Title VI of the Civil Rights Act. (Title VI implementation and enforcement drew scrutiny in part because of protests over the Gaza conflict, and their impact on students.) Before leaving Washington for the elections, the House of Representatives passed broad legislation addressing accreditation and the First Amendment as it applies to Title IV recipients, the “End Woke Higher Education Act,” ([H.R. 3724](#)). The issues addressed in this legislation may well be addressed by the incoming Trump Administration, but they also could be further raised by members of Congress. Although community colleges are not always associated with some of these more controversial issues, legislation in these areas nonetheless affects them as much as any other public institution and community colleges will need to monitor it carefully and act accordingly.

### *Deferred Action for Childhood Arrivals (DACA)*

In October, the U.S. 5th Circuit Court of Appeals heard oral arguments in ongoing litigation over the legality of the DACA program. Last year, a lower, federal district court judge struck down the Biden administration’s regulation codifying DACA, stating that it overstepped the administration’s legal authority. However, the judge stayed part of his order to allow current DACA recipients to maintain their status and apply for renewal. The Biden administration appealed this ruling to the 5th Circuit, where it is now pending. (In earlier action, both courts earlier struck down DACA as implemented before the Biden administration issued its formal regulation.)

The Trump administration may choose to stop defending the DACA regulation in the courts once it takes office, and also move to rescind the DACA regulation itself. However, the administration may choose to keep offering protected status to current DACA recipients. President Trump spoke favorably of Dreamers in his first campaign and early in his first term, but his administration’s stance became more unfavorable towards them over time.

### *Regulation*

If previous policy is any indication, the incoming Trump Administration is likely to tilt regulatory policies to be more friendly to for-profit institutions. This means that the gainful employment (GE) regulations that are in the process of being implemented could well be rescinded. (The first Trump Administration did this with the Obama Administration's 2014 GE rules.) Furthermore, the extensive granting of student loan forgiveness under the Borrower Defense-to-Repayment regulations, which primarily impacts former for-profit institution students, is likely to be reined in.

It is not clear whether the second Trump Administration will retain the "Financial Value Transparency" framework that is currently being put into place along with GE. The data that would be gained through this system is consistent with the enhancements made to the College Scorecard when President Trump was previously in office. However, as a signature Biden initiative, it could come under scrutiny.

Also, President-elect Trump has stated his intention to reinstate the Title IX rules implemented in his first Administration. Although President Biden's new final Title IX rules went into effect in August, in 26 states and for some other institutions, the Trump regulations remain in effect because of court action. In any case, new regulations stand the possibility of creating the "whiplash" effect in this area that AACCC and others have advised against. The Trump final rules required live hearings for disciplinary proceedings, which was a controversial element. In other areas, they were more limited than those later promulgated by Biden.

### *Department of Education*

There has been much discussion by supporters of President Trump and the President-elect himself of the possible elimination of the Department of Education (ED), with its functions being transferred to other agencies. This is a longstanding Republican presidential position but has now been presented in far greater detail, and with seemingly more serious intent, than previously. Whatever actions are taken in that direction, however, the discussion of the elimination of the Department should not be confused with the elimination of the programs that ED administers. Existing programs could certainly be administered by different agencies, and that has been an aspect of circulating plans to dismantle ED.

That said, changes in the bureaucratic structure of the existing Department, in addition to funding, could have a profound implication on the nature of programs, even if the Department itself continues to exist.

Finally, the formal elimination of the Department would require enacting a law. Under existing Senate rules, this would require Democratic support, which is extremely unlikely. It is also worth remembering that, despite the tremendous anger generated among Congressional Republicans by the Biden administration's handling of the FAFSA rollout as well as its loan cancellation policies, the primary ideological objection to the Department of Education among Republicans focuses more on K-12 education than higher education,

driven by the notion that elementary and secondary education is a state rather than federal responsibility.

## **Community College Priorities**

As outlined above, much of AACC's legislative and executive branch work in 2025 will be determined by the agendas of President Trump and Congressional Republicans. Irrespective of this, however, AACC will continue to emphasize and advocate for certain ongoing priorities. Some, but by no means all, of these broad priorities, include:

- Increasing the Pell Grant maximum and supporting need-based student aid
- Structuring federal loans to accommodate the needs of low-income borrowers
- Providing support for the whole student
- Fostering economic growth through job training through the workforce Pell Grant, WIOA, Strengthening Community College Training Grant, the Carl Perkins Act, and other programs
- Supporting a variety of campus programs and student support activities that ensure that all students can succeed
- Making campuses safe, secure, and welcoming for all students
- Enhancing innovation and cutting-edge programming across the entire institution

More specifically, early in 2025, AACC will be focused on:

- Securing optimal FY2025 appropriations
- Securing inclusion of the "Tax-Free Pell Grant Act" in revenue legislation
- Obtaining inclusion of a new grant program for community colleges in the Farm Bill
- Securing a WIOA reauthorization and new workforce Pell Grant eligibility

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