



BUILD BACK BETTER ACT FACT SHEET

After thousands of conversations with our members on campuses, in local meetings, at state gatherings, and AFT and AAUP national calls, Congress has clearly heard that the status quo cannot continue, and an important historic change in how higher education is funded can be found in the Build Back Better Act. The Act's proposal for direct federal investment in free community college is a down payment on the fight to make higher education affordable for all.

Moving forward, we want you to join us in the fight for a New Deal for Higher Education that reverses the decades of devastating disinvestment, protects students from crippling debt, better serves faculty and staff, and allows all workers to have dignity at the workplace.

Let's start where we are today: Congress has introduced the Build Back Better Act, using the reconciliation process to enable passage through the Senate on a simple majority. Proposed within the \$3.5 trillion dollar bill is \$111 billion earmarked for various programs that will directly impact our students and campuses.

This bill is a starting point for what will be a much longer fight for a New Deal for Higher Education.

Now, the bill will move to the full House before being taken up by the Senate.

We're going to fight for the passage of this bill because the alternative, at this stage of the process, is that the vital programs in this bill will be cut. There is pressure from deficit hawks to cut the cost of this bill--or to take a "strategic pause" in enacting it. It is time to use our collective strength to pass this first piece of legislation, as a part of our long term vision for a New Deal for Higher Education.

Here is what is in the Build Back Better Act:

State-federal partnership that includes free community college

The centerpiece of the higher education portion of the Build Back Better Act is a new state-federal partnership to increase spending on higher education. Via this partnership, the federal government will join with states to provide free community college, and will provide significant funding to help states achieve this goal. In exchange, states agree to waive tuition and fees for eligible students at community colleges, and to maintain their state's higher education funding. This will, for the first time, create a federal requirement that states not cut higher education funding, similar to the maintenance of effort requirement that exists for K-12 school funding (through the Every Student Succeeds Act, which is the current version of the Elementary and Secondary Education Act). This maintenance of effort requirement covers several aspects of state investment in higher education, including support for operational expenses for public four-year institutions, need-based financial aid, and per-student spending.

Creating a state-federal partnership framework that includes state MOE requirements will be a game-changing win for all public colleges and universities. It's also an important tool for finally changing the trajectory of decades of state disinvestment. But most importantly, it puts in place a structure that can be scaled up in the future to offer free tuition at more institutions, and to continue the funding for additional years--while we continue to push Congress on the need to invest at an even higher level in college affordability.

The partnership is set up as a five year commitment, with the federal government providing all the funding in the first year, and the state increasing their share (their match) over the next several years. The state match is no more than 20% in the final year of the partnership.

Retention and Completion Grants

The new retention and completion grants are available for states that commit to doing equity audits of how state fundings is distributed to public colleges and universities, with an eye to seeing how per-pupil support at various public IHEs compares to one another. These audits will particularly consider whether those institutions serving larger numbers of low-income or first-generation students are receiving less per-pupil support than other institutions.

States that participate will receive grants from the federal government to support student retention and completion at any or all of their colleges and universities. States must also participate in America's College Promise to be eligible for Retention and Completion Grants.

This program was funded at \$9 billion over 7 years, and would provide grants to both 2-year and 4-year public colleges to plan, implement, and expand evidence-based programs that lead to improved student completion and success. Programs such as CUNY ASAP, Stay the Course, ProjectQUEST (at two-year institutions) and CUNY ACE, InsideTrack, MAAPS at Georgia State (at four-year institutions) show that with targeted, upfront investments, the potential for significant increases in student completion exists at all types of institutions.

The program will be a valuable move away from the type of outcomes-based accountability that has led to performance funding schemes in many states. It will instead push higher education policy more strongly toward funding what we know works to support student success – and who is helping students be successful. We applaud Congress' investment in evidence-based practices, and especially those that recognize the role of professional staff like academic advisors.

Increase the maximum Pell grant award and other financial aid improvements

The Pell grant program is a cornerstone of federal student aid, but the maximum award has not kept up with increases in college costs. In the Build Back Better Act, Congress has authorized an increase of \$500 per year for 8 years; the separate, annual appropriations process in the House will add another \$400 for a total increase of \$900. This would be the most significant increase in the history of the Pell Grant program, but falls short of the goal to double Pell that the President and advocacy organizations have supported.

The bill also allows DACA and TPS holders to access federal financial aid, and allows active duty deferment to count toward a borrower's Public Service Loan Forgiveness payments.

Investments in HBCUs, MSIs, and TCUs

Additional resources to these institutions are needed, in recognition of the vital role these under-resourced colleges and universities play in helping a diverse student body access and succeed in higher education.

Existing programs under Titles III and V of the Higher Education Act received \$1.5 billion additional funding over 5 years. These programs provide funding for students at HBCUs, Tribal Colleges and Universities, and other Minority-Serving Institutions to pursue degrees in high-needs fields including providing tutoring and facilities support.

Tuition subsidies for the first two years at Historically Black Colleges and Universities, Minority-Serving Institutions, and Tribal Colleges and Universities were included for 7 years. Similar to — and in addition to — the free community colleges program, participating institutions (HBCUs, MSIs, and TCUs that serve at least 35% low income students) promise to have articulation agreements with their local community colleges, cap their tuition increases, and use the grants to lower the tuition and fees for eligible students (undergraduate students attending at least half time, eligible for this assistance for up to 6 semesters) for their first 60 credits. In exchange, the federal government will provide funding, approximately \$3700 per student, to these institutions.

Research and development infrastructure for HBCUs and MSIs is also included.

The Build Back Better Act includes \$2 billion in competitive grants that HBCUs and MSIs can apply for to improve research and development infrastructure. Allowable uses of funds for this infrastructure includes several references to faculty, including “hiring and retaining faculty” and “creating new, or expanding existing, academic positions.”

Other programs under this committee’s jurisdiction that provide funding for higher education

- “Grow your own” teacher preparation programs \$197M, for school districts and colleges to partner in developing a local pipeline of K-12 teachers;
- Grants for Augustus F. Hawkins Centers of Excellence Programs for teacher preparation at HBCUs, TCUs, and MSIs. This \$198 million in funding can be used to make improvements in the teacher prep programs at these colleges and universities and/or to lower the cost of these programs for students;
- Department of Labor Community College and Industry Partnership Grants funded at \$2 billion.