

## 2026 COMMUNITY COLLEGE FEDERAL LEGISLATIVE PRIORITIES

### **Strengthen the Bedrock of Student Financial Aid: Pell Grants**

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#### **Appropriate Necessary Dollars for the Pell Grant To:**

- Accommodate program growth due to the simplified FAFSA, workforce Pell, and increasing enrollments;
- Keep pace, at minimum with inflation (increase maximum grant by \$200), to promote affordability and limit borrowing for low-income students;
- Maintain student Pell eligibility, as expanded by the Simplified FAFSA Act and H.R. 1; and
- Sustain the long-term fiscal health of the program.

*Pell Grants remain the foundation of student access and success in higher education*

#### **End the Taxation of Pell Grants**

Make Pell Grants tax-free for all low-income students. Because of their low tuition, community college students must pay taxes on Pell Grant funds used for living expenses. By law, Pell Grants must be used for specified educational expenses; taxing them exacerbates affordability challenges for the lowest-income students.

#### **Modify the American Opportunity Tax Credit**

The \$2,500 American Opportunity Tax Credit (AOTC) should be altered so that Pell Grant awards are not counted against a student's eligibility. With this change, hundreds of thousands of low-income community college students would receive the credit annually. Community college students are generally the only college students whose Pell Grants render them ineligible for AOTC, as the program's design does not reflect the low tuitions they pay.

### **Support Programs & Policies that Boost Comm. Colleges as Economic Engines**

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#### **Strengthen Under-Resourced Institutions**

Protect and strengthen total and individual funding for Higher Education Act institutional aid programs in Title III and Title V. Ensure the individual program funds are allocated consistent with FY26 (Jan. 20) levels as determined by Congress. In FY27 appropriations, protect and strengthen FY26 levels, and provide at least FY24 levels for the Strengthening Institutions Program (SIP).

Institutional aid allows under-resourced institutions to close achievement gaps. Eligible institutions must generally enroll student bodies where at least half of all students are Pell-eligible and there are relatively low per-student expenditures. As a result, these critical institutional aid programs support the basic goals of the Pell Grant program—creating equal opportunity for all postsecondary students.

#### **Ensure America's Economic Prosperity**

Maintain America's economic prominence by ensuring that there is an adequate supply of trained workers. As such, retain the bipartisan Congressional priority to pass comprehensive immigration reform, addressing undocumented individuals who entered the U.S. as minors and providing opportunities for workers with temporary status.

#### **Buoy Rural Community Colleges**

Provide federal funding streams to community colleges to support rural economic development, particularly in the agricultural sector. As outlined in the Community College Agriculture Advancement Act, provide grants to community colleges for agricultural and natural resources programs that support the growing need for a highly skilled agricultural workforce.