



December 8, 2021

## The Build Back Better Act (H.R. 5376): Higher Education Provisions

On November 19, 2021, the House passed H.R. 5376, the Build Back Better Act (BBBA), pursuant to the reconciliation instructions included in Section 2002 of S.Con.Res. 14, the Concurrent Budget Resolution for FY2022. Title II of the BBBA contains provisions from the House Committee on Education and Labor. Within Title II, the BBBA contains several provisions that temporarily address a variety of higher education issues. This In Focus provides descriptions of several higher education provisions included in Title II of the bill, which generally would provide additional funding for existing programs or provide funding for newly established programs. The provisions variously sunset or the funding expires before or on September 30, 2030. Other BBBA provisions outside of Title II may support higher education but are beyond the scope of this In Focus.

The In Focus begins with descriptions of the BBBA Title II provisions that affect the provision of federal student aid authorized under Title IV of the Higher Education Act (HEA) and a newly created student aid program. This is followed by descriptions of provisions that would provide grants to support a variety of activities to improve postsecondary education outcomes and education programs. Finally, it describes BBBA Title II provisions to support minority-serving institutions, teacher preparation programs, and career and technical education.

### Student Aid Provisions

The BBBA would provide additional financial assistance to postsecondary students by (1) expanding existing federal student aid programs authorized under HEA Title IV (e.g., Pell Grants, Direct Loans), and (2) creating a new federal student aid program.

#### Increase to Maximum Pell Grant Awards

The BBBA would appropriate such sums as necessary to increase by \$550 the maximum Pell Grant for award years (AY) 2022-2023 through 2025-2026. Under current law, the maximum Pell Grant award is the sum of the amount established in annual appropriations acts and \$1,060, the currently authorized mandatory add-on award. The \$550 increase would be a limited-time increase to the \$1,060 mandatory add-on award; it would be limited to students enrolled in public or private, nonprofit institutions of higher education (IHEs) and postsecondary vocational institutions. Students enrolled in proprietary (private for-profit) institutions would not be eligible for the \$550 increase. The maximum Pell Grant in AY2021-2022 is \$6,495.

#### Expansion of Student Aid Eligibility for Recipients of Means-Tested Benefits

The BBBA would amend the student eligibility requirements for HEA Title IV student aid so that eligible students from families who have received specified means-tested benefits (e.g., Medicaid, Supplemental Security Income) during the 24-month period before the award year would be eligible for the maximum Pell Grant award and the maximum amount of other types of need-based Title IV aid. These changes would first apply in AY2024-2025 and would remain in effect through AY2029-2030.

#### Student Aid Eligibility for Certain Noncitizens

Under current law, HEA Title IV student aid is limited to U.S. citizens, lawful permanent residents, and certain eligible noncitizens. Unauthorized immigrants are not eligible for student aid. For AY2022-2023 through AY2029-2030, the BBBA would extend eligibility for HEA Title IV aid to students who have Temporary Protected Status (TPS), Deferred Enforced Departure (DED), or Deferred Action for Childhood Arrivals (DACA). Title VI of the BBBA would make certain unauthorized aliens eligible for immigration parole. It appears that not all immigration parolees under Title VI would be eligible for HEA Title IV student aid, as amended by BBBA Title II.

#### College Access for Students in Outlying Areas

The BBBA would appropriate such sums as necessary for AY2023-2024 through AY2029-2030 to establish a new grant program for the Department of Education (ED) to provide college-bound residents of the Northern Mariana Islands, American Samoa, the U.S. Virgin Islands, Guam, and the Freely Associated States (the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau) with a greater array of choices among IHEs. Similar to the District of Columbia Tuition Assistance Grant (DCTAG) program, the new program would provide grants to eligible public IHEs nationwide to offset the difference between in-state and out-of-state tuition and fees. Grants would be capped at \$15,000 per award year and a cumulative maximum of \$75,000 for each eligible undergraduate student—50% greater than DCTAG program limits.

#### Retention and Completion Grants

The BBBA would appropriate \$500 million in FY2022, remaining available through FY2030, for ED to support a new competitive grant program to improve retention and completion outcomes of postsecondary students at public and private nonprofit IHEs through evidence-based reforms or practices. Eligible recipients would be states, systems of IHEs, and tribal colleges or universities (TCUs), with priority given to entities proposing to use a significant share

of grant funds to improve enrollment, retention, transfer, or completion rates or labor market outcomes of underserved student populations. Grant recipients (except TCUs) would be required to provide matching funds equal to a percentage of the grant award at levels varying by grant year.

### Community College and Industry Partnership Grants

The BBBA would appropriate \$4.9 billion in FY2022, which would remain available through FY2026, for the Department of Labor to establish a new competitive grant program for community colleges and postsecondary vocational institutions to expand opportunities for attainment of postsecondary credentials in “high-skill, high wage, or in-demand industry sectors.”

Grantees would use funds to establish, improve, or scale up education programs, career pathway programs, or work-based learning programs (including registered apprenticeships or pre-apprenticeships). In addition, grantees would provide services to help individuals with barriers to employment prepare for, complete, and transition out of such programs. Grantees could also use funds to develop or expand articulation agreements, to reduce participants’ cost of attendance, to establish industry or sector partnerships, and for other specified purposes.

The BBBA would further appropriate \$100 million in FY2022, remaining available through FY2026, for outreach, administration, and evaluations associated with the grants.

### Support for Minority-Serving Institutions

The BBBA contains several provisions that would be administered by ED and would support minority-serving institutions (MSIs). Additional information about these programs may be found in CRS In Focus IF11981, *The Build Back Better Act (H.R. 5376): Title II Aid to Minority-Serving Institutions*.

#### Institutional Aid

For FY2022-FY2026, the BBBA would appropriate \$1.2 billion annually—in addition to mandatory appropriations (\$240 million in FY2022) already authorized under HEA Title III-F—for grants to support the following types of MSIs: Historically Black Colleges and Universities; Hispanic-Serving Institutions; TCUs; Alaska Native and Native Hawaiian-Serving Institutions; Predominantly Black Institutions; Asian American and Native American Pacific Islander-Serving Institutions; and Native American-Serving, Nontribal Institutions. Grants would be intended to assist MSIs in strengthening their academic, administrative, and fiscal capabilities.

#### R&D Infrastructure at MSIs

The BBBA would appropriate \$3 billion in FY2022, which would remain available through FY2028, to support a new competitive grant program to support Research and Development (R&D) Infrastructure at MSIs. Institutions eligible for these grants would be MSIs (described above) that are four-year institutions and are not categorized as “very high research activity” by the Carnegie Classification of IHEs, or eligible institutions acting on behalf of a

consortium that contains ineligible institutions. Awarded funds could be used for planning grants for recipients to develop a strategic plan for improving institutional R&D infrastructure and for implementation grants for recipients to support and develop R&D infrastructure.

### Teacher Preparation Provisions

The BBBA would appropriate approximately \$700 million in FY2022 to support the following five pre-existing competitive grant programs to improve school leadership and K-12 teacher preparation, recruitment, and diversity: partnership grants for teacher residency programs (HEA, §202(e)), grants for the development and support of school leadership programs (Elementary and Secondary Education Act, §2243), Hawkins Centers of Excellence (HEA, §242), personnel development to improve services for children with disabilities (Individuals with Disabilities Education Act, §662), and grants to Native American language teachers and educators (Native American Programs Act of 1974, §803C). IHEs are among the eligible recipients for these programs. In general, funds for these programs would remain available through FY2025, except funds for grants to Native American language teachers and educators, which would remain available through FY2031.

The BBBA would also appropriate approximately \$113 million in FY2022, which would remain available through FY2025, to support a new ED-administered competitive grant program for the establishment of Grow Your Own programs that recruit teachers who live in and come from the communities schools serve. IHEs would be among eligible recipients.

### Career and Technical Education (CTE)

The BBBA would appropriate \$600 million in FY2022, which would remain available through FY2027, for formula grants to states for carrying out CTE activities specified under the Carl D. Perkins Career and Technical Education Act of 2006, as amended (Perkins Act). The amount would be in addition to annual discretionary appropriations (\$1.3 billion in FY2021) for Perkins Act Basic State Grants. The usual requirement that states match Perkins Act funds used for administration with nonfederal funds would be waived for the BBBA appropriated funds.

The BBBA would further appropriate \$100 million in FY2022, which would remain available through FY2027, for Innovation and Modernization grants, as authorized under Section 114(e) of the Perkins Act. The amount would be in addition to annual discretionary appropriations (approximately \$1.5 million in FY2021) for the same purpose. The grants are intended to identify, support, and rigorously evaluate evidence-based and innovative strategies to improve and modernize CTE programs.

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