



AAU Analysis of Build Back Better Framework

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OVERVIEW: On October 28, President Biden released his [framework](#) and [fact sheet](#) on a reconciliation package totaling \$1.75 trillion over the next decade. The House Rules Committee later released [updated bill text for H.R. 5376](#) along with a [section by section summary](#) consistent with the framework. The bill includes \$40 billion for higher education and workforce development, including: a \$550 increase to the maximum Pell Grant; new funding support for HBCUs, HSI's, MSIs, and TCUs; and investments in community college workforce development programs. The bill also provides new investments in scientific research, including funding for NSF, NASA, DOE, AFRI, NIST, NOAA, and EPA. The bill also includes \$400 billion for childcare and universal pre-kindergarten; \$555 billion in spending and tax breaks for clean energy investment; and billions for health care coverage (\$165 billion), affordable housing (\$150 billion), home care for seniors (\$150 billion), and other programs. The administration estimates the bill's tax and other offsets total up to \$1.995 trillion, thereby fully offsetting the proposed spending of \$1.75 trillion.

The following is an analysis of the budget reconciliation provisions affecting higher education and research. AAU staff will continue updating this document as the legislation moves forward.

STUDENT AID AND HIGHER EDUCATION

Pell Grant (Sec. 20021): Beginning in award year 2022-23, the Pell Grant maximum award would be increased by \$550 through award year 2025-26.

- Expands access to DACA recipients, those with temporary protected status (TPS), or deferred enforced departure (DED).
- The bill also guarantees eligibility for a maximum Pell Grant for FAFSA applicants who, in the past 24 months, have received (or, in the case of a dependent student, whose parents have received) a means-tested federal benefit.

Retention and Completion Grants (Sec. 20024): \$500 million for grants to states, systems of institutions of higher education, and TCUs to improve student outcomes, including enrollment; retention, completion, and transfer rates; and labor market outcomes.

- At least \$142.5 million will be used to implement reforms and practices meeting certain evidence standards. As a condition of continuing to receive funds under the program, grantees must demonstrate adequate progress in improving outcomes among underserved students.

Institutional Aid (Sec. 20025): \$6 billion to increase the mandatory appropriations to HBCUs TCUs, and MSIs authorized under Section 371 of the Higher Education Act for activities authorized by such section and to award need-based financial aid to low-income students.

Improving Research & Development Infrastructure for HBCUs, TCUs, and MSIs (Sec. 20026): \$3 billion in total funding, which will remain available until 2028.

- Competitive grant program to improve the research capacity and research and development infrastructure at four-year HBCUs, TCUs, and MSIs.

- The competitive grant program will consist of planning grants for a period of one to two years and implementation grants for a period of one to five years.
- Competitive grant funds can be used to improve infrastructure, hire and retain faculty/students, and to create and support inter- and intra-institutional research centers.

College Access for Students in Outlying Areas (Sec. 20027): \$50 million in total funding, which will remain available until September 30, 2030.

- Available to cover the difference between in-state and out-of-state tuition for eligible students from the Northern Mariana Islands, American Samoa, U.S. Virgin Islands, Guam, and the Freely Associated States who attend a four-year public institution of higher education.
- Students may receive a maximum of \$15,000 per year and a maximum aggregate benefit of \$75,000.
- Eligible students must be domiciled in one of the outlying areas for at least one year prior to their freshman year of college and be enrolled in a Title IV-eligible program on at least a part-time basis.
- Students who have completed a bachelor's program are ineligible. The program sunsets after seven years.

RESEARCH AND DEVELOPMENT

Department of Energy (DOE) (Sec. 90001 A, B, C, D): \$2 billion in total funding, which will remain available until September 30, 2026.

- Office of Energy Efficiency and Renewable Energy: \$1,000,000,000 to carry out demonstration projects, including:
 - Demonstration of advanced (1) building technologies; (2) solar energy technologies; (3) geothermal energy technologies; (4) wind energy technologies; (5) waterpower technologies; (6) bioenergy technologies; and (7) vehicle technologies.
- Office of Science: \$985,000,000 to support research including:
 - \$100,000,000 to carry out the low-dose radiation research program.
 - \$200,000,000 to carry out the fusion materials research and development program.
 - \$235,000,000 to carry out the alternative and enabling fusion energy concepts program.
 - \$325,000,000 to carry out the milestone-based fusion energy development program.
 - \$140,000,000 to carry out the program of research and technology development in inertial fusion for energy applications.
 - \$20,000,000 to carry out the fusion reactor system design activities.
 - \$5,000,000 to support programs across DOE's civilian research, development, demonstration, and commercial application activities.
- Office of Fossil Energy and Carbon Management: \$10,000,000
- Office of Economic Impact and Diversity: \$5,000,000

National Science Foundation (NSF) (Sec. 90014-90016): \$3.5 billion total, with varying funding sunsets between FY26-FY28.

- NSF Core Research
 - \$675,000,000 to fund or extend new and existing research awards, traineeships, scholarships, and fellowships administered by NSF across all science, technology, engineering, and mathematics disciplines supported by NSF (FY26).
 - \$25,000,000 for research and activities to ensure broad demographic participation in NSF activities (FY28).
 - \$500,000,000 for climate change research (FY28).

- NSF TIP Directorate
 - \$1,520,000,000 to fund and administer the NSF Directorate for Technology, Innovation, and Partnerships (TIP), which shall accelerate use-inspired and translational research and the development, commercialization, and use of technologies and innovations of national importance, including technologies and innovations relevant to natural disaster mitigation and other societal challenges (FY26).
 - \$25,000,000 for research security activities (FY28).
 - \$200,000,000 for research capacity building at MSIs, administered through TIP (FY28).
 - \$55,000,000 for cybersecurity education and training, including scholarships (FY28).

- NSF Infrastructure
 - \$200,000,000 for the repair, renovation, or, in exceptional cases, replacement of obsolete science and engineering facilities primarily devoted to research and research training (FY26).
 - \$200,000,000 for additional mid-scale and major research instrumentation, equipment, and infrastructure awards (FY26).
 - \$100,000,000 for academic research facilities modernization and research instrumentation -- including construction, upgrade, renovation, or repair of research infrastructure -- at HBCUS, TCIs, HSIs, and other MSIs (FY28).

National Aeronautics and Space Administration (NASA) (Sec. 90005): \$1.1 billion in total funding, which will remain available until September 30, 2028.

- \$750,000,000 for physical infrastructure and facility modernization.
- \$85,000,000 for research and development on sub seasonal to seasonal models and observations, climate resilience and sustainability, and for airborne instruments, campaigns, and surface networks to understand, observe, and mitigate climate change and its impacts, consistent with NASA's mission.
- \$30,000,000 for investments in data management and processing to support research, development, and applications to understand, observe, and mitigate climate change and its impacts.
- \$25,000,000 for research and development to support the wildfire fighting community and improve wildfire fighting operations.
- \$225,000,000 for aeronautics research and development on sustainable aviation

National Institute of Standards and Technology (NIST) (Sec. 90006-90009): \$1.25 billion in total funding, which will remain available until September 30, 2028.

- \$100,000,000 for research on the impact of fire on structures and communities located at the Wildland Urban Interface.
- \$260,000,000 for the Hollings Manufacturing Extension Partnership (MEP).
- \$220,000,000 to provide funds for advanced manufacturing research, development, and testbeds, through new and existing programs and public private partnerships.
- \$20,000,000 for the development and execution of a cybersecurity workforce training center.
- \$650,000,000 for the upgrade, replacement, maintenance, or renovation of facilities and equipment as necessary to conduct laboratory activities, and for related administrative expenses.

National Oceanic and Atmospheric Administration (NOAA) (Sec. 90010-90013): \$559 million in total funding, which will remain available until September 30, 2026.

- \$200,000,000 to accelerate advances and improvements in research, observation systems, modeling, forecasting, assessments, and dissemination of information to the public as it pertains to ocean and atmospheric processes related to weather, coasts, oceans, and climate.
- \$100,000,000 for competitive grants related to climate research.
- \$100,000,000 for education and training and development and dissemination of climate information, products and services.
- \$20,000,000 for contracts, grants, and technical assistance for education activities and materials to improve public understanding of climate change as it relates to weather, ocean, coastal, and atmospheric processes and conditions and marine fisheries and resources.
- \$200,000,000 for the procurement of additional high-performance computing, data processing capacity, data management, and storage assets.
- \$139,000,000 for the acquisition of hurricane hunter aircraft.

Department of Agriculture (Sec. 13001):

- AGARDA: \$30,000,000 to the Office of the Chief Scientist to carry out advanced research and development relating to climate.
- AFRI: \$210,000,000 through the National Institute of Food and Agriculture (NIFA).
- \$210,000,000 for the Foundation for Food and Agriculture Research to carry out activities related to climate change.

Economic Development Administration (EDA) (Sec. 110009): \$3.36 billion in total funding, which will remain available until September 30, 2031.

- Grants under section 209 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3149) to develop regional economic growth clusters, including grants for technical assistance, planning, and predevelopment activities

Environmental Protection Agency (EPA) (Sec. 90002): \$100 million in total funding, which will remain available until September 30, 2026.

- Air quality and climate research under section 103 of the Clean Air Act (42 U.S.C. 7403) in support of research related to climate change mitigation, adaptation, and resilience activities to help reduce the impacts of climate change on human health and welfare.

TAX

- **Qualified Environmental Justice Program Credit (Sec.136601)**- The provision creates a capped refundable competitive credit of \$1 billion for each year from 2022 through and including 2031 to institutions of higher education for environmental justice (EJ) programs. The base credit is 20% of costs to be spent within five years by the receiving institution. Programs with material participation from Historically Black Colleges and Universities (HBCUs) and Minority Serving Institutions (MSIs) are eligible for a higher credit of 30%. Qualifying EJ programs shall be designed to address or improve data about environmental stressors for the primary purpose of improving or facilitating the improvement of health and economic outcomes of individuals residing in low-income areas or areas that experience, or at risk of experiencing, multiple exposures to qualified environmental stressors.
- **Excise Tax on Investment Income of Private Universities (Sec. 137502)** – Effective 2022, provides a phase-out for an institution’s investment income excise tax amount by the amount of qualified undergraduate scholarship and grant aid provided by the institution relative to its aggregate undergraduate tuition and fees collected during the taxable year. An institution’s tax amount would be reduced proportionately as the amount of its qualified aid exceeds 20 percent of tuition and fees.
- **Treatment of Federal Pell Grants for Income Tax Purposes (Sec. 137503)** – Effective 2022, excludes the full value of Pell Grant awards from gross income. Additionally, for purposes of the American Opportunity Tax Credit, the Lifetime Learning Credit, and exclusion of qualified scholarship from income, qualified tuition and related expenses would not be reduced by any amount paid for the benefit of an individual as a Pell Grant.
- **AOTC and Felony Drug Convictions (Sec. 137504)** – Repeals the prohibition excluding students convicted of state or felony drug offence from claiming the American Opportunity Tax Credit.
- **Public University Research Infrastructure Credit (Sec. 137501)** – Provides a 40% general business credit for cash contributions made by a taxpayer to a public college or university (or a non-profit organization to which authority has been delegated by the institution to apply for administering credit amounts on behalf of the institution) in connection with a qualifying research infrastructure program. Taxpayers may elect to claim this credit with respect to a qualifying cash contribution in lieu of treating such contribution as a charitable deduction. The amount of cash contributions an institution may designate as qualified cash contributions may not exceed 250% of the credit amount allocated to it under this provision. The provision provides \$500 million of credits for calendar years 2022-26 to be awarded by the Treasury Department on a project application basis

IMMIGRATION

- **Registry (Sec. 60001)**- Extends green card eligibility to undocumented immigrants who entered the United States prior to January 1, 2010 subject to conditions.
- **Recapture of Unused Immigrant Visa Numbers (Sec. 60002)**- Recaptures unused employment and family-based immigrant visas since FY 1992.
- **Adjustment of Status (Sec. 60003)**- Allows an individual to receive an exemption from the per-country and worldwide limitations on immigrant visas and have their status adjusted if such individual— (A) is the beneficiary of an approved family-based visa petition that bears a priority date that is more than 2 years before the date the alien requests an exemption from the numerical limitations and pays a supplemental fee of \$2,500; (B) is the beneficiary of an employment-based first, second, or third preference visa petition that bears a priority date that is more than 2 years before the date the alien requests an exemption from the numerical limitations and pays a supplemental fee of \$5,000; (C) is the beneficiary of an employment-based fifth preference petition that bears a priority date that is more than 2 years before the date the alien requests an exemption from the numerical limitations and pays a supplemental fee of \$50,000.
- **Additional Supplemental Fees (Sec. 60004)**- Allows increased fees for certain immigration applications:
 - \$100 for certain family-sponsored immigrant visa petitions (Form I-130)
 - \$800 for each employment-based immigrant visa petition (Form I-140)
 - \$19 for each Form I-94/I-94W issued to nonimmigrants who enter the United States
 - \$250 for each F-1 and M-1 nonimmigrant student and J-1 exchange visitor to be paid by the approved educational institution or designated exchange visitor program
 - \$500 for each application to replace an LPR card that has expired or is expiring
 - \$500 for each petition for E, H-1B, L, O, or P status (Form I-129)
 - \$500 for each application to change or extend nonimmigrant status (Form I-539)
 - \$500 for applications for employment authorization (Form I-765) filed by spouses of certain nonimmigrants, students seeking optional practical training, and applicants for adjustment of status

 - \$75 for each approved nonimmigrant visa