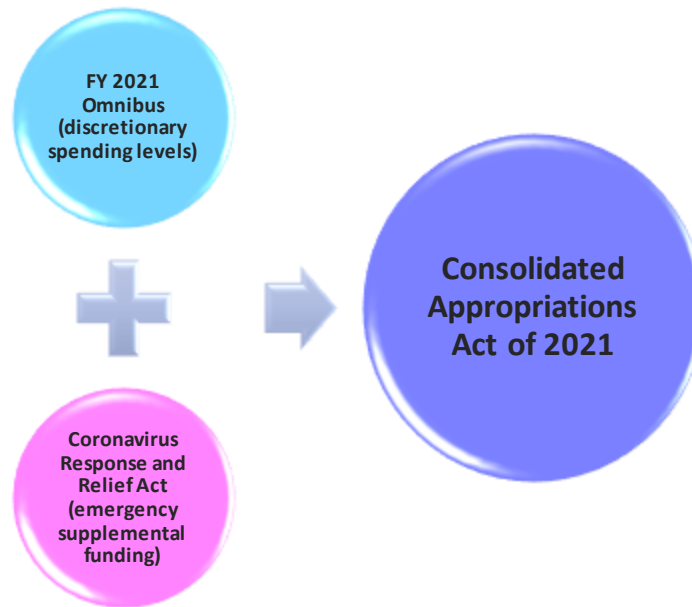


FY 2021 Omnibus and COVID-19 Supplemental Funding

On December 27, President Trump signed into law a [joint spending package](#) that included final spending levels for Fiscal Year (FY) 2021 and COVID-19 supplemental emergency funding. Passed on December 21, the legislation is the result of weeks of negotiations between House and Senate leadership. Below is a summary of major provisions of interest to graduate education included in the FY 2021 appropriations omnibus language. CGS has created a separate [summary](#) on major provisions in the COVID-19 supplemental language.



Consolidated Appropriations Act of 2021 ¹		
Issue Area	Department/Agency	Program/Provision
Tax	Internal Revenue Service (IRS)	<p>Lifetime Learning Credit:² Caps qualified tuition reduction at \$4,000 and \$2,000 for AGIs of \$65,000 and \$80,000, respectively. Will increase AGI phase-out limits beginning 2021.</p> <p>Sec. 127:² Employers may pay up to \$5,250/employee in qualified tuition expenses can now also make repayments on</p>

¹ <https://rules.house.gov/sites/democrats.rules.house.gov/files/BILLS-116HR133SA-RCP-116-68.pdf>

² Passed as part of COVID-19 supplemental portion of the Consolidated Appropriations Act of 2021, not as part of the FY 2021 omnibus.

		an employee’s student loans (up to \$5,250) through the year 2025.
Student Financial Aid	Department of Education	<p>FASFA: Simplifies the FASFA by reducing the number of questions. Will take effect for Academic Year 2023-2024. Framework for changes drawn from the FAFSA Simplification Act of 2019 (S. 2667).</p> <p>Removes questions related to a student’s prior drug convictions.</p> <p>Pell Grant Program: Increases the individual award to a maximum of \$6,495 (a \$150 increase) for Academic Year 2021-2022.</p> <p>Reinstates Pell Grants for incarcerated students.</p> <p>Eligibility formula will increase the number of students who can receive Pell.</p>
Institutions of Higher Education	Department of Education	<p>Historically Black Colleges and Universities: Discharges \$1.34 billion in loans under the HBCU Capital Financing Loan Program.</p>
Research	Various federal research agencies	<p>National Science Foundation: Provides \$8.48 B (2.5% increase) for NSF, including \$986 M for Education and Human Resources. Flat-funds the Graduate Research Fellowship Program.</p> <p>National Institutes of Health: Provides \$42.9 B (3% increase) for NIH.</p> <p>National Institute for Standards and Technology: Provides \$1 B for NIST.</p>