The Higher Education Committee of 50

HIGHER EDUCATION COMMITTEE OF 50 RECOMMENDATIONS

INTRODUCTION

In late 2017, the Bill & Melinda Gates Foundation awarded the National Association of Student Financial Aid Administrators (NASFAA) a grant to convene a group of forward-thinking campus leaders tasked with developing policy solutions to help students surmount the obstacles that prevent them from enrolling in, paying for, and graduating from college. NASFAA used the grant funding to facilitate the Higher Education Committee of 50, a group composed of college presidents, enrollment managers, admissions staff, financial aid and bursar leaders, members of governing boards, students, and other leaders from all postsecondary institution sectors. Combined, they hold memberships in more than 140 higher education-related professional associations, with many serving in multiple leadership roles.

The Higher Education Committee of 50 divided their work into four subgroups reflecting the four policy areas. Each subgroup reviewed relevant literature, heard from experts, and engaged in hours of discussion and debate before developing their respective recommendations. NASFAA released draft recommendations for public comment, and the subgroup members analyzed and reviewed all feedback. They incorporated much of this feedback into the final recommendations.

The full report, including additional details, a reference list, and a full list of Higher Education Committee of 50 members, is available at https://www.highereducationcommitteeof50.org.

RECOMMENDATIONS

The Higher Education Committee of 50 offers the following 36 recommendations for consideration by Congress in the hope that they will foster discussion and guide future policy decisions for the reauthorization of the Higher Education Act of 1965, as amended. Details on the methodology and background of this project, as well as the rationale behind each recommendation, follow this list.

ACCESS RECOMMENDATIONS

Recommendation 1: Simplify and improve the current financial aid application process by implementing NASFAA's proposed three-level application process, expanding the functionality of the IRS Data Retrieval Tool, considering a multi-year FAFSA, and/or considering use of the federal tax return as the aid application.

Recommendation 2: Require Title IV institutions to adopt standardized elements in the financial aid award notification, including all costs, net price, grouping by types of awards, and common descriptors/language.

Recommendation 3: Require the U.S. Department of Education to provide more transparency on the verification selection process through the FAFSA with the goal of reducing the number of FAFSA applications selected for verification.

Recommendation 4: Support the expanded use of online instruction to enhance access and increase affordability.

Recommendation 5: Require the U.S. Department of Education to create and make available a federally recognized database of "virtual advisors" to provide general information to students that will ensure student success as it relates to the admissions and financial aid application processes.

Recommendation 6: Improve and prioritize broadband internet services for online education/digitally delivered education and training.

Recommendation 7: Provide financial incentives to graduate school counseling educator programs to place interns in high schools with some of the lowest college-going rates and/or in high schools that serve predominantly low-income students.

Recommendation 8: Allocate additional funding in a separate allocation for which schools could apply. Allowable uses of these funds would include, but would not be limited to, student mentors in summer bridge and other transition-to-college programs.

Recommendation 9: Include in federal student aid funding courses taken in summer bridge programs, English as a Second Language (ESL) courses, and other developmental coursework without affecting students' Federal Pell Grant lifetime eligibility. Under this recommendation, Congress should remove the current 30-credit-hour limit. Current satisfactory academic progress requirements, including rules on repeat coursework, would apply.

ACCOUNTABILITY RECOMMENDATIONS

Recommendation 1: Keep the following current accountability measures in place, unchanged: withdrawal rates, financial responsibility scores, program reviews, and financial and compliance audits.

Recommendation 2: Keep the following current accountability measures in place, but alter them as detailed in our report: cohort default rates, gainful employment, 90/10 rule, and accreditation.

Recommendation 3: Allow a Student Unit Record Data System (SURDS) for establishing an institutional accountability policy, as reflected in the Transparency Subgroup's recommendations. Use College Scorecard data and other sources to measure student experience, progression, and outcomes, and alumni success. When an institution places substantially lower than institutions with similar missions, require an additional, U.S. Department of Education-approved review by the regional accreditor.

AFFORDABILITY RECOMMENDATIONS

Recommendation 1: Require the U.S. Department of Education to enhance existing financial literacy tools, require consumer testing on all new or improved tools, and make them available to all students.

Recommendation 2: Require the U.S. Department of Education to develop and add a dynamic, user-tested truth-in-lending calculator and annual debt letter to entrance counseling/StudentLoans.gov. The Department should make this available at the time of loan disbursement but should not make it a requirement to students getting their loans. Require private lenders to report to the National Student Loan Data System (NSLDS).

Recommendation 3: Permit students to file a FAFSA that would allow financial aid consideration for multiple years (e.g., a one-time FAFSA).

Recommendation 4: Allow Federal Pell Grant-eligible students to use up to two semesters (100%) of Pell Grant funds while completing dual-enrollment programs, while in high school, or while completing remedial courses, without such usage counting toward their Pell Grant Lifetime Eligibility Usage (LEU) limit.

Recommendation 5: Allow federal student loan refinancing through a federal government program should the variable annual interest rates decline.

Recommendation 6: Restore the purchasing power of the Federal Pell Grant by changing its funding source to mandatory funds exclusively, making it a true entitlement program.

Recommendation 7: Exclude 529 savings plans from the Federal Methodology need analysis calculation.

Recommendation 8: Discontinue origination fees.

Recommendation 9: Reduce interest rates and set a flat add-on amount to the 10-year Treasury note, not to exceed 2% across the federal student loan programs.

Recommendation 10: Use Fund for the Improvement of Postsecondary Education (FIPSE) grant funds to move toward the goal of affordable textbooks and other course materials by 2030.

Recommendation 11: Eliminate higher education tax credits and put those funds into the Federal Pell Grant program.

Recommendation 12: Eliminate the taxability of certain financial aid.

Recommendation 13: Establish one standard 10-year repayment plan, one extended repayment plan, and one income-based repayment (IBR) plan. The IBR plan would allow borrowers to pay a monthly amount based on their income and family size. The total amount to be repaid under IBR would be capped at the total of the principal and interest the borrower would have paid under a standard 10-year plan, as calculated when they entered repayment. Under IBR, interest would continue to accrue over the life of the loan, and amounts above the standard 10-year repayment cap would be forgiven and exempt from taxation.

Recommendation 14: Establish a federal and state partnership to incentivize tuition-free community college as a first-dollar program, and consider imposing a cap on eligibility based on income.

Recommendation 15: Maintain the Public Service Loan Forgiveness (PSLF) program for current and future eligible borrowers. Cap amounts forgiven under the PSLF program at 100% of remaining loan balance up to $57,500, and half of any remaining balance up to $138,500.

Recommendation 16: Decouple eligibility for interest subsidy from cost of attendance and base it on the expected family contribution.

TRANSPARENCY RECOMMENDATIONS

Recommendation 1: Require the U.S. Department of Education to administer an optional continuous-improvement survey at the end of the FAFSA to determine which elements of the online application help students and families understand and interpret information accurately and with ease.

Recommendation 2: Require the U.S. Department of Education to conduct consumer testing to identify what terms, elements, and strategies would render financial aid educational materials easier for consumers to understand.

Recommendation 3: Mandate evaluation of all federally required disclosures directed toward consumers of postsecondary financial aid to understand each disclosure's intended message, use, and audience. This evaluation should inform and guide revision or elimination of these disclosures. It should also establish a framework for creating any future required disclosures, assuring they effectively communicate with their intended audiences and can be used to make meaningful decisions about higher education or financial aid.

Recommendation 4: Eliminate consumer information requirements or disclosures that are not accessed by consumers or used in higher education decision-making by a significant number of consumers or stakeholders (government, private sector financers, consumers, and educational institutions), or are duplicative or irrelevant.

Recommendation 5: Repeal the Subsidized Usage Limit Applies (SULA) requirement that limits students' subsidized borrowing to 150% of their program length (which would eliminate the subsequent regulation) OR limit the data required to be reported on the loan origination record to only those items necessary to determine usage.

Recommendation 6: Lift the ban on collecting student unit-record level data and develop a Student Unit Record Data System (SURDS).

Recommendation 7: Require the U.S. Department of Education to provide a user-friendly presentation of the SURDS data.

Recommendation 8: Require the U.S. Department of Education to issue guidance for publishers who administer guidebook surveys/external surveys in an effort to reduce the institutional reporting burden of multiple surveys and reduce the overwhelming amount of information derived from the surveys that stakeholders are expected to grasp.

CONCLUSION

In a single year, the Higher Education Committee of 50 has accomplished work of extensive breadth and depth, addressing a wide range of topics while drilling down on practice and policy to develop thoughtful, innovative recommendations. Nonetheless, the Committee recognizes and deeply believes this work is just a starting point for future HEA reauthorization discussions and understands that many of the recommendations will require future work and refinement. The 116th Congress provides a fresh new policy window to explore HEA reauthorization, and Committee members will ensure their recommendations reach key stakeholders, inform related discussions, and lay the groundwork for further exploration.