

Student Aid Funding

NAICU appreciates the continued bi-partisan support of the core student aid programs. The scheduled FY 2017 and FY 2018 increases to the Pell Grant Program; and sustained funding for SEOG, Federal Work Study, TRIO and GEAR UP, are all critical to helping low-income students get into, stay in and complete college.

Tax Benefits/Reform

Reforming the tuition benefits was largely accomplished in the Omnibus Tax and Appropriations Act of 2015. Any additional reform efforts should maintain the current three-tiered structure of higher education tax benefits including incentives to save for college, pay tuition, and repay student loans. The AOTC and the IRA charitable rollover should be preserved and strengthened. IRC Sec. 127 – employer-provided education assistance – should be expanded to allow loan repayment benefits, and the current annual limit of \$5,250 should be increased.

The Importance of SEOG, Perkins Loans, and LEAP

SEOG, Perkins Loans and LEAP programs require colleges or states to match federal student aid funds, so that they have “skin in the student aid game.” The SEOG program has served needy students for nearly a half century. A permanent extension of the Perkins Loan program, which reinstates graduate student funding, and restores financial aid packaging flexibility, is critical. Proposals to eliminate these programs in-favor of one grant, one loan are pennywise and pound foolish, as they eliminate the matching funds from states and institutions.

Federal Student Loans

Federal Student Loans are a critical access tool for millions of Americans. While student debt is a growing concern, most students have manageable debt and repay their loans. Attempts to address the debt issue need to be focused on those borrowers who are struggling the most. Budget proposals to charge low-income students interest while they are in school would cost working class and Pell students thousands of dollars in a program where the federal government is already making a profit. Federal loan rates for parents and graduate students are too high.

Deregulation

We support the bi-partisan effort from the last Congress to remove or improve higher education regulations that are stifling innovation or not serving their intended purpose. Among the most problematic regulations we support eliminating are those governing teacher preparation, state authorization (both the core regulations and those pertaining to distance education), and the federal definition of credit hour. We also strongly support fixing the flawed implementation of the Financial Responsibility Standards for non-profit colleges which have forced many institutions that are not at risk of precipitous closure to waste limited resources by buying expensive and unnecessary letters of credit.

Veterans and Service Member Education

We are appreciative of the federal investment in educational benefits for veteran and military students. Particularly important are the Post-9/11 GI Bill and its “Yellow Ribbon” program, which have opened educational opportunities for so many veterans. We are committed to offering a supportive environment for veterans on our campuses.

Accreditation

The core function of accreditation is ensuring the quality of American higher education. We are concerned that accreditation is losing its independence and becoming an agent of federal compliance. We strongly support the independence of higher education accreditation in order to protect the diversity and quality of higher education in the United States.

Institutional Risk Sharing

Under federal law, institutions have no authority to reduce or deny students loans. Proposals in Congress to have colleges put up financial guarantees against students defaulting on federal loans – so institutions have “skin in the game” could have unintended consequences. Such measures could add significantly to the financial risk for institutions, affect their financial ratings and ratios, and drive up tuition because there would be no other revenue source for most institutions to make the required payments. Colleges already have “skin in the game” with low-income students. At private non-profit colleges, 67% of all aid for students comes from a college’s own resources.

DOL Overtime Rule

The status of the Obama Administrations overtime rule is now unresolved. An issue that arose from the process, however, is that private, nonprofit colleges and universities should have the same option to account for comp time available to many public colleges. We support legislation introduced in the last Congress to fix this inequity (Rep. Martha Roby (R-AL) (H.R. 465) and Sen. Mike Lee (R-UT) (S. 233) – The Working Families Flexibility Act.)

Reassuring DACA Students

As the administration changes, many DACA (Deferred Action for Childhood Arrivals) students are understandably nervous about their future status. NAICU is supporting bipartisan legislation, The BRIDGE Act, proposed by Sens. Graham (R-SC) and Durbin (D-IL), that would reassure these students by providing a 3-year safe-haven until a more comprehensive and long-term solution can be enacted.

Endowments

The House Ways and Means Committee has examined ways the federal government can require colleges and universities with the largest endowments to use them for tuition assistance, either at their own institutions or as redirected federal funding to entities such as community colleges. Low-income students at institutions with large endowments already have among the lowest costs in American higher education, often substantially below even community colleges. Endowment spending is tightly restricted by both IRS and state laws regarding donor intent and the fiduciary responsibilities of non-profit colleges. Upending the uniquely American tradition of donors directing their personal gifts to IRS-approved charities to meet an unrelated federal spending goal has serious implications for the entire non-profit sector.

Campus Sexual Assault

Students attending college should expect to find a safe and supportive campus environment. Campus sexual assault is getting more national attention, and generating positive action towards changing campus culture. Legislative initiatives to enhance campus safety must assure the safety and fair treatment of all students. They must also be flexible enough to be adapted to the particular circumstances of each institution.

Federal Money for State Colleges

Federal funding for state colleges to backfill funding cuts by the states is an emerging policy idea. Private, nonprofit colleges; public four-year; and public two-year colleges all have a public mission and all have about the same percentage of Pell Grant students in their enrollments. We strongly support keeping the federal higher education investment focused on students first, wherever they chose to attend college, and not on institutions.

Anti-Trust Exemption

Private, nonprofit colleges are deeply aware of the growing college pricing strains on both families and institutions. For more than 20 years, federal anti-trust practices have prevented our colleges from engaging in full discussions of new business models. Congress should provide private, nonprofit colleges temporary (5 years) relief from anti-trust restrictions for the purpose of discussing affordability and efficiency. At a time when many are promoting the idea of a federal role in setting public college tuition at \$0, Congress should not be prohibiting nonprofit colleges (that compete directly with state colleges) the ability to discuss their own pricing and aid structures. Public colleges are not restricted by anti-trust rules.

College Completion

There is an important, heightened, and newly focused federal conversation taking place regarding college completion. It is a long-time priority of independent colleges, which have the highest graduation rates of any sector. We support initiatives that could positively affect students' college completion such as NAICU's new Pell Plus proposal.

Award & Transfer of Credit

The awarding and defining of academic credit is central to an institution's academic mission, and to the value and meaning of its diploma. In a rapidly changing environment of increased student mobility and new modes of course delivery, institutions are taking a careful look at their policies. However, federal mandates on the standards to be used are not only inappropriate, but also place at risk one of the most effective quality control mechanisms in higher education.