



House HEA Bill—Key Points

Overview:

The 747-page reauthorization bill that will be considered by the House Education and Labor Committee on Wednesday, November 14, was introduced on Friday prior to the three-day Veterans' Day holiday weekend. Obviously, this does not provide the amount of time needed to do the kind of thorough and proper review that these critical higher education programs deserve. It is our understanding that more amendments will be made to the bill before the Committee convenes on Wednesday morning.

In the material we have had the time to review, we have found many positive initiatives that have been discussed and developed over time, and some that were completed under greater time pressure. Here are our initial thoughts.

Cost:

We find the multitude of college cost provisions in the House bill unnecessarily complex and disjointed. We understand that families are worried about paying for college, but this kind of report-writing regulatory overkill will be counterproductive.

The provisions of this bill give little consideration for the many reasons why sticker price does not tell the story of a college's efforts to broaden access and provide financial aid. We think the placement of many colleges that provide access for students of all income levels on a "High Education Price Increase Watch List" will scare away students – who might have received generous aid packages – from even applying. Particularly troublesome is the mandate requiring that colleges with tuition increases above a federally-prescribed level take actions to reduce net tuition, and then report on those actions to the Secretary of Education. This provision is, in fact, a form of federal price controls.

Reporting:

Ironically, while colleges are being admonished for rising prices, this same bill adds a slew of costly new reporting requirements on colleges, with no federal funding to offset the expense of these mandates. Detailed new reporting requirements are required in such areas as: campus crime, fire safety, textbooks, net price by income quartile, file sharing, and receipt of gifts.

Student Learning Outcomes:

We deeply appreciate the strong language included in the House bill to ensure that the federal government cannot impose national learning standards on colleges.

Accreditation:

We appreciate the strong steps the House bill takes to protect the autonomy of our nation's accreditation system by including controls against inappropriate federal mandates.

Transfer of Credit:

The House bill finds a reasonable solution to the transfer of credit issue – ensuring that students have information on colleges’ policies, without including federal prescriptions on how colleges award academic credit.

Articulation Agreements:

The bill calls for the development of statewide articulation agreements, using language that is unclear as to whether the intent is to require all institutions to participate in comprehensive statewide agreements. Many private institutions participate in voluntary articulation agreements. However, we would strongly oppose any federal effort to make colleges – particularly private colleges – subject to such agreements developed by the Secretary and state governments.

Student Loan Sunshine:

We appreciate the Committee’s thoughtful treatment of the need for better consumer disclosures and for clear ethics rules regarding the relationship between student loan lenders and colleges. Although we may propose technical changes to clarify some provisions in the House bill, the Committee responded to our concerns to earlier language. Thus, this is an area of the legislation we can generally support.

PLUS Auctions:

While we fully appreciate and support the increases in student aid funding that resulted from the budget reconciliation bill earlier this fall, we are carefully monitoring its effects on the marketplace. In particular, we are concerned about the implementation of mandated state-by-state auctions to determine which lenders will earn the right to issue PLUS loans.

We appreciate the House bill’s inclusion of a study of the new program’s implementation, and hope that Congress will be ready to act should problems arise.

Teacher Education:

The bill includes many improvements to teacher preparation programs and accountability provisions that were included in the Senate bill, and which private colleges support. However, also included is a provision that was slipped into the Senate bill on the floor.

The provision requires virtually all teacher education programs in the country to follow several federally prescribed curriculum elements – including quantifiable goals in the production of teachers in certain fields, and in the program of study used by the college. The House has promised to amend, but not eliminate, this provision.