Federal Higher Education Issues | The Year Ahead
Federal Issues Facing Private Nonprofit Higher Education During the 2013-14 Membership Year

Student Aid Funding

• Adequate funding for Pell Grants, campus based aid, and student loans remains a top priority – particularly as families recover from the economic downturn. We believe that the current mix of federal aid programs for undergraduates and graduate students is essential to ensuring college access and success regardless of family income. We would support a reinstatement of LEAP funding, and we support proposals to make Perkins Loans available to more students.

Restructuring Student Loans and Debt

• Most students have manageable debt, and repay their loans – a fact that is being lost in current media coverage. Students must have access to the loans necessary to help pay for college. However, the federal government should not be making a profit from those who must borrow. Student loans should be understandable and predictable for all students and parents, and as low-cost as possible. While loan repayment should be flexible, loans should not carry expensive conditions that add unduly to the level or duration of repayment. Federal priorities should include a low-interest rate, maintaining the in-school interest subsidy, and discouraging excessive borrowing.

Higher Education Tax Provisions

• Reforming and simplifying the tax code is a priority for many members of Congress. It is unclear, however, if fundamental change will be possible. In the meantime, NAICU will build upon the significant gains made in the higher education tax benefits in the January 1, 2013, fiscal-cliff agreement. We will continue our advocacy for the extension and improvement of higher education tax benefits, and the preservation of charitable giving incentives.

College Affordability

• We recognize the growing college affordability crisis, as more low-income students attend, middle-income families have limited funds, states decrease support for all sectors of higher education, and the economy continues to recover. We will support affordability solutions that are based on fact, and that don't diminish the quality of education, reduce the rigor of degrees, or conflict with institutional autonomy.

Consumer Information

• A mind-boggling array of new federal initiatives attempts to provide college students (including veterans) with better college choice and cost information. However, the information provided by many of these initiatives is too extensive to be easily evaluated, or is so simplistic as to be misleading. We support a more rational, user-friendly approach, such as that demonstrated by NAICU's U-CAN project (www.ucan-network.org), now with more than 800 participating private nonprofit colleges.

Earnings and Educational Value

• Many public officials see financial return as synonymous with educational value. A college education does typically increase lifetime earnings – but this is a long-term benefit, not higher education's essential purpose. We will continue to support transparency initiatives that give prospective students valid information on possible career earnings, while opposing efforts to assess quality exclusively by linking workforce earnings by major, typically within the early years after graduation. Such efforts trivialize the true value of a college education, and distort actual outcomes.
## College Completion

- College completion is an important new federal goal – and has long been a priority of independent colleges, which have the highest graduation rates of any sector. NAICU's "Building Blocks to 2020" project (www.naicu.edu/2020), highlighting successful programs at private nonprofit colleges, has drawn praise from federal officials. We will continue to support initiatives that positively affect students’ college completion, but will oppose concepts that would create new credentials by devaluing degree requirements.

## State Authorization

- State authorization regulations are wreaking havoc among states and institutions, and have led to massive compliance and cost issues. They should be repealed. We support protecting the balance across states, accreditors, and the federal government in assuring educational program quality and integrity for federal student aid purposes.

## Teacher Preparation

- The Department of Education will likely propose new regulations for college teacher preparation programs, as a result of a failed negotiated rulemaking session last year. We support strengthening legislation that would ensure high-quality teacher preparation programs. However, we oppose regulations that are not based on actual practice or valid research – such as the exclusive use of value-added test scores of K-12 students to reward, punish, or even close teacher preparation programs whose graduates teach those students.

## Accreditation

- We are concerned that accreditation is losing its independence, and is becoming an agent of federal compliance. This detracts from its core mission of ensuring educational quality. We strongly support the independence of higher education accreditation.

## Award and Transfer of Credit

- The award 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.

## Federal Definition of Credit Hour

- Federal credit hour regulations inappropriately intrude into academic decisions that properly rest with each institution and its faculty. The federal definition also is restricting the ability of colleges to explore innovative methods of teaching and learning. We support the repeal of this regulation.

## K-12 Education Reform and Higher Education

- A major national movement is seeking to reform higher education using the K-12 reform model – built on an integrated data-driven system of national standards, a stronger state role, and an emphasis on outcomes. This approach will not work when applied to higher education, and will hurt quality. The strength of the American higher education system is its diversity, and its inter-state and non-governmental nature. States are not appropriate change agents across all higher education sectors, as they are predisposed to favor one sector: public colleges and universities.