

**Pell and Campus-Based Aid**

Congress's continued support for Pell Grant funding makes a real difference in our students' lives. Proposals to eliminate SEOG (Supplemental Educational Opportunity Grants) and Perkins Loans, as well as the state incentive grant program (LEAP), in favor of one-grant, one-loan and one-work study are penny-wise and pound foolish. Each of these programs requires colleges (or states) to match federal student aid funds, so that they have "skin in the student aid game."

**Federal Student Loans**

HEA reauthorization proposals to reduce federal loan limits could force many students into more expensive private loans. While student debt is a concern, most students have manageable debt and repay their loans. Proposals to charge low-income students interest while they are in school would cost students thousands of dollars in a program in which the federal government is already making a profit. There is a growing debate about whether it is better to direct loan subsidies more in the front end, based on students' family income, or the back end, based on debt loads and earnings after students graduate.

**Institutional Risk Sharing**

Proposals in Congress to have colleges put up financial guarantees against students defaulting on federal loans – so institutions have "skin in the game" – are of deep concern. Such measures would 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. These proposals simply makes it even more expensive and risky for colleges to admit and educate low-income students.

**FAFSA Elimination**

The FAFSA application is an important tool for students to access federal, state, and institutional aid. Congressional efforts to simplify the questions on the form are welcome, but eliminating the form altogether will lead states and colleges to require students to fill out supplemental aid forms, making the overall system more complicated, not less, for families.

**Tax Provisions**

The IRA charitable rollover and tuition deduction should be extended immediately. Longer term tax reform should include simplifying the confusing array of tuition credits and deduction, while maintaining the current three-tiered structure that provides benefits for saving for college, paying tuition, and repaying student loans. Reform plans that propose to eliminate middle income families' tuition tax benefits, increase the taxation rate and limit 529 plans, tax private college endowments, tax tuition benefits for faculty and other campus employees, or that limit charitable giving options should be rejected.

**Federal Value Metric & Consumer Information**

We are pleased that the Department of Education did not develop a federal ratings system, and we remain supportive of efforts by the federal government to identify the appropriate information that would help students find their best fit colleges. However, we believe the benefits of higher education are multi-dimensional, and not limited to salary level. The new College Scorecard must continue to evolve if it is to be helpful to families, and fair to all institutions, particularly those that serve a high proportion of low-income students.

**Campus Safety**

Students attending college should expect to find a safe and supportive campus environment. Campus safety issues—particularly as they relate to incidents of sexual assault—are getting more attention, and they should. 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.

**Accreditation**

The core function of accreditation is ensuring educational quality. 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.

**Teacher Preparation**

The Department of Education’s newly proposed regulations to create a federal teacher education performance rating system are based on faulty measures of program quality. The federal government should not be establishing a profession’s quality standards, nor should it be imposing its standards on the states. Congress should use the HEA reauthorization process to ensure high-quality teacher preparation programs are assessed on cutting-edge standards that come from the profession and the states.

**Financial Responsibility Standards**

The federal system for assessing the financial soundness of non-profit colleges is seriously flawed. Non-profit accounting experts have expressed widespread concern about the significant shortcomings in the Department of Education’s implementation of the current regulations, which have forced many institutions that are not at risk of precipitous closure to waste limited funds on securing expensive letters of credit. In a time of rising college costs, it is inappropriate for the federal government to require scarce institutional resources to be spent on this flawed requirement.

**Federal Money for State Colleges**

In his State of the Union address, President Obama suggested supplemental federal funding for community colleges, regardless of the income levels of the students they serve. Others in Congress have suggested special programs for all public colleges. Private, non-profit colleges, public four-year and public two-year colleges all have about the same percentage of Pell Grant students in their enrollments. We all serve a public mission, even if our sector does not get additional state support. We strongly support keeping the federal higher education investment focused on low-income students, wherever they chose to attend college, and not on institutions.

**State Authorization**

Even as state authorization regulations are wreaking havoc among states and institutions, and have led to massive compliance and cost issues, the Administration is proposing more measures. These include authorization by states for foreign locations, and even authorization for distance education in states that *do not currently require it, nor have an approval process for out of state institutions*. These

proposals should be abandoned, and the existing state authorization regulations 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.

**Definition, 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. We also support the repeal of the federal definition of credit hour.

**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. NAICU’s *Building Blocks to 2020* project 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.

**Veteran and Servicemember 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. We understand the need for veterans to receive good consumer information. We are pleased that greater emphasis is being placed on accessing information resources already available from the Department of Education, and encourage continued progress in this area.

