

Student Aid Funding

A highlight of the final FY 2016 spending bill was the continued bipartisan support in Congress for funding the core student aid programs. We greatly appreciate that Pell Grants are increased to \$5,845; there are no cuts to SEOG and Federal Work Study; and TRIO and GEAR UP were generously increased. Together, these programs help low-income students get into, stay in, and graduate from college.

Tax Benefits

Congress' actions to make the IRA Charitable Rollover and the American Opportunity Tax Credit permanent will have lasting effects on college affordability and sustainability. Unfortunately, the same new law also changed the way colleges have to report financial information on Form 1098-T for students, adding unnecessary expense and confusion. We encourage fixing this provision.

HEA One Grant, One Loan

Proposals to eliminate SEOG and Perkins Loans, as well as the state grant program LEAP, in favor of one grant, one loan are penny-wise and pound foolish. Each of these programs require colleges or states to match federal student aid funds, so that they have "skin in the student aid game." Although we appreciate that Congress has temporarily reauthorized the Perkins Loan program through the 2017-18 academic year, a permanent extension which reinstates graduate student funding and restores financial aid packaging flexibility is critical.

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. Federal loan rates for graduate students and parents are too high.

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.

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 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.

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.

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” 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.

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.

