

Affordability

Many long-term factors have affected college affordability, including greater numbers of low-income students attending, more middle-income families with limited funds, decreased state support for all sectors of higher education, inflation, and an economy that continues to recover from the pandemic. We recognize the affordability crisis and are taking action, including exploring ways to reduce tuition; providing institutional aid; increasing access for low-income students; reducing time to degree; and creating partnerships with employers for post-graduate employment.

Accountability

An appropriate model of accountability should balance the responsibilities of institutions to taxpayers and students with the need to maintain the diversity of American higher education, which is a core strength that benefits the nation and the students we serve. We support reasonable efforts to hold institutions accountable and to provide students with appropriate information about the institutions they may choose to attend. We are concerned, however, that current efforts such as the Administration's effort to identify "lowest-financial-value programs," if not properly designed, could reduce the measure of value to only a handful of economic indicators that may not provide students (particularly first generation to college students) with the full picture of the benefits of higher education.

The Value of Private, Nonprofit Higher Education

We are focused on providing value to our students and to our communities. A big focus of our institutions is on job and career preparation for our students via multiple pathways, including certificate programs and associate degrees, bachelors, graduate, and professional degrees, and partnerships with local industry. We are also job creators, workforce developers, and economic engines in our communities. And we deliver these results to our students and our communities without the state funding that our public counterparts receive.

Double the Pell Grant and Increase Student Aid

The Pell Grant program serves as the cornerstone of federal student aid and works with other student aid programs to help low-income students get into, stay in, and complete college. NAICU appreciates the \$500 increase in the Pell Grant maximum award Congress passed for FY23 appropriations, and the increases for SEOG, Federal Work-Study, TRIO and GEAR UP as these programs work together to ensure students are ready for college and supported through completion.

We encourage Congress to continue providing increases and to double the Pell Grant to \$13,000, a bipartisan position supported by 75% of registered voters in a recent national poll. By putting educational dollars directly in the hands of students to use at the institution of their choice, doubling Pell Grants is the best and most efficient way for Congress to help keep down college costs for all students.

Federal Student Loans and Student Loan Debt

Federal student loans are a critical access tool for millions of Americans. While most students have manageable debt and repay their loans, it is still a growing concern. Any effort to address the student loan debt crisis should involve a comprehensive review of the federal student loan repayment plans with foremost consideration of the student loan borrower while also recognizing their obligations for responsible loan repayment. NAICU supports reasonable federal loan limits for borrowers; however, we do not support a dramatic lowering of loan limits for parents and graduate students. Such a move would force many borrowers, including those who may not be qualified, to turn to the more expensive private market for loans.

Tax Policy

We remain steadfastly opposed to the private college endowment/net investment tax, signed into law in 2017. This tax should be repealed, and certainly not expanded. It is punitive, unfairly targeted at the sector of higher education that has the least support from the states, and does nothing to help our institutions or the students we serve. Congress should strengthen and expand the current student and family benefits and charitable giving incentives, including allowing employers to offer more annual tax-free education and student loan repayment assistance under Sec. 127 of the tax code. The annual amount of tax-free assistance available under Sec. 127 hasn't been increased in over 35 years.

COVID Pandemic Relief

The COVID relief funding Congress provided to institutions and students has been essential to keeping colleges open and students enrolled and able to complete college during the pandemic. Private, nonprofit institutions spent their funding immediately, with at least half going to emergency grants for students. We are seeing student learning gaps, mental health issues, and struggles with basic needs to be ongoing concerns because of the pandemic.

Veterans and Service Member Education

The federal investment in educational benefits for veteran and military students has opened educational opportunities for many veterans. Particularly important are the Post-9/11 GI Bill and its Yellow Ribbon program. We appreciate that Congress extended COVID relief provisions for student veterans and made technical updates to recent legislation, and that it enacted legislation to address our concerns with the new Department of Veterans Affairs interpretation of the 85/15 rule counting non-GI bill benefit recipients as supported students.

Financial Responsibility Standards

Current financial responsibility standards were put in place in 1992 and have not been adequately updated to reflect today's accounting standards or public policy questions. Additionally, during the pandemic, institutions saw large revenue losses, which will have an impact on their financial responsibility scores. We believe that flexibility should be granted to private, nonprofit institutions regarding their financial responsibility scores and that the standards should be reviewed and updated.

Freedom of Speech

Promoting the free and open exchange of ideas is a central tenet of higher education. In recent years, the federal government has considered various proposals to regulate how colleges and universities handle freedom of speech. Any such proposals must consider an institution's duty to balance free speech protections with other essential values, such as student safety, inclusion, respect, and institutional mission.

Campus Sexual Assault

Students attending college should expect to find a safe and supportive environment. Federal initiatives to enhance campus safety must ensure the safety and fair treatment of all students. The initiatives must also reflect the significant lessons learned during the past decade's efforts to address this problem. However, current fluctuations in rules, with little time for meaningful implementation, undermine recent positive action toward changing campus culture.

Accreditation

The core function of accreditation is ensuring the quality of American higher education, while acknowledging its diversity. We are concerned that accreditation is losing its independence and becoming an agent of federal compliance. Quality and diversity are accomplished through the peer-review process and by an institution's autonomy to establish its own mission and academic standards.

Institutional Aid

The private, nonprofit sector consists of Historically Black Colleges and Universities, Tribal Colleges and Universities, Minority-Serving Institutions, and institutions eligible for the Strengthening Institutions Program. These institutions benefit from institutional aid programs in Titles III and V of the Higher Education Act. We believe that greater flexibility should be granted to these institutions in how these funds are used, current programs should be updated to better serve these institutions, and funding should be increased to allow them to better support their students.

Student Privacy

We support increased transparency but also believe in the importance of protecting the confidentiality of students' personal information. While we do not believe the College Transparency Act provides sufficient student privacy protections, Congress should give careful consideration to the new technology approach in the Student Right to Know Before You Go Act, which has the potential to get policymakers the information they want without sacrificing student privacy.

Deferred Action for Childhood Arrivals (DACA)

The federal halt on processing new DACA applications after a Texas court ruling that the program is illegal puts enormous pressure on Congress to formally enact a pathway to citizenship for these program participants and others who were brought to the U.S. as children. NAICU supports legislative action, like passage of the Dream Act, to ensure these individuals have a permanent and certain path forward.