



## Insight

# And They Are Off: The House Considers Bills to Reauthorize the Higher Education Act

CHAD MILLER | JULY 23, 2014

This week the U.S. House of Representatives is set to consider the first of several pieces of legislation adopting a piecemeal approach to reauthorizing the Higher Education Act. The bills achieve the [priorities](#) laid out by the Committee on Education and the Workforce Chairman Rep. John Kline (MN). In those priorities, Chairman Kline promotes reforms that

- Empower students and families to make informed decisions;
- Simplify and improve student aid;
- Promote innovation, access, and completion; and
- Ensure strong accountability and a limited federal role.

Below is a breakdown of the legislation being considered and the benefits each bill offers.

## HR 3136 – Advancing Competency-Based Education Demonstration Project Act

–This bill amends title IV (Student Assistance) of the Higher Education Act to direct the Secretary of Education to select institutions of higher education (IHEs) for voluntary participation in Competency-Based Education Demonstration Programs. These programs would provide participating IHEs with the ability to offer competency-based education that does not meet certain statutory and regulatory requirements that would otherwise prevent them from participating in federal student aid programs.

The bill defines “competency-based education” as an education process characterized by the direct assessment and measurement of student learning instead of, or in addition to, measuring students' credit or clock hours. It also deems IHEs eligible to participate in a program if they are also eligible to participate in title IV programs..

In addition the bill requires program applicants to provide the Secretary with a description of the statutory and regulatory requirements they would like waived and the reasons for seeking each waiver. And finally, it directs the Secretary to conduct an annual evaluation of each of the up to 20 programs authorized by this Act.

### Promoting Access

HR 3136 is a step in the right direction, towards competency based learning (CBL). One downside of the legislation is that it doesn't go far enough, permitting only 20 institutions to enter the pilot program.

Despite the small size of the demonstration program, the bill opens the door to more CBL programs that have

the potential to save students thousands of dollars by allowing them to accelerate their study through the use of prior learning assessments or other mechanisms to evaluate learning.

## **Fiscal Responsibility**

The legislation doesn't require any additional federal funding, it leverages existing federal resources to implement the demonstration project. While future impacts of shifting to more competency-based education aren't well defined, if it can reduce the amount of time spent by each student to earn a degree or certificate, federal financial aid resources could potentially be stretched much further. Overall the bill is a positive based on the promise of CBL to improve financial aid availability to more students without having to increase federal spending.

## **HR 4983 – Strengthening Transparency in Higher Education Act**

The Strengthening Transparency in Higher Education Act Requires the Secretary of Education to create a consumer-tested College Dashboard that would display only key information students need when deciding which school to attend. As described by the committee, the bill:

- Amends the IPEDS data collection system to redefine data set.
- Ensures the College Dashboard includes information on the completion rates of all students, including contemporary students and Pell Grant recipients.
- Instructs the secretary of education to provide a link to the College Dashboard page of each institution listed on a student's FAFSA to make sure students know this information is available.
- Directs the secretary of education to coordinate with other federal agencies to ensure all published higher education data is consistent with the information available on the College Dashboard.
- Streamlines and eliminates unnecessary information and federal transparency initiatives.

## **Promoting Access**

Any effort to share more information with prospective college students is a laudable goal, but existing federal efforts to convey that information haven't exactly taken off. Should the legislation achieve its objectives of helping provide better information to students, it will be useful, but our concern is that the federal government will do as well as it usually does – poorly. Still, the changes to IPEDS are welcome, and the legislation has merit for that reason alone.

## **Fiscal Responsibility**

Although added transparency is a good thing, there are a number of avenues for prospective students to obtain information to help choose a college or university, including many reputable private sector sources. However, a redesign of IPEDS is overdue, and if the bill can achieve its goals without new federal spending (\$1M is authorized from existing funding), it warrants support.

## **H.R. 4984 – Empowering Students Through Enhanced Counseling Act**

HR 4984 seeks to ensure borrowers, both students and parents, who participate in the federal loan program

receive interactive counseling each year that reflects their individual borrowing situation.

Such action provides awareness about the financial obligations students and parents are accumulating by requiring borrowers to consent each year before receiving federal student loans. Additionally, it calls for informing low-income students about the terms and conditions of the Pell Grant program through annual counseling that will be provided to all grant recipients. And finally, the legislation directs the Secretary of Education to maintain a consumer-tested, online counseling tool. Institutions can use this to provide annual loan, exit, and Pell Grant counseling.

## **Promoting Access**

Similar to other bills considered here, the promise of added information for students is positive, and the suggestion that it may reduce over borrowing and/or misuse of federal financial aid would be a welcome result. However, any costs associated with the improved counseling are likely to be passed onto students by the institutions required to perform it, so it may make college marginally more expensive.

## **Fiscal Responsibility**

The meager \$2 million authorized from existing sources probably won't cover the costs incurred by the IHEs affected. When tuition goes up to cover the cost, federal financial aid programs will be impacted. It may be marginal, but the link between tuition and federal financial aid is a reason to be wary.

## **H.R. 5134 – Extending the National Advisory Committee on Institutional Quality (NACIQI) and Advisory Committee for Student Financial Assistance**

The final piece of legislation represents more of a technical fix seeking to extend for one year two separate advisory committees.

### **National Advisory Committee on Institutional Quality (NACIQI)**

The Committee advises the Secretary of Education on matters related to postsecondary (or higher education) accreditation and the eligibility and certification process for higher education institutions to participate in the Federal student aid programs. Its primary function is to provide recommendations to the Secretary concerning whether accrediting entities' standards are sufficiently rigorous and effective in their application to ensure that the entity is a reliable authority regarding the quality of the education or training provided by the institutions or programs it accredits.<sup>[1]</sup>

### **Advisory Committee on Student Financial Assistance**

The Advisory Committee was created by Congress in the Higher Education Amendments of 1986 to be an independent and bipartisan source of advice and counsel on student financial aid policy to both Congress and the Secretary of Education. To fulfill its legislative charge, the Committee:

- Makes recommendations to maintain and increase access and persistence to higher education for low- and moderate-income students.

- Provides technical expertise and understanding of federal, state, and institutional student financial aid programs, and systems of need analysis and application forms.
- Contributes knowledge and understanding of early intervention programs, and makes recommendations that will result in early awareness by low- and moderate-income families of their eligibility for aid.
- Formulates recommendations that will expand and improve partnerships among stakeholders to increase the awareness and total amount of need-based aid available to low- and moderate-income students.
- Collects information on federal regulations and their impact on student financial assistance and on the cost of receiving a postsecondary education, and makes recommendations to streamline the regulation of higher education from all sectors.<sup>[2]</sup>

## Conclusion

All things considered, these first steps taken by the House toward an HEA reauthorization represent some much needed reform to the laws governing higher education and student financial assistance. But we should not be satisfied with marginal improvements when what we increasingly seem to need is transformational reforms. As AAF has [pointed out](#), published tuition rates have increased over twice as much since the 1983-84 school year and public-four year institutions have seen rate increases more than triple, even after adjusting for inflation. The skyrocketing cost of a college education and the related debt burdens for today's students is a drag on the economy, leaving jobs unfilled and stifling growth. Hopefully the in the coming months Congress will move forward with the bold strokes needed to keep the nation's system of higher education a world leader.

<sup>[1]</sup> <http://www2.ed.gov/about/bdscomm/list/naciqi.html>