Higher Education Act Reauthorization

Congress has begun the process of reauthorizing the Higher Education Act (HEA). This legislation was first enacted in 1965 to provide greater access to postsecondary education for students from low-income families and to strengthen support for colleges and universities. During the past several decades, Congress has amended the legislation and reaffirmed its support for the student aid and institutional assistance programs. The most recent HEA reauthorization occurred in 2008, with the enactment of the Higher Education Opportunity Act (Public Law 110-315) (HEOA).

For community colleges and their students, the HEA is the most important legislation since it provides the statutory authority for the federal student financial aid and institutional assistance programs as well as a myriad of related definitions, eligibility rules, and reporting requirements. All the major federal student aid programs are authorized under Title IV of the HEA, including the Federal Pell Grant, Supplemental Educational Opportunities Grant (SEOG), Federal Work-Study, and Direct Loan programs, as well as TRIO and GEAR UP. Titles III and V provide Strengthening Institutions, Predominantly Black Institutions, Developing Hispanic-Serving Institutions, and other minority-serving institutions with critical support for program improvement. Title VI authorizes programs for international education.

After numerous Congressional hearings on various HEA issues, the Senate and House education committees began drafting reauthorization legislation. In late June, the Senate Health, Education, Labor and Pensions (HELP) Committee Democrats released a comprehensive draft HEA reauthorization bill. The Senate Democrats’ draft legislation, the Higher Education Affordability Act, reflects many of the priorities of the retiring HELP Committee chair, Sen. Tom Harkin (D-IA). As its name implies, the overarching goal of the bill is to make college more affordable. This comprehensive legislation includes provisions to improve loan repayment options, create a program to incentivize state investment in higher education, and support dual enrollment. The bill contains several provisions that are community college priorities, such as a reinstatement of year-round Pell Grants and a community college-industry partnerships program similar to the Community College to Career Fund originally proposed by President Obama. It also contains numerous provisions designed to increase institutional accountability. AACC has summarized key points in the draft bill on the AACC website.

The Senate HELP Committee Republican leadership released a shorter HEA bill and the House Education and the Workforce Committee Republican leadership issued an HEA white paper as well as three short bills targeting specific reauthorization topics.

The Senate Republican draft bill, the Financial Aid Simplification and Transparency (FAST) Act, is not a comprehensive reauthorization bill. It focuses on reducing the number of questions
on the Free Application for Federal Student Aid (FAFSA) to two substantive questions and would provide families the ability to learn earlier how much student aid a student may qualify for. The FAST Act also would consolidate the various federal grant and loan programs, restore year-round Pell Grants, make loan eligibility dependent on enrollment status, and streamline loan repayment options into two plans.

The three bills issued by the House Education and the Workforce Committee Republican leaders received strong bipartisan support and were approved by the House in late July. The Advancing Competency-Based Education Demonstration Project Act (H.R. 3136), authored by Rep. Matt Salmon (R-AZ) and cosponsored by Reps. Susan Brooks (R-IN) and Jared Polis (D-CO), would direct the secretary of education to initiate competency-based education demonstration projects. The Strengthening Transparency in Higher Education Act (H.R. 4983), authored by Rep. Virginia Foxx (R-NC) and cosponsored by Reps. Luke Messer (R-IN) and John Kline (R-MN), would require the secretary of education to create a consumer-tested College Dashboard to provide information for prospective students and include a link to the FAFSA. The Empowering Students Through Enhanced Financial Counseling Act (H.R. 4984), authored by Rep. Brett Guthrie (R-KY) and cosponsored by Reps. Richard Hudson (R-NC) and Suzanne Bonamici (D-OR), would direct the secretary of education to develop a consumer-tested, online counseling tool colleges could use to provide annual Pell Grant counseling as well as annual loan counseling, and exit counseling. The House also approved a measure that would extend the National Advisory Committee on Institutional Quality and Integrity and the Advisory Committee on Student Financial Assistance for 1 year.

Sen. Harkin plans to schedule a mark-up on his HEA reauthorization package for the fall and additional bills may be introduced. However, the fall Congressional schedule is an abbreviated one due to the November elections and other issues may dominate the calendar including passage of a stopgap funding bill. Therefore, the HEA reauthorization process will continue into the next Congress.

Community College Priorities

With the goal of helping more students complete degrees and certificates, AACC has offered, with ACCT, recommendations that would amend the federal grant and loan programs to provide greater assistance for “nontraditional” students, simplify the FAFSA and loan repayment options, facilitate transfers between 2-year and 4-year institutions, and reduce the federal regulatory burden on colleges.

A top priority for community colleges is to restore Pell Grant eligibility for ability-to-benefit (ATB) students, i.e., those students who lack a high school diploma or GED, but can demonstrate readiness for college-level coursework. AACC also advocates the reinstatement of the year-round Pell Grant and extending the lifetime Pell Grant eligibility from 12 semesters to 14 to
accommodate students who need additional time to complete their undergraduate studies by enrolling in 4-year institutions or who complete developmental or ESL programs.

While community colleges strongly support efforts to limit unnecessary student borrowing, the burdensome 150% program period cap on federal subsidized student loans should be lifted. AACC also advocates changing the student loan cohort default rate calculation to factor in the low rates of borrowing at community colleges.

AACC Recommendations for the Reauthorization of the Higher Education Act:

- Restore eligibility for the year-round Pell Grant and for ability-to-benefit students.
- Limit unnecessary student loan indebtedness, in part by giving colleges greater authority to reduce loan maximums.
- Change the calculation for federal student loan cohort default rates to reflect the low rates of borrowing at community colleges.
- Alter the graduation metrics to better reflect the educational paths of community college students (reflective of the Voluntary Framework of Accountability), and providing earnings information on all college completers.
- Encourage states to maintain higher education funding for public 2-year and 4-year institutions.

For more details about AACC’s HEA reauthorization positions, (link to the initial reauthorization letter)

http://www.aacc.nche.edu/newsevents/News/articles/Documents/AACC_ACCT_JointHEARecsFinal.pdf