

Highlights of NAICU Recommendations to the House Education and the Workforce Committee for the Reauthorization of the Higher Education Act

1. **Update and Restore Student Aid:** The federal student aid program structure and intent is still valid today, but some program features should be updated. Pell Grants and student loans should be more flexible, and campus-based programs and LEAP state grants should be strengthened. Revitalize the Perkins Loan Program, as proposed by the President. In addition, reinstate the in-school interest subsidy for graduate students, and the grace period for subsidized loan borrowers, to lower loan costs for students.
2. **Create Incentives for On-Time Graduation:** Students who complete college on-time should have access to the same total federal grant and loan limits as students who take longer to complete. This could be accomplished by allowing students who have demonstrated success in post-secondary education to draw down remaining grant and loan eligibility as they near degree completion. Congress also should increase SEOG limits for third-year students and above.
3. **Promote Affordability:** Amend the current anti-trust exemption for private, non-profit colleges for purposes of promoting affordability. The amended exemption could be for a limited time and could be under circumstances prescribed by Congress, to ensure that public affordability purposes are served through the exemption.
4. **Consolidate Information for Prospective Students:** Consolidate the confusing array of existing federal consumer information initiatives for prospective students into a single, widely-available tool that includes all Title IV eligible postsecondary institutions. In developing this tool, the federal government should ask consumers what they want; make it the appropriate length; include both quantitative and qualitative information; and avoid rankings.
5. **Improve Post-Graduation Employment and Earnings Information:** Improve the Department of Labor's general information about employment and earnings prospects for particular occupations, and make it more readily available. This could include earnings by region and required postsecondary education or training. Such an approach would provide more useful information than current efforts to track earnings by academic major through creation of a controversial and expensive national student unit record data system.
6. **Reduce Regulatory Burden:** Require a master calendar for reporting requirements, and a cost-benefit analysis of new regulations. Establish a formal comment period for significant guidance. Establish a mini-grant program to aid institutions in reviewing federal compliance activities.

7. **Improve Federal Financial Responsibility Procedures:** Establish a formal appeals process as part of the federal financial responsibility procedures. Create an advisory board of independent accounting experts to assist the Department of Education in better understanding nonprofit accounting standards. Strengthen the requirement for the Secretary to examine the “total financial circumstances” of institutions that fail the ratios test before assessing penalties.
8. **Continue Careful Experimentation:** Continue to recognize that different types of valid postsecondary education may receive different levels of federal support. Balance the desire to support new ideas against the need to protect against fraud and abuse. Use demonstration programs for controlled analysis before full-scale federal investments are made.
9. **Target Enforcement Resources:** Establish priorities for program reviews to focus on institutions with serious violations of law. Simplify and target gainful employment requirements to certificate programs that fail a “first-test” standard.
10. **Make Common-Sense Distinctions on Preferred Lenders:** Exclude beneficial state or non-profit student loan programs from the preferred lender requirements.
11. **Preserve Academic Decision-making:** Repeal the federal credit hour definition and state authorization regulations. Maintain award of credit as an academic decision. Avoid proposals to use accreditation for federal enforcement.
12. **Improve Teacher Preparation:** Incorporate the Educator Preparation Reform Act (H.R. 2172) by Rep. Mike Honda (D-Calif.) into Title II.
13. **Encourage Efficiency:** Provide grants for colleges to expand collaborative purchasing agreements.
14. **Support Successful Completion Programs:** Enact the “First in the World” program proposed by the President.