

### **FAFSA and Student Aid Funding Delays**

The congressional delay in finalizing FY 2024 appropriations, coupled with the Department of Education's months-long delay in implementing the new FAFSA, is severely hindering the ability of colleges and universities to provide financial aid packages to students and families. With the Pell Grant maximum level unclear and the fate of the Supplemental Educational Opportunity Grants (SEOG) and Federal Work-Study (FWS) programs, financial aid administrators cannot build reliable federal aid packages that will help students make decisions about fall enrollment.

NAICU supports annual increases in the federal student aid programs, anchored by our request to double the Pell Grant maximum to \$13,000. The Pell Grant serves as the cornerstone of federal student aid and works with other programs to help low-income students get into, stay in, and complete college. NAICU opposes the proposed elimination of SEOG and FWS in the House education spending bill, as well as the \$10 million cut to each program in the Senate version.

### **The Value of Private, Nonprofit Higher Education**

A major focus of our institutions is job and career preparation via multiple pathways, including certificate programs and associate, 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. The independent sector of higher education directly employs 1.2 million people and supports and sustains 3.4 million jobs all of which generates \$99 billion in local, state, and federal tax revenue and \$652 billion in economic impact.

### **Challenges Facing Our Sector**

Higher education and the students we serve have still not recovered from the pandemic. Among our biggest challenges are learning loss, mental health needs, and economic loss. While we appreciate Congress' interest in holding colleges accountable for federal student aid dollars, some of the HEA proposals found in bills such as the College Cost Reduction Act (H.R. 6951) will devastate the independent college sector. These proposals include cuts to long standing student aid programs, institutional cost-sharing for federal student aid programs, and caps that limit the amount of federal student aid to the median cost of attendance for a student's program, inclusive of the public sector. Meanwhile, a constant stream of new regulations is placing an untenable burden on our institutions.

### **Affordability**

Many 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 and educational system 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. Currently, private, nonprofit colleges and universities give six times the amount of grant aid to our students as they receive from the federal government.

### **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 our students. 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 recent efforts, such as new regulations on financial value transparency, could reduce the measure of value to only a handful of economic indicators that may not provide students (particularly those who are first generation) with the full picture of the benefits of higher education.

### **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: 1) involve a comprehensive review of federal student loan repayment plans; and 2) include ways to reduce the harmful impact of negative amortization while centering the needs of student loan borrowers and 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 increased in over 35 years.

## **Veterans and Service Member Education**

The federal investment in educational benefits for veteran and military students has opened significant educational opportunities. Particularly important are the Post-9/11 GI Bill and its Yellow Ribbon program. We appreciate that Congress has worked collaboratively with colleges and universities to ensure veterans can continue to have access to a wide variety of high-quality postsecondary programs.

## **Campus Sexual Assault**

Students attending college should expect to find a safe and supportive environment. Federal initiatives to enhance campus safety must ensure the wellbeing 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 about proposals that would reduce the independence of accreditors and turn them into agents 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.

## **SNAP for College Students**

The ability of college students facing food insecurity to afford and have access to nutritious food has been exacerbated since the pandemic. Students who were temporarily granted eligibility for Supplemental Nutrition Assistance Program (SNAP) benefits no longer have that eligibility. College campuses nationwide provide foodbanks and swipe exchanges to help students access food, but it is not enough, especially when colleges close for breaks or students do not regularly stay on campus outside of class time. We support the reinstatement of college student eligibility in the SNAP program and streamlining the application process for need-based student aid recipients.

## **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.

## **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.