

THE AFFORDABLE COLLEGE COSTS EMPOWER STUDENT SUCCESS (ACCESS) ACT OF 2013

The cost of college has put college out of reach for too many, and forced others to take on crushing debt to get a degree. It is time to reset the foundation of federal higher education policy around two simple concepts: innovation and accountability. The Affordable College Costs Empower Student Success Act of 2013 will make college more affordable by promoting much-needed innovation and holding institutions accountable to students and taxpayers.

The Need for Higher Education Reform

A college degree has become a necessity today to compete for a job with a decent, living wage. The average unemployment rate in 2012 for those with a high school degree was almost double the rate of those with a college degree. To help students afford the cost of college, the federal government distributed over \$140 billion in student financial aid last year. Yet college costs continue to balloon, increasing 300 percent in inflation-adjusted dollars over the past 30 years. The impact is dramatic: the U.S. once had one of the highest college graduation rates among industrialized nations, but it has now fallen to 12th place. And there are now more than 38 million student loan borrowers in the U.S. with over \$1.1 trillion in outstanding debt.

At a time when states are cutting back on higher education spending, the federal government must be smarter about how it distributes federal student aid. Some colleges are not delivering on the value of their product for the price they charge. For instance, about 40 percent of student borrowers who attend for-profit institutions default on their loans, either due to the enormity of their debt or their inability to find a job after graduation. This cycle of rising costs and increasing debt will not stop without major reform. Innovation has the potential to make higher education significantly more affordable and accessible by making it easier for students to obtain more meaningful degrees in less time. Accountability will ensure that schools meet minimum standards when it comes to the cost they charge and the quality of their programs.

What the Bill Does

Innovation:

- Spark innovation by authorizing and funding a new evidence-based competitive pilot program that will encourage institutions to develop programs that offer high-quality education that lowers the cost and reduces the time for completing a degree, including online courses, competency-based degrees, dual-enrollment programs, and accelerated degrees.
- Rigorously evaluate these new innovative programs to ensure that students are getting a quality education.

College Accountability:

- Create a commission of students, education experts, and stakeholders to recommend minimum standards for institutions to meet in order to remain eligible for federal funding. Those standards will focus on affordability, the access schools provide to low- and middle-income students, and value.
- Put in a place a system to reward schools that do best on the accountability measures. Institutions that consistently fall below those standards will be incentivized to improve by requiring them to commit to improvement. If they fail to improve, they will have to return increasing amounts of their Title IV funding, or ultimately, lose eligibility.