

August 26, 2014

Senator Tom Harkin  
Chairman  
Committee on Health, Education, Labor and Pensions  
United States Senate  
428 Senate Dirksen Office Building  
Washington, D.C. 20510

Dear Chairman Harkin:

On behalf of the Association of American Universities (AAU), an organization of 60 leading public and private research universities, I write to offer comments on the draft *Higher Education Affordability Act*. We thank you for your support for higher education and your leadership in moving the reauthorization of the *Higher Education Act* (HEA) forward.

AAU universities are committed to making high-quality postsecondary education accessible, providing students with a world-class academic experience, and educating future leaders. AAU member universities educate more than 1.1 million undergraduate students and 560,000 graduate students annually. Forty-seven percent of all U.S. research and doctoral degrees are awarded at AAU schools. One of the fundamental guiding principles for AAU members is that students who wish to pursue a higher education should not be denied an opportunity because of economic circumstances; a student's financial status should not be a barrier to higher education. We also believe that access should be coupled with completion of a strong academic program. Like you, we believe the federal government has a responsibility to ensure that taxpayer dollars in the form of student aid should not just be used to enroll students at institutions that provide little or no educational benefit for their students. In the context of HEA reauthorization, we hope that Congress will promote policies that lead to greater levels of access and student success, as well as strong and appropriate accountability.

We support the over-arching goals of your proposed bill to focus on more rigorous institutional performance measures as a means for strengthening higher education accountability. AAU member institutions take their responsibility as stewards of federal resources seriously. We support legislation and subsequent regulations necessary to protect taxpayer investments and root out fraud and abuse. At the same time, we ask that Congress be very mindful that more regulations that add to the compliance burden, but provide no added accountability, are a waste of government and university resources. Unwarranted, duplicative, and sometimes conflicting federal regulations cause significant and costly compliance problems. This is especially true for research universities, whose involvement with the federal government is much more expansive than the requirements outlined in the HEA.

AAU endorses the comments sent by the American Council on Education (ACE) on behalf of AAU and other higher education organizations, which highlight the fact that the community supports many provisions in your draft bill. In addition, we have also outlined priorities not yet included in the draft pertaining to Title IV campus based aid programs and Title VI international education programs.

## **Graduate Education**

Graduate education is of particular interest to AAU and its member universities. Graduate and professional education is a vital element of the nation's higher education ecosystem and we believe it should be appropriately reflected in legislation to reauthorize the HEA. It is critical to our nation's future health and economic and national security to maintain high-quality federal graduate education programs. The federal government has a responsibility to provide more direct support for the next generation of leaders.

We strongly support the proposed Study on the Impact of Federal Financial Aid Changes on Graduate Students (Section 1110) and we appreciate your recognition of the recent erosion of federal support for graduate and professional students, including the loss of access to in-school interest subsidies and subsidized loans. We are concerned that programs to support graduate and professional education, including loans, have largely been ignored or used as "pay-fors" for other deserving groups of students. At a time when society needs as many highly educated problem solvers as possible, our nation should foster policies and practices that expand opportunities and support for graduate and professional students.

As a way of making graduate education more accessible, we ask Congress to reconsider the rates and terms of loans available to graduate and professional students. Additionally, we ask that graduate education be elevated within the Department of Education. Congress, working with the higher education community, should re-evaluate and strengthen the Department's support for graduate education to encompass all major disciplinary areas. Specifically, we believe that the Javits Fellowship and Graduate Assistance in Areas of National Need should be re-authorized as separate programs so they can continue to meet their distinct goals. At a minimum, the eligible disciplines in the Javits program, particularly the humanities, should be included in the GAANN subject areas.

## **Accreditation**

AAU believes that the accreditation process can perform an integral and critical role in U.S. higher education. Though it is not perfect, accreditation can be a valuable process by which quality of higher education is, and should continue to be, evaluated. We reaffirm our continued support for a non-federal process for determining quality, one that allows for flexibility, cost-efficiency, and informed academic judgment. The following comments focus on the accreditation section of the draft bill, specifically with respect to three key areas: transparency, expedited review, and institutional accountability.

We agree with the need for *transparency* in the accreditation process. In particular, providing the public with appropriate kinds of information can help inform their college decision-making process, as reflected in Section 497 of the bill. To this end, many institutions disclose accreditation self-studies, compliance reports, on-site evaluations, and documents related to adverse accreditation actions. However, some accreditation processes also call for the inspection of confidential data, memoranda and documentation that is inappropriate for public disclosure because it is not related to the quality of an institution and ultimately could be misleading for students and their families as they strive to make informed decisions. Such materials should be excluded from any disclosure requirement. Institutions should also be given latitude in determining whether to share publicly certain documents and data that may be cited in their self-study reports, in part, to ensure candor in the review process. If this provision is advanced, we propose that institutions be able to submit a request to the Department of Education for maintaining

confidentiality with respect to certain information in a self-study. The Department would then make a determination after considering the sensitivity of the information in the request as well as the benefits of disclosing such information to families and students.

As included in AAU's HEA reauthorization recommendations of July 2013, AAU believes strongly that, as recommended by the National Advisory Committee on Institutional Quality and Integrity (NACIQI) in its report *Higher Education Accreditation Reauthorization Policy Recommendations*, and the ACE Commission report *Assuring Quality in the 21st Century: Self-Regulation in a New Era*, accreditors should develop and implement *expedited review procedures* for institutions with a record of stability and successful performance, which fits with the emphasis in the bill on risk-based assessment.

It is critical that the accreditation system respond differentially to the varying degrees of risk that different institutions present. Risk-adjusted scrutiny is a standard and indispensable regulatory practice. For example, when institutions perform biological research, the safety standards appropriate to the different laboratories vary with the kind of research that is conducted there. Both low- and high-risk biological research may be valuable to society. The regulatory variations recognize that safety measures have to be tailored to the kinds of dangers they are likely to represent. A risk-adjusted approach would allow accreditors to focus on institutions that present the greatest potential problems while decreasing burdens and costs for well-performing institutions. Most importantly, such a system would serve the interests of students because the accreditors would be better able to address and ameliorate real risks to educational quality.

### **85/15 Rule**

The Return to 85/15 (Section 101) rule is an important step in controlling fraud and abuse practices predominantly, but not exclusively, at proprietary institutions. We also support the inclusion of military student aid, such as the GI Bill and Tuition Assistance funds within the scope of the rule. All institutions should be required to be accredited to get federal benefits, including GI benefits. The creation of a Proprietary School Oversight Committee (Section 167) is another important step in the name of accountability. These provisions would hold schools accountable to students and taxpayers.

### **Consumer Disclosures: College Scorecard, Universal Net Price Calculator, Universal Award Letter**

The consumer disclosure proposals in the bill are another important aspect of institutional accountability that we support. We believe that any tools designed to be useful to students and parents in their college search should be grounded in reliable and valid data, and presented with the appropriate context to accurately reflect institutional performance.

We offer specific comments on the College Scorecard (Section 109) and the Universal Net Price Calculator (Section 106). With the scorecard, we strongly support using average net price by income as a measure of access and affordability. Information on institutional aid, collected through IPEDS, should also be included in the Scorecard, as it demonstrates institutional commitment to access and affordability. We strongly support a graduation rate that takes into account transfer-out students. Many AAU members participate in the Student Achievement Measure (SAM) initiative, which contains comprehensive information about student progress and graduation. Borrowing and debt are important data, but they require honing and contextualization to be most useful. Borrowing linked with a particular institution

should apply only to borrowing that students accrued at that institution. Currently, median borrowing for an institution includes both graduates and non-graduates who entered repayment; these groups should be separated to provide better points-of-comparison for prospective students. We also believe that, in addition to providing a median debt figure, the number and percentage of graduates who have no debt should be reported. The figures as currently reported on the College Scorecard imply that they apply to all students, not just those who borrowed. Additionally, requiring the use of the scorecard for graduate and professional students is highly problematic and will necessarily result in confusion. We would propose that graduate and professional students be excluded.

We believe it would be a better use of the Department's time to develop standard guidelines and common definitions rather than a mandated one-size fits all universal award letter and universal net price calculator. Like the universal award letter, a calculator has to be developed in a thoughtful manner to provide useful information to families and not require schools to spend excessively or develop whole new systems of data. We have concerns about the Secretary developing a net price calculator that will be inconsistent with all of the work that individual institutions have done to develop their own calculator. If the Department of Education develops such a calculator, which we do not support, it should not be mandated and it should explicitly apply only to undergraduates, not graduate and professional students.

We also support the draft's emphasis on employing consumer testing in guiding the implementation of policy proposals, such as the consumer disclosures. Such an approach only works, however, when the Department of Education has adequate authority to act on the results of that testing. This draft includes numerous provisions too prescriptive to make any consumer testing meaningful, and we would ask that they be revised to allow the Department discretion in their development, in response to what has been learned from the public, as well as include graduate and professional students when appropriate.

#### **Additional Priorities for AAU**

While not included in the initial draft bill, we wish to offer brief comments on other important programs in the HEA.

#### **Title IV Campus-Based Aid Programs**

While the draft bill does not include details on reauthorization of the Title IV campus-based aid programs – Perkins Loans, Supplemental Educational Opportunity Grants, and Federal Work Study – these programs are critical elements to many students' financial aid packages and, along with the Pell Grant program, create the bedrock on which many of our institutions build access and institutional aid programs.

These programs are an essential way for student aid administrators to assist low- and moderate-income students in financing their college education. While currently being phased out, the Perkins Loan Program has been a highly successful low-interest loan program for undergraduate and graduate students for over four decades. We would welcome a discussion on how to not only reauthorize the Perkins program, but also further expand and enhance its role in reaching more institutions and students across the country. We urge you to examine ways to strengthen these programs and ensure their long term sustainability in the upcoming reauthorization.

#### **Title VI/International Education Programs**

The array of Title VI programs addresses critical national needs in foreign language expertise as well as cultural and historical understanding and contemporary analyses of different world regions. As the main federal program for training in languages and cultures, Title VI plays a strategically important role in ensuring that our nation is able to maintain deep expertise and analytic capacities in less commonly taught languages and cultures. For example, the National Resource Centers (NRC) program, the nation's premier source of expertise for research, language, and cultural training in regions identified as vitally important for economic and security reasons, strives to improve the understanding of such regions. Many AAU institutions have leveraged federal funds to generate additional non-federal resources for various Title VI programs, thereby increasing their effectiveness and impacts. We ask Congress to reaffirm its historical support for this group of programs, which continue to develop and train the experts our country desperately needs, with the goal of increasing the number of graduates with in-depth foreign language and area studies expertise.

### **Conclusion**

As you consider modifications to the draft bill, we ask you to consider the full set of AAU HEA recommendations submitted to the Committee in July 2013 (see attached).

Lastly, we are eager to continue working with you and the HELP Committee on addressing issues related to campus sexual assaults. We are preparing comments on the bipartisan legislation (S. 2692) introduced in July and will be sure to share them with you.

We appreciate the opportunity to provide comments and look forward to providing additional comments as you further develop the bill. Overall, we look forward to working with you during the HEA reauthorization process.