

Analysis of the House Higher Education Act Reauthorization Bills

August 13, 2014

On July 23, 2014, the House of Representatives passed two pieces of legislation as part of the Higher Education Act reauthorization process. These bills are grounded in the following principles:

- “Empowering students and families to make informed decisions;
- Simplifying and improving student aid;
- Promoting innovation, access, and completion; and
- Ensuring strong accountability and a limited federal role.”¹

This memo provides an overview of the main components of these pieces of legislation and compares them to current policies. It concludes with a brief analysis of the legislation.

The Empowering Students Through Enhanced Financial Counseling Act (H.R. 4984)

This Act requires student federal loan borrowers and Pell Grant recipients to complete annual counseling prior to receiving a disbursement of their award.² The counseling would provide more frequent, personal information to individuals receiving federal student aid.

Counseling would be required annually prior to a student accepting her/his loan. The legislation also requires text in the counseling materials that states:

- The student is not required to accept the full amount of the loan offered,
- The borrower should accept all grants and work-study awards before accepting loans,
- The borrower should exhaust his/her federal loans before borrowing private loans,
- The approved educational expenses for which a borrower may use a loan, and
- The annual and aggregate loan limits for borrowers.

Borrowers would also receive more detailed, personalized information as part of this counseling. The legislation requires that students with an outstanding loan balance receive a statement of the amount owed and anticipated monthly payment under each of the repayment plans. This requirement also applies to exit counseling, in which students will receive the information described above as well as:

- The date the borrower will enter repayment,
- Information about making payments before the repayment date, and
- The contact information of the borrower’s servicer and a link to the servicer’s website.

This legislation also requires Pell Grant recipients to complete counseling prior to the student receiving their first payment of the grant and for each award year the student receives the grant. This counseling

¹ House Committee on Education and the Workforce. (2014, June 24). “Strengthening America’s higher education system: Republican priorities for reauthorizing the Higher Education Act,” page 2. Retrieved from: http://edworkforce.house.gov/uploadedfiles/hea_whitepaper.pdf.

² Empowering Students Through Enhanced Financial Counseling Act. H.R. 4984. 113th Congress (2014). Retrieved from: <https://beta.congress.gov/113/bills/hr4984/BILLS-113hr4984eh.pdf>.

would provide “comprehensive information on the terms and conditions” of the Pell Grant.³ Specifically, the legislation requires the student receive information about the approved educational expenses maximum award terms for the Pell Grant, as well as strategies for budgeting for educational expenses.

These counseling sessions may be conducted in-person or online through the U.S. Department of Education or a third-party website. Institutions that do not use ED’s tool must ensure students’ knowledge through the use of “interactive programs ... that test the individual’s understanding of the terms and conditions” of the award.⁴ All ED tools must be consumer-tested prior to implementation.

The Strengthening Transparency in Higher Education Act (H.R. 4983)

The Strengthening Transparency in Higher Education Act proposes to “simplify and streamline the information regarding institutions of higher education made publicly available by the Secretary of Education.”⁵ This will be achieved by creating a consumer-tested website called the College Dashboard, which would include “only key information students need when deciding which school to attend.”⁶

This legislation is notable in that it requires institutions to report cost, net price, and completion data not just on first-time students, but also on students who transfer-in or stop out and re-enroll. Other measures would include more information about the success rates of various students, including those who attend part-time, receive a Pell Grant, have a disability, or receive veteran’s benefits. This action is in accordance with the Committee’s focus on “contemporary” students in a recent white paper.⁷ The College Dashboard would require other additional data to be collected from institutions, likely through IPEDS annual surveys. [Appendix A](#) describes the measures and metrics included in the Dashboard and compares them to two existing federal consumer information tools, [College Navigator](#) and the [College Scorecard](#). These new data are highlighted on the chart in Appendix A.

This legislation replaces College Navigator with a comparatively sparse College Dashboard; the bill does not mention the College Scorecard. The main page of the Dashboard would only display the following ten measures:

- A link to the institution’s website
- The institution sector and level
- The number of undergraduate and graduate students enrolled
- The student-faculty ratio
- 100%, 150%, and 200% graduation rates for all degree/certificate-seeking students

³ Ibid, page 2, lines 13-14.

⁴ Ibid, page 3, lines 9-12.

⁵ Strengthening Transparency in Higher Education Act, H.R. 4983, 113th Congress (2014), page 1. Retrieved from: <https://beta.congress.gov/113/bills/hr4983/BILLS-113hr4983rfs.pdf>

⁶ House Education and Workforce Committee. (2014, June 26). Strengthening Transparency in Higher Education Act Fact Sheet, 1. Retrieved from: <http://edworkforce.house.gov/news/documentsingle.aspx?DocumentID=386105>.

⁷ House Education and Workforce Committee (2014, June 24). Strengthening America’s Higher Education System: Republican Priorities for Reauthorizing the Higher Education Act. Retrieved from: http://edworkforce.house.gov/uploadedfiles/hea_whitepaper.pdf.

- Average net price by income level for all federal title IV aid recipients
- A link to the net price calculator for the institution
- The percentage of undergraduate degree/certificate completers who borrowed federal student loans and their average federal student loan debt
- A link to national and regional BLS data on starting salaries for “all major occupations”
- A link to the institution’s webpage that contains campus safety data⁸

All other measures in the bill would be published on “Internet webpages that are linked to through the College Dashboard website.”⁹ The bill also specifies that the College Dashboard will include a method for users to easily compare institutions.¹⁰ Additionally, the bill will link to the College Dashboard for each institution to which a student submits the FAFSA, and it requires that “any information related to higher education that is published” by another federal department or agency be consistent with information published on the College Dashboard.¹¹

Additional Specifications for Net Price Reporting

Upon markup, additional requirements for institutional net price calculators were added to the bill. The legislation requires institutions to “prominently, clearly, and conspicuously”¹² feature the net price calculator on their websites, requiring that the link match the “size and font” of other links.¹³ These requirements provide more specific guidance the output of net price calculators, including:

- Net price, as the most prominent figure on the results screen
- Cost of attendance, including tuition and fees, average annual cost of room and board, books and supplies, and estimated cost of personal and transportation expenses¹⁴
- Estimated total need-based and merit-based grant aid from federal, state, and institutional sources
- Percentage of full-time undergraduate students enrolled in the institution that received any type of grant aid¹⁵

The legislation also requires that students be informed that providing contact information on the net price calculator is optional and prohibits personally identifiable information collected through the calculator from being “sold or made available to third parties.”¹⁶

⁸ Strengthening Transparency in Higher Education Act, H.R. 4983, 113th Congress (2014), pages 3-6. Retrieved from: <https://beta.congress.gov/113/bills/hr4983/BILLS-113hr4983rfs.pdf>.

⁹ Ibid, pp. 6, lines 8-9.

¹⁰ Ibid, pp. 12.

¹¹ Ibid, pp. 14, lines 19-20.

¹² Ibid, pp. 16, line 21-22.

¹³ Ibid, pp. 17, line 3.

¹⁴ According to NCES, these items were previously denoted as estimates. National Center for Education Statistics. Net Price Calculator Information Center. Retrieved from:

http://nces.ed.gov/ipeds/resource/net_price_calculator.asp#NPCRequirement.

¹⁵ Ibid, pp. 17-18.

¹⁶ Ibid, pp. 20, lines 4-5.

Changes to Disclosure Requirements and Regulatory Authority

The Strengthening Transparency in Higher Education Act strikes several requirements related to information published on the [College Affordability and Transparency Center](#) (CATC). Under this bill, lists of institutions with the highest and lowest tuition and fees, net price, and change in these figures would no longer be disseminated. Institutions that made these lists in previous years would no longer be required to report the justification for increases in cost and price to the Department of Education. Other lists published on the CATC, including changes in state spending per full-time equivalent student, in-state tuition at public institutions, and state grants for students would also be discontinued. In addition to these disclosure tools being canceled, paragraph (l) of this section of the Higher Education Act, which authorizes the Secretary of Education “to issue such regulations as may be necessary to carry out this section” has been struck from the final bill.¹⁷

The Simplifying the Application for Student Aid Act (H.R. 4982)

A third bill was proposed at the same time as the two described above, but the Committee on Education and the Workforce has not yet reviewed it. This legislation would allow prior-year data to be used on the FAFSA.¹⁸ The bill, which is only 17 lines in length, provides few details about the implementation of this reform. However, it would simplify the FAFSA application process for individuals who file federal taxes, allowing users to import their IRS tax data into the FAFSA in January of each year.

Conclusion

These House bills would likely require additional, valuable data to be collected from institutions. However, the College Dashboard website largely replicates current transparency tools and the financial counseling legislation could delay students’ receiving aid and increase institutional burden. These policies should be amended after input is received from stakeholders, including students, researchers, and aid administrators.

¹⁷ Higher Education Act of 1965, 20 U.S. Code § 1015a, paragraph (l). These revisions are made on pp. 2, lines 20-21.

¹⁸ Simplifying the Application for Student Aid Act, H.R. 4982, 113th Congress (2014). Retrieved from: <https://beta.congress.gov/bill/113th-congress/house-bill/4982?q=%7B%22search%22%3A%5B%22H.R.+4982%22%5D%7D>

Appendix A – Consumer Information Tools Comparison

	Measure/Metric	College Dashboard	College Navigator	College Scorecard
General Information	Sector and level	Yes	Yes	No ¹
	Student-faculty ratio	Yes	Yes	No
	Number and types of faculty and graduate assistants	No	Yes	No
	Ratio of courses taught by FT and PT faculty, disaggregated by undergraduate/graduate course sections	Yes*	No	No
	Mean and median years of employment of part-time faculty	Yes*	No	No
	Special learning opportunities (e.g. ROTC, teacher certification)	No	Yes	No
	Student services	No	Yes	No
	Institutional and specialized accreditation	No	Yes	No
	Link to institution's website	Yes	Yes	No
	Campus safety data or link to webpage containing campus safety data	Yes	Yes	No
Admissions	Number of applicants	No	Yes	No
	Percent applicants admitted	No	Yes	No
	Percent admitted who enrolled	No	Yes	No
	Admissions considerations (required/recommended)	No	Yes	No
	Number and % submitting SAT/ACT scores	No	Yes	No
	25 th and 75 th percentile SAT/ACT scores	No	Yes	No
Enrollment	Undergraduate enrollment total, disaggregated by:	Yes	Yes	Yes
	Transfer-in enrollment total	No	Yes	No
	% students with disabilities	Yes*	Yes	No
	% male/female	Yes*	Yes	No
	% of full-time and part-time	Yes*	Yes	No
	% state residents	Yes*	Yes	No
	% out-of-state	Yes*	Yes	No
	% international students	Yes*	Yes	No
	% by race/ethnicity	Yes*	Yes	No
	% receiving a Pell Grant	Yes*	Yes	No
	% receiving military education benefits	Yes*	No ²	No
	% receiving federal student loans	Yes*	Yes	No
	% over/under age 24	No	Yes	No
	% by distance education status	No	Yes	No
	Graduate enrollment total	Yes	Yes	No
	% full-time and part-time	No	Yes	No
% by distance education status	No	Yes	No	
Varsity athletic teams and number of participants, by gender	No	Yes	No	
Cost of Attendance and Tuition and Fees	Tuition and fees for full-time undergraduates	Yes*	Yes	No
	Tuition and fees per credit hour for part-time students	Yes*	No	No
	Multi-year tuition calculator	No	Yes	No
	Tuition and fees for graduate students	No	Yes	No
	Alternative tuition plans offered	No	Yes	No
	Cost of Attendance for full-time, on-campus undergraduates (disaggregated by state/district residency status, when applicable)	Yes*	Yes	No
	Cost of Attendance for full-time, off-campus undergraduates (disaggregated by state/district residency status, when applicable)	Yes*	Yes	No

¹ The College Scorecard only identifies institutions by their primary credential conferred.

² This data will be collected by IPEDS beginning in the 2014-15 school year and may be added to the College Navigator site.

Notes: An asterisk (*) denotes information published on other webpages and linked to through the College Dashboard.

Cells highlighted in orange denote information not currently collected by ED.

	Measure/Metric	College Dashboard	College Navigator	College Scorecard
Price and Financial Aid	Average net price for grant/scholarship recipients	No	Yes	Yes
	Average net price for federal financial aid recipients, by income level	Yes	Yes	No
	Changes in net price over time	No	Yes	Yes
	Link to net price calculator	Yes*	Yes	Yes
	Percent of undergraduates receiving any type of federal, state or institutional financial aid	Yes*	Yes	No
	Number, percentage, total and average financial aid award received, by aid type	No	Yes	No
	Average annual grant amount per recipient (includes federal, state and institutional grants) for those who receive financial aid	Yes*	Yes	No
	Median total federal student debt amount	No	No	Yes
	Percent of undergraduate degree/certificate completers who borrow federal student loans	Yes	No	No
	Average federal loan debt for undergraduate degree/certificate completers	Yes	No	No
	Link to information about loan repayment	No	No	Yes
	Persistence and Completion	First-to-second year retention rates (full and part-time)	No	Yes
Transfer-out rate		Yes ³	Yes	No
100%, 150%, 200% graduation rates, disaggregated by:		Yes	Yes	Yes ⁴
Pell Grant recipients		Yes*	No	No
Subsidized loan borrowers who did not receive a Pell Grant		Yes*	No	No
Persons who did not receive a Pell Grant or Subsidized Stafford Loan (but may have received an Unsubsidized Stafford Loan)		Yes*	No	No
Military education benefit recipients		Yes*	No	No
Gender		No	Yes ⁴	No
Race/ethnicity		Yes*	Yes ⁴	No
Disability status		Yes*	No	No
Number of completions by program/major	No	Yes	No	
Student Outcomes	Cohort default rate	Yes*	Yes	Yes
	Number in default (numerator of default rate)	No	Yes	No
	Number in repayment (denominator of default rate)	No	Yes	No
	Estimated monthly federal loan payment	No	No	Yes
	Link to BLS data on starting salaries in major occupations	Yes*	No	No
	Employment and earnings of former undergraduates	No	No	No ⁵
<p>³ While transfer-out rate is not specifically listed, the legislation requires that the Commissioner of Education Statistics “ensure that [completion data] includes information with respect to all students at an institution, including students other than first-time, full-time students and students who transfer to another institution, in a manner that the Commissioner considers appropriate.” Retrieved from H.R. 4983, page 12, lines 1-9. The 2015-16 IPEDS outcome measures, which collect data for full-time, part-time, first-time, and non-first-time students will be more inclusive of the variety of attendance and enrollment patterns noted in this legislation.</p> <p>⁴ These measures are only available for 150% (e.g. six-year) graduation rates.</p> <p>⁵ This information has a designated section on the College Scorecard but has not been populated.</p> <p>Notes: An asterisk (*) denotes information published on other webpages and linked to through the College Dashboard. Cells highlighted in orange denote information not currently collected by ED.</p> <p>Sources: Strengthening Transparency in Higher Education Act, H.R. 4983; College Navigator; College Scorecard.</p>				