



LEGISLATIVE SUMMARY

THE AIM HIGHER ACT

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BACKGROUND

For the past four years, Congressional leaders have been saying they want to reauthorize the *Higher Education Act* (HEA) “soon.” It was last reauthorized in 2008, with the passage of the *Higher Education Opportunity Act*. That bill passed almost unanimously after four years of work. Other important higher education legislation has passed since then, notably in 2010 when the FFEL Program was repealed in favor of full Direct Lending as part of the legislation that created Obamacare, and in 2013 when federal student loan interest rates were reset. It’s clear the HEA’s revision is overdue.

On July 26, 2018, House Education and the Workforce Committee Democrats, led by Ranking Member Bobby Scott (D-VA), unveiled their comprehensive 811-page proposal to reauthorize the HEA – the *Aim Higher Act*. Nearly a year in the making, bringing together various bills introduced over the last year under one umbrella, the Aim Higher Act is a response to the *Promoting Real Opportunity, Success, and Prosperity through Education Reform Act*. Referred to as the ***PROSPER Act***, it is the HEA reauthorization proposal introduced in December 2017 by Committee Republicans led by Chairwoman Virginia Foxx (R-NC).

The Democrats’ proposal maintains many existing programs that are eliminated in the PROSPER Act and establishes new ones. Democrats say they are prioritizing access to a wide variety of student financial aid, educator development, institutional accountability and support for under-resourced institutions. A key pledge for many Democrats – debt free community college -- is also addressed in the bill, as lawmakers prepare for the November election that will determine which party will be in control of the House in the 116th Congress.

Reactions to the measure were quick and mixed, though most realize that the bill is more of a messaging platform that has no chance of moving for at least the remainder of the 115th Congress. However, advocates are also preparing for the next Congress, understanding that this bill could be the starting point around an HEA reauthorization if the Democrats take control of the House next year. Were that to happen, and Republicans were to maintain control of the

Senate, it is likely that any final reauthorization bill would be more reflective of a bipartisan package – between the PROSPER Act and the Aim Higher Act -- that is hashed out in the Senate HELP Committee, assuming that House education committee members opt to stick to their respective partisan plans with little incentive to compromise.

OVERVIEW

The bill's authors have outlined its five goals as follows:

- 1) making college more affordable;
- 2) ensuring access to a quality degree;
- 3) improving campus climate;
- 4) helping students become graduates; and
- 5) supporting educators.

The measure primarily consists of updates to smaller bills Democrats introduced in spring 2017. Below is an abbreviated outline of each major section as determined by the authors and does not necessarily encompass all of the proposed changes.

1) Affordability

- The bill retains subsidized Stafford Loans and keeps loan limits the same for all Direct Loans. It retains PLUS loans for graduate students and parents of undergraduates with no loan limits except cost of attendance less other aid while making parent PLUS loans eligible for income based repayment.
- The bill seeks to update the Pell Grant program as a way to make college more affordable. Specifically, the proposal increases the maximum award and permanently indexes the Pell award to inflation to sustain purchasing value. The bill also opens Pell to shorter-term programs, extends eligibility, and strives to make a majority of programmatic funding mandatory (not subject to passage of annual funding bills by Congress).
- The bill creates a federal-state partnership to incentivize states to reinvest in higher education. As an aspect of this affordability proposal, the bill requires states to make available two years of tuition-free community college for all students in exchange for federal funding.
- The measure includes efforts to support financial wellness to make borrowing and loan repayment responsibilities easier to understand. This includes provisions to provide students and families with more up-front information about costs and financing options and to require detailed annual loan counseling that includes updated information on balances and expected monthly payments.
- The bill eliminates origination fees, and simplifies repayment by adopting one fixed repayment plan and one income-based repayment plan (IBR) with automated renewals. Rehabilitated loans would automatically be put in IBR.
- The bill expands the Public Service Loan Forgiveness (PSLF) program to include farmers and graduates who pursue careers with Veterans Service Organizations.

- The proposal creates a new Direct Perkins Loan Program as a need-based source of federal aid by reserving it as a portion of Direct Loan volume distributed through a new formula to institutions designed to support more equitable aid distribution for under-served and low-income students.

2) Access to quality degrees

- The bill proposes streamlining criteria for accreditors, by shifting certain responsibilities to state authorizers and ED so that accreditors can focus more on academic quality, achievement outcomes, and transparency.
- The bill also includes provisions changing how cohort default rates are calculated and how penalties for high rates are assessed to improve transparency and therefore enable timely support and corrective actions for higher education institutions struggling to meet standards.
- The proposal includes provisions to improve access to higher education opportunities for Native American students by amending the Tribally Controlled Colleges and Universities Act of 1978 to ensure that there is adequate federal funding for Native students pursuing a degree at a nontribal college or university. It allows for the Secretary of Education to make payments to colleges equal to the amount mandated to be waived as charges for tuition for said students in order to provide relief to colleges in States where they are struggling to make payments, as long as those payments continue to comply with supplement not supplant requirements.
- The measure changes the 90-10 rule back to an 85-15 rule and closes a “loophole” by counting GI Bill funds as federal funds when calculating if institutions receive at least 15% of revenue from sources other than federal student aid. This measure is aimed at for-profit institutions to encourage more transparency and improved reporting and prevent federal student aid funds and GI-bill funds from supporting low-performing for-profit programs that leave students, especially student veterans, with a significant amount of debt and no gainful employment.

3) Improving campus climate

- The proposal amends the Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act by adding hazing and harassment offenses to required reporting by institutions. The bill also requires institutions to ensure compliance with Title VI of the *Civil Rights Act of 1964*.
- In an effort to increase diversity and inclusion on campuses, the bill requires the Secretary of Education to appoint a new Special Assistant for Equity and Inclusion who will manage the federal government’s evaluation and technical support of equity and inclusion programs.
- The bill also requires institutions to increase support for foster and homeless youth by appointing a designated staff person as a single point of contact, provide housing options between terms and breaks, and provide assistance to streamline the financial aid process.

4) **Helping students become graduates**

- The bill adopts a bipartisan proposal to simply the FAFSA, reducing the number of questions and identifying different options for completion by creating pathways for students based on their financial history and need.
- The proposal increases authorized funding levels for TRIO programs and campus-based childcare services for student parents and provides supports for foster and homeless youth to successfully transition into higher education and graduate.
- Within the TRIO and GEAR UP provisions, the bill requires TRIO grantees to further help participants through the college application process. It would seek to improve the reporting requirements on the Free Application for Federal Student Aid (FAFSA) completions and TRIO performance outcomes.
- The bill establishes competitive and partnership grant funding to institutions for various priorities including support for veteran student centers, support for dual enrollment and similar programs including work based learning, training to support faculty development with inclusive instruction for students with disabilities, and assistance for community colleges to provide comprehensive services designed to promote student's attainment of a meaningful associate's degree.
- The bill will also allow students in the Deferred Action for Childhood Arrivals program to access federal financial aid.

5) **Supporting teachers**

- The Aim Higher Act proposes expanding the teacher quality partnerships (TQP) grants and maintains the TEACH Grant program.
- For teachers, the bill maintains cancellation options for Perkins Loans and Stafford Loans.
- The proposal includes various efforts to improve teacher preparation programs around specific pedagogy on social emotional learning, trauma-informed practices, and positive school climate.
- The bill provides competitive grants for institutions to offer graduate fellowships for prospective teachers pursuing careers in high need areas at colleges of education in order to expand high-quality instruction in fields such as English learners, STEM and computer science.

Unveiling the bill at a press conference in the Capitol, House Democratic Leader Nancy Pelosi (CA) said, “In a Democratic majority, we will make historic changes to higher education by making student loans more affordable and expanding Pell Grants. We did that already in 2010 when we did the Affordable Care Act and our Education Act in tandem. Nothing brings more money to the Treasury than investing in education, so when the Republicans want to cut investments in education, they are not decreasing the deficit, they are adding to it.”

Ranking Member of the House Education and Workforce Committee Bobby Scott (D-VA) said, “The *Aim Higher Act* provides immediate and long-term relief to students and parents struggling with the cost of college. It puts a greater focus on helping students graduate on time with a quality degree that leads to a rewarding career, and it cracks down on predatory for-profit colleges that peddle expensive, low-quality degrees at the expense of students and taxpayers.”

Some education advocacy groups issued supportive statements. The National Association of Student Financial Aid Administrators said, “The *Aim Higher Act* is another important step towards reauthorizing the Higher Education Act, and we applaud Mr. Scott and the Democratic Committee members for introducing a comprehensive set of provisions that place a strong focus on access and affordability. NASFAA supports eliminating origination fees, moving closer to making Pell Grant funding fully mandatory and easing enrollment and recertification into income-driven repayment plans.” The Institute for College Access and Success stated, “Between investing in Pell Grants to help students afford college, streamlining income-driven repayment plans to help borrowers avoid default, and closing loopholes in critical college accountability measures, the *Aim Higher Act* includes key steps towards a higher education system that works better for students, families, and taxpayers.”

Similar to Democrats’ messaging on PROSPER, Republicans have been careful to avoid mentioning the initiative by name but have opposed initiatives broadly calling for “free” higher education. Mick Mulvaney, director of the Office of Management Budget, said this week in a speech to young conservatives that they should be concerned about Democrats calling for “free” higher education, stating, “When folks start paying for you, they get to start making decisions for you.”

Private student loan lenders also criticized the legislation, contending that it would lead to higher tuition and more debt. “There are some aspects of this plan we support, but taken as a whole this virtually unlimited source of federal lending, with very little regard for borrowers’ ability to repay, has driven up both college tuition and debt for students as well as their parents,” said Consumer Bankers Association President and CEO Richard Hunt. “Instead of encouraging virtually unchecked borrowing from the federal government, adding to its troubled \$1.4 trillion loan portfolio, Congress should focus its efforts to better target federal aid and reduce college costs.”

CONCLUSION

Overall, the *Aim Higher Act*’s introduction is a response to the PROSPER Act designed to set the goal posts for any negotiation that might happen around an HEA reauthorization next Congress. While the bills offer remarkably different solutions, experts believe that there are areas that lawmakers can come together on to ignite the discussions on a bipartisan reauthorization package. For more information, including the bill’s text and a fact sheet, click [here](#).