

Priorities for Reauthorization of the Higher Education Act

The University of California (UC) is the largest public research university system in the world, with more than 264,000 students, 165,000 faculty and staff and 1.8 million living alumni. It includes 10 campuses, five medical centers and three affiliated national laboratories. UC remains committed to carrying out its research, education, health care and public service missions, and strengthening programs established in the Higher Education Act (HEA) will allow the university to continue to thrive and serve as an economic engine for California and the nation.

UC has one of the most robust student aid programs in the nation, dramatically reducing the net cost of attendance for the neediest families. In 2015-16, for UC's California undergraduates, the net cost of attendance – including tuition, fees, room and board, books, health insurance, transportation and other expenses – after grants and scholarships was \$10,230 for the lowest income families, and the average net cost for all of UC's California undergraduates was \$18,260. The net cost of attendance after financial aid for California resident students has remained stable or declined since 2011–12. Additionally, 57 percent of California undergraduates have their tuition fully covered by grants and scholarships – these students pay no tuition – and nearly half of UC undergraduates graduate with no student debt.

UC appreciates the support the federal government provides institutions of higher education through the Higher Education Act and looks forward to working with Congress throughout the reauthorization process. UC pledges to provide accurate data and appropriate analysis of legislation that is introduced, and to offer technical review of proposals to ensure that any new requirements are feasible for institutions to implement and helpful to students and their families.

Below are priorities UC would like to see addressed in the reauthorization of the Higher Education Act. As legislation and proposals are further developed, UC will provide additional comments and recommendations.

For more information or questions regarding UC's priorities for reauthorization of the Higher Education Act, please contact Director for Education Crystal Martinez in UC's Office of Federal Governmental Relations at (202)974-6308 or Crystal.Martinez@ucdc.edu.

Pell Grants:

Over 82,000 students – nearly 40 percent of all UC undergraduates – receive Pell Grants, the highest percentage of Pell Grant recipients of any top research university in the country. Pell Grants are a fundamental component of the network of federal, state and institutional aid that UC students receive. As part of our education financing model, all UC students contribute to their own cost of education with loans and earnings from outside employment or savings to supplement this funding.

UC supports:

- Maintaining mandatory and discretionary funding for the Pell Grant, including year-round Pell.
- Providing for statutory annual inflationary increases to Pell Grants.
- Maintaining unobligated carryover (surplus) to preserve the integrity of programs and prevent further attempts to siphon funding from the surplus.
- Providing federal incentives to institutions that enroll large numbers of low-income/first-generation students, offer significant institutional aid and graduate Pell-eligible students at similar rates to all students.

Federal Student Loan Programs:

Title IV of the Higher Education Act provides the foundation of the federal government’s investment in higher education, and the current reauthorization process is an opportunity to strengthen and improve this law.

Nearly half (47 percent) of UC’s graduating undergraduates in 2015 had no student loan debt upon graduation; for the 53 percent of UC students who did borrow, the average cumulative student loan debt at graduation was \$21,000, well below the national average of \$30,100.

UC supports specific changes to federal student loan programs that will enhance student benefits and improve how student loans are administered, disbursed, serviced and repaid.

UC supports:

- Maintaining in-school subsidies for undergraduate student loans and restoring in-school subsidies for graduate student loans.
- Maintaining current graduate student loan options, including GRAD PLUS loans, as well as graduate student eligibility for Stafford loans.
- Strengthening and supporting strong loan forgiveness and simplified income-driven repayment programs for all students.
- Strengthening and maintaining the Public Service Loan Forgiveness (PSLF) program.
- Restoring the campus-based Federal Perkins Loan Program, including providing access to graduate students.

- Increasing transparency for borrowers, including broad dissemination of information about how interest accrues while in school and how to access and enroll in income-driven repayment programs upon graduation.
- Improving the interface between borrowers and servicers to allow transparency throughout the repayment process.
- Providing for the refinancing of higher interest loans and the elimination of loan origination fees. Ensuring that the student loan program is not making huge profits off students and any profits made should be used to strengthen the Pell Grant program.
- Increasing availability of – and considering the implementation of auto-enrollment for – income-driven repayment programs, and supporting efforts to promote awareness of these programs.
- Increasing annual limits for borrowing. Annual loan limits for freshmen and sophomores are unrealistically low and force students to pursue more expensive forms of educational financing.
- Allowing the Consumer Financial Protection Bureau (CFPB) to play a formal role in consumer education and consumer protection.

Free Application for Federal Student Aid (FAFSA) Simplification:

UC strongly supports simplification of the FAFSA in order to reduce the administrative burden on applicants and their families, increase college-going rates and effectively determine eligibility for federal financial aid.

UC supports:

- Continuing to use “prior-prior year” financial data, ensuring the secure availability of the IRS Data Retrieval Tool and the extension of the application period to make the FAFSA available in October.
- Preserving a student’s or family’s ability to present complex financial situations reflecting diverse and non-traditional pathways to higher education. Institutions should be consulted to prevent the use of supplemental forms to award state or institutional aid.

Strengthening Graduate Education:

Graduate-level education has received a disproportionate share of cuts from previous higher education reform efforts. Graduate students have lost all student loan subsidies, as well as funding for fellowship programs, such as the Jacob J. Javits program.

Graduate students are the backbone of research and innovation at UC and across the country. They make discoveries across all fields of scholarship and they serve as teaching assistants to undergraduates. Data shows that graduate education increases lifetime earnings, generating additional tax revenue to support local, state and federal initiatives.

UC supports:

- Reinstating funding for fellowships and discretionary grant programs that are intended for graduate and professional education students.
- Supporting federal incentives for institutions that ensure underrepresented groups are successful in pursuing research in their graduate education programs.

Regulatory Reduction:

UC supports reevaluating administrative regulations that have no impact on the targeting of aid to low-income students. For example, institutions that have histories of successfully and efficiently administering federal aid to students might be relieved of rules that are not necessary, given their records of academic success and loan repayment, while institutions that have less favorable completion and default rates might be subject to enhanced oversight to protect the integrity of federal aid programs.

UC supports:

- Including risk-based assessments for institutions with records of stability and successful performance as a component of the accreditation process.
- The current rules for the Return of Title IV funds are complex and burdensome. Of particular concern is the interpretation by the Department of Education that institutions must document the commencement of academic activity despite being categorized by the department as institutions that are not required to take attendance.

Support Program Integrity:

UC supports efforts to strengthen the integrity of federal student aid programs, which would increase institutional accountability for the financial aid students receive, ensure that scarce federal dollars are helping the students with greatest need and target funds toward institutions that move students effectively from enrollment to completion. The federal government must ensure that funds do not flow to institutions where students take on unreasonable levels of student debt and do not earn credentials that prepare them for other degree-granting programs or employment opportunities that allow them to repay their loans.

UC supports:

- Setting timelines for program reviews of institutions with high default rates and large numbers of student complaints.
- Creating an index of student-default, risk-based loan repayment rates at individual institutions.
- Creating minimal metrics for linking Pell eligibility to institutional performance, as California does with Cal Grants.
- Enhancing consumer protections for borrowers with private loans, especially those marketed as “educational” loans.

- Adjusting the 90-10 rule to at least 85-15, and counting military tuition-assistance and veterans' benefits as federal aid, toward the 85 percent limit.
- Creating an interagency task force to coordinate federal oversight of proprietary institutions, and publishing “warning lists” of institutions for prospective students and their families.
- Developing a universal net price calculator and scorecard to provide comparative information about affordability and value.

Reinstate and Strengthen HEA Programs that Address National Concerns:

In addition to the programs in Title IV of the HEA, there are several programs that assist students and higher education institutions in the areas of professional development and teacher recruitment, educational technology, graduate education and international studies that must be reviewed and renewed.

HEA provides an opportunity to showcase successful and cost-effective state and institutional initiatives that can be modeled and replicated throughout the country, and to create new programs that address emerging needs in higher education, such as combatting sexual violence and sexual assault on campus, and the growing need for mental health care services.

UC supports:

- Providing new incentives for institutional efforts to reach populations traditionally underserved by colleges and universities, and providing the support these students need to be successful in their postsecondary studies.
- Strengthening and supporting robust funding authorization levels for campus-based programs, such as Federal Supplemental Educational Opportunity Grants and Federal Work-Study programs that provide additional assistance to students with exceptional need.
- Strengthening and supporting robust authorization levels for Title VI programs, which address critical national foreign language needs.

Support and Strengthen Programs for Underrepresented Groups:

UC provides unique pathways to attend higher education for diverse populations across the state and country. As many as 42 percent of UC undergraduates are the first in their families to attend college; 49 percent of these students are African American, Latino/Chicano or American Indian, and UC makes a dedicated effort to ensure that underrepresented populations have equitable access to the university. Five of UC's 10 campuses — UC Irvine, UC Merced, UC Riverside, UC Santa Barbara and UC Santa Cruz — have met the federal criteria for becoming a Hispanic-Serving Institution (HSI). Three campuses — UC Davis, UCLA and UC San Diego — are considered “emerging” HSIs. UC is unique in that it is one of the few research universities designated as HSI.

UC supports:

- Increasing funding authorization levels for GEAR UP and TRiO, which assist campuses in providing academic support services and counseling to underserved student populations who will benefit from higher education opportunities.
- Maintaining GEAR UP and TRiO as separate programs as they serve complementary purposes. UC also supports providing new incentives for institutional support for implementing successful Title III programs, which are key to underrepresented students' success in higher education.
- Strengthening and increasing authorization levels for Title V programs such as Hispanic-Serving Institutions and Promoting Postbaccalaureate Opportunities for Hispanic Americans, ensuring institutions that have a track record of success can continue to refine and expand campus-based programs funded by these grants.

Campus Safety:

The University of California is committed to providing a strong, fair and transparent process to address campus sexual assault/harassment complaints. Any provisions relating to this issue should take into consideration state laws that have been passed since the 2011 Department of Education guidance was issued and subsequently rescinded in 2017.

UC supports:

- Adopting policies that ensure institutions of higher education are implementing a full and fair process for responding to complaints of sexual assault/harassment.