

## **POLICY BRIEF: HEA REAUTHORIZATION DRAFT**

*H.R. 4508, the Promoting Real Opportunity, Success, and Prosperity through Education Reform (PROSPER) Act*



### **TOPLINE**

On December 1, House Committee on Education & the Workforce Chair Virginia Foxx (R-NC) and Subcommittee Chair Brett Guthrie (R-KY) introduced H. R. 4508, the Promoting Real Opportunity, Success and Prosperity through Education Reform (PROSPER) Act, a bill to reauthorize the Higher Education Act (HEA) of 1965. On December 12, the bill was marked up and reported to the House of Representatives by the full Committee on a party-line vote of 23-17. The bill is the House Committee's first attempt to reauthorize the HEA since 2008. It is anticipated that the full House will consider the bill in the early part of 2018. Reports indicate that the Senate HELP Committee could consider a bill as early as March 2018.

The PROSPER Act includes provisions that have significant implications for the education industry, as well as issues of access and equity in higher education, including a proposed elimination of the 90/10 rule, granting for-profit institutions equal access to federal programs, and creating a one-grant, one-loan program.



### **GOALS**

Committee Republicans assert that new and amended provisions in the bill will support students in completing an affordable postsecondary education that will prepare them to enter the workforce with the skills they need for lifelong success. Specifically, the bill includes provisions that:

- Encourage institutions of higher education to evolve in order to meet the needs of the changing student demographic: an increasing number of part-time students, older students, students with some college but no degree, working students, and non-residential students.
- Equip institutions to prepare students for careers by reforming key financial aid provisions and programs, and expanding apprenticeship opportunities.
- Emphasize the importance of postsecondary completion through a new completion rate threshold and the application of risk-sharing principles to institutional eligibility for increased federal support.
- Simplify student aid through the creation of a one grant, one loan and one work-study system.
- Provide key information to students and families about postsecondary options, including program-level data on debt and earnings.
- Require accreditors to focus on student learning and educational outcomes.

**Note:** *The reauthorization of the Higher Education Act is a complex and technical process. This overview is intended to be a general primer related to the recent action in the House of Representatives. For more information or additional details, please contact Alison Griffin at [Alison@whiteboardadvisors.com](mailto:Alison@whiteboardadvisors.com).*



## KEY PROVISIONS

### Institutional Eligibility & Impact

- Consolidates two definitions of “institution of higher education” into one definition, granting for-profit institutions equal access to federal programs as non-profit institutions
- Eliminates the 90/10 Rule for for-profit institutions
- Eliminates the definition of “distance education,” but retains the definition of “correspondence course”
- Requires the Department of Education to thoroughly evaluate and report on experiments conducted under the Experimental Sites Initiative
- Retires the Cohort Default Rate (CDR) measure and replaces it with a measure that holds institutions accountable for the repayment rate of its students
- Shortens the minimum timeframe for a program from 15 weeks to 10 weeks and make them fully eligible for Pell Grants and federal loans
- Permits institutions of higher education to partner with non-institutional providers to offer an entire program of study and receive federal student aid

### Financial Aid

- Creates one grant, one loan, one work-study program
- Increases Pell Grant for students taking 15 credit hours/semester
- Establishes new borrowing limits
- Eliminates subsidized loans and origination fees
- Creates more disbursements (bi-weekly over annually)
- Modifies repayment options (two, from over the nine that exist today)
- Eliminates Public Service Loan Forgiveness and the TEACH Grant program
- Simplifies the Free Application for Federal Student Aid (FAFSA)
- Creates access to a mobile FAFSA application

### Education & Employment Connections

- Increases work-study funds for undergraduates by phasing out graduate student eligibility
- Creates Apprenticeship Grants program focused on business-to-institution partnerships
- Provides Pell Grants to students pursuing short-term, certificate or vocational programs
- Creates a modified risk-sharing platform through the current Return to Title IV provisions by requiring institutions repay aid for students who drop out later than they do currently

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- Creates a definition for “competency-based education” programs and makes them fully eligible for federal aid

#### Data

- Retains the ban on the creation of a federal student unit record system
- Creates a College Dashboard (replacing the current College Navigator) designed to provide consumers with program-level metrics for average debt and typical earnings

#### Regulatory Reform

- Eliminates regulations aimed at the for-profit institution sector, specifically “gainful employment,” and prohibits the Department of Education from regulating the issue in the future
- Rolls back regulations aimed at standardizing the value of a credit hour across institutions
- Modifies the requirements for state authorization for providers wishing to operate and offer educational programs within a state

#### Social Issues

- Creates sexual assault survivors’ counselors and permits institutions to delay or suspend their investigation in sexual assault cases
- Establishes a Sense of Congress that free speech zones and restrictive speech codes are at odds with freedom of speech; and no institution receiving federal financial aid funds can restrict free speech
- Requires institutions to adopt and implement a program to prevent the use of illicit drugs and the abuse of alcohol by students and employees
- Prohibits institutions from denying a religious student organization any rights generally afforded to other student organizations



### **ANTICIPATED NEXT STEPS**

On December 12, the Committee on Education & the Workforce reported the PROSPER Act to the full House of Representatives. It is anticipated that the full House will consider the bill in the early part of 2018. At the same time, Senate Health Education Labor and Pensions (HELP) Committee Chairman Lamar Alexander has indicated the Committee will begin work on the HEA shortly after the new year. Reports indicate that the HELP Committee could consider a bill as early as March 2018. The Senate bill to reauthorize the HEA will likely be bi-partisan, especially considering the narrow margin by which the Republicans lead in the Chamber. Given the reality of an election year and the strong possibility that the House and Senate could be far apart on many key issues, it remains uncertain whether a reauthorized HEA will be signed by President Trump during the 115<sup>th</sup> Congress.

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## **ABOUT WHITEBOARD RESEARCH**

We demystify complexity. Our research team simplifies policy and regulatory issues to inform decision-making. We offer a truly unique perspective, informed by deep market expertise and real-time policy and political intelligence. We produce high-quality research and visualizations of data to support transactional due diligence. Our weighted probability scenarios, risk assessments and funding analyses guide strategy. And as thought leaders in our own right, Whiteboard Advisors produces white papers and original research that shape the debate.

## **ABOUT ALISON GRIFFIN**

Alison R. Griffin has more than 15 years of experience working at the intersection of education and employment, policy, and practice. Her experience on the implementation side of higher education and workforce development, and as a grantmaker, is reflected in her practical understanding of how policy shapes outcomes.

Alison's career in postsecondary education policy includes two terms as a policy advisor to the Chairman of the U.S. House Committee on Education and the Workforce, as well as roles with the American Association of State Colleges and Universities (AASCU), where she guided state policy development. Griffin comes to Whiteboard Advisors from Strada Education Network, where she served in a senior leadership role focused on external affairs, government relations, and national engagement activities.

Bringing a deep sense of mission to her work on behalf of Whiteboard Advisors, Griffin believes the solutions to our most pressing education challenges, from affordability to access, require thoughtful collaboration among a growing community of policymakers, impact investors, entrepreneurs, practitioners, and philanthropists.

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