



CAMPUS COUNSEL

A legal blog written for administrators, HR professionals, in-house counsel, and deans at colleges and universities

White House Submits ‘Wish List’ of Changes to Higher Education Act

BY CHELSIE A. VOKES • APRIL 22, 2019

In 1965, Congress enacted the [Higher Education Act](#) (HEA), with the goals of establishing financial aid and strengthening educational resources in higher education. Since then, Congress updated the HEA several times, most recently in 2008. Over 10 years since its last amendment, the HEA is now in need of an update.

Accordingly, Congress’s higher education oversight committees held hearings on the HEA in January, and several approaches to amending the HEA have been proposed. One such proposal came from the White House on March 19, 2019 ([Proposals to Reform the Higher Education Act](#) – the “Proposal”).

As summarized below, the Proposal argues that Congress should reform the HEA with a focus on job placement and financial aid.

Job Placement

The Proposal focuses on getting students into jobs as soon as possible, stating that “[o]ne of the most effective ways to reduce student debt is to help students complete their educations more quickly.” The Proposal argues that in order to receive financial aid, institutions should be required to accept “prior learning assessments” (PLAs) instead of requiring students to take classes that their prior education, military or work experience renders unnecessary. The Proposal also calls for the application of financial aid to the cost of completing a PLA.

The Proposal suggests that the HEA should promote “innovation” in the education sector through (1) the creation of more training programs for “nontraditional” careers, and (2) financial aid reform to allow Pell Grants to cover these nontraditional programs.

Finally, the Proposal argues that college students should have enhanced access to job placements during their education; in particular, that Congress should reform the Federal Work Study Program (FWSP) to support “workforce and career-oriented opportunities . . . not just subsidized employment as a means of financial aid.” By “career-oriented

opportunities,” the White House seems to call for the HEA to promote off-campus employment, in addition to the on-campus employment favored by the FWSP.

Financial Aid

The Proposal also calls for the simplification of financial aid and the encouragement of responsible borrowing. Pre-enrollment, the Proposal calls for mandated reporting of program-level earnings and job placement data by institutions, in addition to the institution-level data that they currently provide. During enrollment, it asks for “more regular, effective financial aid counseling” and loan limits on Parent and Grad PLUS loans. After graduation, the Proposal asks to eliminate the five income-driven repayment options in favor of a standard 12.5 percent of a borrower’s income, and that all students be forgiven of undergraduate loans after 15 years.

Client Tip: For now, institutions should closely follow the proposed amendments to the HEA and consider how each one might impact them. Stay tuned for any relevant updates.