

The



Torch

August 14, 2015

A bi-weekly report from the Coalition of Higher Education Assistance Organizations

Top News

- [Politico Highlights Slaughter's Efforts to Preserve Perkins Loans](#)
Politico Pro, a trade publication among Congressional staffers, advocates, and other Washington-types, highlighted Rep. Louise Slaughter's (D-NY) letter to House Education and the Workforce Committee Chairman John Kline (R-MN) and Ranking Member Bobby Scott (D-VA) on preserving the Perkins Loan program.

COHEAO

- [An Update on Perkin Loan Advocacy](#)
Earlier today, we sent COHEAO members an update on the current situation with Perkins Loans, as well as information on what you can do to support advocacy efforts to preserve the program.
- [Special Attachment: COHEAO Comments on OMB Deferment and Forbearance Forms](#)
This week, COHEAO submitted comments on the Department of Education's proposed updates for loan deferment forms.
- [LAST CHANCE to Sign Up for August 18 COHEAO Webinar, "One Stop Shop"](#)
COHEAO is pleased to announce our next webinar, "One Stop Shop," which is set for **Tuesday, August 18, from 2:00- 3:30 P.M. Eastern Time.**
- [Reminder to COHEAO Institutional Members: Please Send Dues Payments](#)
On May 5, institutional membership dues invoices were sent out to the primary account holders for each institutional membership.

Congress

- [Senate HELP HEA Reauthorization Hearing on Improving Student Success](#)
Last Wednesday, the Senate Health, Education, Labor, and Pensions Committee held a hearing, "Reauthorizing the Higher Education Act: Opportunities to Improve Student Success."
- [Senate Democrats Ask IG to Investigate ED SCRA Review](#)
Sens. Patty Murray (D-WA), Elizabeth Warren (D-MA), and Richard Blumenthal (D-CT) sent a letter to the Education Department's Office of Inspector General (OIG) requesting an examination of the Department of Education's recent reviews of student loan servicers' compliance with the Servicemembers Civil Relief Act (SCRA).
- [Sens. Shaheen and Hatch Introduce Student Protection and Success Act](#)
Last Wednesday, Sens. Jeanne Shaheen (D-NH) and Orrin Hatch (R-UT) introduced the *Student Protection and Success Act*.
- [Sen. Menendez Introduces the Christopher Bryski Student Loan Protection Act](#)

Senator Bob Menendez (D-NJ) introduced the Christopher Bryski *Student Loan Protection Act*, designed to provide financial protection for borrowers and their co-signers in the event of severe injury or death and increase transparency in the student loan process.

- [Sen. Merkley Introduces Legislation to Streamline Repayment Options](#)
Sen. Jeff Merkley (D-OR) introduced the *Access to Fair Financial Options for Repaying Debt (AFFORD) Act* and the *Income-Based Repayment Debt Forgiveness Act*.

White House & Administration

- [Hillary Clinton Offers \\$350 Billion Student Debt Plan](#)
On Monday, Hillary Clinton announced a new plan for containing college costs and limiting student debt.
- [CFPB Sends Out Debt Collection Questionnaire](#)
The CFPB has sent out a questionnaire to a variety of debt collection firms, creditors and service providers as part of their potential rulemaking regarding debt collection.
- [Timeline Delayed for Rebidding of ED Servicing Contracts](#)
The Department of Education's scheduled date to rebid loan servicing contracts has been delayed.
- [Obama Signs Need-Based Educational Aid Act of 2015 into Law](#)
Last week, President Obama signed the Need-Based Educational Aid Act of 2015 into law, which extends the expiring antitrust exemption that allows schools that admit students on a need-blind basis to collaborate on the formula used to determine how much families can pay for college.
- [ED Will No Longer Allow Colleges to See Other Schools Applicants List on FAFSA](#)
The Department of Education will end its practice of providing colleges the entire list of institutions that a student submits when filling out the Free Application for Federal Student Aid (FAFSA).
- [New IFAP and Federal Register Announcements](#)
Recent additions to the Information for Financial Aid Professionals (IFAP) website and *The Federal Register* have been made that may be of interest to COHEAO members.

Industry

- [New Fed Report on Household Debt Finds Student Loans Delinquency Rates Rising](#)
The Federal Reserve Bank of New York report on household debt for Q2 of 2015 shows a 0.4 percent increase in the number of student borrowers failing to pay back their student loans.
- [Purdue Seeks Partner for ISA Administration](#)
The Purdue Research Foundation announced last Wednesday that it will begin a formal solicitation process to find a partner firm to establish and manage income share agreement (ISA) funds, a proposed new way to help Purdue students pay for higher education.
- [New America Foundation Study Finds Students Are Clueless on Financial Aid Options](#)
New survey data by the New America Foundation found that nearly a quarter of prospective students said they were unsure whether they would receive financial aid, even though 90 percent of those surveyed said the cost of college or availability of aid would factor in to their decision of which school to attend.

Attachments

- [COHEAO Commercial Members](#)
- [COHEAO Board of Directors](#)

- [An Update on Perkin Loan Advocacy](#)
- [COHEAO Comments on OMB Deferment and Forbearance Forms \(attached to email\)](#)
- [Summary of Senate HELP Hearing on “Reauthorizing the Higher Education Act: Improving Student Success”](#)

Top News

Politico Highlights Slaughter’s Efforts to Preserve Perkins Loans

Politico Pro, a trade publication among Congressional staffers, advocates, and other Washington-types, highlighted Rep. Louise Slaughter’s (D-NY) letter to the House Education and the Workforce Committee Chairman John Kline (R-MN) and Ranking Member Bobby Scott (D-VA) on preserving the Perkins Loan program.

The letter currently has 95 signatories, including eight Republicans. The article noted the full New York delegation, with the exception of Reps. Chris Collins (R-NY) and Elise Stefanik (R-NY), had signed the letter. An excerpt is below:

Perkins, a campus-based lending program designed for needy students, is set to expire Sept. 30. About 1,700 colleges distribute \$1.1 billion in aid through what campuses call a risk-sharing program — institutions pay for a third of the aid, and federal funding covers the rest. New grants are funded through successful repayments.

“In addition to harming thousands of students who may not have the means to afford college or would be forced to take out expensive private loans, the expiration of this crucial program would eliminate billions of dollars in student aid from the revolving funds that institutions use to disburse Perkins loans,” the letter to Reps. John Kline and Bobby Scott says. “The continuation of the program would not cost the government any additional money, but its elimination would cost participating colleges and universities millions.”

COHEAO

An Update on Perkin Loan Advocacy

Earlier today, we sent COHEAO members an update on the current situation with Perkins Loans, as well as information on what you can do to support advocacy efforts to preserve the program. The letter from COHEAO President Maria Livolsi and an updated list of national, regional, state, and individual college and university Perkins Loan supporters are included with today’s edition as a special attachment.

Beyond the suggestions in the today’s letter, COHEAO continues to organize groups of Perkins advocates in various states for calls with Congress and other advocacy related activities. We continue to target our efforts toward states with the most impact, either due to the Committee assignments of their Representatives and Senators or the size of Perkins in the state, but we welcome groups from all states. If you are interested in participating in these efforts, please contact Jan Hnilica (jan.hnilica@wheaton.edu), Karen Reddick (kreddick@ncmstl.com), or Hannah Allen (hallen@wpllc.net)

Special Attachment: COHEAO Comments on OMB Deferment and Forbearance Forms

This week, COHEAO submitted comments on the Department of Education's proposed updates for loan deferment forms. The Department is seeking to move to a standard form for deferments and forbearances for all federal student loans, and given the relative size of the programs, all efforts to standardize forms and processes across loan programs will start from a base of Direct Loans. In fact, when first requesting input, the Department only posted the form for Direct Loans.

After an update to include FFEL and Perkins Loans, COHEAO submitted comments on proposed technical changes. They are included with today's edition as a special attachment.

LAST CHANCE to Sign Up for August 18 COHEAO Webinar, "One Stop Shop"

COHEAO is pleased to announce our next webinar, "One Stop Shop," which is set for **Tuesday, August 18, from 2:00- 3:30 P.M. Eastern Time**. The webinar will feature a presentation from Dan Odykirk, Manager of Central Michigan University's Student Service Court, a one-stop shop for students and employees of the university. [Register Today!](#)

Customer service is an important part in the retention and success of students on college campuses. This webinar will explore the origins and concepts of Central Michigan University's Student Service Court, the one stop shop that brings together the services of the Registrar's Office, Student Account Services and University Billing and the Office of Scholarships and Financial Aid.

Advisors have a thorough background in each of these areas to provide students with answers and services regarding student accounts, enrollment, and financial aid. The webinar will look at the strategy, implementation, and obstacles for enacting this type of campus service.

[Sign up today](#) for a webinar you will not want to miss! Contact Hannah Allen with any questions: hallen@wpllc.net.

Reminder to COHEAO Institutional Members: Please Send Dues Payments

On May 5, institutional membership dues invoices were sent out to the primary account holders for each institutional membership. Dues may be paid by logging into your COHEAO account: navigate to "Manage Profile," select "Invoices" under Invoicing, Payments & History. On this page, be sure to select the dues tab and your open invoice should appear with an option to submit payment.

If you are the primary point of contact for your college or university's COHEAO membership and you did not receive a notice of an open dues invoice please contact Michelle Cravez at mcravez@wpllc.net. Feel free to reach out to Michelle if you have any other questions pertaining to membership dues, how to submit payment or view open invoices. Institutional membership dues were due by **July 1**.

Congress

Senate HELP HEA Reauthorization Hearing on Improving Student Success

Last Wednesday, the Senate Health, Education, Labor, and Pensions Committee held a hearing, “Reauthorizing the Higher Education Act: Opportunities to Improve Student Success.” Chairman Lamar Alexander (R-TN) said the purpose of the hearing was to “find out ways the federal government can help more students finish college.” Alexander cited statistics that borrowers are three times more likely to default on their federal student loans if they do not finish their degree or credential. He said that federal policy has always emphasized access over completion.

Ranking member Patty Murray (D-WA) highlighted the need to “create pathways for student success” and called for increased transparency of information and more comprehensive data. Both Murray and Alexander said high school students need to be better prepared and the witnesses all spoke on different remediation efforts.

Stan Jones, President of Complete College America, agreed with Murray’s call for data transparency and specifically noted the need for data on graduation rates of Pell Grant recipients. R. Scott Ralls, President of the North Carolina Community College System, discussed how the SuccessNC program has helped students graduate on time through structured curriculum pathways. Dr. Timothy Renick, Vice Provost and Vice President for Enrollment Management and Student Success at Georgia State University, told the Committee about the school’s Graduation Progression Success (GPS) Advising system that helps students avoid wasting credit hours by using predictive analytics to identify when students are making academic decisions that put them off track for graduation.

The witnesses and committee members agreed that a “one-size-fits-all” approach is not an effective approach, and agreed that a menu of reforms included in HEA reauthorization would provide institutions with flexibility. Dr. Renick advocated for completion data to include part-time and transfer students. Both Renick and Ralls testified to the success of micro grant programs that help students with financial situations which create a barrier to completion. Sens. Chris Murphy (D-CT) and Elizabeth Warren (D-MA) both argued that schools currently have no incentives to improve student success.

A full summary of the hearing is attached.

Senate Democrats Ask IG to Investigate ED SCRA Review

Sens. Patty Murray (D-WA), Elizabeth Warren (D-MA), and Richard Blumenthal (D-CT) sent a letter to the Education Department's Office of Inspector General (OIG) requesting an examination of the Department of Education’s recent reviews of student loan servicers’ compliance with the Servicemembers Civil Relief Act (SCRA).

In their letter, the senators raised concerns about the methodology used in the Department’s reviews and about whether Department officials adequately reported the results of the ED reviews to the public. Upon releasing this review, ED officials stated that student loan borrowers were incorrectly denied the SCRA-mandated interest rate cap in “less than 1 percent of cases,” and as a result, took no action against the loan servicers. The lawmakers are asking the IG to investigate the “adequacy and accuracy of the review process.”

The following is an excerpt from the letter:

The ED reviews included only a small subset of the types of SCRA violations identified in 2014 by DOJ and FDIC. In fact, the reviews analyzed in detail only 14 cases in which student loan borrowers requested and qualified for but were denied SCRA interest rate caps. The small number of cases reviewed is quite extraordinary, considering newly released data from a recent DOJ and FDIC investigation concluding that Navient alone denied appropriate SCRA relief to more than 75,000 federal and private loan borrowers. In other words, the Department of Education based its conclusion on an examination of a tiny fraction of the relevant cases.

Moreover, the ED reviews identified high error rates in the small number of cases included in the reviews, finding at least one student loan servicer error in almost 30% of the cases in which borrowers requested rate caps, and finding that deserving borrowers were denied SCRA rate caps in 8% of reviewed cases. Finally, the description of the findings from the ED reviews by ED officials did not provide appropriate context and failed to fully describe to the findings of the report to the public and the press.

Last Wednesday, Sen. Warren also released a report describing the “flaws” in the ED’s review.

Dorie Nolt, a spokeswoman for the Education Department, said in an e-mailed statement, “We share the commitment of the senators to our servicemembers, and we welcome any review of our results. In our compliance review, we used a different standard than the Justice Department, which was based on contractual requirements for student loan servicers consistent with our regulations on how to determine a servicemembers’ active duty status. We have since improved our processes so that servicemembers no longer bear the burden of proving their status in order to receive reduced interest rates. We will review this report and will continue to examine our processes to ensure that our servicemembers receive every benefit they are due.”

- For the full letter, see: http://www.warren.senate.gov/files/documents/2015-8-5_ED_SCRA_Ltr.pdf
- For the Sen. Warren’s report, see: http://www.warren.senate.gov/files/documents/SCRA_ED_Report_August2015.pdf
- For coverage from the *Washington Post*, see: <http://www.washingtonpost.com/news/business/wp/2015/08/05/elizabeth-warren-wants-the-education-dept-s-flawed-review-of-student-loan-contractors-investigated/>

Sens. Shaheen and Hatch Introduce Student Protection and Success Act

Last Wednesday, Sens. Jeanne Shaheen (D-NH) and Orrin Hatch (R-UT) introduced the *Student Protection and Success Act*. The press release indicates the bipartisan legislation would replace the Department of Education’s current Title IV eligibility metrics with a “more robust formula” that would measure the percentage of students at each school who go three years without making a payment of one dollar or more towards the principal of their federal loans. This new metric would include students who are in default, discretionary forbearance, income-driven repayment plans, and deferment for reasons of financial hardship or unemployment.

Under the bill, schools with repayment rates more than 10 percent below the national average over a 3-year period will lose eligibility to participate in the Title IV federal student loan system, and the appeals process is shortened substantially to no more than 75 days. The legislation relies upon a repayment rate,

as opposed to a default rate, as a mechanism for institutional accountability. The bill would also establish a risk-sharing program under which many schools with student loans that are not being repaid will have to contribute to a fund to support institutions that serve a high percentage of low- and moderate-income students.

For more information, see: <http://www.shaheen.senate.gov/news/press/release/?id=b581bd4b-2ceb-435d-b62a-7d761b07639a>

Sen. Menendez Introduces the Christopher Bryski Student Loan Protection Act

Senator Bob Menendez (D-NJ) introduced the Christopher Bryski *Student Loan Protection Act*, designed to provide financial protection for borrowers and their co-signers in the event of severe injury or death and increase transparency in the student loan process. The bill is cosponsored by Sens. Cory Booker (D-NJ), Kirsten Gillibrand (D-NY), Al Franken (D-MN) and Elizabeth Warren (D-MA). Rep. Bill Pascrell (D-NJ) will be introducing the House version of the bill

The legislation is named in honor of Christopher Bryski, a New Jersey college student who passed away in 2006 after falling into a two-year coma from a severe traumatic brain injury.

The bill will prohibit a lender from automatically declaring a default or accelerating the obligations on an otherwise performing loan upon the death, disability, or bankruptcy of a co-signer. Similarly, the lender would be prohibited from declaring a default or acceleration upon the death, disability, or bankruptcy of the student if the co-signer continues to meet all payment obligations under the loan.

The law will require lenders to automatically release the co-signer when the applicable conditions are met. It also directs the CFPB to establish requirements for a co-signer release.

Christopher's Law will require lenders to clearly describe, in writing, any co-signers' obligations on a loan, including the effect a borrower's or co-signer's death, disability, or inability to engage in any substantial gainful activity would have on such obligations. The bill will also require lenders to provide student loan borrowers the option to designate an individual to have the legal authority to act on their behalf in the event of the death or disability of the borrower.

For more information, see: <http://www.menendez.senate.gov/news-and-events/press/menendez-introduces-christophers-law-to-protect-student-loan-borrowers-and-their-families->

Sen. Merkley Introduces Legislation to Streamline Repayment Options

Sen. Jeff Merkley (D-OR) introduced the *Access to Fair Financial Options for Repaying Debt (AFFORD) Act* and the *Income-Based Repayment Debt Forgiveness Act*.

The AFFORD Act would combine the different income-based repayment plans currently available into two options. One would be the traditional fixed repayment plan, in which borrowers pay the same amount each month over a set period of time to pay off the full balance and interest on the loan. The other would be an income-based repayment plan modeled on the current PAYE model. Under this model, the borrower would pay 10 percent of his or her discretionary income and have any remaining debt forgiven after a maximum of 20 years.

The income-based repayment option would be available to students up-front. The bill establishes a sliding scale for repayment terms based on debt levels at departure from school. A table from Merkley's office on proposed repayment lengths is included below:

Total Educational Indebtedness	Repayment Period May Not Exceed
Less than \$10,000	10 years
\$10,000 to \$19,999	15 years
\$20,000 to \$29,999	20 years
\$30,000 or more	25 years

Both the traditional fixed payment option and the income-based repayment option would be included in the entrance loan counseling required by the Department of Education to educate borrowers about repayment when they start school. Additionally, schools would send students a letter each year informing them of available loan counseling. Completing the transaction, the companion legislation, the *Income-Based Repayment Debt Forgiveness Act*, would ensure that students are not taxed on debt that is forgiven at the end of this process.

For more information, see: <http://www.merkley.senate.gov/news/press-releases/merkley-introduces-new-legislation-to-guarantee-affordable-options-for-repaying-student-loans>

White House & Administration

Hillary Clinton Offers \$350 Billion Student Debt Plan

On Monday, Hillary Clinton announced a new plan for containing college costs and limiting student debt. Dubbed the "New College Compact," the plan intends to help students pay tuition at public colleges without needing loans and would cost \$350 billion over 10 years.

Clinton's plan includes several proposals related to higher education from the past decade. The centerpiece of this smorgasbord of ideas is a call for federal incentives for states that commit to "free" community college and "debt free tuition" at public four-year colleges and universities. It also includes a call to lower interest rates on student loans, a refinance proposal, risk sharing, an expansion of tax credits and Ameri-Corps, additional consumer protections for veterans, increased transparency for all colleges, and further regulation of the proprietary sector. In announcing the plan, the campaign listed the following highlights:

- *Students should never have to borrow to pay for tuition, books, and fees to attend a 4-year public college in their state under the New College Compact. The additional support they receive will reduce all costs, including living expenses, by thousands of dollars. Students at community college will receive free tuition. Students will have to do their part by contributing their earnings from working 10 hours a week.*
- *Families will do their part by making an affordable and realistic family contribution.*

- *States will have to step up and meet their obligation to invest in higher education by maintaining current levels of higher education funding and reinvesting over time.*
- *The Federal government will make a major new investment in the New College Compact and will never again profit off student loans for college students.*
- *Colleges and universities will be accountable to improve their outcomes and control their costs to make sure their tuition is affordable and that students who invest in college leave with a degree.*
- *And we will encourage innovators who design imaginative new ways of providing a valuable college education to students – while cracking down on abusive practices that burden students with debt without value.*

The plan also listed the following specifics related to student loans:

- *If you have student debt, you will be able to refinance your loans at current rates, with an estimated 25 million borrowers receiving debt relief. Typical borrowers could save \$2,000 over the life of their loans.*
- *For future undergraduates, the plan will significantly cut interest rates so they reflect the government's low cost of debt. This can save students hundreds or thousands of dollars over the life of their loans.*
- *Everyone will be able to enroll in a simplified income based repayment program so that borrowers never have to pay more than 10 percent of what they make.*

The campaign drew from many former Clinton and Obama Administration officials and Sen. Elizabeth Warren (D-MA) in forming the New College Compact. Former CFPB Student Loan Ombudsman Rohit Chopra was quoted in multiple articles on the plan as an advisor. He indicated the Clinton proposal would include further regulation of servicing and collections. Other advisors include Bob Shireman and James Kvaal, both former Clinton and Obama Administration officials at the Department of Education and the White House.

Campaign advisors, both official and unofficial, acknowledged the plan faces steep challenge in garnering Congressional support. However, they indicated the campaign wants to constantly highlight the proposal, as they believe higher education funding will be a significant issue in the 2016 election.

“This is a real political organizing opportunity,” an anonymous campaign official told *Politico*. “We have heard everywhere Hillary Clinton goes, literally everywhere she goes ... from young people who are being held back or families who have no idea how they’re going to pay for college.”

For a fact sheet from the Clinton Campaign, see: <http://www.documentcloud.org/documents/2259067-hillary-clinton-college-cost-plan.html>

CFPB Sends Out Debt Collection Questionnaire

The CFPB has sent out a questionnaire to a variety of debt collection firms, creditors and service providers as part of their potential rulemaking regarding debt collection. According to the cover letter

attached to the questionnaire, the purpose of the survey is “to better understand operations costs and other factors associated with debt collection.”

Participation is voluntary and the CFPB plans to “reach out to a subset of respondents to ask whether they would be willing to participate in follow-up phone interviews.”

Ballard Spahr LLP’s *CFPB Monitor* says:

The questionnaire seeks information about a respondent’s:

- *Business generally, including numbers of employees, net revenue from collecting various types of debt, whether the respondent owns the debts it collects*
- *Specific business processes, including what collections management system is used, whether program adjustments to the system are made by a vendor or in-house, frequency of receiving various categories of account information from creditors, practices for calling and sending written communications to consumers, handling disputes, accepting and processing payments, assessing post-charge off interest or fees, use of vendors for skip tracing, furnishing data to credit bureaus, litigation, and compliance.*

For more information, see: <http://www.cfpbmonitor.com/2015/08/03/cfpb-sends-debt-collection-questionnaire/>

Timeline Delayed for Rebidding of ED Servicing Contracts

The Department of Education’s scheduled date to rebid loan servicing contracts has been delayed.

Politico reports, “Dorie Nolt, a spokeswoman for the Education Department, said the rebidding of the contracts is being pushed into next year because of ‘competing priorities.’ She said that even though the department is moving it to January, ‘we still plan to meet the schedule that we rolled out,’ and the process will be completed in 2016. The timeline likely pushes any changes borrowers would experience into the next administration, although Nolt said the new arrangements would dictate when loans would get transferred.”

Meanwhile, the Consumer Financial Protection Bureau (CFPB) announced a public inquiry into the student loan servicing industry back in May. Secretary of Education Arne Duncan has also asked the Department to review the student borrower experience.

As part of the White House’s effort on the “Student Aid Bill of Rights,” a task force was developed to compile recommendations for the Education Department and the CFPB on best practices in contracting for student loan servicing. According to Nolt, the task force will be releasing the recommendations within the “the coming weeks.”

Obama Signs Need-Based Educational Aid Act of 2015 into Law

Last week, President Obama signed the *Need-Based Educational Aid Act of 2015* into law, which extends the expiring antitrust exemption that allows schools that admit students on a need-blind basis to collaborate on the formula used to determine how much families can pay for college. The Senate unanimously passed the legislation on July 14 and it cleared the House of Representatives by a vote of 378-0.

The exemption was first enacted in 1994 and has been reauthorized by Congress three times since, most recently in 2008. It was set to expire in September. The bipartisan, bicameral legislation was introduced by Sens. Chuck Grassley (R-IA), and Patrick Leahy (D-VT) along with Reps. Lamar Smith (R-TX), and Congressman Hank Johnson (D-GA.).

For more information, see: <https://www.govtrack.us/congress/bills/114/hr2604>

ED Will No Longer Allow Colleges to See Other Schools Applicants List on FAFSA

The Department of Education will end its practice of providing colleges the entire list of institutions that a student submits when filling out the Free Application for Federal Student Aid (FAFSA). Currently, not only can colleges see this list, but they can also see the order in which students list the colleges they are interested in applying to.

Denise Horn, a department spokeswoman, confirmed in an email on Thursday that the policy would be changed, and some officials believed schools were using the information “in a manner that is not appropriate.”

“For example, some colleges use that information in their admissions decision process -- looking to see if any of their competitors were listed,” she said. “Similarly, some use the information to determine if and how much institutional aid to provide -- why spend money if the student would likely come to my school anyway.”

This year was the first year that the FAFSA gave students a warning that schools would be able to access the entire list of colleges they submitted their financial aid applications to. A 60-day public comment period on the anticipated change began this week.

The Department plans to end sharing the “FAFSA position” information with schools starting this upcoming January for aid that will be awarded during the 2016-2017 school year. State grant agencies will still have access to students’ college preferences on the FAFSA as agencies use the information to help predict enrollment and for planning and budgeting.

For more information, see: <https://www.insidehighered.com/news/2015/08/14/education-department-will-stop-giving-colleges-information-about-students%E2%80%99-choices>

New IFAP and Federal Register Announcements

Recent additions to the Information for Financial Aid Professionals (IFAP) website and *The Federal Register* have been made that may be of interest to COHEAO members.

FSA IFAP and Federal Register Announcements:

- [Federal Need Analysis Methodology for the 2016-2017 Award Year - Correction Notice](#)
- [2015-2016 Supplemental Campus-Based Funds](#)
- [Publication of Federal Register Notice Inviting Postsecondary Educational Institutions to Participate in a New Experiment Under the Experimental Sites Initiative](#)
- [Issue Alert: Additional NSLDS Postscreening on August 11-13, 2015 to Correct Pell Grant Information on 2015-2016 SARs and ISIRs](#)

- [Gainful Employment Announcement #58 - NSLDS Reporting for Gainful Employment Programs Discontinued Prior to the Effective Date of the Regulations](#)
- [Notice of the Draft 2016-2017 Federal Student Aid Application Materials](#)

Industry

New Fed Report on Household Debt Finds Student Loans Delinquency Rates Rising

The Federal Reserve Bank of New York report on household debt for Q2 of 2015 shows a 0.4 percent increase in the number of student borrowers failing to pay back their student loans. The data found that 11.5 percent of student loan borrowers were delinquent in Q2, and the New York Fed has often said student loan delinquency are often understated.

The overall amount of student loan debt stayed at \$1.19 trillion. Overall delinquencies fell in the second quarter to 5.6 percent, but only down 0.1 percent from the first quarter.

For more information, see: <http://thehill.com/policy/finance/251044-student-loan-delinquencies-on-the-rise>

Purdue Seeks Partner for ISA Administration

The Purdue Research Foundation announced last Wednesday that it will begin a formal solicitation process to find a partner firm to establish and manage income share agreement (ISA) funds, a proposed new way to help Purdue students pay for higher education. Once a firm is chosen, the Foundation expects to develop the program offering the ISA option to students beginning in the spring semester of 2016.

“This no-debt, low-risk option is another way we can help keep our land-grant school within financial reach of all qualified students,” said Purdue University President Mitch Daniels, a former Indiana governor and director of the White House Office of Management and Budget in the second Bush Administration. “And I’m convinced that those who support the education of a student at Purdue are making a very sound investment.”

The announcement notes income share agreements were touted by Daniels in March during testimony before the Senate HELP Committee about the Higher Education Act. It describes ISAs as follows:

The program is a new type of market that gives students another choice in funding their education. The agreements would give students the option of drawing funds from an investment pool to cover their education costs, in exchange for agreeing to pay an affordable percentage of their post-graduation income for a set period of time. An ISA has no explicit principal balance or interest, so its payments adjust with the student’s income over the life of the contract; if a student makes less than expected, he or she is not beholden to the investors for any more than the agreed-upon percentage.

Some question whether such a financing scheme can be achieved on any scale. Additionally, there have been questions on legal issues surrounding these agreements. The Purdue announcement points to recent bipartisan legislation “to help clarify the law and to ensure consumer protection for students.”

Supporters of ISAs acknowledge the need for further legal clarification, hence a push for the bipartisan legislation, H.R. 3432, introduced last week by Reps. Todd Young (R-IN) and Jared Polis (D-CO). Most of the legislative efforts around ISAs have dealt with consumer protection and how exactly to classify these agreements under the law.

The full announcement from Purdue University is also online: <http://goo.gl/sRZms9>

New America Foundation Study Finds Students Are Clueless on Financial Aid Options

New survey data by the New America Foundation found that nearly a quarter of prospective students said they were unsure whether they would receive financial aid, even though 90 percent of those surveyed said the cost of college or availability of aid would factor in to their decision of which school to attend.

The survey found that 82 percent of students were most familiar with scholarships they receive from a college, 79 percent were familiar with student loans, and 61 percent were aware of state scholarships or grants. Less than half, however, knew much about Pell Grants, including more than a quarter who'd never heard of it. Only 14 percent of those surveyed said they had used a net price calculator, and half of the respondents said they had never heard of the calculators before.

The paper argues that the lack of knowledge about certain aspects about financial aid is taking away college opportunity for many students. The paper also advocates for the use of prior-year tax information in filling out the FAFSA.

For more information, see: <https://www.newamerica.org/new-america/familiarity-with-financial-aid/>

**COHEAO Would Like to Thank Our Commercial Members for Supporting
More Education for More People**



***We Encourage Those Seeking Services to Give
These Committed Organizations Priority Consideration***

Account Control Technology, Inc.	Meade and Associates, Inc.
Asset Management Outsourcing	National Credit Management
Automated Collection Services, Inc.	National Enterprise Systems
Campus Partners	National Recoveries, Inc.
Coast Professional, Inc.	NCC Business Services
ConServe	NCO Financial Systems, Inc.
Core Recoveries	Penn Credit
Credit World Services, Inc.	Premiere Credit
Delta Management Associates, Inc.	Progressive Financial Services, Inc.
Educational Computer Systems	Recovery Management Services, Inc.
Enterprise Recovery Systems, Inc.	Regional Adjustment Bureau, Inc.
General Revenue Corporation	Reliant Capital Solutions, LLC
Higher One, Inc.	Todd, Bremer & Lawson, Inc.
iGrad	Williams & Fudge, Inc.
Immediate Credit Recovery, Inc.	Windham Professionals, Inc.
Key 2 Recovery	Xerox Education Services, LLC

2015 COHEAO Board of Directors

President

Maria Livolsi

Director, Student Loan Service Center
State University of New York
5 University Place, A310
Rensselaer, NY 12144
518-525-2628
MLivolsi@albany.edu

Secretary

Tom Schmidt

Associate Director of Student Account
Assistance & Third Party Billing
University of Minnesota
211 Science Teaching & Student Services
222 Pleasant St. SE
Minneapolis, MN 55455
612-625-1082
Fax: 612-624-2873
t-schm@umn.edu

Past President

Robert Perrin

President
Williams & Fudge, Inc.
300 Chatham Avenue, Suite 201
Rock Hill, SC 29731
803-329-9791 x 2104
Fax: 803-329-0797
bperrin@wfcorp.com

Member at Large

David Stocker

General Counsel
ACSI, Inc.
2802 Opryland Drive
Nashville, TN 37214
800-445.1736 x1845
Fax: 615.361.4816
DStocker@acsi.net

Commercial Committee Chair/Membership Co-Chair

Bob Frick

Transworld Systems (TSI)
Vice President-Education Services
2520 South 170th Street
New Berlin, WI 53151
262-780-7500
Fax: 866-543-6814
bob.frick@tsico.com

Vice President

Carl Perry

Senior Vice President
Progressive Financial Services
516 N Production Street (Suite 100)
Aberdeen, SD 57401
800-585-4986
cperry@progressivefinancial.com

Treasurer

Lori Hartung

Vice President
Todd, Bremer & Lawson
560 Herlong Avenue
Post Office Box 36788
Rock Hill, South Carolina 29732-0512
800-849-6669
Fax: 803-323-5211
lori.hartung@tbandl.com

Member at Large

Larry Rock

Director of Student Loan Repayment
Concordia College
901 S. 8th St. S
Moorhead, MN 56562
218-299-3323
Fax 218-299-4357
larock@cord.edu

Member at Large

Cindy Schick

Vice President, Business Development
NCC Business Services of America, Inc.
9428 Baymeadows Road, Suite 200
Jacksonville, FL 32256
904-352-2745
Fax: 904-352-2746
Cschick@ncc-business.com

Legislative Chair

Jan Hnilica

Student Accounts Manager
Wheaton College
501 College Ave.
Wheaton, IL 60187
630-752-5803
Fax: 630-752-7008
Jan.hnilica@wheaton.edu

Legislative Co-Chair, Regulations

Lee Anne Wigdahl

Manager, Loan Administration
DeVry Inc.

814 Commerce Drive
Oak Brook, IL 60523

630-645-1178

Fax: 630 891-6292

lwigdahl@devrygroup.com

Legislative Co-Chair, Perkins

Jeff "JP" Pfund

University of Wisconsin, Madison

Office of Student Financial Aid

Student Loan Servicing Dept.

333 East Campus Mall #9508

Madison WI 53713-1382

608-263-7100

jeff.pfund@finaid.wisc.edu

Internal Operations Chair

Jeane Olson

Director

Northern Arizona University

Gammage Building

Flagstaff, AZ 86011

928-523-3122

Jeane.olson@nau.edu

Internal Operations Co-Chair, Financial Literacy

Todd Woodlee

Associate Vice President

iGrad

1775 Warfield Dr.

Clarksville, TN 37043

706.231.0150

twoodlee@igrad.com

Internal Operations Co-Chair, Communications

Michael Mietelski

Regional Director of Business Development

ConServe

200 CrossKeys Office Park

P.O. Box 7

Fairport, NY 14450-0007

800-724-7500 x4450

mmietelski@conserve-arm.com

Internal Operations Co-Chair, Support

Nancy Paris

Vice President Client Services

RMS-Recovery Management Services, Inc.

4200 Cantera Drive, Suite 211

Warrenville, IL 60555

800-900-3944, ext. 104

Fax: 630-836-2413

nparis@rmscollects.com

Membership Chair

Karen Reddick

Vice President Business Development

National Credit Management

10845 Olive Blvd

St. Louis, MO 63141

800-627-2300, 229

kreddick@ncmstl.com

Membership Co-Chair, Institutions

Carolyn James

Accounting Supervisor

Student Loans & Collections

University of Michigan

6000 Wolverine Tower, 3003 S State St.

Ann Arbor, MI 48109

734-763-6607

Fax: 734-647-3804

ctjames@umich.edu

Membership Co-Chair, Support

Claude Payne

Loan Services Specialist

Weber State University

3850 Dixon Parkway, Dept. 1023

Ogden, UT

(801) 626-7346

Fax: (801) 626-7276

cpayne@weber.edu

Executive Director

Harrison Wadsworth

1101 Vermont Ave. N.W. Suite 400

Washington, DC 20005-3521

202-289-3910

Fax 202-371-0197

hwadsworth@wpllc.net



Coalition of Higher Education Assistance Organizations
1101 Vermont Avenue N.W., Suite 400
Washington, D.C. 20005-3586
(202) 289-3910 Fax (202) 371-0197

August 14, 2015

Dear Colleague:

Congress is in summer recess, yet the efforts to save the Perkins Loan Program continue. We are providing this update to highlight the ongoing activities being conducted by COHEAO and the higher education community to **Save Perkins Now!**

On June 3rd, Congressman Luke Messer (R-IN), a key member of the House of Representatives Committee on Education and the Workforce, introduced H.Res.294 – “Expressing support for the continuation of the Perkins Loan Program”. Congressman Mark Pocan (D-WI), also a Committee member, immediately signed on as lead cosponsor to this bi-partisan resolution. Since then, an additional 45 members have cosponsored the resolution. COHEAO is currently working with several Senate offices that are interested in starting a similar support effort in the Senate.

On June 16th, Congresswoman Louise Slaughter (D-NY) circulated a Dear Colleague Letter to congressional members asking them to sign a statement that they “Support the Reauthorization of the Perkins Loan Program”. In just over one month, this letter garnered 95 co-signers. The letter will be sent to Chairman John Kline (R-MN) and Ranking Member Bobby Scott (D-VA) of the House Committee on Education and the Workforce to show this extraordinary support of the program.

COHEAO recently received a request from Congressmen Mark Pocan’s and Luke Messer’s offices asking COHEAO to help provide letters of support from other organizations. **Pocan is making Perkins his top priority** related to Higher Education Act (HEA) reauthorization. COHEAO sprang into action and within days was able to obtain letters of support from numerous institutions and national and regional organizations. We have included a copy of the current list of supporters as an attachment to this letter. If your institution or organization is interested in showing support for the Perkins program, we have included a sample letter which can be put on letterhead and forwarded to COHEAO. The list of supporters will likely be included in an upcoming Dear Colleague Letter that Congressman Pocan is issuing.

While this support is very good news, the HEA, including Perkins, is scheduled to expire on September 30, 2015. Based on the limited time that will remain once Congress reconvenes, as well as other priorities on their agenda, it is almost a certainty at this point that the HEA will be extended until lawmakers can agree to a comprehensive update to the Act.

COHEAO has mentioned in previous communications that the possibility exists that the Perkins Loan Program could be “carved out” of the extension due to the cost score that may be associated with

retaining the program during the extension. The score is determined by the Congressional Budget Office (CBO) and is currently estimated at \$800 million for a one-year extension. COHEAO is working tirelessly with congressional staff to eliminate this scoring issue since the previous 18 HEA extensions resulted in no cost scored by CBO to extend the Perkins Program.

We welcome your feedback and encourage your involvement as we continue our national efforts to Save Perkins Now! Please visit our [Perkins Advocacy Page](#) at [COHEAO.org](#) for more information and feel free to reach out to me or any COHEAO Board member if you have questions or suggestions.

Sincerely,



Maria Livolsi
COHEAO President



Current List of Letters of Support Submitted to Congressman Pocan

Institutions

Eastern Oregon University
Lubbock Christian University
Otterbein University
South Carolina State University
State University of New York
University of California System
University of Wisconsin System
Valparaiso University

Regional/National Organizations

American Council on Education (ACE)
American Association of Colleges of Pharmacy (AAP)
Association of American Universities (AAU)
Association of Jesuit Colleges and Universities (AJCU)
Big 10 Financial Aid Administrators
Coalition of Higher Education Assistance Organizations (COHEAO)
Colorado Association of Administrators of Student Loans and Accounts Receivable (CAASLAR)
Commission on Independent Colleges and Universities (CICU)
Consortium of Universities of the Washington Metropolitan Area
Council of Independent Colleges and Universities (CIC)
Higher Education Accounts Receivable Organization (HEARO)
Illinois Student Loan Administrators (ISLA)
Kentucky Association of Student Receivable Officers (KASRO)
Kentucky Association of Student Financial Aid Administrators (KASFAA)
Michigan Association of Student Financial Services Administrators (MASFSA)
Midwest Association of Student Financial Aid Administrators (MASFAA)
Minnesota Collection Network
National Association of Financial Aid Administrators (NASFAA)
National Association of Independent Colleges and Universities (NAICU)
National Education Association (NEA)
New York State Financial Aid Administrators Association (NYSFAAA)
Ohio Bursars Association (OBA)
Pennsylvania Association of Student Financial Aid Administrators (PASFAA)
State University of New York College Admission Professionals (SUNYCAP)
State University of New York Financial Aid Professionals (SUNYFAP)
State University of New York Student Assembly
State University of New York Business Officers Association (SUBOA)
Texas Bursars for Universities and Colleges (Texas BUC\$)
Utah Association of Student Loan Administrators (UASLA)
Wisconsin Association of Independent Colleges and Universities



SENATE HELP COMMITTEE HEARING ON “REAUTHORIZING THE HIGHER EDUCATION ACT: OPPORTUNITIES TO IMPROVE STUDENT SUCCESS”

Prepared by:

Michelle Cravez (mcravez@wpllc.net)

August 6, 2015

On Wednesday, August 5, the Senate Committee on Health, Education, Labor and Pensions (HELP) held a hearing, “Reauthorizing the Higher Education Act: Opportunities to Improve Student Success.” It was the eighth hearing regarding HEA reauthorization.

MEMBERS PRESENT

Chairman Lamar Alexander (R-TN); Ranking Member Patty Murray (D-WA); Johnny Isakson (R-GA); Susan Collins (R-ME); Bill Cassidy (R-LA); Michael Bennet (D-CO); Tammy Baldwin (D-WI); Christopher Murphy (D-CT); and Elizabeth Warren (D-MA).

WITNESSES

- **Stan Jones**, President, Complete College America
- **R. Scott Ralls**, President, North Carolina Community College System
- **Timothy Renick, Ph.D.**, Vice Provost and Vice President for Enrollment Management and Student Success, Georgia State University
- **Lashawn Richburg-Hayes, Ph.D.**, President, Young Adults and Postsecondary Education, MRDRC

OPENING STATEMENTS

Chairman Alexander opened by explaining that the focus of the day’s hearing was to figure out if there was a way for the federal government to help more students finish college. He said, “Few can afford to be stuck with debt and no degree, but that is what’s happening to far too many college students.” The Chairman said that students who need to take remedial courses to catch up to their peers face one of the greatest barriers to timely graduation. He noted that research shows that students who consistently enroll full-time are most likely to graduate, but that the majority of so-called full-time students are not taking enough credits each semester to graduate on time. He said federal policy has emphasized access, rather than completion and that federal aid does not encourage students to complete their degrees as quickly as they can. He explained that students who take 24 credits in a year can get their full Pell grant amount, but that a student must actually take close to 30 credits a year to actually graduate on time. Second, he said, “Federal aid progress requirements seem to lack teeth: Students must meet a ‘satisfactory academic progress’ standard to remain eligible.” However, Alexander said these requirements

are set by institutions and often do not require enough focused progression through a degree or certificate program. Third, he said federal aid is often used to subsidize students unfocused toward a degree. Alexander said Congress needs to find a way to encourage institutions to prioritize and encourage student success without enforcing a federal mandate that “smothers institutions.”

Ranking Member Murray said she will continue to stay focused on making sure all students have clear pathways to success in higher education, and called for lowering college costs and removing financial aid policies that punish students rather than support and reward them. She emphasized ways to improve college completion rates, including making sure that students in high school are college-and-career ready. Murray called for better data on student outcomes and said higher education data ignores part-time and transfer students, adults who are returning to school, students in remediation, and Pell Grant recipients. She said it is important to know how these students are doing to make sure effective policy decisions are based on solid evidence. Murray spoke about incentivizing institutions to have support systems in place for struggling students and those from low-income backgrounds. She also advocated for structured pathways toward earning a degree.

WITNESS STATEMENTS

Stan Jones said Complete College America found in their 2014 report, *Four-Year Myth*, that out of 580 public four-year universities, only 50 graduated 50 percent of their students within four years. The report also found that each additional year costs students more money. Jones shared some of the successes that Complete College America has witnessed and shared several strategies, or “game changers,” that he believes are instrumental in achieving success. First, he stressed the importance of transparency of information and criticized the Federal Government for not keeping track of Pell recipient graduation rates or data on remediation. Second, he suggested more remediation. Third, he advocated for structured schedules or Guided Pathways to Success (GPS) programs. Finally, he briefly mentioned performance funding as a financial incentive to prioritize student success.

R. Scott Ralls began his testimony describing the SuccessNC programmatic reforms and initiatives that have impacted student success across 58 North Carolina community colleges. Ralls said that students are more likely to find success when they continuously progress along coherent curriculum pathways. Second, he said students are more likely to succeed when they start with the end in mind but also have outcome milestones along the way. He said this is why it is important for more attention to be given to standards that measure institutional impact on student success. He said the federal definition of success leaves out many students who are not included in the Integrated Postsecondary Education Data System (IPEDS) graduation cohort and that even though some students leave without an academic degree, many still end up with a valued industry credential. He said students are looking to gain a skill and a job and given the student population his schools serve, he stressed the importance of stackable certification. Furthermore, he recommended federal policy encourage and incentivize implementation of dual enrollment pathways connected with public schools, and the creation of a federal unit record system for Title IV eligible institutions that accounts for transfer students. Finally, he called for simplifying financial aid.

Timothy Renick shared with the Committee some of the successes of Georgia State University in helping improve student success. He discussed the school's Panther Retention Grant program provides one-time micro grants to students to cover the balance between what students can pay and the costs of their tuition and fees. Since 2011, the program has helped bring 5,300 students back into their classes. Renick also told the Committee about the school's Graduation Progression Success (GPS) Advising system that helps students avoid wasting credit hours by using predictive analytics to identify when students are making academic decisions that put them off track for graduation. He asked Congress help find new ways to incentivize collaboration and determine new ways to decide when and how students are given access to federal aid. He said rules on Satisfactory Academic Progress do not reflect today's advances in student analytics. Finally, he asked Congress to continue to put pressure on predatory institutions and lenders.

Lashawn Richburg-Hayes explained that research is beginning to lead the way towards improving student success solutions in four primary areas: comprehensive and integrative reforms; developmental education reforms; structured pathways; and innovations in financial aid. She spoke of City University of New York's (CUNY) Accelerated Study in Associate Programs (ASAP) that use comprehensive and integrative strategies to help at-risk students graduate on time. The ASAP program consists of requirements and messaging around attending college full time, student services, course enrollment or structured pathways, and financial support including financial incentives. Students in the ASAP program graduated at a rate of 18.3 percentage points higher than their peers in the control group. She said financial aid is another lever to help lower-income students succeed and stated that studies demonstrate that incentive based grants and innovation on traditional financial aid result in more students meeting academic benchmarks, a greater number of credits earned, and modest effects on GPA. She recommended HEA legislation give colleges and states incentives to replicate proven programs and to encourage innovation paired with research. She said more research needs to be conducted on structured pathway programs, year-round financial aid, and innovations in work study programs.

MEMBER QUESTIONS

Chairman Alexander asked if Congress should change the federal requirement to qualify for federal aid from 12 credit hours per semester to 15 hours. Jones said changing the Pell Grant credit requirements would drastically change colleges and said schools already have made this change on their own and have seen success. He said he does not recommend changing the requirement to 15 credit hours but instead would incentivize students to meet this standard on their own. Ralls expressed concern over a 15 hour credit requirement, stating it could put many students who must work while enrolled in school at a significant disadvantage. Alexander then asked Renick for advice on how to deal with remedial education. Renick said it is clear that a one size fits all method does not work but that evidence shows that remediation works best when it is an add on to students who are already engaged in college level credits. He said disciplined based support has also been effective.

Ranking Member Murray asked Richford-Hayes to expand on the support services provided to students in the CUNY ASAP program. Richford-Hayes said there is one advisor assigned to 80 students, participants receive career counseling, financial support, and that some majors are given automatic course enrollment with block scheduling. Murray then asked Renick what services his college provides students. Renick said student services must use a combination of

technology and personal contact. She then asked Jones and Ralls how data might better inform policy. Ralls explained many students in his system are part-time and some leave with alternative credentials which are recognized in the work force but not counted in IPEDS. He explained that IPEDS also doesn't count community college students who transfer into four-year institutions. Jones stressed the importance of the Federal Government collecting information on Pell Grant recipient's and veterans graduation rates.

Senator Collins said students who do not graduate are almost three times more likely to default on student loans. She mentioned that the director of a program at Eastern Maine Community College had once suggested to her to give students incentives to finish their programs in small amounts of loan forgiveness and asked the witnesses for their thoughts on this idea. Ralls and Renick both testified to the success of "microgrant" programs.

Senator Murphy noted that schools have "no financial incentive to graduate students on time, and may even have financial incentive not to do so." He asked the panelists if they thought it would make sense for Congress to reform federal financial aid programs so that small financial incentives are provided for schools to invest in innovative programs that encourage college completion and success. Jones agreed with the Senator and said there should also be incentives in place for schools to graduate more low-income students as well as graduate students in a timely manner. Murphy then asked Renick if it was possible to build an accountability system that does not discourage schools from enrolling lower-income and at-risk students. Renick said Congress needs to find a way to "reward institutions and students who are making a difference against the odds."

Senator Cassidy told Jones that as part of a bill in the last Congress, the Department of Education were required to publish Pell Grant recipients' graduation rates. He said he has spoken with staff and that they do not plan to publish the rates until 2019 because they need to first start collecting data. He said the panelists have indicated that many schools already know their Pell Grant graduation rates, which makes him think there is proxy data already available and that this data can be provided to Congress without having to wait another four years. The panelists agreed that many institutions gather this data on their own for institutional decision making purposes but it is not available to the general public. Jones suggested the Committee send a letter to Secretary Duncan on the topic but Cassidy said this had already been done without success.

Senator Baldwin asked the panelists to weigh in on the *College Promise Act* that she introduced in July. She said the bill does not just ask states to invest financially but to also make reforms like expanding student support services, stressing career pathways, and improving remediation. Ralls said the federal government could encourage statewide agreements to help create more uniform structure across institutions and better serve students in several institutions throughout their academic careers. Renick offered one caution and said Georgia State had analyzed data and found a sort of "sweet spot." He said students who have their tuition costs completely covered have lower completion rates than those who have a little skin in the game. He said he thinks the proposal is good but that the data they found shows that students who have to pay somewhere between seven to 15/20 percent of the total cost of school have more motivation.

Senator Bennet asked Renick to describe what the GPS program at Georgia State looked like from a students' perspective. Renick explained the program maps a set of courses or a pathway for students to follow to graduate on time. Bennet then asked Renick how to reward students and institutions who are making a difference against the odds. Renick responded that Congress needs to incentivize this in a number of ways such as through federal grant programs. He recommended the Federal government be more flexible in ways they assign federal financial aid and said the current system is a one size fits all model.

Senator Warren asked Jones if colleges have enough incentives to improve student success. Jones said they do not and said there should be incentives for schools to graduate more students and in a more timely manner so students incur less debt. She then focused her attention on for-profit colleges. Warren said it is critical that all colleges who benefit from federal money have incentives.

CONCLUSION

Chairman Alexander concluded the hearing by thanking the Committee members and panelists. He agreed with Sen. Warren, and said it is important that Congress spend its money wisely on higher education. Alexander announced that the next HEA reauthorization hearing will take place in September.

For more information about the hearing, including written testimony and an archived webcast, go to: <http://www.help.senate.gov/hearings/reauthorizing-the-higher-education-act-opportunities-to-improve-student-success>