The Torch

February 15, 2013

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

COHEAO News

- **February 27 COHEAO Webinar—Financial Literacy on Campus**
  COHEAO is pleased to announce that registration is now available for the February 27 COHEAO webinar, "Financial Literacy on Campus."

Congress

- **CBO Indicates No Pell Shortfall—In Fact, A Surplus**
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- **CBO Identifies Increased Borrowing to Finance Direct Loans**
  In addition to the report on Pell (see above article), CBO released its Budget and Economic Outlook for FY13-FY23.
- **With Cordray's Appointment in Question, Path to Legislative Solution Appearing More Difficult**
  Following the elections, conventional wisdom suggested the CFPB, in its current form, was here to stay. Now, with a court case claiming CFPB Director Richard Cordray's recess appointment may be unconstitutional, there are serious challenges to the Bureau's leadership and structure.
- **House Republicans Call for "Market Based" Student Loan Fix from President's Budget**
  Republicans on the House Education and the Workforce Committee wrote President Obama seeking a long-term solution to the proposed doubling of Subsidized Stafford Loan interest rates.
- **Bill to Modify Bankruptcy Treatment of Private Student Loans Introduced in the House**
  Congressmen Steve Cohen (D-TN) and Danny Davis (D-IL) introduced legislation to remove the undue hardship requirement for discharging private student loans.
- **Senate Judiciary Creates New Bankruptcy Subcommittee**
  The Senate Judiciary Committee has approved a new Subcommittee on Bankruptcy and the Courts for the 113th Congress.
- **Cantor Signals Support for Wyden-Rubio Bill on Consumer Information in Higher Ed**
  House Majority Leader Eric Cantor (R-VA) gave a speech at the American Enterprise Institute to layout House Republican principals and proposals on a wide range of domestic issues last week.

White House & Administration

- **Special Attachment: State of the Union & Higher Education**
  Attached with today's edition is a memo on the State of the Union Address and higher education.
- **FSA Releases Solicitation for DCS Small Business Collections**
  Last week, the Office of Federal Student Aid released a solicitation for services under the Default Collection Services (DCS) contract.

Industry News

- **NASFAA Releases "Reimagining Student Aid" Gates Foundation Report**
  The National Association of Student Financial Aid Administrators (NASFAA) on Wednesday held a briefing on its new report prepared by a committee of organization members called "Reimagining Financial Aid to Improve Student Access and Outcomes."
- **TICAS Offers Gates Foundation Report Too**
  The Institute for College Access & Success (TICAS) issued a white paper calling for "major changes to the way federal student aid is applied for, allocated, delivered, and communicated, as well as to how colleges are held accountable for the taxpayer funding they receive."
- **Campus Progress Calls for Student Loan ReFi**
  Campus Progress, the student arm of the Center for American Progress, a liberal think tank, has started a campaign for the refinancing of student loans.
- **Lumina Foundation & Gallup Release Annual Public Survey on Higher Ed**
  The Lumina Foundation and The Gallup Organization released their annual survey and report on higher education, this year dubbed "America's Call for Higher Education Redesign."

Attachments

- **COHEAO Commercial Members**
- **Board of Directors**
- **Special Attachment: State of the Union & Higher Education**
- **Special Attachment: NASFAA's Reforming Student Aid Briefing**

COHEAO News

February 27 COHEAO Webinar—Financial Literacy on Campus

COHEAO is pleased to announce that registration is now available for the February 27 COHEAO webinar, "Financial Literacy on Campus." The webinar will take place from 2:00-3:30 PM Eastern Time on Wednesday, February 27. Click here to register.

In response to the acclaim for its Financial Literacy Awareness Whitepaper and the corresponding session at the COHEAO Annual Conference, COHEAO will be hosting a webinar to build on this discussion. This webinar will review and expand upon the session at the Annual conference, featuring the authors of the report who will provide additional details and field your questions.

The COHEAO Financial Literacy Awareness White Paper authors are: Carl Perry, Senior Vice President at Progressive Financial Services (and Vice President of COHEAO); Andrea Pellegrini, Assistant Director of the University of Illinois' Student Money Management Center; Irene Jasper, Director of Student Lending at Duke University; Kris Alban, Vice President of iGrad (and Chair of the COHEAO Financial Literacy Task Force); and Wes Huffman of COHEAO.

If you are involved with financial literacy initiatives on campus or are thinking about implementing a program in the future, this webinar will cover everything you need to know. The following questions will be addressed:

- *How can I create a financial literacy program at my campus from scratch?*
- *What techniques can I use to collaborate across multiple campus departments?*
- *How to identify and implement specific financial literacy "interventions"?*
- *What innovative delivery methods can significantly increase the effectiveness of our financial literacy initiatives?*
- *What is the Federal role in financial literacy education?*
- *What are the new developments in financial literacy education which I should know about?*
- *What are some specific resources to help develop or improve my financial literacy program?*

EVENT INFO

- **What: COHEAO Webinar, "Financial Literacy on Campus"**
- **When: Wednesday, February 27, 2:00 PM-3:30 PM Eastern Time**
- **Costs: $49 for COHEAO members/$99 non-members**
- **Registration/Information: http://www.coheao.com/conference-events/upcoming-events/webinars/**

Congress

CBO Indicates No Pell Shortfall—In Fact, A Surplus

Though addressing a shortfall of roughly $6 billion for Pell Grants in FY14 has dominated student aid discussions for nearly a year, a recent report from the Congressional Budget Office (CBO) shows there is actually a $9.2 billion surplus in the program. The surplus is the result of recent changes to the student aid programs, such as limiting Pell eligibility, to address estimated shortfalls in this forward funded program, as well as a drop-off in attendance at many for-profit institutions. The following is an excerpt from the New America Foundation on the new CBO report:

> *In 2010 and 2011, those estimates sparked panic. The program was burning through money faster than anyone expected, prompting Congress and the Obama administration to shift funding from other programs and cut parts of the Pell Grant program itself three separate times.*
>
> *The funding emergency was exacerbated by the fact that congressional lawmakers and the Obama administration had tried to maintain a large increase in the maximum grant, first funded without any long-term funding plan by the American Recovery and Reinvestment Act of 2009. The latest round of temporary funding was set to dry up in 2014, leaving a $5.8 billion hole in the program. In 2015, the number would jump to $8.7 billion, and stay at about that level indefinitely.*
>
> *Luckily for procrastinators in the White House and on Capitol Hill – and for Pell Grant supporters – the latest **Congressional Budget Office estimates** have come to their rescue. According to CBO, the program was actually* overfunded *the past few years, leaving a surplus of $9.2 billion. The CBO doesn't give much explanation as to what changed. For that we'll have to wait for the president's budget request due in late March.*
>
> *But this means that Congress can fund the Pell Grant program with the same appropriation it provided in 2012 for two more fiscal years without supplemental funding or eligibility changes. Moreover, the fiscal year 2015 appropriation needs to be only $1.4 billion larger, rather than $8.7 billion larger, because lawmakers can apply a big chunk of the $9.2 billion surplus to that year's funding. (To be sure, a $1.4 billion increase will be no easy feat, given that lawmakers must now contend with spending caps on appropriations enforced by sequestration.)*

Pell Grant Funding Cliff: Increase in Appropriation Necessary to Sustain Current Policy
Comparing 2012 and 2013 Congressional Budget Office Estimates

2012 CBO Estimate

Fiscal Year	2014	2015	2016	2017	2018	2019	2020	2021	2022
Funding Cliff ($ billions)	5.8	8.7	8.9	6.1	6.8	7.2	7.6	8.6	9.0

2013 CBO Estimate

Fiscal Year	2014	2015	2016	2017	2018	2019	2020	2021	2022
Funding Cliff ($ billions)	0.0	1.4	6.2	4.9	5.3	5.7	6.2	6.9	7.2

Sources: New America Foundation, Congressional Budget Office

Note: Funding cliff calculation based on $22.8 billion regular annual appropriation. Assumes Congress applies the accumulated $9.2 billion surplus to fiscal years 2014 and 2015 funding so that it may maintain the $22.8 billion in funding provided in the annual appropriation for fiscal year 2012.

Still, for the long term, the Pell Grant program needs a funding plan. Come fiscal year 2016 and each year thereafter, lawmakers will need to increase the annual appropriation between $7.2 billion and $4.9 billion, depending on the year (see above table). If not, lawmakers will have to drastically reduce the maximum grant or change eligibility rules. Favorable estimates from the CBO can delay the day of reckoning, but they won't solve the underlying problem: Temporary funding is only temporary.

As a final note, Pell Grant supporters – who no doubt are excited about the new estimates – should understand that lawmakers could steal the Pell Grant surplus to pay for something else. There is some tricky accounting involved here. Technically speaking, Congress could use the surplus to supplant regular appropriations funding this year (or in 2014) for Pell Grants, and then spend the surplus on some other program. The temptation to carry out such a scheme will be intense given the ongoing budget battles on Capitol Hill. That would jeopardize college aid to millions of students from low-income families. And it would make the tough spending choices and eligibility changes Congress and the Obama administration made to shore up the program in the recent years all for naught.

Though the Pell shortfall is addressed for this year and, should Congress put nearly all of the surplus back into the program, will much smaller than anticipated next year, many believe Pell needs major reforms to remain sustainable. Also, Congress is not completely out of the woods when it comes to funding for the student aid programs. Preventing the interest rate on Subsidized Stafford Loans from doubling still carries a cost of roughly $6 billion.

- The CBO report is available online: **http://www.cbo.gov/sites/default/files/cbofiles/attachments/43912_PellGrants.pdf**
- The full blog post from the New America Foundation is available online: **http://edmoney.newamerica.net/blogposts/2013/new_pell_grant_estimates_buy_time_long_term_fix_still_needed-78890**
- Additional coverage from *Inside Higher Ed* is available online: **http://www.insidehighered.com/news/2013/02/07/cbo-estimates-pell-shortfall-gone-2014**

CBO Identifies Increased Borrowing to Finance Direct Loans

In addition to the report on Pell (see above article), CBO released its Budget and Economic Outlook for FY13-FY23. The ten-year outlook projects a budget deficit this year of $845 billion, down from a $1 trillion+ deficit for FY12. CBO predicts the deficit will continue to decrease for the first part of the decade, the rise again at the later stages of the ten-year window. Of course, these projections all rely on current law, such as the scheduled lowering of payments to doctors through Medicare which never occurs as well as the sequestration cuts, so they should be taken with a grain of salt.

However, beyond the projections, CBO's ten-year outlook does provide some in-depth data on the federal balance sheet. On student loans, CBO said:

CBO projects that Treasury borrowing will be $104 billion more than the projected budget deficit in fiscal year 2013, mainly to finance student loans. Each year from 2014 to 2023, borrowing by the Treasury is expected to exceed the amount of the deficit, mostly because of the need to provide financing for student loans and other credit programs. CBO projects that the government will need *to borrow $76 billion more per year, on average, during that period than the budget deficits would suggest.*

The full report, "The Budget and Economic Outlook: Fiscal Years 2013 to 2023," is available online: **http://www.cbo.gov/publication/43907**

With Cordray's Appointment in Question, Path to Legislative Solution Appearing More Difficult

Following the elections, conventional wisdom suggested the CFPB, in its current form, was here to stay. Now, with a court case claiming CFPB Director Richard Cordray's recess appointment may be unconstitutional, there are serious challenges to the Bureau's leadership and structure.

The underlying court case does not relate to Cordray. Instead, it addresses President Obama's appointments to the National Labor Relations Board (NLRB). However, Cordray was nominated at the same time as the NLRB members. A couple of CFPB enforcement actions have been challenged in the courts and the constitutionality of the Cordray appointment is likely to be settled in the courts.

In the initial days after the NLRB decision, there was some speculation a legislative compromise could be forged to avoid the mess of a constitutionality challenge to the Cordray appointment. This still may come to pass, but the events of recent weeks suggest both sides are digging in for a battle.

Last week, the nomination of Cordray as CFPB Director became official, with the President formally submitting his name to the Senate. However, given the advance notice of the President's intentions, forty-three Republicans have vowed to block the nomination under all circumstances.

Much like in 2011, the Republican Senators are calling for a five member commission to head the Bureau and for the CFPB's funding to come from normal Congressional appropriations rather than be permanently available from Federal Reserve Bank funds. Senator Jerry Moran (R-KS) has already introduced legislation to change the leadership of the Bureau to a commission, S. 115.

In addition to those stating they will block the nomination, some Republican Senators are seeking legislative solutions. *The Hill* reports, "The two GOP senators who did not sign on to the letter were Sens. Bob Corker (Tenn.) and Rob Portman (Ohio). Corker is instead looking at legislative ways to boost the bureau's accountability, according to his spokeswoman. And Portman sent a letter to Cordray Friday calling on him to back the GOP-preferred changes as a way to prove his independence from the White House."

In response to the Republican activities, Democrats in the Senate have begun their own offensive. This week, Sens. Sherrod Brown (D-OH), Al Franken (D-MN), Jack Reed (D-RI), Elizabeth Warren (D-MA) and others all stood with Cordray at press conference calling on Republicans to allow him to receive an "up or down vote." All Democrats, with the exception of Sen. Mark Pryor but including Sens. Bernie Sanders (I-VT) and Angus King (I-ME), sent a letter to the White House stating their opposition to any changes to the CFPB leadership and governance structure.

House Republicans Call for “Market Based” Student Loan Fix from President’s Budget

In advance of the State of the Union Address and, more importantly, the release of the President’s FY2014 budget, Republicans on the House Education and the Workforce Committee wrote President Obama seeking a long-term solution to the proposed doubling of Subsidized Stafford Loan interest rates. In part, the GOP Committee Members wrote:

> *Too often, Congress must scramble to craft short-term fixes for long-term problems, a dynamic particularly evident in federal student aid programs. Last year, Congress chose to delay for one year the scheduled interest rate increase under the premise that we would use the time to develop a permanent solution to the problem. As the June 30 deadline nears, it is time for us to work together on a sustainable solution to ensure students have the certainty they need to plan for the cost of attending college.*
> *We support resolving the interest rate cliff by moving toward a market-based interest rate for Stafford loans in a fiscally responsible manner, and are interested in the administration’s ideas. As such, we request an outline of the proposal you plan to include in the fiscal year 2014 budget request that provides a long-term solution to the student loan interest rate issue and requisite offsets to ensure taxpayers will not be forced to bear the burden of fixing this problem.*

The full letter and press release are available online:
http://edworkforce.house.gov/news/documentsingle.aspx?DocumentID=319508

Bill to Modify Bankruptcy Treatment of Private Student Loans Introduced in the House

Congressmen Steve Cohen (D-TN) and Danny Davis (D-IL) introduced legislation to remove the undue hardship requirement for discharging private student loans. In a press release announcing the introduction of the legislation, Cohen and Davis highlighted elements of the CFPB report on private student loans mandated by Dodd-Frank, including its call to reexamine the treatment of private student loans in bankruptcy.

The Cohen/Davis legislation is also cosponsored by George Miller (D-CA), Ranking Democrat on the House Education and the Workforce Committee, and Judiciary Ranking Democrat John Conyers (D-MI), along with 12 additional Democrats.

Below is an excerpt from the press release on the introduction of the bill, H.R. 532:

> *Before changes were made to the Bankruptcy Code in 2005, only government loans and private loans made under a program funded at least in part by a governmental unit or nonprofit institution were effectively nondischargeable in bankruptcy. Congressman Cohen’s bill would amend the Bankruptcy Code to restore the dischargeability of debt from private loans made by for-profit lenders, which was available before 2005.*
>
> *For the past decade, private student loans have been the fastest growing and most profitable part of the student loan industry. The interest rates and fees on private loans can be as onerous as credit cards. There are reports of private loans with interest rates of at least 15 percent and higher rates are not unheard of. This can place a tremendous burden on student borrowers with private loans and unlike federal student loans, there is no government-imposed loan limit on private loans and no public regulation over the terms and cost of these loans.*

> *Private loans involve only private profit and do not have the borrower protections that government loans have, including caps on interest rates, flexible repayment options, and limited cancellation rights. There are very few types of debts that the bankruptcy law makes non-dischargeable, and these are usually made non-dischargeable for sound public policy reasons. For example, the Bankruptcy Code makes non-dischargeable child support responsibilities, overdue taxes, and criminal fines. Private student loan debt should not be on that list.*

Earlier this month, Sen. Dick Durbin (D-IL), HELP Committee Chairman Tom Harkin (D-IA), and several others introduced a similar bill in the Senate, the "Fairness for Struggling Students Act" (S. 114). There are seven cosponsors for S. 114, all Democrats, including Sen. Elizabeth Warren (D-MA) and Sen. Al Franken (D-MN).

Senate Judiciary Creates New Bankruptcy Subcommittee

The Senate Judiciary Committee has approved a new Subcommittee on Bankruptcy and the Courts for the 113th Congress. The Subcommittee will be chaired by Sen. Christopher Coons (D-DE) with Sen. Jeff Sessions (R-AL) as the ranking member. Subcommittee members include Senators Ted Cruz (R-TX), Jeff Flake (R-AZ), Chuck Grassley (R-IA), Dick Durbin (D-IL), Al Franken (D-MN), Amy Klobuchar (D-MN), and Sheldon Whitehouse (D-RI).

The creation of the new subcommittee with specific jurisdiction over the Bankruptcy Code and the Democratic membership on the subcommittee could increase the likelihood that Senator Durbin's bill to allow private student loans to be discharged in bankruptcy could be considered by the Committee during this Congress. However, House Republicans appear unlikely to open up the bankruptcy code for modification at the present time.

Cantor Signals Support for Wyden-Rubio Bill on Consumer Information in Higher Ed

House Majority Leader Eric Cantor (R-VA) gave a speech at the American Enterprise Institute to layout House Republican principals and proposals on a wide range of domestic issues last week. The speech was part of rebranding effort for Republicans; an effort to illustrate the GOP was *for* a variety of proposal on numerous issues, including higher education, and not simply *against* anything put forward by the President.

In terms of higher education, Cantor made news by endorsing the legislation put forward by Sens. Ron Wyden (D-OR) and Marco Rubio (R-FL) on consumer information and data systems in higher education. The following is a report from *Inside Higher Ed*:

> *Cantor mentioned legislation introduced by Senators Ron Wyden, an Oregon Democrat, and Marco Rubio, a Florida Republican, that would require states to match information from unemployment insurance databases with individual student data and publish the results, which would show earnings by program at each institution. Colleges have raised concerns about the legislation and about similar efforts, saying that measuring return on investment via salary alone is too simplistic -- especially since students who major in the liberal arts or humanities might start out with lower salaries but will make more than their peers in later decades. Cantor said he looked forward to working with Wyden and Rubio on a House version of that bill, the Student Right To Know Before You Go Act.*

Cantor should have an easy time in producing a House version of this legislation. Last year, with relatively little fanfare, Rep. Duncan Hunter (R-CA) introduced identical legislation in the House. Hunter, however, is no longer serving on the Education and the Workforce Committee.

Importantly, the "Student Right to Know Before You Go Act" is very different from the "Know Before You Owe Act" (S. 113), which is sponsored by HELP Committee Chairman Tom Harkin (D-IA), Sen. Dick Durbin (D-IL), Sen. Al Franken (D-MN), and others. S. 113 would require school certification as well as counseling from financial aid offices aimed at steering students toward the federal loan programs.

The endorsement by Cantor could—repeat could--mean that we may see more substantive higher education legislation move outside of reauthorization and earlier than previously expected. Though the Pell shortfall appears to be mitigated, action is expected on the 3.4% interest rate legislation within the next few months.

- Additional information from Sen. Wyden's office on last year's version of the "Student Right to Know Before You Go Act" is available online: **http://www.wyden.senate.gov/priorities/student-right-to-know-before-you-go-act**
- An archived video of the speech from AEI is available online: **http://www.aei.org/events/2013/02/05/making-life-work-remarks-by-majority-leader-eric-cantor/**
- An article from *Inside Higher Ed* on the speech is available online: **http://www.insidehighered.com/news/2013/02/06/cantor-supports-rubio-wyden-salary-disclosure-act-criticizes-funding-political#ixzz2K7vWsdg7**

Administration

Special Attachment: State of the Union & Higher Education

Attached with today's edition is a memo on the State of the Union Address and higher education. For reference, we have also included our "Additional Resources" section of the document to provide links for State of the Union within *The Torch*.

- The text of the President's address is available at **http://www.whitehouse.gov/state-of-the-union-2013**.
- The "President's Plan for a Strong Middle Class & A Strong America" is available online: **http://www.whitehouse.gov/sites/default/files/uploads/sotu_2013_blueprint_embargo.pdf**.
- The Department of Education has a blog post highlighting the education portions of the speech at **http://www.ed.gov/blog/2013/02/in-state-of-the-union-obama-outlines-bold-education-proposals-to-grow-the-middle-class/**.
- The President participated in a "Fireside Hangout" on Thursday, February 14 at 4:50 pm EST. To watch, visit: **www.youtube.com/whitehouse** (the discussion will be archived).

FSA Releases Solicitation for DCS Small Business Collections

Last week, the Office of Federal Student Aid released a solicitation for services under the Default Collection Services (DCS) contract. This particularly solicitation is a 100% small-business set-aside. The small business DCS solicitation has the following Solicitation Number: *ED-FSA-13-R-0006*.

In releasing the small business contract, FSA also said the following:

> *The Department also intends on issuing a solicitation in February to April 2013, as full and open competition, with no small business set-aside. The solicitation will be posted at http://www.fbo.gov. Offerors wishing to submit a proposal are responsible for downloading their own copy of the solicitation from this website and to frequently monitor the site for amendments to the solicitation.*
>
> *The Department intends to increase its small business participation under the Default Collection Services' contracts. The Government reserves the right to limit the number of awards resulting from these solicitations.*

Additional information on the DCS contract is available online:
https://www.fbo.gov/index?s=opportunity&mode=form&tab=core&id=b84a95211ffc113a8dc54d9b72f3373a&_cview=0

Industry

NASFAA Releases "Reimagining Student Aid" Gates Foundation Report

The National Association of Student Financial Aid Administrators (NASFAA) on Wednesday held a briefing on its new report prepared by a committee of organization members called "Reimagining Financial Aid to Improve Student Access and Outcomes." The report is one of a series prepared with funding from the Bill & Melinda Gates foundation. A summary of the briefing is included in the attachments section of today's *Torch*.

The full report can be found at: http://www.nasfaa.org/advocacy/RADD/RADD_Full_Report.aspx

TICAS Offers Gates Foundation Report Too

The Institute for College Access & Success (TICAS) issued a white paper calling for "major changes to the way federal student aid is applied for, allocated, delivered, and communicated, as well as to how colleges are held accountable for the taxpayer funding they receive." The paper is part of the Gates Foundation "Reimagining Student Aid" project.

Major recommendations, as identified by TICAS, include:

- *Dramatically simplify the federal aid application process by using data available from the IRS when students typically apply to college.*
- *Align incentives by rewarding colleges that serve low-income students well with additional funding and flexibility to innovate, while scaling sanctions to reflect the degree of risk schools pose to students and taxpayers.*
- *Double the maximum Pell Grant to close the growing income gaps in enrollment and completion, which persist even for students with similar levels of academic preparation.*
- *Offer one undergraduate student loan with no fees, a low in-school interest rate, and a fixed rate in repayment that is never too much higher than the interest rate on loans being offered to current students.*
- *Streamline overlapping income-based loan repayment programs into one improved plan that assures borrowers of manageable payments and forgiveness after 20 years.*

- *Eliminate higher education tax benefits, which are badly timed and poorly targeted, and use the savings for Pell Grants and incentives for states and colleges. If tax benefits are retained, streamline them into an improved American Opportunity Tax Credit that provides more help for low- and moderate-income students.*
- *Create and promote tools – from early aid estimates based on tax returns to standardized award letters – that give students and families clear, concise, and timely information about aid, costs, and outcomes to inform their decisions about where to apply and how to pay for college.*

Additional information from TICAS on the report, "Aligning the Means and Ends," is available online: http://ticas.org/pub_view.php?idx=873

Campus Progress Calls for Student Loan ReFi

Campus Progress, the student arm of the Center for American Progress, a liberal think tank, has started a campaign for the refinancing of student loans. A new paper was released by the organization this week, calling for additional options (and publicity) for the refinancing of both federal and private student loans.

The budgetary costs associated with such a plan would likely be very high and many of the proposals have been around for some time. However, Campus Progress officials indicate they will continue to push for student loan refinancing options, arguing such a system should be as prevalent as it is in the mortgage market. The organization continues to produce material for the campaign webpage which features a "savings calculator" for students to estimate their savings if their student loans carried an interest rate of 3%.

Additional information from Campus Progress is available online: http://campusprogress.org/articles/its_our_interest_the_need_to_reduce_student_loan_interest_rates/

Lumina Foundation & Gallup Release Annual Public Survey on Higher Ed

The Lumina Foundation and The Gallup Organization released their annual survey and report on higher education, this year dubbed "America's Call for Higher Education Redesign." The following is a list of key findings highlighted by Lumina:

Americans want a new system of credentials that is focused on learning outcomes and competencies:

- *Eighty-seven percent of respondents said they believe students should be able to receive college credit for knowledge and skills acquired outside of the classroom.*
- *Seventy-five percent indicated they would be more likely to enroll in a higher education program if they could be evaluated and receive credit for what they already know.*
- *Seventy percent don't believe learning should be time based and agree that if a student demonstrates they have mastered class material in less than the traditional 16-week session, they should be able to get credit for the course without sitting through the entire 16 weeks.*

Americans want help addressing the costs of higher education:

- *Sixty-eight percent believe that companies should provide more assistance to employees.*
- *Sixty-seven percent of respondents said that higher education institutions should reduce tuition and fees.*
- *Fifty-nine percent indicated that state governments should provide more assistance. Fifty-five percent said that the federal government should provide more assistance.*

Americans see value in education beyond high school, and many plan on returning to earn a degree:

- *Ninety-seven percent said it is important to have a certificate or degree beyond high school.*
- *Those respondents who do not have a certificate or degree beyond high school agree that if they did, they would feel more secure in their job (58 percent) and in their financial future (sixty-four percent).*
- *In the last year, 41 percent of Americans have thought about going back to school to earn a degree or certificate, with 42 percent of those saying they are very likely to do so.*

More Americans see education costs as a barrier and they are concerned about quality:

- *Only twenty-six percent of respondents believe that the cost of higher education is affordable to anyone who needs it.*
- *Twenty-seven percent indicated that the quality of high education is worse today that it was in the past.*

Additional information, including the full report and summaries from Gallup, is available online:
http://www.luminafoundation.org/newsroom/news_releases/2013-02-05.html

COHEAO Would Like to Thank Our Commercial Members for Supporting <u>More Education for More People</u>

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

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Campus Partners
Capital Management Services, LP
Ceannate, Inc.
Cedar Financial
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Coast Professional
ConServe
CR Software, LLC
Credit Adjustments, Inc.
Credit Control, LLC
Credit World Services, Inc.
Delta Management Associates
Educational Computer Systems, Inc.
EOS-CCA
Education Assistance Services, Inc.
Enterprise Recovery Systems, Inc.
Higher One
Immediate Credit Recovery, Inc.
JC Christensen and Associates
National Credit Management
National Enterprise Systems, Inc.
NCC Business Services of America
NCO Financial Systems, Inc.
Premiere Credit
Progressive Financial Services, Inc.
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