



TO: COHEAO Members

FROM: Katie Murphy, Greg Marak

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RE: An Agenda for Higher Education Reform: Remarks by Senate HELP Committee Chairman Lamar Alexander

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Yesterday, the American Enterprise Institute (AEI) hosted Senate HELP Committee Chairman Lamar Alexander (R-TN) to hear his priorities for reauthorizing the Higher Education Act (HEA), which has not been reauthorized in a decade. He stated, "We have a committee with many different voices and diverse views but we have been successful in bringing forward legislation with broad bipartisan support. My hope is that we will be able to do that once again with higher education."

Alexander expressed optimism that a bipartisan deal could be reached by the end of 2019, "so that we can produce a present for 20 million college students and their families by Christmas."

Senator Alexander said there are a lot of good ideas that have been pitched by his colleagues, and listed ten bipartisan pieces of legislation that have been proposed in recent years. He said his top priorities are to simplify the Free Application for Federal Student Aid (FAFSA) and to reduce the number of repayment plans to just two; one option that would offer the standard ten-year repayment plan and another income-based repayment plan (IBR) that would cap monthly payments at ten percent of a borrower's monthly discretionary income.

He explained the repayment plan would deduct a certain amount necessary to live from a person's annual salary, then divide it by 12 months and multiple it by 10 percent and that would be the monthly payment. Under this plan, the borrowers' monthly payments would be automatically withheld from their paychecks like federal taxes. If a borrower loses their job or can't afford to make a payment, they would not have to pay anything and it would not hurt their credit score. Additionally, it would preserve the current law which forgives the remainder of student loans that haven't been paid after 20 years of payments.

Alexander also talked about a proposed plan to implement program-level accountability reform that measures if students are repaying their debt. He proposed "simplifying and



expanding" the Obama administration's gainful-employment rule. The current gainful-employment rule cuts off federal funding to non-degree programs at all colleges and all programs at for-profit colleges that produce graduates with large student loan debt relative to their earnings. In Senator Alexander's plan, it would measure borrowers' progress repaying their debt and apply this rule to all programs at all colleges. Other ideas he spoke about included proposals to expand competency-based education programs, to require colleges to use clearer language when explaining financial aid to students, collecting better data on graduation rates and how much students borrow compared to how much they earn after graduation, and allow incarcerated individuals access to Pell Grants.

While discussing FAFSA simplification, Senator Alexander said that every year 2 million students do not apply to college because the FAFSA is too complex, and it is a major impediment to low-income students who want to go to college. Therefore, he wants to sizably reduce the number of questions students must answer on the form, from 108 to just a couple dozen.

Senator Alexander said he plans to work with HELP Ranking Member, Senator Patty Murray (D-WA), and the other committee members to develop a single piece of legislation that incorporates these proposals along with other ideas. Senator Murray said in a statement that "This is a moment for us to step up and do the hard work of negotiating a comprehensive reauthorization that truly works for students, families, and borrowers, and I hope we can remain committed to tackling the tough issues to get that done."

Shortly after Alexander's remarks, at an event later this week, House Education and Labor Chairman Bobby Scott (D-VA) also gave an address on HEA reauthorization. Scott emphasized that he would like to work across the aisle with House Republicans, but not to make a "narrow compromise just to get something passed." He noted that this opportunity to reauthorize HEA is a rare one, and he would like to make "long overdue structural reforms." Scott said he wants to give accrediting agencies more responsibility in regulating institutions, and increase federal and state oversight as well. He also said HEA reauthorization must restrict funding from "low quality" schools, by changing the "[90-10 rule](#)" to instead use the ratio 85-15.

- The event, which was recorded in full, is available [online](#) at the AEI website.
- Coverage of Chairman Scott's remarks is available [online](#).