



LEGISLATIVE AGENDA FOR REAUTHORIZATION OF THE HIGHER EDUCATION ACT (HEA)

- **Federal Investment in Postsecondary Education:** CCA continues to advocate for needed increases to federal student aid programs, including raising the limits of Pell Grants and federal student loans, as well as exploring innovative means of aid delivery such as “front loading” federal grant aid to provide increased assistance to students in the first two years of their education and providing additional grant funds to students participating in year-round educational programs.
- **Return of Federal Funds:** CCA urges that 50% of a student’s grant award be insulated from the return of federal funds calculation, with discretion provided to institutions to determine if the student needs the 50% protection. This allows students who have larger institutional charges to use grant funds to pay those charges, rather than taking on additional loan debt or using personal funds. Additionally, CCA advocates allowing institutions to substitute undisbursed grant funds for any portion of the returned funds originally derived from loans, and establishing a \$200 *de minimis* return amount.
- **Single Definition of a Higher Education Institution:** CCA proposes amending the HEA by moving the definition of a proprietary institution to §101, which provides a general definition of an institution of higher education. This section is often used as shorthand for higher education in legislation; separate definitions can lead to the unintentional or deliberate exclusion of for-profit education, to the detriment of the students choosing these institutions.
- **90-10 Rule:** CCA proposes moving the 90-10 requirement from the definition of a for-profit institution to the program participation agreement section, making it a matter of administrative capability rather than institutional eligibility. The single largest barrier to compliance is the Department’s nearly un rebuttable presumption in the current regulation that Title IV funds are used toward institutional charges, and the narrow definition of what counts as revenue towards the 10% calculation. CCA has commissioned an independent study designed to provide data that will show the costs institutions and students incur to meet the current rule. This report will form the basis of our recommendations for change to the 90-10 rule.
- **Transfer of Credit:** The Career College Association’s Foundation released a report by the Institute for Higher Education Policy (IHEP) that examines the policies and practices of recognized accrediting agencies, postsecondary institutions, and associations regarding treatment of students transferring from nationally accredited institutions to regionally accredited colleges and universities. The IHEP report highlights the artificial barriers to credit transfers that increase the cost in time and money to students seeking to continue their education. Institutions should be required to presume the academic quality of credits from an institution accredited by any agency recognized by the Secretary, but should be left the discretion to decide on individual credit transfers on a case-by-case basis.

- **Financial Responsibility:** CCA proposes to require the Department of Education to interpret its regulations in conformance with their plain language, and to follow Generally Accepted Accounting Principles (GAAP) in assessing the financial responsibility of institutions. Additionally, we believe institutions could benefit from the added financial strength and management expertise that acquisitions could provide, and recommends revising the analysis of an institution's financial responsibility upon and after a change of ownership.
- **Provisional Certification:** CCA seeks to ensure procedural fairness when a provisional certification is revoked by requiring clear and consistent procedures for appeal that include appointing a deciding official who is independent of the chain of command of the proposing official and a limit on *ex parte* contacts. CCA also recommends review of the bases for imposing provisional certification on an institution, particularly in instances where there is a change of ownership to owners who have a proven, positive track record with the Department.
- **Judicial Review of Department of Education Actions:** CCA recommends amending current law to clarify that the same judicial checks and balances that are applicable to other federal regulatory agencies should apply to the Department of Education.
- **50% Telecommunications Rule:** CCA supports modification of the 50% rule to allow increased flexibility for institutions and students interested in furthering their educational goals through innovative delivery systems.
- **Accountability:** The Administration has indicated that, just as performance measures were the centerpiece of the recent K-12 reauthorization, it will seek to import into the postsecondary education arena some measure of institutional effectiveness. CCA proposes creating an "Institutional Report Card" using universal, non-sector-specific measurements of input, output, and outcomes information. College students have great power as consumers to choose the institution they will attend, and the Institutional Report Card will provide enhanced consumer information to students and parents, allowing them to make the most informed choice about where to spend the Title IV aid they receive.