

The 118th Congress is Paying Attention to Higher Education Reform

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The spotlight is on higher education in the 118th Congress, with major pieces of legislation recently introduced by committee leaders on both the right and the left. We know that voters support higher education reforms that emphasize return on investment (ROI) for students and accountability for institutions accepting taxpayer dollars—and lawmakers are delivering: the legislative packages proposed by Senate Health, Education, Labor and Pensions (HELP) Committee Chair Bernie Sanders (D-VT) and Ranking Member Dr. Bill Cassidy (R-LA) each promote quality and ROI. Coupled with the Department of Education’s proposed gainful employment (GE) rule, it’s clear that federal policymakers are paying attention to higher education and working to strengthen the nation’s colleges and universities to serve all students, protect taxpayer investment, and hold institutions accountable for student outcomes.

The number one reason that students go to college today is to get a good job and move up the income ladder—and Senate Republicans are seeking to hold institutions accountable for student

financial outcomes by using an earnings threshold to determine eligibility for federal loans. The SAVE for Students Act, introduced as one of five bills within the GOP higher education package, prohibits new federal student loans from going to undergraduate programs where half of former students do not earn more than the typical high school graduate. The bill also applies this logic to graduate programs, prohibiting new federal student loans from paying for programs that leave former students unable to earn more than the typical bachelor's degree recipient. The concept of an earnings threshold is common sense, has broad public support, and requires institutions to step up to the plate and own their part in their students' success, in line with why most students enroll in the first place. A high school earnings threshold makes up one part of the two-pronged test in the proposed GE rule, which statutorily only covers career education programs. The Biden administration has led the charge on supporting earnings thresholds given their clear-cut approach to measuring value, and both sides of the aisle in Congress support these thresholds as an important component of higher education reform.

Supporting students through higher education remains a priority in this Congress. The Pell Grant is the driver of federal support for low-to-moderate income students pursuing higher education, and the Democrats' College for All Act calls for doubling the Pell Grant to \$14,790 for the 2024-2025 school year. Resources to promote college completion are also important, and the bill would create a \$10 billion grant program for inclusive student success grants, supporting institutions in scaling evidence-based practices and strategies to improve student outcomes and address equity gaps. College for All also bolsters Congress' efforts to support minority-serving institutions (MSIs) and would double mandatory funding for these institutions in fiscal year 2024 and each year thereafter. This guaranteed funding for MSIs is critical to addressing equity gaps in higher education and a crucial step to ensure institutions equitably serve students across the whole of postsecondary education.

Calls for increased transparency for students continue to come from Congress and groups across the political spectrum. The College Transparency Act was reintroduced in April 2023 with strong bipartisan support and is a part of the Senate Republican package. CTA would overturn the ban on student-level data collection to provide all stakeholders with more information about higher education—allowing students to better weigh their options, colleges and universities to access insights to improve their student outcomes, and employers to tap into a better-prepared workforce. The College Transparency Act is popular and solutions-oriented, ensuring we all have the data and information needed to allow higher education to function at its highest potential.

The GOP-led package also includes the bipartisan Understanding the True Cost of College Act, which would require uniformity across financial aid offers from institutions so students and families have a clear method for making apples-to-apples comparisons of college costs. Research from New America and uAspire shows how the current lack of consistency in financial aid offer letters is confusing and unclear—to the detriment of students making the most informed decision for their future. True Cost of College is a major step in the right direction for transparency, and coupled with

the other bills in the package, this legislation goes the distance to fulfill the promise of higher education for students, families, and taxpayers.

Our research makes it clear that voters want to stop taxpayer dollars from going to schools that provide no return on investment. It's refreshing to see Congress taking strides to protect taxpayer dollars and focusing on funding institutions that provide direct and tangible benefits to students. As today's students and employers change and adapt, it is time for higher education to do the same—and these legislative packages from HELP Committee leaders on both sides of the aisle highlight the substantive interest across partisan lines to act on accountability and student success. With broad support from voters for higher education reform that benefits students and taxpayers, the time is right to continue the conversation and make substantive changes to ensure higher education works for all students.

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