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Reauthorization Ready: How NASFAA Influences the Higher Education Policymaking Process

By Megan McClean Coval

The Higher Education Act (HEA) is due to be reauthorized by Congress and the higher education policy community is working hard to be a part of those efforts. The National Association of Student Financial Aid Administrators (NASFAA) plays a unique role in this process, as the HEA contains the legislation behind all of the federal student financial aid programs. As partisan politics infiltrate Washington D.C., NASFAA is working with its members and association colleagues to put forth innovative recommendations to shape and inform the reauthorization process. This paper examines the reauthorization process; highlights NASFAA's specific work, including policy recommendations; and explains how NASFAA utilizes its members and operates within the broader Washington D.C. higher education policy community to influence policy.

Keywords: *federal financial aid, advocacy, policymaking, Higher Education Act*

As a higher education community, we are in desperate need of a full reauthorization of the Higher Education Act (HEA). This need stems from two logical fronts: The HEA faces imminent expiration if not renewed or extended, and the higher education landscape has changed significantly since the last reauthorization, in 2008. But the need also, and perhaps most importantly, comes from a philosophical standpoint: We are long overdue for a thoughtful, deliberative, and democratic policy discussion around the primary piece of legislation that governs our nation's higher education policy.

Certainly, the Title IV federal student aid programs have seen changes since the 2008 reauthorization, the *Higher Education Opportunity Act*. It is the source of those changes that is problematic and elicits eagerness for the thoughtful debate that comes along with the reauthorization process. The legislative changes that have impacted the Title IV federal student aid programs over recent years have come primarily from the budget and appropriations process. Why is this a problem? Put simply, the “budget people” should not be dictating policy decisions. Yet major changes to the student aid programs—such as losing the graduate student interest subsidy and reducing the number of semesters a student can receive a Federal Pell Grant—have been driven by budget bills, resulting in last minute policy tweaks that are harmful to students but get pushed through because they yield savings for the federal government.

This patchwork, budget-based policymaking has been detrimental to students and families, as well as those trying to serve the needs of federal student aid recipients—financial aid administrators. The reauthorization of the HEA provides a policy window for serious and much-needed discourse and discussion on the future direction of federal student aid policy. The National Association of Student Financial Aid Administrators (NASFAA), an association with the express mission of advocating for public policies that increase student access and success, has been and continues to be engaged in the reauthorization process by informing policy discussions with recommendations, collaborative feedback, and technical assistance. This article discusses, through NASFAA's lens, the federal policymaking process within the context of reauthorization and highlights the potential opportunities, challenges, and modifications that will likely occur during the next reauthorization of the HEA.

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The Reauthorization Process

Several actions by Congress signal that the process to reauthorize the HEA is underway. Both the House and Senate education committees have released draft legislation, held content-appropriate hearings, and solicited feedback from the general higher education policy community. While we do not yet have a final bill, it is fair to say we are in the thick of the process.

That process is not quite as simple as *Schoolhouse Rock!* makes it out to be, but the general process for how a bill becomes a law follows a series of relatively basic steps in both the House of Representatives and Senate. This process is not exclusive to higher education legislation; it applies to nearly all bills that clear the United States Congress.

1. A member of Congress has an idea for a new law or to modify an existing law;
2. That member asks for support from other members;
3. Once the member senses some level of support, he or she calls for legislation to be drafted;
4. The bill's "committee of jurisdiction" then considers the legislation (e.g., a bill related to federal student loans must go before the Education Committee);
5. The committee of jurisdiction reviews the legislation, and if they support it, they vote to pass it;
6. After being passed at the committee level, the bill then goes "to the floor" before the entire chamber for a vote;
7. If the bill passes the entire chamber, it is sent to the other chamber for a vote (e.g. if the bill passes the full House it goes to the Senate for review);
8. The other chamber reviews the bill, sometimes sending modifications back to the chamber of origination;
9. If the other chamber accepts the bill, it then sends the bill to the president; and
10. If the president agrees, he or she signs the bill and it becomes law.

In theory, the reauthorization of the HEA will at least loosely follow these steps, so NASFAA structures its reauthorization-related outreach and advocacy to align with the process. NASFAA's work on prior-prior year (PPY) income legislation serves as an excellent example. NASFAA has long advocated for the use of prior-prior year income, rather than prior-year income, to determine financial aid eligibility, and reauthorization presented the perfect opportunity to yet again "push" this policy recommendation. Before we even engaged with legislators about PPY on Capitol Hill, we knew that we needed to have solid research on the impact of this change. To support the idea, which grew organically from recommendations by our members in the field, we conducted a study to determine how a move to PPY would impact Federal Pell Grant recipients.

In 2013, with generous support from The Bill & Melinda Gates Foundation, NASFAA released the report, *A Tale of Two Income Years: Comparing Prior-Prior Year and Prior-Year through Pell Grant Awards*, which showed that a switch to PPY would not negatively impact most Pell-eligible students. Armed with this evidenced-based research that favored PPY, we blanketed offices on the Hill with calls, visits, and in-person meetings, particularly targeting those members who served on the House and Senate education committees with information explaining the benefits of moving to PPY. Our goal: gain the interest of a member of Congress who will seek legislation supporting the idea.

NASFAA's advocacy efforts yielded a call from Senator Cory Booker's (D-NJ) office to request more information with the intention of introducing a bill calling for a move to PPY. Senator Booker's office worked with NASFAA to refine the bill's language and introduced it in spring 2014 as the *Simplifying Financial Aid for Students Act*.

NASFAA and Senator Booker's office spread the word about the legislation and encouraged additional members of Congress to support PPY. While Senator Booker did not serve on the Senate Health, Education, Labor and Pensions (HELP) Committee, his draft legislation caught the attention of HELP leadership: then-Chairman Tom Harkin (D-IA) and ranking member Senator Lamar Alexander (R-TN). Both senators introduced respective HEA reauthorization drafts in summer 2015, and both included provisions to implement PPY that pulled, in part, from Senator Booker's original language. In September 2015, the White House announced it would mandate the use of PPY through an executive action, marking a major victory for PPY advocates. While Congress is far from completing the reauthorization process, the story of how PPY made its way into law is a textbook example of effective advocacy: A NASFAA-member inspired idea was supported by research, shopped on Capitol Hill, picked up by a member of Congress, presented in a bill, and ultimately became law—the holy grail, from NASFAA's standpoint.

But while everyone loves a success story, it is often extremely difficult to get a bill through Congress, especially within the current political environment. Many factors can easily derail the 10 steps. The most recent culprits have been extreme partisan politics, the overall climate of fiscal austerity and deficit reduction, and the perpetual two-year election cycle. For higher education, derailment in the past several years has occurred when the budget process interrupts the regular reauthorization process. These factors, among others, will continue to make it difficult for reauthorization to reach the final stages of the legislative process.

Continuing and Emerging Policy Themes

As the reauthorization process continues, NASFAA will remain highly engaged, shepherding through recommendations identified by NASFAA member-based task forces spanning various areas of student aid policy. NASFAA's policy themes closely align with themes identified by others in this issue of the *Journal*, including college costs, affordability, and transparency. NASFAA has issued recommendations for improving multiple facets of the federal student aid system, including the following:

- **Campus-based allocation formula:** NASFAA has advocated for a change to the structure of the campus-based aid allocation formula. The current formula heavily weights allocations toward schools that have been in the program the longest, rather than toward those with the greatest institutional need (see NASFAA, 2014a).
- **Public Service Loan Forgiveness program:** This program has come under attack in recent years for not being well targeted and for potentially providing forgiveness to students without need. NASFAA convened a task force to look at how to strengthen the program and maintain its integrity (see NASFAA, 2014b).
- **Consumer information:** Given the plethora of consumer information proposals that have been announced over the past several years, including the College Shopping Sheet and Scorecard, NASFAA convened a group to discuss how to both streamline consumer information and make it more effective for the users: students and parents (see NASFAA, 2014c).
- **Student loan servicing:** NASFAA convened a task force to discuss servicing issues and make recommendations to the U.S. Department of Education and Congress on how to improve the servicing process (see National Direct Student Loan Commission & NASFAA, 2014).
- **Return of Title IV aid process:** NASFAA convened a task force to identify recommendations for how to improve the arduous Return of Title IV Funds (R2T4) process (see NASFAA, 2015b).
- **Treatment of innovative learning models:** To respond to the rise of new learning formats, such as Prior Learning Assessment (PLA), Massive Open Online Courses (MOOCs), and Competency-based

Learning, NASFAA convened a task force to discuss how the federal student aid programs can become more flexible to accommodate these formats (see NASFAA, 2015a).

Like NASFAA, a number of Washington D.C.-based higher education associations, think tanks, and research organizations are also working extensively on reauthorization of the HEA, developing and vetting recommendations related to reauthorization. As a whole, the higher education policy community in Washington, D.C. is collaborative, and, while representing different stakeholders, it stands united whenever possible. Rarely does a week go by when NASFAA policy staff members do not attend meetings with other association colleagues to discuss major policy issues and develop a strategy for making progress as a community. Students, families, and financial aid administrators are well-represented in the nation's capital.

NASFAA also works with several broad coalitions, including the Student Aid Alliance (SAA) and the Committee for Education Funding (CEF). The SAA and CEF consist of dozens of organizations with advocacy efforts related to education funding. When the need arises, the SAA and CEF send letters to Capitol Hill on important issues. For example, this past year they sent letters to members of Congress requesting the full funding of the Federal Pell Grant program and opposing a bill that would have cut the Federal Supplemental Educational Opportunity Grant (FSEOG) and Federal Work-Study (FWS) programs. NASFAA also collaborates with these groups to visit Capitol Hill and meet in person with lawmakers and their staff members to discuss key issues.

In addition, NASFAA staff work regularly with the association's members throughout the advocacy process. NASFAA-member volunteers serve on policy-related task forces that issue recommendations to be presented on Capitol Hill. NASFAA also keeps its members informed with almost daily reports providing "boots on the ground" insight to congressional inquiries, updates on research efforts, and technical assistance.

A Deliberate Process

As mentioned earlier, the good news is that the process for reauthorization has started. Both the House and Senate have held multiple hearings on reauthorization, drafted position papers for comment, and solicited feedback from the broader higher education community. While slow, at least there *is* a process, unlike the aforementioned budget-driven decision making that takes a scalpel to the federal student aid programs to solve a big math problem. As an organization advocating to improve our nation's policies on higher education access and persistence, we'll take thoughtful deliberation over haste any day.

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