April 13, 2007

The Honorable George Miller  
Chairman  
Committee on Education and Labor  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Howard "Buck" McKeon  
Ranking Member  
Committee on Education and Labor  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Rubén Hinojosa  
Chairman  
Subcommittee on Higher Education, Lifelong Learning and Competitiveness  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Ric Keller  
Ranking Member  
Subcommittee on Higher Education, Lifelong Learning and Competitiveness  
U.S. House of Representatives  
Washington, DC 20515

Dear Representatives Miller, McKeon, Hinojosa, and Keller:

On behalf of the Association of American Universities (AAU), an organization of 62 leading public and private research universities, I am pleased to respond to your request of March 8, 2007 for recommendations to ensure that the promise of the Higher Education Act (HEA) is fulfilled for current and future students.

In general, we believe that the HEA serves students, universities, and our nation well and that it does not need significant modifications. However, there are several areas that we believe merit Congress' attention and action to improve access to higher education.

AAU endorses the reauthorization recommendations submitted by the American Council on Education on behalf of 15 higher education associations. We especially support the recommendations to:

- increase access to higher education for low-income students by increasing the maximum Pell Grant award and making the Pell Grant available for all academic terms throughout the year;
- strengthen the campus-based aid programs – the Supplemental Educational Opportunity Grants, Federal Work-study, and Perkins Loan programs – by increasing funding authorization levels, and increasing Perkins Loan borrowing limits;
- revise the Academic Competitiveness and SMART grant programs to enable more students to participate and to make them simpler to administer;
- simplify the federal financial aid system, especially need analysis and the Federal Application For Student Aid (FAFSA) form;
- foster continued competition between the FFEL and Direct Loan programs because it benefits student borrowers;
• create flexible borrowing accounts for junior and senior undergraduate students, and take additional steps to improve terms and conditions of federal student loans in order to help reduce the use of more costly private loans;

• require the Department of Education to develop a new user-friendly Web site to provide students and parents information that the agency already collects about institutions of higher education and federal financial aid programs; and

• reduce the regulatory burden on universities by continuing the so-called experimental sites authority for the administration of federal student loans and by placing limits on the Department of Education's authority to regulate.

In addition to these higher education community recommendations, AAU also recommends maintaining the current funding allocation system for the campus-based aid programs. We recognize the legitimate demand for increased participation in the programs, and we support expanded participation. It is not the allocation formulas, however, that stand in the way of increased and new program participation. The chief barrier is the lack of increased funding for these programs. Increased investment would permit more students to benefit from the programs regardless of where they choose to attend college. Changing the formula would merely benefit some needy students at the expense of others.

As an organization of research universities, we know graduate education is essential to ensuring our nation’s economic competitiveness and our global leadership in the sciences and other disciplines. Consequently, AAU also supports measures to strengthen HEA graduate education programs and increase financial support for graduate education. We offer the following specific recommendations, some of which are also reflected in the community letter.

• Strengthen the Graduate Assistance in Areas of National Need (GAANN) program by including specific language to authorize appropriations to support a minimum annual total of 1,200 GAANN fellowships, including 400 new fellowships each year.

• Maintain the current method of determining the areas of national need for the GAANN program, which directs the Secretary of Education to consult with appropriate federal and nonprofit agencies and organizations in order to determine the areas of national need.

• Reinvigorate the Jacob K. Javits Fellowship program by including specific language to authorize appropriations to support a minimum annual total of 400 Javits fellowships, including 100 new fellowships each year.

• Clarify the link between the stipend level in the Javits and GAANN programs and the National Science Foundation’s (NSF) Graduate Research Fellowship (GRF) program. The HEA currently sets Javits and GAANN stipend levels “at a level of support equal to that provided by the National Science Foundation graduate fellowships.” GAANN and Javits stipend levels have historically been linked specifically to the GRF stipend level, so the HEA should be amended to reflect this link in order to avoid confusion with other NSF graduate programs.

• Eliminate the reference to Title IV, Part F need analysis as a requirement for GAANN and Javits, and restore the provision used prior to the 1998 reauthorization that required institutions to determine that individual students have financial need. As full-time, independent graduate students, nearly all Javits and GAANN fellowship recipients demonstrate financial need. The FAFSA process, a bureaucratic tangle that creates extra paperwork and delays the processing of applications, is simply unnecessary for these students. Moreover, need analysis reduces the value of the award to married fellowship recipients with employed spouses. These reductions have
undermined the status and usefulness of these federal fellowships when compared with other federal fellowships that make awards based on merit only. No other federal graduate fellowship program contains a needs analysis requirement, including the HEA Title VI Foreign Language and Area Studies (FLAS) program.

- As proposed in the last Congress, create a new Patsy T. Mink graduate education program to provide assistance to graduate students from underrepresented minority groups who aspire to enter the higher education professoriate.

- Increase the annual and cumulative Stafford subsidized student loan borrowing limits for graduate and professional students to reflect the increases in the cost of living since these limits were last increased in 1992. We appreciate the increase in the unsubsidized Stafford loan borrowing limits for graduate students that Congress approved in 2006. Like this increase, raising subsidized loan borrowing limits would help to reduce the use of costly private loans that do not carry the favorable terms and conditions of federal loans.

Finally, we strongly urge Congress to preserve the current non-governmental, decentralized system of higher education accreditation. For over half a century, this system has facilitated rigorous self-review and peer-review to ensure and improve both the academic quality and the public accountability of universities. We recognize the increasing public interest in improved information about student performance in colleges and universities so that prospective students can make informed choices about which institution to attend. To this end, AAU is developing procedures for providing expanded and more accurate information on time-to-degree, retention and graduation rates, and post-graduation outcomes. Later this month, AAU members will be encouraged to adopt the new procedures.

We are deeply concerned, however, about proposals that would have the federal government direct accrediting agencies to impose student outcome standards on all institutions. The federal government should not direct non-governmental accrediting agencies on how to carry out their responsibilities. Rather, accrediting agencies should remain free to work with institutions to develop outcome measures that are meaningful for the institutions and consistent with their missions. Such collaboration between accrediting agencies and the institutions they accredit has been underway for several years. Federalizing this process would lead to the homogenization of American higher education and undermine the diversity of institutions, which has been vital to the success of the American system.

We appreciate the opportunity to submit these recommendations, and we look forward to working with you and your staff throughout the reauthorization process. Please contact me if we can be of assistance to you as you develop legislation to reauthorize the HEA. Thank you again for this opportunity to submit our views.

Sincerely,

Robert M. Berdahl
President