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THE GOP'S AMBITIOUS COLLEGE REFORM PLAN

Simplify student loans, expand vocational options, protect free speech, end 'public service' subsidies.

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College administrators have barely had time to digest the full impact of tax reform, but they are already facing a new challenge as Washington weighs a major piece of legislation that could shake up the way higher education does business.

The 1965 Higher Education Act, one of the brightest stars in Lyndon B. Johnson's Great Society constellation, is due for reauthorization this year. The legislation was intended, in Johnson's words, "to strengthen the educational resources of our colleges and universities and to provide financial assistance for students in postsecondary and higher education." Half a century later, the Education Department manages more than \$1 trillion in federal money flowing through six student-loan programs, as well as nine repayment plans, eight forgiveness programs and 32 deferment options. The HEA has also given the department extraordinary power to dictate policy at every level of college and university life, from sexual-assault hearings to the definition of a "credit hour" and how many such hours should be required per course.

The unwieldy federal funding system has led to unintended consequences. North Carolina Rep. Virginia Foxx, chairman of the House Committee on Education and the Workforce, told the Carolina Journal that "having allowed students to basically have unlimited borrowing with unlimited forgiveness has driven the cost of college upward. . . . The more money the federal government was putting into higher education, the higher the cost of going."

Since the HEA's last reauthorization in 2008, undergraduate tuition and fees have increased by 25 percent in real terms. The HEA might have expanded access to college, but the soaring costs – and the borrowing required to meet them – has turned the process into a kind of debt peonage for many students. "I live in fear," Michael Arceneaux, a graduate of Howard University, wrote in a New York Times op-ed, "that one day I may fall behind on payments, and fear of what that would mean for my mother, who co-signed my loans with great trepidation."

Instead of a clean reauthorization of the HEA, Rep. Foxx wants a complete overhaul. On Dec. 12, her committee passed a bill called Prosper, or "Promoting Real Opportunity, Success, and Prosperity through Education Reform." At 590 pages, Prosper is not a quick study. But it reaches for four important goals.

The first is rationalization of student loans. Prosper consolidates the six existing student-aid programs into a single Federal ONE Loan Program, and likewise streamlines grants into a single program. It replaces the existing repayment plans with a single 10-year plan of 120 equal payments and a single income-based plan (in which borrowers would pay back 15 percent of their discretionary income, down to a minimum of \$25 a month). And it simplifies

the dreaded Free Application for Federal Student Aid so that families can complete it more easily.

Second, Prosper opens up new incentives for students, especially at community colleges, to make the transition to gainful employment by increasing funding for private-sector apprenticeships. "The legislation is going to expand student access to – and the ability to participate in – industry-led 'earn and learn' programs," Rep. Foxx explained. And to ensure that students can target, in advance, the college programs that will benefit them most, Prosper directs the secretary of education to create a "data dashboard" for comparison shopping.

These changes are unlikely to please higher-ed lobbyists. But it's Prosper's other goals that are setting off eruptions, since they grind directly on several campus sore spots. Under Prosper's terms, the Public Service Loan Forgiveness Program (PSLFP), which offered a rare avenue for loan absolution if a student entered government service, disappears – undercutting a major tool for the recruitment of bureaucrats.

Also under the bill, no institution benefiting from federal funding will be allowed to restrict student speech through "speech codes" or "free-speech zones." Nor will they be permitted to deny student religious organizations the same "right, benefit, or privilege that is generally afforded to other student organizations at the institution." And it limits the ability of the Education Department to issue new mandates or regulations without congressional hearings.

What's the case against Prosper? The Center for American Progress charges that it won't "put a dent in unacceptable gaps in access and completion by race and income" – even though low-income students and minorities have suffered disproportionately under the current debt-laden system. The American Federation of Teachers is, unsurprisingly, appalled at the drying up of the PSLFP, since that might dampen the appeal of teaching to recent graduates.

And David Stacy of the Human Rights Campaign, a gay-rights organization, was incensed that Prosper would allow religious colleges of all sizes to be, well, religious. "You're not just talking about a little Bible college," Mr. Stacy told the New York Times. "When you think about Catholic universities, there are a lot of those, and quite a few of these universities would discriminate against same-sex student relationships."

The bill may have little difficulty in the House, but it still has to undergo review by the Senate's Health, Education, Labor and Pensions Committee, where chairman Lamar Alexander will likely have to make concessions to Democrats, especially about PSLFP, to bring it to the floor.

More significantly, Prosper dodges the nagging question of what, exactly, a college education should be – presumably neither a political indoctrination camp nor a mere hatchery for worker bees. But if passed, it will help the HEA promote, if not a great society, at least a freer and more prosperous one.