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Preparing for HEA Reauthorization: Recommendations for Practitioners

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Preparing for HEA Reauthorization: Recommendations for Practitioners
By Brittany Inge, Pamela Fowler, and Jacob P. Gross

The upcoming reauthorization of the Higher Education Act of 1965 provides opportunities and presents challenges for financial aid administrators. This article outlines steps that aid administrators can take and challenges they may face in preparing for and responding to new legislation.

The Higher Education Act (HEA) of 1965 is the legislation that serves as the basis for higher education policy and authorizes the U.S. Department of Education to administer Title IV financial aid programs, among a host of other programs that support students and families in accessing postsecondary education (Hegji, 2014). Through reauthorization of the HEA, lawmakers have the capacity to modify the programs and policies controlled by the legislation. These modifications may be minor (e.g., a slight policy revision), or more substantial (e.g., authorization of a new program). The most recent reauthorization of the HEA—the Higher Education Opportunity Act (HEOA)—expired in 2013, and, as of this writing, legislators are currently drafting a new reauthorization bill (Mathewson, 2015), which according to Senate Committee on Health, Education, Labor and Pensions Chairman Lamar Alexander is expected to be finalized in 2015 (Stratford, 2015). However, reauthorization is not likely to be finalized until 2016 or later.

Legislative developments to date suggest that the final reauthorization bill will likely include modifications aimed to reduce some of the complexities embedded in the current system of financial aid (Mathewson, 2015; NASFAA, 2015b). For example, Financial Aid Simplification and Transparency (FAST) Act has gained bipartisan support and aims to simplify financial aid by reducing the FAFSA to two questions, eliminating a number of student loan repayment plans, and a number of other changes. These changes have the potential to simplify the process by which students and families access and pay for higher education. This article outlines steps financial aid administrators can take and challenges they may face in preparing for and responding to reauthorization legislation.

Context of the Current Reauthorization Process

The last reauthorization of the HEA occurred in 2008 through the passage of the HEOA, which some have called the most "comprehensive" reauthorization to date (Hegji, 2014). The HEOA established an array of new reporting and disclosure requirements, many of which aimed to augment transparency regarding the cost of college by requiring postsecondary institutions to increase the volume of financial aid-related

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consumer information that students and families receive (American Council on Education, 2008; Morgan, 2009). Since passage of the HEOA, public colleges and universities in the United States have faced diminishing state appropriations: 47 states spent less per student on postsecondary education in 2014-15 than in 2008 (Mitchell & Leachman, 2015). Thus, higher education institutions have been challenged to perform the additional duties required by new regulations at a time when institutional budgets have been declining.

In 2010, two-thirds of respondents to a survey by the National Association of Student Financial Aid Administrators (NASFAA) described their financial aid office as facing a "moderate" or "severe" shortage in resources for addressing regulatory and administrative responsibilities (NASFAA, 2010). A 2015 follow-up survey showed that financial aid offices nationwide continue to struggle to manage the magnitude of tasks associated with regulatory compliance (NASFAA, 2015a). Face-to-face counseling and other student-centered practices are often the first areas reduced by offices facing scarce resources. As such, NASFAA stated in its 2015 survey findings report that, "Students attending institutions from all higher education sectors are likely experiencing reduced access to financial aid office services, largely due to a prolonged increase in administrative burden and an environment characterized by limited operating resources" (NASFAA, 2015a, p. 3).

Regulatory and administrative reforms thus represent a paradox in student financial aid policy. Although the overarching intention of regulation is to improve outcomes for students and families, the administrative burden that regulatory measures generate often reduces the capacity of financial aid administrators to provide services to students and families.

As Megan McClean Coval discusses in her paper in this issue of the *Journal*, NASFAA has already begun to advocate for changes on behalf of student financial aid administrators. NASFAA established a Reauthorization Task Force in 2013 that developed 57 recommendations for legislators to consider regarding reauthorization legislation (NASFAA, 2013). Recommendations included streamlining consumer information provided to students and families, and simplifying the FAFSA.

Attention to administrative burden illustrates the role that financial aid practitioners play in shaping as well as implementing the Higher Education Act. As Levinson, Sutton, and Winstead (2009) argue, policy is more than a set of texts governing behavior. Policy is interpreted, contested, and enacted on an ongoing basis at the level of implementation (in this case, primarily at the college and university level). Therefore, it is important to consider HEA reauthorization from the perspective of practitioners. Practitioners in financial aid offices across the country are responsible for such tasks as helping students navigate the aid application process, awarding aid, and holding students accountable for their use of financial aid.

Recommendations for Financial Aid Administrators

With another reauthorization approaching, what specific actions can financial aid administrators take to prepare for potential changes before and after reauthorization?

Improve Your Knowledge

Financial aid administrators can prepare for the complexities and challenges associated with the significant legislative changes that reauthorizations bring about by engaging in proactive groundwork. In his 1981 *Journal of Student Financial Aid* article, Mark Emmert maintained that college administrators should work to improve their "knowledge of both the generic political environment and the public policy-making process" (p. 36). Thirty-five years later, Emmert's proposition not only remains relevant, but is perhaps even more

prescient today, considering the current political climate. By staying abreast of the discourse surrounding HEA reauthorization, financial aid administrators are better equipped to anticipate and prepare for forthcoming change. Further, by staying informed, financial aid administrators can serve as powerful advocates for students on their campus and beyond.

Like other national professional associations, NASFAA offers a formal network for obtaining guidance, information, and support. The organization provides a multitude of resources to help student aid administrators stay up-to-date on developments in financial aid policy. For example, NASFAA hosts a Higher Education Act Reauthorization website (NASFAA, n.d.) that features press releases and detailed policy updates.

Connecting to regional and local networks of support, both formal and informal, may also help aid professionals to keep informed about relevant developments. If you are not connected to a supportive network of financial aid professionals, contact your state, regional, or national professional association, attend workshops and conferences, and network with peers at every opportunity. Finding a network or group of supportive colleagues is incredibly beneficial. In particular, it is helpful to have colleagues from similar institutions with whom you can brainstorm ideas and share creative solutions (and even just commiserate from time to time).

Develop Solid Action Plans

One of the most important ways aid offices can prepare for reauthorization is by planning ahead. Take the time to develop a high-level plan early on. In most offices, planning is done solely by the director. In larger offices that have experts in many areas, "divide and conquer" may be the best strategy. If you are working with a team, assign parts of the new legislation to those with expertise in that area. Once you develop a clear understanding of what the law requires, put together a comprehensive action plan.

Upon completion of the high-level plan, start working on specifics. Determine what you must address, prioritize your action steps, identify who will be responsible for each step, specify exactly what is needed, and determine the timeline for each step. Consider how the action plan will impact students and, where feasible, how students and other stakeholders might be involved at each step.

Once you have defined your plan, present it to your supervisor or your institution's leadership team. Involving all stakeholders at the outset may better position you to communicate upcoming changes and identify potential problems and areas to address. As the U. S. Department of Education releases information on the direction it intends to follow with regulating the legislation, continue to monitor the institutional plan. Be prepared to modify your plan, as changes to planning and procedures may be necessary once the negotiated rulemaking process is complete and the Department publishes final regulations. Monitor relevant news sources to stay on top of updates and shifting interpretations as they arise.

In some instances, changes introduced by reauthorization may require a reallocation of available resources. Consider the distribution of labor in your financial aid office in light of new requirements or changes that may be best accommodated by reassigning or redistributing workloads. NASFAA's *Self-Evaluation Guide*, available on the association's website, is a helpful tool for assessing the degree to which a financial aid office is effectively appropriating resources and staff time (NASFAA, 2014).

Outsource When Necessary

It is not always feasible for an institution to devote internal resources to meeting new regulatory or legislative requirements. In these cases, part of your planning may include deciding where it may be wise to

outsource products or services. For example, many colleges outsourced the development of the new disclosure requirements and tools, including the Net Price Calculator and college affordability and transparency lists, required by the 2008 reauthorization (American Council on Education, 2008).

Communicate Changes

In a 2015 report published by the Association of Governing Boards of Universities and Colleges, Sandy Baum points out that institutional board members may be unfamiliar with the nuances of federal financial aid regulations. Likewise, internal institutional colleagues may not be familiar with the complexity of financial aid requirements or the implications of changes to financial aid policy. Financial aid administrators should function as liaisons on campus by educating colleagues about the impending reauthorization and its potential effects on the institution, as well as their areas of responsibility. Even months in advance you can begin conversations with campus stakeholders whom reauthorization will potentially impact, including campus leadership. By educating all campus stakeholders about reauthorization, financial aid administrators may help their institution better prepare for the changes on the horizon, and can simultaneously serve as proactive lobbyists for the needs of their own office.

If a new legislative action involves students directly, develop a communication plan to connect with students and the campus community. For example, the 1998 reauthorization of the Higher Education Act changed the methodology for calculating aid eligibility for independent students (Department of Education, 1998). This reduced the amount of Federal Pell Grant award received by some independent students. In response, some financial aid offices used update sessions to inform these students about the change, explain why the institution was not in a position to mitigate their potential loss, and discuss possible alternatives available to the students.

Broad changes should be communicated through multiple platforms. A financial aid newsletter may be especially effective for reaching students, families, faculty, and staff. Other potential avenues for disseminating information include posting messages on campus websites and social media. With some changes, it may be helpful to send targeted e-mail and text alerts to specific student groups. Convening meetings in conjunction with a campus meeting or event may also be helpful (for example, presenting information during a faculty meeting or an advisor training day).

Help Shape Regulations

After the HEA reauthorization becomes law, some of the legislative changes trigger the negotiated rulemaking process to develop final regulations. Financial aid professionals have several opportunities to participate in this critical process. First, the U.S. Department of Education publishes a Federal Register notice that announces its intent to establish a rulemaking committee, gives general information about the topics likely to be negotiated, and establishes the dates of public hearings. Generally they hold two to three public hearings and accept both verbal and written testimony. Financial aid administrators can lend their voices at this early stage by submitting testimony directly or sharing ideas and opinions to inform NASFAA's testimony.

Then, the Department solicits nominations for negotiators in the Federal Register and announces the meeting dates. Negotiated rulemaking usually takes place in three 2-3 day sessions over three months. Financial aid administrators can volunteer to be selected for participation in the negotiations and sometimes can participate as part of NASFAA's negotiating team. In preparation for negotiations, NASFAA often reaches out to its members for their views on the topics to be negotiated.

The negotiations result in proposed regulatory language published in a Notice of Proposed Rulemaking (NPRM). If negotiators reach consensus, the Department uses the consensus language in the NPRM. If negotiators cannot reach consensus, the Department develops its own language. The NPRM includes a 30- to 90-day comment period, which is another point where aid administrators can make a valuable difference in shaping regulations by directly commenting on the NPRM or by sharing their views with NASFAA. At the end of the comment period, the Department analyzes all public comment received by the deadline and publishes a final rule. The final rule defines the regulations resulting from the negotiation process and includes a preamble that answers all questions and comments received during the comment period.

When needed, the Department also uses the NPRM process to propose regulatory changes not subject to the negotiated rulemaking process. These also have a comment period and result in a final rule. Financial aid administrators are always encouraged to respond to these NPRMs and to share a copy of their response with NASFAA so that the association remains aware of its members' views and can consider them in its response. (For more information on the NPRM process, see *How to Communicate with the Department of Education: Responding to a Notice of Proposed Rulemaking*; NASFAA, 2015c.)

Conclusion

The extensive attention that financial aid policy has received among legislators and policymakers in recent years has created a particularly exciting climate for the field of student financial aid administration. The upcoming reauthorization may initiate change that has the potential to positively impact both students and student financial aid administrators. Despite the uncertainty surrounding the upcoming reauthorization, we can be certain that some form of change is on the horizon. By exploring and engaging in the formation of student aid policy, student financial aid administrators can be well-prepared to minimize the potential negative consequences of any change.

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