H.R. 6951, The College Cost Reduction Act

BACKGROUND:

There is bipartisan agreement that student loan debt is too high, completion rates are too low, and far too many students are left worse off after paying for postsecondary education than if they had never enrolled in the first place. For too long, policymakers have relied on patchwork "solutions" that exacerbate these problems without addressing their root cause: the inflated cost of obtaining a college degree. Fortunately, Committee Republicans are stepping up to fix the underlying problem permanently. H.R. 6951, the *College Cost Reduction Act,* provides a comprehensive solution that will lower college costs for students and families.

Accountability and Student Success

- **Promotes a new quality assurance model.**
  - **Ensures colleges have skin in the game** by holding them financially responsible when they charge too much for degrees that leave students with debt they can't afford.
  - **Ends the regional accreditation monopoly** and creates an environment for new quality assurance entities to provide their expertise to postsecondary education programs.
  - **Focuses accreditors' review on outcomes rather than inputs** when assessing the quality and relevancy of postsecondary credentials.
- **Reins in the executive branch.**
  - **Repeals excessive and burdensome regulations** that increase administrative costs for institutions that are ultimately passed on to students and families.
  - **Prohibits executive overreach** by barring the Department of Education from transferring student debt to hardworking Americans who never stepped foot on a college campus.
- **Removes barriers to graduation.**
  - **Provides Postsecondary Student Success Grants** to help ensure high-need students complete their postsecondary education through evidence-based practices.
  - **Fosters completion** by making it easier for students to transfer credits and ensuring that students can receive a credential for the learning they have completed.

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Transparency

- **Empowers students and families.**
  - **Ensures information about college costs is clear, accessible, and consumer-friendly** through standardized financial aid offers and enhanced college-shopping tools that provide personalized prices to students for postsecondary degrees and credentials.
  - **Streamlines and enhances data collection and reporting** on college outcomes which will improve decision making and allow prospective students to assess their return on the cost of postsecondary education.

Access and Affordability

- **Promotes economic mobility.**
  - **Provides performance-based PROMISE grants** with flexible uses of funds to institutions committed to lowering tuition, aligning degree programs with labor market needs, and enrolling and graduating low-income students.
- **Prevents colleges from endlessly raising tuition.**
  - **Requires colleges to offer degree programs at an up-front, guaranteed price** in order to receive performance-based funding, allowing students to know the cost of an entire degree program before they enroll.
  - **Sunsets the inflationary PLUS loan program** which effectively allows for unlimited borrowing, resulting in skyrocketing costs for graduate students while creating a debt trap for countless low-income families.
- **Protects borrowers from unaffordable debt.**
  - **Institutes flexible loan limits that vary by fields of study** that allow students to borrow up to the median cost of college and provides financial aid administrators flexibility to further reduce borrowing at their institution.
  - **Simplifies and improves student loan repayment**, offers targeted relief to those harmed by the current system, and provides repayment assistance to struggling borrowers to ensure they always see progress towards paying off their loans.