



JOBS FOR THE FUTURE

BUILDING PATHWAYS TO CREDENTIALS, CAREERS, AND ECONOMIC MOBILITY

**TRANSFORMING THE HIGHER EDUCATION ACT FOR
TODAY'S STUDENTS AND ECONOMY**

INTRODUCTION

While the U.S. economy has certainly improved since the great recession, far too many Americans are still without a high-quality degree or credential despite the economy's increasing demand for postsecondary education to meet workforce needs. Low credential attainment has resulted in millions of Americans without high quality jobs, and numerous employers unable to find the skilled workers they need to remain competitive. There is a dire need for skilled workers and mounting evidence that postsecondary education has a direct impact on earnings. The shifting needs of the current economy make it clear that to attain real upward mobility, workers will need to be equipped with the education and skills that make them of high value to employers and able to adapt to changes in the workplace.

Unfortunately, the current federal law governing postsecondary education (the Higher Education and Opportunity Act of 2008) is outdated and does not effectively address the needs of today's postsecondary students who are more diverse than ever and have responsibilities and needs that are also more complex. Many are supporting families and looking to forge new career paths, some never completed high school, some are veterans looking to translate the skills gained through their military service, and still others are reentering the workforce after involvement in the criminal justice system.

Postsecondary policies should allow for enough flexibility so that institutions can assist all students along pathways to the attainment of postsecondary credentials. If done right, updating the Higher Education Act to meet the changing needs of today's students and the economy will help reduce the large discrepancies in educational attainment, employment rates, and income levels across our nation's most vulnerable populations.

Jobs for the Future (JFF) urges Congress to spur the development of innovative and evidence-based postsecondary strategies designed to help a broad range of individuals, including those who are unemployed and underprepared, so they may successfully access, complete, and attain the postsecondary credentials and skills that are needed for family-supporting careers. In all of these efforts, it will be vital to ensure that individuals who are most in need have access to the full range of services and supports that ensure economic mobility for all Americans.

Jobs for the Future is a national nonprofit that builds educational and economic opportunity for underserved populations in the United States. JFF develops innovative programs and public policies that increase college readiness and career success and build a more highly skilled, competitive workforce. With over 30 years of experience, JFF is a recognized national leader in bridging education and work to increase economic mobility and strengthen our economy.

RECOMMENDATIONS

JFF offers the following recommendations for consideration in the reauthorization of the Higher Education Act to reshape the nation's higher education system to meet the increasingly complex needs of today's students and increase the number of postsecondary students who attain needed credentials.

Improve Data Transparency

Although the Higher Education Act (HEA) requires robust reporting from institutions of higher education on a variety of topics, consumers do not have access to transparent and user-friendly information that is needed to make smart investments in their education. Prospective students make postsecondary education decisions without full and clear information on the education and labor market outcomes they can expect to achieve, given their choice of institution, program, and educational focus. As a result, students choose institutions or programs of study that do not meet their needs, have low persistence rates, and have high levels of median debt among graduates. Additionally, policymakers and institutions of higher education lack meaningful data to make program adjustments and improvements.

Recommendation:

- **Improve data systems:** The HEA should create a data system that ensures prospective students have access to information by institution and by program on rates of remedial enrollment, rates of students who progress from remedial coursework into credit-bearing coursework, credit accumulation or other measures of educational progress, credential attainment, and graduation; costs of the program and debt accumulated; and short- and long-term post-graduation employment and average annual earnings. Data should be made widely available, accessible, and in an easily understandable format for use by consumers and college advisors, while protecting student privacy.

Make Federal Financial Aid More Flexible

Title IV of HEA assists millions of students and families in gaining access to federal funds to help pay for postsecondary education. Federal financial aid policies should be flexible, accessible, and innovative so all students can access pathways that lead to postsecondary credential attainment.

Recommendations:

- **Simplify FAFSA:** The FAFSA application process should be simplified to make financial aid more accessible to all students and create simple pathways for automatic student aid qualification for families already enrolled in other means-tested federal benefits programs.
- **Retain restoration of year-round Pell Grants:** Year-Round Pell Grants should be retained in the HEA, enabling low-income students to continue to take classes and gain credits all year—accelerating college and credential completion.
- **Maintain Ability to Benefit:** The ‘Ability to Benefit’ provision in HEA helps individuals without a high school diploma or its equivalent, but who are enrolled in an eligible career pathway program, to begin to earn postsecondary credits at the same time as they are working on basic educational or English language skills—accelerating credential attainment. At a minimum, HEA’s current provisions on ATB, tied to participation in a career pathway program, should be retained. Consideration should be given to a broader restoration of ATB for all individuals who can prove their “ability to benefit” from higher education—putting individuals in HEA on an accelerated route to credential attainment, while maintaining guardrails to ensure student readiness.
- **Allow Pell Grants to cover prior learning assessments:** Prior learning assessments (PLA) measure an individual’s skills and knowledge developed in past education and workforce settings. Despite good outcomes, Title IV of HEA does not allow federal funds to be used to pay for PLAs or even encourage this strategy, even though many students enter into postsecondary education with prior knowledge and skills. Pell grants should cover the costs of PLAs. PLA and the award of credit for prior learning should also be encouraged through state innovation grants (see below).
- **Support creation of stackable credential pathways:** Stackable credentials are sequenced credentials that can accumulate over time to build an individual’s qualifications for different and potentially higher-paying positions along a career pathway for in-demand jobs. For purposes of student aid program eligibility, credentials that are “short-term” are not eligible for federal student aid coverage. However, the HEA is unclear on whether stackable credentials that combine to meet the federal time requirements for eligibility are allowable for student aid coverage. To address this concern, the HEA should be amended to clarify that short term stackable credentials, if taken as components in a student’s longer-term program of study, are eligible for title IV coverage as long as the entire program of study is title IV eligible.

Support a Focus on College Completion and Successful Practices

The HEA currently does little to incent evidence-based policies or strategies that are needed to improve student outcomes. Because many of these promising practices for improving student outcomes are implemented at the state and institutional levels, the HEA should provide incentives for the development and scaling of evidence-based and promising practices that increase student outcomes, including completion of postsecondary programs.

Recommendations:

- **Leverage existing funding streams:** Existing funding streams should be leveraged to support guided and career pathways approaches to improve completion, including priorities for these successful approaches in competitive federal funding aimed at increasing college access, affordability, and/or completion, such as TRIO, GEAR UP, and programs under Title III and Title V of HEA.
- **Establish state postsecondary completion grant program:** HEA reauthorization should establish a state postsecondary completion grant program with the purpose of encouraging statewide, evidence-based, systemic reforms that are known to increase students' credential completion and labor market success. We recommend that the Fund for Improvement of Postsecondary Education be converted for this purpose, focusing on improving student outcomes. These grants would be awarded competitively to state-level entities responsible for state systems of higher education (including community colleges), requiring that in exchange for grants, states develop or take to scale the following evidence-based and promising pathways strategies:
 - Alignment of education, workforce development, economic development, human services, and other programs in support of system-wide pathways to postsecondary credentials.
 - Redesign and enhance assessment, placement, counseling, and supportive services in ways that ensure credential completion and that map accelerated routes to credential attainment and labor market success.
 - Accelerate and improve delivery of developmental education and adult basic education through co-enrollment, integrated service delivery, and other proven approaches.
 - Support the creation of stackable, portable credentials aligned with on-ramps and off-ramps that lead to progressive levels of employment for youth and adults.
 - Engage employers and use labor market information to identify high-demand industry sectors and feed that information directly into the design and delivery of education and workforce development programming and credentials.

- Establish statewide prior learning assessment policies and incentivize articulation policies that ensure uniform credit accumulation and credit transfer.
- Enact outcomes-based funding models for state postsecondary funding.
- Create incentives for colleges to expand early college high schools and dual enrollment programs that result in accelerated credential attainment and postsecondary completion.

Reform the Accreditation System

Under the HEA, the Department of Education recognizes accreditors that the secretary of education identifies as reliable authorities for determining the quality of education or training provided by institutions of higher education. But historically, the accreditation process has focused more on inputs than outcomes and has been slow to adapt to new models of higher education delivery. At a time when U.S. competitiveness and individual economic prosperity directly correlates to the education and skills of American workers, it is imperative that postsecondary systems keep pace with the ever-changing demands for skills and credentials that are needed by high demand employers.

Recommendation:

- **Focus on student outcomes:** The HEA should shift the focus of information accreditors require of institutions. Accreditors should focus on inputs and outcomes to ensure that institutions are making gains on enrolling and graduating students with credentials that are valued in the labor market, with a particular focus on underrepresented groups. This will enable accreditors to provide better and more targeted supports to help institutions improve student outcomes. The HEA should require a generalized list of outcomes be considered in the accreditation process, such as rates of remedial enrollment, rates of students who progress from remedial coursework into credit-bearing coursework, credit accumulation or other measures of educational progress, credential attainment, and graduation; costs of the program and debt accumulated; and short- and long-term post-graduation employment and average annual earnings.

Create Pilots to Spur Innovation and Test Alternative Delivery Methods in Higher Education

Innovative approaches to the delivery of postsecondary content are often stymied by rules within HEA that were designed to fit traditional colleges, universities, and students entering college directly from high school. However legitimate concerns over quality control do exist when considering the expansion of Title IV coverage for promising strategies such as competency-based education, short-term credentials, and student aid coverage for high school

students and even for nontraditional providers of postsecondary content. The experimental sites' authority under HEA has helped to identify and seed many promising approaches over the past several decades, including those just described. However this authority on its own is too limited to adequately test these strategies, examine their potential for scaling, and ensure positive student outcomes. Congress should outline more clear avenues for these innovative programs and delivery options to be tested and ultimately considered for Title IV funding if found to be effective.

Recommendations:

- **Pilots for promising approaches:** To better meet the needs of today's students and the skill needs of the U.S. economy, HEA should authorize pilots to allow Title IV funding to be used (and to provide necessary waivers) to test emerging and promising methods of delivering content, accelerating credential attainment, awarding credit, and determining qualified providers. In carrying out these pilots, it is critical that rigorous quality control processes be identified to ensure that student outcomes are prioritized and that federal student aid is safeguarded against fraud and abuse. Pilots should include the testing of:
 - **Competency-based education models**
 - **Short-term, industry-recognized credentials**
 - **Alternative providers of postsecondary credentials**
 - **Dual enrollment for high school students**
 - **Outcomes-focused postsecondary education models**
- **Test methods of quality control:** As part of the pilots, HEA should also experiment with approaches to develop a rigorous quality assurance process through which alternative providers, programs, and credentials are determined to be valid. This could include testing alternative accreditation processes or entities.
- **Evaluate and scale as appropriate:** Evaluation should be a mandatory and funded component of the pilots, ensuring that each are evaluated thoroughly and results reported to Congress. Scaling triggers could be incorporated to allow pilots to grow and scale as programs show positive results through the evaluations.
- **Incorporate outcomes-focused approaches:** In the development of pilots, HEA should allow for innovative, outcomes-focused disbursement of Title IV funding, such as Pay for Success, performance-based contracting, and other approaches that provide Pell reimbursement for programs that meet agreed upon outcomes. Under this approach, the above-described delivery alternatives could be tested through outcome-focused funding models, and demonstrations could test performance-based models as an option for student aid funding.

Revitalize Federal Work Study

Through the HEA, federal work-study (FWS) programs provide part-time employment opportunities to undergraduate and graduate students who demonstrate financial need. However, the program's current funding formula inequitably directs funding towards more expensive institutions and institutions that serve a small share of low-income students. The program is also intended to provide participants with career-related work experience, but the majority of FWS jobs are clerical jobs that are unrelated to participants' course of study.

Recommendation:

- **Update current federal work-study program:** The HEA should update the federal work-study program to reach students who can benefit the most from the opportunities it provides, improve linkages to career-relevant work experiences, and encourage off-campus job placements with local employers by:
 - Replacing the formula with one that better targets funding toward low-income students and high-quality job placements, and phase out the “campus-base guarantee.”
 - Strengthening language to encourage stronger connections between FWS positions and a student's career goals.
 - Collecting better data about the job placements and education outcomes of work-study students.
 - Reducing barriers to students using their FWS funding for jobs with for-profit companies and off-campus nonprofits, with a focus on career-relevant off-campus placements.