

Congress Seeks to Fix Our Broken Higher Education System

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Tom Lindsay Contributor i

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Today, college students are saddled with more student loan debt than ever before in American history. The average student loan debt for 2017 graduates was over \$39,000, which is a six percent uptick from 2016. Students owe nearly \$1.5 trillion in student loan debt. According to the website, StudentLoanHero.com, student loan debt now runs \$620 billion higher than total national credit card debt. In addition, the site reports that 44.2 million Americans now carry student loan debt; 11.2 percent of borrowers are more than 90 days delinquent or in default on their repayment; and the average monthly student loan payment (for borrowers aged 20 to 30 years) is \$351.

Such burdensome debt not only harms individual graduates and their families, but also the economy as a whole, because these debt-laden graduates often have to decline or delay buying homes and starting families. As far back as 2011, a New York Times piece labeled student-loan debt the “anti-dowry.” Since then, as the above statistics demonstrate, life for college loan borrowers has grown only more beleaguered.

What can be done to address this crisis? In the U.S. House of Representatives, Virginia Foxx (R-NC) has introduced H.R. 4508, “Promoting Real Opportunity, Success, and Prosperity through Education Reform (PROSPER) Act” The PROSPER Act seeks to reform our outmoded system by which colleges and universities attain accreditation, and on which their receipt of Title IV federal funds depends. It would require accrediting bodies to have at least one member from the business world on their board. It also narrows the scope of accreditation evaluation. It would remove a number of burdensome regulations that unfairly target for-profits and online colleges. It would repeal the “gainful employment rule” and forbid the Secretary of Education from creating or enforcing future regulations on the basis of the “gainful employment rule.” It would also permit online schools to obtain state authorization only in states where they have physical locations, rather than in every state in which they have students, as has been previously required.

PROSPER reforms higher education in a number of other important areas, including collapsing the confusing array of federal student aid programs into one grant, and one loan, program. All of these reforms would ease the path for new entrants into the field of higher education, on which much-needed innovation and its concomitant cost-reductions depend.

That said, some among the bill's strongest supporte

rs hope to see amendments added to the proposed legislation. On its website, the nonpartisan higher education group, the National Association of Scholars (NAS), praises PROSPER as a "good start," which "introduces some important reforms to higher education, many of them in line with NAS's proposed Freedom to Learn Amendments." NAS's lengthy, comprehensive analysis of the many provisions of the bill—the bulk of which this article cannot address here—should be required reading for would-be reformers.