SEF Higher Education Act Recommendations

Financial Aid
- Build on the early success of the prior year policy change and establish an early Pell Grant funding notification to low-income high school students to help understand the real cost of attending college;
- Allow low-income students to establish financial aid eligibility for more than one year;
- Increase the family income threshold for Pell-eligible students to automatically qualify for the maximum award amount;
- Repeal the 12 semester limit for Pell Grant eligibility;
- Require Pell Grants are used as last dollar grant aid so that more students can use Pell Grants for the full cost of attendance such as child care, housing, food, books, and transportation;
- Allow Pell Grant eligible high school juniors and seniors to access their Pell grant in high school to enroll in high-quality dual enrollment programs;
- Reinstate access to Pell Grants for incarcerated individuals eligible for release with “Second Chance Pell Grants”; 
- Allow DACA recipients to receive all federal aid, including Pell Grants; and
- Create a Pell bonus for students whose income falls below the zero estimated family contribution (EFC) maximum threshold.

Student Loans
- Lower federal student loan interest rates and eliminate origination fees to make loans more affordable;
- Incorporate early and effective loan counseling and financial literacy education for students; and
- Streamline income-based student loan repayment to help students manage loan debt and eliminate defaults.

Minority Serving Institutions
- Provide funding for two years of free college at Historically Black Colleges and Universities (HBCUs), Predominately Black Institutions, and Minority Serving Institutions;
- Allow earned interest income from the endowment fund to support student scholarships;
- HBCU Capital Finance Program - Lower loan interest rates for STEM-related facilities to expand STEM capacity;
- Hawkins Centers of Excellence - Retain the existing program to train highly qualified teachers at Minority-Serving Institutions and expand service delivery to develop and train district leaders; and
- Develop an HBCU Innovation Fund to provide the resources and incentives for HBCUs to experiment, pilot, evaluate and scale up innovative practices for student success.

College Completion and Accountability
- Develop incentives for institutions of higher education to partner with community-based organizations to deliver wraparound services to low-income college students;
- Encourage institutions of higher education to partner with local school districts to deliver high-quality dual enrollment and summer bridge programs;
Target federal funds to help institutions identify, implement, scale up, and evaluate programs that improve completion for students most at-risk of dropping out;

Incorporate fair metrics of success to evaluate MSIs such as assessing the rate students advance from developmental education courses to credit-bearing classes or the enrollment and persistence rate of students of color;

Create financial incentives for institutions of higher education who graduate a large number or percentage of low-income students or student of color; and

Preserve 90/10 gainful employment rules.