



EDUCATION FOUNDATION

1. Mr. Draeger, from your time at the National Association of Student Financial Aid Administrators, you know that financial aid offers can often include misleading jargon that makes it difficult for students and families to pin down how much they ultimately need to pay for school.

a. In your view, should Congress consider requiring institutions to adopt standardized terminology and pricing disclosures? How would such a requirement improve the college shopping process?

In 2022, leaders from 10 postsecondary education associations launched the College Cost Transparency (CCT) Initiative, funded by Strada Education Foundation. This institution-led effort works to standardize terminology and elements of financial aid offer letters. In the time since, more than 730 institutions – serving nearly seven million students – have voluntarily unified their institutional financial aid offer letters around the CCT’s principles and standards.¹

Congress has the opportunity to extend forward the momentum created by these forward-thinking institutions and codify these principles and standards into law. In so doing, Congress should avoid overly prescriptive, one-size-fits-all mandates that could complicate information provided to students and families by not accounting for the individual contexts of the diverse array of postsecondary institutions and state and federal programs that serve various types of student populations. Unified aid offer terminology and elements can help students and families more easily understand the patchwork of ways to pay for college and compare aid offers from different institutions.

Financial aid offers need improvement and are an important first step in price transparency. Students and families would welcome additional simplification reforms.

1. **Congress** can explore safe harbors for institutions to collaborate on additional transparency and efficiency.

¹ Principles & Standards, College Cost Transparency Initiative <https://www.collegeprice.org/standards>

2. **Institutions** can revisit practices across the aid lifecycle to center students and families.
3. **States and localities** can partner with public institutions to establish reliable financial support, the bedrock for institutions to deliver more stable pricing.

b. How much of the problem with student debt stems from institutions admitting students into high-cost, low-value programs that have no pathway to repayment?

Strada's research clearly shows that the perceived risk of student loan debt heavily influences student and family decisions about *where* – and *if* – to pursue postsecondary education. To counteract this uncertainty, institutions must clearly articulate the return on investment of their programs, enabling students to make more informed educational and career choices. This institutional imperative is being reinforced by emerging policy structures, including the Financial Value Transparency and Gainful Employment regulations and the accountability provisions in the One Big Beautiful Bill Act.

We must also be mindful of programs that deliver high social impact but may not produce the economic returns that would, for some, justify their costs. For example, fields like social work and early childhood education require postsecondary credentials even though wages in those professions may not fully align with the cost of the required education. In those instances, it is appropriate, and sometimes necessary, for states and the federal government to share responsibility by ensuring students can access those programs without incurring unmanageable debt, reflecting a broader public interest in sustaining these essential professions.

c. What role can Congress play in enforcing basic return-on-investment standards for higher ed programs receiving federal funding?

Congress can support the collection of better data to inform policymakers, institutional leaders, employers, and students and families. The most foundational step is providing states with resources and encouragement to enhance quarterly wage records by adding three key elements – occupation, pay rate, and primary work location. These enhanced data points would enable a clear measurement of

how well higher education and workforce programs meet learner and employer needs thus forming the basis for robust ROI analysis. For more information on the benefits of enhanced wage records, please see Strada's report titled "[What States Should Know About Education and Work – But Don't.](#)"