



December 11, 2025

The Honorable Tim Walberg
Chairman
Committee on Education and Workforce
U.S. House of Representatives
2176 Rayburn House Office Building
Washington, DC 20515

The Honorable Bobby Scott
Ranking Member
Committee on Education and Workforce
U.S. House of Representatives
2101 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Walberg and Ranking Member Scott:

On behalf of the American Council on Education and the undersigned higher education associations, I write to offer our views on the *College Financial Aid Clarity Act* and the *Student Financial Clarity Act*. As representatives of institutions of higher education, we understand the importance of ensuring that college costs are transparent and that students and families are able to make informed decisions when deciding what postsecondary institution is best for them. After reviewing these two bills, we believe that changes can be made to strengthen them and ensure that students and families are able to benefit from college cost transparency in the most efficient way. However, given the short timeline for us to review these pieces of legislation, our comments focus on the mandatory financial aid award letters and universal net price calculator provisions. We strongly encourage you to work with stakeholder groups to amend these bills before they are brought to the House floor for a vote.

Mandatory Financial Aid Award Letters

The *College Financial Aid Clarity Act* establishes a mandatory financial aid award letter that all institutions of higher education must use if they are participating in Title IV programs. While we understand the intentions behind mandating financial aid award letters, doing so in this manner would have a negative impact on students and families when making decisions regarding their postsecondary options.

We are strongly supportive of institutions adopting best practices to streamline offer letters and improve their usage for current and prospective students. The College Cost Transparency (CCT) Initiative, led by 10 higher education associations, has resulted in over 760 institutions, representing over 7.2 million students, to commit to certain principles and standards when communicating financial aid information to their prospective and current undergraduate students.¹ The initiative also includes a glossary of terms to allow for comparability of financial aid award letters. These principles permit institutions to package aid that aligns with state-level requirements and the unique needs of the populations they serve.

The CCT Initiative promotes a model where institutions are able to adopt best practices by joining a field-led process that allows for greater flexibility to adapt to the changing needs of students and families. A federally mandated financial aid award letter will be difficult to amend in light of consumer feedback and changes to federal student aid as any modification would lead to new legislation or rulemaking. In addition, a number of states currently require institutions to use a different, state-mandated financial aid award letter that requires extensive regulatory disclosures, cost categories, and detailed calculations that can overwhelm or confuse students, especially those unfamiliar with financial aid terminology.² Any federal form would need to align with these existing requirements, adding significant complexity to the ability to update the form.

¹ College Cost Transparency Initiative. (2025). *Transparency. Understanding. Clarity.* <https://www.collegeprice.org/home>

² Koruth, M.A. (2021, October 11). 'Shopping sheet' gives New Jersey college students a true financial loan picture. *NorthJersey.com*. <https://www.northjersey.com/story/news/2021/10/11/nj-colleges-mandate-shopping-sheets-student-loans/6053353001/>

It is also important to note that new requirements regarding financial aid award letters will impose significant administrative, financial, and technical challenges that will divert institutional resources away from student support. For example, implementing new, standardized letter templates often requires the overhaul of legacy financial aid and student information systems, a costly and time-consuming process.

Rather than a top-down federal mandate, institutions with a state-mandated financial aid award letter or those institutions voluntarily committing to transparency principles such as the CCT initiative, should have the option to continue utilizing these letters. We urge you to consider this approach and work with key stakeholders to ensure that financial aid award letters are truly operating in the best interest of students and families.

Universal Net Price Calculator

The *Student Financial Clarity Act* would update the *Higher Education Act* to define terms such as the net price required for completion; the amount of grant and scholarship aid; required costs; and total net price of attendance. This bill also establishes a universal net price calculator in an effort to help students and families better compare the net price at multiple institutions. However, we are concerned that this effort will not meet its intended goals.

Our primary concern with a universal net price calculator is the inability of such a calculator to accurately represent net price across institutions. In theory, a universal net price calculator offers potential improvements to transparency, comparability, and oversight of college pricing. However, without mechanisms to capture – and communicate to the user – institutional nuances and maintain up-to-date data, a universal calculator risks substituting simplicity for precision.

For instance, it is difficult to envision how a universal net price calculator would accurately represent the amount of institutional aid that colleges and universities provide to their students. Recent data show that institutional grants and scholarships accounted for the largest portion of aid for students compared to federal or state grant aid, or even student loans. While there are large variances among institutions given a number of factors including budgetary and governance structures, the average institutional grant aid award was \$12,500 compared to \$4,983 in federal grant aid.³ In addition, among all institutions, 54 percent of enrolled students received institutional grants and scholarships, accounting for the second largest type of aid compared to 56 percent of students receiving federal grant aid.⁴ Further, the legislation codifies terms into law inconsistent with current collecting practices and requires the submission of data that may vary from year to year. At a minimum, we urge the committee to seek technical feedback from financial aid administrators to ensure consistency across various data elements.

In addition, the bill would require institutions to report disaggregated information on student characteristics in at least 13 categories, representing an enormous increase in data reporting requirements for institutions, particularly in terms of disaggregated student-level data. Given the increased collection of data, it is critical to ensure that this level of data collection is truly necessary and that any data reported are secured. Furthermore, having a universal net price calculator, an institutional net price calculator, and various other efforts by institutions and organizations to help their students determine the cost of college that are outside of the institutional net price calculator is likely to prove to be very confusing for students. Instead of focusing on a universal net price calculator, there should be focus on improving the current net price calculators that institutions are required to display to ensure that these are working best for students.

³ Digest of Education Statistics. (2022). *First-time, full-time degree/certificate-seeking undergraduate students enrolled in degree-granting postsecondary institutions, by participation and average amount awarded in financial aid programs, and control and level of institution: Academic years 2000-01 through 2021-22* [Table 331.20]. U.S. Department of Education, National Center for Education Statistics. https://nces.ed.gov/ipeds/data/digest/d23/tables/dt23_331.20.asp

⁴ *Ibid.*

Thank you for your time in considering these comments. We look forward to working with you on these important efforts to ensure greater transparency around college costs.

Sincerely,

A handwritten signature in black ink, appearing to read "Ted Mitchell". The signature is fluid and cursive, with the first name "Ted" being more prominent than the last name "Mitchell".

Ted Mitchell
President

American Association of State Colleges and Universities
American Council on Education
Association of American Universities
Association of Public and Land-grant Universities
National Association of Independent Colleges and Universities

Cc: Members of Congress on the House Committee on Education and Workforce