

July 24, 2018

The Honorable Bobby Scott  
Ranking Member of the House Committee on Education and the Workforce  
1201 Longworth House Office Building  
Washington, DC 20510

Dear Ranking Member Scott:

Thank you for including key proposals in the Aim Higher Act to better support college affordability, access, and success, especially for our most vulnerable students.

Capping student loan payments at 10 percent of income is a powerful idea to ensure student loan affordability, yet the current income-driven repayment (IDR) programs are too complex and burdensome for students. By making IDR options more straightforward and student-friendly, making it easier for borrowers to remain in IDR, and automatically enrolling severely delinquent borrowers into an IDR plan, the Aim Higher Act will reduce the number of student loan borrowers who end up in default.

The bill takes additional critical steps to reduce student loan default by strengthening college accountability in important ways, similar to longstanding TICAS recommendations. Specifically, the Aim Higher Act adjusts the cohort default rate (CDR) metric to account for the share of students borrowing at any given college, and protects against the manipulation of CDRs by unscrupulous colleges. It also shifts away from the current all-or-nothing accountability system toward one that incentivizes improvement by schools whose students face high risk of default. Beyond CDRs, the Aim Higher Act strengthens protections for student veterans, eliminates forced arbitration, ensures nonprofit colleges are not undermined by conflicts of interest, and prevents excessive use of federal funds on marketing and recruiting.

The Aim Higher Act's \$500 increase in the Pell Grant is a welcome investment for low- and middle-income students. Protecting more of the program's funding from annual discretionary decision-making will increase predictability for the program and grant recipients, and permanently restoring the grant's automatic inflation adjustments will ensure the grant amount keeps pace with inflation. A new federal-state partnership similar to the one included in the bill will be integral to ensuring that these and other new federal investments in higher education supplement, not supplant, state investments in public colleges and financial aid.

The bill's improvements to federal student loan counseling will help students and families make fully-informed decisions about how to pay for college. And the bill's long overdue improvements to federal postsecondary data will provide students and families, colleges, and policymakers more comprehensive and comparable data on college costs and outcomes, while also ensuring both privacy and security.

However, stronger measures are needed to ensure that the cost of college is within reach for the most vulnerable students, and that they are not left worse off after attempting college. Research suggests that even larger investments in the Pell Grant than those proposed in the Aim Higher Act are needed to close disparities in college opportunity and to strengthen economic growth, and while shifting Pell Grant

funding away from annual appropriations is a welcome improvement, fully supporting the program through mandatory funding remains an important goal. We also need to build on CDR-based accountability to add more protections for students and taxpayers from schools and programs that overcharge and underdeliver.

We look forward to working with you to further develop, strengthen, and advance higher education policies that direct investments to the students who need it most and hold colleges more accountable when students are left with unaffordable debts.

Sincerely,

A handwritten signature in black ink, appearing to read "James Kvaal". The signature is fluid and cursive, with the first name "James" and the last name "Kvaal" clearly distinguishable.

James Kvaal