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Testimony before the U.S. House Committee on Education and Labor

The Cost of College: Student Centered Reforms to Bring Higher Education Within Reach

March 13, 2019

Chairman Scott, Ranking Member Foxx, and members of the committee:

Thank you for the privilege of sharing my views on college affordability with you.

I am the president of The Institute for College Access & Success. We combine research, policy design, and advocacy to promote affordability, accountability, and equity in higher education. Before joining TICAS, I served in the Obama Administration as deputy domestic policy adviser at the White House and deputy undersecretary at the U.S. Department of Education.

Few, if any, American institutions can match our colleges, universities, and community colleges in their power to improve lives, promote equal opportunity and raise living standards. But they cannot serve this mission if they are priced out of reach.

For college to be affordable, students must be able to both make ends meet while enrolled and successfully repay their loans after leaving school. Unfortunately, for many students, one or both of those goals are not possible today. Financial barriers still keep many students from earning college degrees and—while the returns to college are high for those who succeed—there is a crisis for the many students who struggle to repay their loans. A million students a year default.

To make college affordable, I urge the Committee to:

- Reinvigorate the most important federal commitment to college opportunity: the Pell Grant;
- Build a new partnership with states dedicated to affordability; and
- Offer all students a simpler, easier way to repay their loans on a sliding scale based on their income.

The Goal: Equitable Opportunity through Higher Education

In America today, the median income has grown by only 3.5 percent since the year 2000, after inflation.[1] Young people have only a 50-50 shot at earning more than their parents did a generation ago.[2]

Education helped build the widely shared prosperity of the 20th century and remains an essential strategy today. However, the number of college graduates have not kept up with the demands of the economy.[3] The wage premium paid workers with bachelor's degrees is near historic highs, and technical degrees and certificates can also lead to well-paid jobs.[4] The return to a four-year college is above 15 percent per year of college, more than double the return on investments in the stock market.[5]

College has tremendous potential as a force for upward mobility. At most colleges, students from low- and high- income families earn similar incomes in adulthood.[6] The returns to college have been just as high, if not higher, for students on the border of either attending or completing college. These students are often from low-income families and their decisions often hinge on the cost or accessibility of college.[7]

However, college opportunities are not equitably available by income and race. Young people with high-earning parents are more than five times more likely to earn college degrees by age 24 than their low-income peers.[8] While 34 percent of American adults have a bachelor's degree or higher, only 24 percent of Black adults and 17 percent of Latino adults do.[9] Children whose

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1 Bureau of Labor Statistics, U.S. Department of Labor. "Current Population Survey Historical Income Tables: People, Table P-7: Regions—People (Both Sexes Combined) by Median and Mean Income. 2018. https://bit.ly/2eFg7jh.

2 Raj Chetty, David Grusky, Maximillian Hell, Nathaniel Hendren, Robert Manduca, and Jimmy Narang. "The Fading American Dream: Trends in Absolute Income Mobility since 1940." Science 356, no. 6336 (2017): 398–406. https://bit.ly/2TsQtpN.

3 Claudia Goldin and Lawrence Katz. "The Race between Education and Technology: The Evolution of U.S. Educational Wage Differentials, 1890 to 2005." NBER Working Paper No. 12984. March 2007. https://bit.ly/2TqZDDp.

4 TICAS calculations based upon Sarah Flood et al. Current Population Survey: Version 5.0, Integrated Public Use Microdata Series. Minneapolis: University of Minnesota. 2017. https://bit.ly/2CeXfEX. Clive Belfeld and Thomas Bailey. "The Labor Market Returns to Sub-Baccalaureate College: A Review. Center for Analysis of Postsecondary Education and Employment." 2017. https://bit.ly/2VStUYt.

5 Michael Greenstone and Adam Looney. "Regardless of the Cost, College Still Matters." Brookings Institution. October 2012. https://bit.ly/1kpvZsp.

6 Raj Chetty, John Friedman, Emmanuel Saez, Nicholas Turner, and Danny Yagan. "Mobility Report Cards: The Role of Colleges in Intergenerational Mobility." July 2017. https://bit.ly/2k1cnKG.

7 See for instance Sandy Baum, Michael S. McPherson, Breno Braga, and Sarah Minton. "Tuition and State Appropriations: Using Evidence and Logic to Gain Perspective." Urban Institute. February 2018. https://urbn.is/2T0OPqc. Mark Huelsman. "The Unaffordable Era: A 50-State Look at Rising College Prices and the New American Student." Demos. 2018. https://bit.ly/2F3s9Cf. Michael Mitchell, Michael Leachman, and Kathleen Masterson. "A Lost Decade in Higher Education Funding: State Cuts Have Driven Up Tuition and Reduced Quality." Center on Budget and Policy Priorities. August 23, 2017. https://bit.ly/2pwkjIT. Neal McCluskey. "Not Just Treading Water: In Higher Education, Tuition Often Does More than Replace Lost Appropriations." Cato Institute. February 15, 2017. https://bit.ly/2F3F1bg.

8 The Pell Institute. "2018 Indicators of Higher Education Equity in the United States." 2018. https://bit.ly/2yVlHd0.

9 National Center for Education Statistics, U.S. Department of Education. "Digest of Education Statistics." Table 104.10: Rates of high school completion and bachelor's degree attainment among persons age 25 and over, by race/ethnicity and sex: Selected years, 1910 through 2017. 2018. https://bit.ly/2TzkOTS.

parents' earnings place them in the top one percent are 77 times more likely to attend an Ivy League or similar college than children whose families' earnings are in the bottom 20 percent.[10]

It's important to remember that education does not benefit students alone. It carries broader benefits, such as greater productivity, increased tax revenue, reduced criminal behavior, improved health, higher civic participation rates, and more.[11] We all have a stake in helping more Americans graduate from college, and yet more and more we have shifted the burden of college financing onto the students alone.

The Problem: Unaffordable College Costs and Student Loans

Over a single generation, there has been a sea change in how students and families pay for college. College tuition has risen and, with it, affordability gaps and student debt have also grown.

The cost of college increased by $2,200 for Pell Grant recipients at community colleges between 2000 and 2016, after adjusting for inflation, while available grant aid only increased by $1,000. At public four-year colleges, costs increased by $6,300 during this period, and aid increased just $3,100.

One important reason for these rising costs is the decline in state investment.[12] States often make deep cuts in higher education during economic downturns, but do not replace the funds when times are good. Between 2000 and 2016, per-student state and local funding to colleges fell by $1,400 (16 percent), after inflation.

Over this period, the maximum Pell Grant—the most important federal investment in college affordability—increased by almost $1,400 after inflation. Yet the purchasing power of the grant declined from covering 39 percent of costs to just 30 percent.

The result is more student debt. More students are borrowing: The share of public college bachelor's degree recipients with federal or private student loan debt increased from 60 percent to 66 percent between 2000 and 2016. And they are borrowing more: graduates' average debt load increased 18 percent between 2000 and 2016 after adjusting for inflation.[13]

We have moved away from the days when states kept college broadly affordable and Pell Grants filled the gap for low-income students. The new era is marked by affordability gaps and growing student debt.

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[10] Chetty, Friedman, Saez, Turner, and Yagan, supra note 6.
[11] White House Council of Economic Advisers, "Investing in Higher Education. Benefits, Challenges and the State of Student Debt." July 2016. https://bit.ly/2Uu2jfX.
[12] See for instance Sandy Baum, Michael S. McPherson, Breno Braga, & Sarah Minton. "Tuition and State Appropriations: Using Evidence and Logic to Gain Perspective." Urban Institute. February 2018. https://urbn.is/2T0OPqc.
[13] TICAS calculations based upon the National Postsecondary Student Aid Study (NPSAS) 2015-16.

For everyone other than students, loans are an easy answer. Federal student loans have little cost to taxpayers. They have no cost at all to states or colleges. But for students, there are two problems.

First, many students cannot afford to enroll in college and earn a degree. Students must not only pay tuition and fees but also cover the cost of living expenses, textbooks, transportation, and the other costs of going to college. Even after scholarships, the remaining amount—the amount students must contribute from savings, earn, or borrow—is high.

More than half of Black, Latino, and Native American students come from families earning less than $30,000 a year.[14] To pay for college without loans, these students would have to dedicate half their income to pay to attend a community college even after receiving grant aid. An average public university would take 77 percent of their income.[15]

Real college costs can be even higher than the cost of attendance estimated by colleges. Low-income students share the complex realities of other low-income Americans, such as the need to support children and other family members, unstable low-wage jobs, and unexpected expenses like car repairs.[16] The underfunded, blunt instrument of our financial aid system has little flexibility to help students meet extra needs or absorb unexpected financial blows.

Students cope with the affordability gap in different ways. Many do not enroll at all. A long line of research shows that each $1,000 in cost reduces enrollment by three to five percentage points.[17] Recent evidence from Texas suggests that scholarships substantially increase low-income students' attainment and earnings, and scholarships pay for themselves through financial gains for the public.[18]

Other students cope with high costs by working long hours, reducing the time available for their studies.[19] Research shows that working more than 15 or 20 hours per week comes at the expense of academic success.[20] Many low-income students also enroll part-time to reduce

[14] TICAS calculations based upon the National Postsecondary Student Aid Study (NPSAS) 2015-16.
[15] TICAS. "College Costs in Context: A State-By-State Look at College (Un)Affordability." 2017. https://bit.ly/2krAm7K.
[16] TICAS. "The Road Less Fragile: First Steps for Helping Financially Vulnerable Students Succeed." February 2019. https://bit.ly/2UxnFZK.
[17] TICAS. "Aligning the Means and the Ends: How to Improve Federal Student Aid and Increase College Access and Success." February 2013. https://bit.ly/2UxnFZK. David S. Mundel. "What Do We Know About the Impact of Grants to College Students?" The Effectiveness of Student Aid Policies: What the Research Tells Us. Sandy Baum and Michael McPherson, editors. The College Board. 2008. https://bit.ly/2J4zzJq. Susan Dynarski and Judith Scott-Clayton. "Financial Aid Policy: Lessons from Research." NBER Working Paper No. 18710. January 2013. https://bit.ly/2Tu1mYB.
[18] Jeffrey T. Denning, Benjamin M. Marx, and Lesley J. Turner. "ProPelled: The Effects of Grants on Graduation, Earnings, and Welfare." September 2017. https://bit.ly/2HbGazS.
[19] White House Council of Economic Advisers.
[20] Anthony P. Carnevale and Nicole Smith. "Balancing Work and Learning: Implications for Low-Income Students." Georgetown University Center on Education and the Workforce. 2018. https://bit.ly/2NMJQaP.

tuition costs and make more time for paid work. But this strategy substantially extends their time-to-degree and reduces their chances of graduating.[21]

Some suffer deprivations. More students than should go hungry or homeless.[22] According to media reports, some low-income students sell blood plasma to get by.[23]

Not surprisingly, then, the most common explanation college students give for dropping out is that they need to work to earn money.[24] Struggling community college students say that the amount they needed to work left too little time to study.[25] One student told us, "I only take a couple of classes a semester because that is all I can afford at the time, and I have to keep working 30-40 hours a week to pay for everything else."

Another student said, "I pay for all of my bills, school, and personal needs with the hours I work. Because of this, it's taking me much longer to get through school than I would like, and I struggled a lot my first two years with the balance of work and school."[26]

The second implication of decades of declining investment in college affordability is a "concentrated crisis" in student debt.

I say the crisis is "concentrated" because, for many students, loans are working the way they are supposed to do. Borrowing helps many students enroll in college and complete more quickly.[27] The returns to college remain high.[28] Most students successfully repay their loans.

However, there are clear and urgent signs of distress among a group that, while not the majority of all borrowers, numbers in the millions. These students usually do not have six figures of debt. These students are disproportionately older, enrolled part-time, and more likely

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[21] D. Shapiro, A. Dundar, P.K. Wakhungu, X. Yuan, A. Nathan, and Y. Hwang, "Time to Degree: A National View of the Time Enrolled and Elapsed for Associate and Bachelor's Degree Earners" (Signature Report No. 11). National Student Clearinghouse Research Center. September 2016. https://bit.ly/2daq0VN.

[22] Government Accountability Office. "Food Insecurity: Better Information Could Help Eligible College Students Access Federal Food Assistance Benefits." GAO-19-95: December2018. https://bit.ly/2FmBqFK. Sara Goldrick-Rab, Jed Richardson, Joel Schneider, Anthony Hernandez, and Clare Cady. "Still Hungry and Homeless in College." April 2018. https://bit.ly/2EPl46P.

[23] Francisca Benitez. "Money for blood: As the global plasma industry grows, struggling students donate to survive." Daily Emerald. November 26, 2017. https://bit.ly/2Ttd5q5. Elsbeth Sanders. "Plasma donation companies exploit college students." Indiana Daily Student. February 13, 2019. https://bit.ly/2TIf4pV.

[24] Public Agenda. "With Their Whole Lives Ahead of Them: Myths and Realities About Why So Many Students Fail to Finish College." 2011. https://bit.ly/2Mhp4zr (54 percent of students who dropped out said that needing to work to earn money was major reason they dropped out, more than any other reason).

[25] Stephen R. Porter and Paul D. Umbach. "What Challenges to Success Do Community College Students Face?" Raleigh, NC: Percontor, LLCRISC. January 2019. https://bit.ly/2E4vPCY. TICAS. "On the Verge: Costs and Tradeoffs Facing Community College Students." April 2016. https://bit.ly/2IBzTPk.

[26] TICAS, "On the Verge," supra note 27.

[27] White House Council of Economic Advisers, supra note 21.

[28] Greenstone and Looney, supra note 5.

to have attended open access colleges.[29] They tend to have small loans, often because they dropped out of college. Completing a program cuts the likelihood of default in half.[30]

Others may have borrowed to attend low-quality programs. One study of students seeking certificates at for-profit colleges found small, statistically insignificant earnings gains that were smaller than their debts.[31] Bachelor's degree graduates from for-profit colleges are more likely to have debt, and to have substantially larger debts, than graduates from other schools.[32]

Default is all too common. Over one million students default a year, suffering punitive consequences that can drive them deeper into debt and, ironically, make it harder for them to repay their loans.[33] There are 781 colleges where most students borrow and most borrowers have not paid down even $1 of their loan after seven years; three-quarters of these colleges are for-profit schools.[34] Almost half of the students entering for-profit colleges in 2003-04 defaulted within 12 years, four times the rate of students at public colleges.[35]

The experience of Black borrowers, in particular, is deeply disturbing. Twelve years after entering college, a typical Black borrower owes more than she borrowed—that is, more interest and fees have accrued than she has made in payments.[36] Judith Scott-Clayton of Columbia University estimated that 70 percent of Black borrowers may eventually default.[37]

There has been a generational shift away from public support for higher education, shifting more and more of the cost of college onto the backs of students. Millions of students are struggling to enroll in college, complete a degree, and repay their loans. It took us decades to get here, and an ambitious effort to reverse these policies and make college affordable will not be easy.

Addressing College Affordability

In the next reauthorization of the Higher Education Act, Congress should take three steps: make the investments needed to reinvigorate the Pell Grant, create a new partnership with states dedicated to college affordability, and make it simpler and easier for students to repay their loans as a share of their incomes.

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[29] Adam Looney and Constantine Yannellis. "A Crisis in Student Loans? How Changes in the Characteristics of Borrowers and the Institutions They Attended Contributed to Rising Loan Defaults." Brookings Institution. 2015. https://brook.gs/2w7QuAA.

[30] TICAS. "Students at Greatest Risk of Loan Default." April 2018. https://bit.ly/2rb8doK.

[31] White House Council of Economic Advisers, supra note 21. Stephanie Riegg Cecillini and Nicholas Turner. "Gainfully Employed? Assessing the Employment and Earnings of For-Profit College Students Using Administrative Data." NBER Paper 22287. January 2018. https://bit.ly/2tXjfzE.

[32] TICAS. *Student Debt and the Class of 2017*. September 2018. https://bit.ly/2TK4g7w

[33] TICAS. "The Self Defeating Consequences of Student Loan Default." October 2018. https://bit.ly/2PThD2A.

[34] TICAS. "Colleges Where Most Students Borrow and Few Repay." April 2018. https://bit.ly/2L344fu.

[35] TICAS, "Students at the Greatest Risk of Loan Default," supra note 32.

[36] Ben Miller. "New Federal Data Show a Student Loan Crisis for African American Borrowers." Center for American Progress: October 16, 2017. https://ampr.gs/2ip5ZxD.

[37] Judith Scott-Clayton. "The Looming Student Loan Default Crisis Is Worse than We Thought." Brookings Institution: January 10, 2018. https://brook.gs/2EanLBr.

Reinvigorate the Pell Grant

The Pell Grant remains the most important federal effort to promote college enrollment, completion, and equity. It serves over 7 million students, the vast majority of whom have family incomes below $40,000.[38]

However, this year's maximum grant of $6,095 is only about one-half the level needed to close college graduation disparities.[39] It is also much smaller than it was in the past, relative to college costs: it pays for just over a quarter of the cost of attending a four-year public college, down from nearly half in 1990 and more than three-quarters in the 1970s.[40]

To reinvigorate the Pell Grant, Congress should set a long-term goal of doubling the maximum award. To reach that goal, Congress will need to increase the maximum Pell Grant faster than inflation every year, starting by restoring the automatic adjustment that existed between 2013 and 2018.

Second, Congress should protect Pell Grants by making them an entitlement. In some ways they already are an entitlement: every qualified student receives a Pell Grant. However, it is funded through the annual appropriations process, which does not work well. Pell costs are very cyclical: during economic downturns, more students enroll in college and they have greater financial need. And yet, funding decisions rely on long-term projections; the FY 2020 Budget released this week will fund Pell Grants through June 2021, more than two years from now. The inevitable result is a boom-and-bust cycle of Pell surpluses and deficits.

The Pell Preservation and Expansion Act, introduced in the House by Rep. Susan Davis last year, embodies these principles.

In addition, Congress should make the Pell Grant more effective through simplification. By making better use of tax data to calculate students' Pell eligibility, Congress would simplify both Free Application for Federal Student Aid (FAFSA) form itself and the burdensome verification process that often denies aid to eligible students.[41] However, simplification alone—without a larger Pell Grant—will not solve the affordability problem.

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[38] TICAS calculations using data from the U.S. Department of Education, "2015-16 Federal Pell Grant Program End-Of-Year Report," Table 71. https://bit.ly/2HunAm5.

[39] TICAS. "Aligning the Means and Ends," supra note 19.

[40] College costs are defined here as average total in-state tuition, fees, and room and board costs at public four-year colleges. TICAS calculations based upon on data from the College Board, "Trends in College Pricing 2018," Table 2, 2018. https://bit.ly/2is8e4i, and U.S. Department of Education data on the maximum Pell Grant. Precise figures are 28 percent in 2018-19, 45 percent in 1990, and 79 percent in 1975.

[41] TICAS, *After the FAFSA: How Red Tape Can Prevent Eligible Students from Receiving Financial Aid*. July 2010. https://bit.ly/2Htv7Bp; TICAS. *On the Sidelines of Simplification: Stories of Navigating the FAFSA Verification Process*. November 2016. https://bit.ly/2Emz4WF. TICAS. "Recommendations for Eliminating Specific FAFSA Questions to Further Simplify the Federal Student Aid Application Process." June 29, 2015. https://bit.ly/2XNFiGI.

Build a New Partnership with States

Higher education has long been a federal-state partnership. States seek to keep tuitions low at community colleges and public universities, the institutions that serve three-quarters of students. The federal government promotes equity by providing financial aid to low-income students.

However, for decades, states have made deep cuts in higher education during downturns, without replacing the funds when times are good. The result has been a ratchet effect, with lower state support each economic cycle. Even now, long after state revenues have recovered from the Great Recession, average state funding per student at public institutions remains 16 percent below its pre-recession level.[42]

State spending is also distributed inequitably. Selective public colleges spend almost three times as much per student than other public colleges, according to the Georgetown Center on Education and the Workforce. Black and Latino students disproportionately attend open-access colleges where their graduation rate is only 46 percent.[43]

It is time for Congress to create a new partnership where the federal government and states invest together in higher education. The new program should:

- Provide a substantial increase in federal funds that reward states for making college affordable, including addressing the full cost of attending college and starting with low-income students;

- Promote equity for low-income students and students of color by identifying and working to remedy disparities in resources and educational outcomes; and

- Cushion the impact of state budget crises on students and colleges.

Many of the “free college” proposals are premised on a new federal-state partnership, including a proposal included in the Aim Higher Act introduced by Chairman Scott last year.

Offer all students a simpler, easier way to repay their loans as a share of income.

Since 1993, federal law has allowed students to repay their student loans as a share of income, rather than through fixed monthly payments. There are now five income-driven repayment (IDR) plans, and enrollment in IDR plans has grown by over 300 percent over the past five years

[42] Center on Budget and Policy Priorities. “Unkept Promises: State Cuts to Higher Education Threaten Access and Equity.” 2018. https://bit.ly/2u0w50f.
[43] Anthony P. Carnevale, Martin Van Der Werf, Michael C. Quinn, Jeff Strohl and Dmitri Repnikov. “Our Separate & Unequal Public Colleges: How Public Colleges Reinforce White Racial Privilege and Marginalize Black and Latino Student.” 2018. https://bit.ly/2C7UKnZ.

to 7.2 million.[44] The most popular plan sets payments at 10 percent of income, above a living allowance, and forgives any remaining debt after 20 years.

IDR plans help protect students from the riskiness of student loans, allowing them to seek the returns that most students receive while being protected against low incomes, whether due to misfortune in the labor market or some other reason. While college graduates enjoy larger earnings of the course of their careers, the benefits of college are often small in the first years after college. In these cases, IDR payments also start low and grow over time, letting students repay their loan as their ability to pay increases.

Most borrowers enrolled in IDR have low incomes.[45] Nonetheless, research suggests that students repaying their loans through IDR are less likely to fall behind on their payments and default.[46] While monthly payments are often lower in IDR than in the standard plan, borrowers may actually pay more on their loans because they make more timely payments and pay more in interest. They are also financially healthier in other ways, with higher credit scores and a greater likelihood of holding a mortgage.[47]

Despite these advantages, IDR is not yet reaching its full potential. The array of five very similar programs is confusing to students, and the necessary annual income documentation makes it difficult to enroll and stay enrolled. Some IDR plans allow high-income borrowers with large debts to pay less than 10 percent of their incomes.[48] Borrowers who receive loan forgiveness at the end of 20 years of payments must pay taxes on that amount, sometimes a large and unaffordable penalty.[49]

Congress should replace the five current IDR plans with a single, streamlined plan that requires borrowers to pay 10 percent of their discretionary income for 20 years. After they make two decades of payments, any remaining balance should be forgiven tax-free. Student debt should not be a life sentence, and borrowers with large loans relative to their incomes, who have met their obligations for 20 years, should be given the opportunity to move on with their lives and meet other needs, such as saving for retirement.

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44 TICAS calculations based upon data from the Federal Student Aid Data Center, accessed March 10, 2019. https://bit.ly/1F0lXA7.

45 TICAS. "Make It Simple, Keep It Fair: A Proposal to Streamline and Improve Income-Driven Repayment of Federal Student Loans." May 2017. https://bit.ly/2x3jeMW (in 2016, the average income of borrowers enrolled in the IBR, PAYE, and REPAYE plans was less than $36,000 for an average household size of more than two people).

46 Holger M. Mueller and Constantine Yannelis. "Students in Distress: Labor Market Shocks, Student Loan Default, and Federal Insurance Programs." NBER Working Paper No. 23284. 2017. https://bit.ly/2Hd9rKn. U.S. Government Accountability Office. "Federal Student Loans: Education Could Do More to Help Ensure Borrowers are Aware of Repayment and Forgiveness Options." 2015. .

47 Daniel Herbst. "Liquidity and Insurance in Student Loan Contracts: The Effects of Income-Driven Repayment on Borrower Outcomes." Working Paper. February 12, 2019. https://bit.ly/2Sx2Ro8.

48 TICAS. "Make It Simple, Keep It Fair," supra note 46.

49 TICAS. "Tax Penalty Hits Student Loan Borrowers in Income-Driven Repayment Plans for the First Time." April 12, 2018. https://bit.ly/2vu0yHl.

In addition, borrowers should have access to an automated annual income recertification process, using existing IRS data. Delinquent borrowers should be automatically enrolled in IDR to help them avoid default.[50] Aim Higher includes these changes and more. The bipartisan SIMPLE ACT, introduced by Representatives Bonamici and Costello in a past Congress, includes several of them.

Student debt is a particular challenge for those who choose lower-paid careers, and it can deter students from entering public service careers.[51] The Public Service Loan Forgiveness program supports teachers, health professionals, service-members, and other public servants by writing off loans after 10 years of student loan payments. Despite its important purpose, its design is overly complex and implementation so poor that 99 percent of the first applicants have been denied.[52] I urge Congress to simplify this important program so that hundreds of thousands of borrowers receive the forgiveness they were promised and have relied upon.

Finally, I urge Congress to ensure that the private companies paid to collect federal student loans are held accountable to high standards. Incomplete or misleading information can and often does lead to unnecessary loan defaults and higher costs for students. The Government Accountability Office has documented deficiencies in the Department of Education's management of these companies.[53]

Conclusion

Before concluding, I want to make one final observation. Because some colleges produce a low or even negative return on investment, the issue of affordability is intertwined with how colleges are held accountable for unacceptable student outcomes.[54] All colleges are not the same, and some college and programs routinely leave students with debts they cannot afford to repay. The evidence suggests that strong accountability systems can drive better outcomes for students.[55] And yet, the Trump Administration is seeking to dismantle key protections for students and taxpayers, which will make the problems of student debt worse.[56] The

[50] TICAS. "Make It Simple, Keep It Fair," supra note 46.
[51] White House Council of Economic Advisers, supra note 21.
[52] Stacy Cowley. "28,000 Public Servants Sought Student Loan Forgiveness. 96 Got It." *New York Times*, September 27, 2018. https://nyti.ms/2NLTLBQ.
[53] U.S. Government Accountability Office. "Federal Student Loans: Further Actions Needed to Implement Recommendations on Oversight of Loan Servicers." July 27, 2018. https://bit.ly/2NrwLUx. Office of the Inspector General, U.S. Department of Education. *Federal Student Aid: Additional Actions Needed to Mitigate the Risk of Servicer Noncompliance with Requirements for Servicing Federally Held Student Loans.* March 5, 2019. https://bit.ly/2GpZfxR.
[54] Cellini and Turner, supra note 33.
[55] TICAS. "Detailed Comments on the Gainful Employment Rule." September 13, 2018. https://bit.ly/2HcfPBN. TICAS. "CDR: What is it Good For? Absolutely Something. A Primer on the Value of the Cohort Default Rate, its Shortcomings, and Solutions." January 22, 2018. https://bit.ly/2oUs5MA.
[56] "Coalition Letter to the 116th Congress on the Higher Education Act Reauthorization." January 2019. https://bit.ly/2Uw82BI. "Comments from 62 Organizations on the Department of Education's 2019 Regulatory Agenda." September 2018. https://bit.ly/2ETcWSC.

Committee's planned additional hearing specific to accountability will address an important topic.[57]

Millions of students are struggling to pay for college. Many cannot afford the cost of attending college. While student loans pay off for most, many struggle and default. These affordability challenges exacerbate inequalities facing low-income students and students of color. All of us would benefit from the more equitable, prosperous country that would result from greater investments in college affordability.

[57] For a discussion of issues the Committee could consider, please see TICAS. "Response to Sen. Alexander's White Paper and Request for Information on Accountability." February 16, 2018. https://bit.ly/2SVISuP.