

January 28, 2021

Dear Members of Congress:

On behalf of The Institute for College Access & Success (TICAS), welcome to the 117th Congress! TICAS, based in Washington, DC, and Oakland, CA, is a trusted source of research, design, and advocacy for student-centered public policies that promote affordability, accountability, and equity in higher education.

Our nation's higher education system remains a key driver of economic growth and social mobility, but faces longstanding challenges that have been exacerbated by the COVID-19 pandemic:

- Even pre-pandemic, state support for public colleges had yet to recover from the Great Recession, contributing to tuition hikes, inequitable funding across institution types, inadequate student supports, and rising student debt.¹
- The federal Pell Grant covers the lowest share of college costs in the program's history, with the maximum award covering less than one-third of the cost of attending a four-year public college — another contributing factor in the rise of student debt.²
- Low-quality for-profit colleges — empowered by regulatory rollbacks in recent years — continue to prey on the nation's most vulnerable students, leaving many with heavy debt and worthless degrees.³
- Millions of student loan borrowers struggle to manage their debt, with many facing hurdles in accessing affordable repayment plans and falling into default.⁴
- Only 60 percent of students graduate within six years (with large and persistent economic and racial gaps), yet colleges do not have the resources to implement proven strategies to help many more students succeed.⁵

By stopping education as usual in its tracks and thrusting colleges and their students into emergency mode, the pandemic laid bare the disproportionate effects these trends have had on low-income students and students of color.⁶ College enrollment has fallen by more than 500,000 since last year, particularly at community colleges, which are critical drivers of economic opportunity.⁷

Recovering from this crisis and building a stronger, more inclusive country requires that policymakers (1) immediately address the urgent needs of states, colleges, and students and (2) lay the groundwork for longer-term investments that will ensure a college degree is a reliable ticket to the middle class. In addition to providing more emergency relief funding to students and colleges, Congress has a historic opportunity to implement lasting solutions to address these longstanding challenges.⁸ With the help of the federal government, colleges are poised to play a crucial role both in driving immediate economic recovery and in helping to build a more prosperous, equitable, and sustainable society.

We note that congressional leadership has the ability to enact ambitious, essential investments in higher education. For example, while there are limits to what can be done via the budget reconciliation process, many recent major changes to higher education financing have been accomplished through reconciliation

bills. America's students and colleges cannot continue to wait. We urge lawmakers to use reconciliation to quickly implement key changes such as doubling the maximum Pell Grant, creating a new federal-state partnership to stabilize funding for public colleges, restoring key college accountability measures, and reforming the student loan repayment system.

The 117th Congress should take the following steps to close racial and economic gaps in college attainment, restore the promise of public higher education, and reduce the burden of student debt.

- **Create a New Federal-State Funding Partnership for Higher Education**

Long-term state disinvestment in public higher education is one major driver of the rising cost of college and the attendant rise in student debt. For decades, state support for public colleges and universities — which enroll three-quarters of students — has fallen.⁹ Low-income students and underrepresented students of color are more likely to attend poorly funded colleges, where they are less likely to graduate.¹⁰

Many colleges that serve vulnerable student populations also lack the funds to implement evidence-based support and advising programs that can help more students complete a degree. Many states also lack the data and planning capacity to assess whether students are reaching their goals or to address challenges — such as transfer policies — that cannot be adequately remedied without increased institutional, state, and federal coordination.

To address these challenges, we urge Congress to work with the Biden-Harris Administration to create a new federal-state partnership to invest in equitably funded public colleges. Through this new partnership, the federal government would send significant new funding to states to equip them to better support public institutions, with the goal of increasing educational quality, reducing net costs for students, and providing evidence-based advising and student supports to increase completion.

In exchange for new federal funding, states should be required to maintain or increase their own investments in public higher education and to develop and implement data-driven plans to directly address racial and economic inequities in access, affordability, and attainment. By harnessing its unique deficit-spending power to automatically shore up state funding during economic downturns, the federal government can keep this critical industry thriving through temporary economic swings.

- **Double the Maximum Pell Grant to Reduce Student Debt and Increase Equity**

Congress must make a long-overdue boost to the Pell Grant program by doubling the maximum award. Pell Grants are the nation's most effective investment in college affordability, making higher education possible for nearly seven million low- and moderate-income students each year.¹¹

Prior to COVID-19, research suggested that doubling the current Pell Grant would be necessary to overcome current disparities in enrollment and completion by income.¹² Pandemic-related job and income loss will only exacerbate student need for help in paying for college.

Pell Grants are especially crucial for students of color — nearly 60 percent of Black students, nearly half of Hispanic or Latino students, and half of American Indian or Alaska Native students receive a Pell Grant each year.¹³ Yet this year’s maximum grant covers the lowest share of college costs in the program’s history, and the grant is no longer automatically adjusted annually to at least keep pace with inflation. Unsurprisingly, Pell Grant recipients continue to bear disproportionate student debt burdens.¹⁴

- **Protect Students and Taxpayers From Predatory Colleges**

Strong college accountability is key to reducing the number of students left worse off by burdensome student debt. It is imperative that Congress and the Biden-Harris Administration strengthen key accountability mechanisms, which have proven successful in protecting students and improving the value colleges offer to students.¹⁵

Through reconciliation, lawmakers must (1) implement a meaningful, permanent gainful employment rule and (2) curb the exploitation of student veterans by closing the 90-10 loophole and restoring the original requirement that no more than 85 percent of a college’s revenues come from federal education benefits, loans, and grants.

Policymakers should also improve enforcement of the prohibition of the use of commissioned sales and other tactics associated with high-pressure and deceptive recruiting, discharge student debt for those who attended closed schools and those who took out loans based on misrepresentations, and hold all colleges more accountable for excessively poor student debt outcomes.

Policymakers must also explicitly address the increased risks that students and taxpayers face due to the pandemic, including the effects of the emergency transition to online learning as well as an increased risk of predatory recruiting.¹⁶

- **Reform the Student Loan Repayment System**

When the economy last entered a recession in late 2007, federal student debt stood at \$516 billion. Since then, it has tripled to over \$1.5 trillion.¹⁷ This debt is a burden for millions of Americans, and we applaud the Biden-Harris Administration’s quick action to extend emergency monthly payment benefits for student loan borrowers through September.¹⁸ It’s critical that Congress and the Administration now work together to prepare for the day when millions of borrowers will transition back into repayment.

Borrowers currently have the option to enroll in income-driven repayment (IDR) plans, which can help keep monthly payments affordable. But there are too many borrowers who still struggle to access these options due to unnecessary bureaucratic obstacles, and many of these borrowers are at risk of falling into default.

To address this, federal policymakers should create a single, improved IDR plan that works better for borrowers, ensures tax-free loan forgiveness after a period of responsible payments, and enables the federal government to automatically enroll distressed borrowers into IDR to prevent default.¹⁹

- **Invest in Proven Strategies to Help Many More Students Graduate**

Although our nation has raised college-going rates, completion rates have not kept pace. Low graduation rates — particularly among Black and Latino students and students at community colleges — persist. However, a growing number of colleges have developed successful strategies to improve graduation rates. These programs take an individualized approach to student success through advising, mentoring, or case management, and are designed to comprehensively address financial, academic, personal, and career barriers.²⁰

The City University of New York’s ASAP program, for example, has helped to nearly double graduation rates. Inside Track, a nonprofit organization that partners with colleges, increased the persistence of Pell-eligible students by 15 percent in one year.

Since evidence-based comprehensive approaches show great promise for increasing completion rates and closing disparities, Congress should make a large new investment to help states implement and scale proven models. A portion of these funds should be reserved to provide expert implementation support and for innovation, specifically to continue to drive learning about effective approaches and emerging student success models.²¹

By making historic new investments in students and colleges, protecting students from low-quality colleges, and simplifying federal lending and repayment, Congress has a critical opportunity to recover from the pandemic and restore and expand the promise of higher education to promote equal opportunity and upward mobility. We recognize that you are facing vast and unprecedented challenges and we stand ready to serve as a resource as you address the issues facing America’s higher education system.

Please reach out to Jessica Thompson at jthompson@ticas.org or Michele Streeter at mstreeter@ticas.org with any questions or requests regarding these issues. Thank you in advance for your time and attention on these critical matters facing America’s students.

Sincerely,



James Kvaal
President, The Institute for College Access & Success (TICAS)

¹ SHEEO, *State Higher Education Finance Report*, April 2020, <https://bit.ly/2HWhIEw>.

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³ Michael Stratford, “Trump and DeVos Fuel a For-Profit College Comeback,” Politico, August 31, 2017, <https://politi.co/2HWiAcg>.

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⁵ National Student Clearinghouse, *Completing College: National and State Reports*, December 2020, <https://bit.ly/3rOX0ED>; TICAS, *Raising College Attainment: A National Proposal to Scale Student Success Strategies*, January 2021, <https://bit.ly/2YhUhtQ>.

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- ⁸ TICAS, *Statement on President-elect Biden’s American Rescue Plan*, January 2021, <https://bit.ly/2KCYTYo>.
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- ¹⁵ TICAS, *Why a Strong Gainful Employment Rule is More Important Now Than Ever*, July 2019, <https://bit.ly/3iRxOMD>; TICAS, *Defrauded Students Left Holding the Bag Under Final Borrower Defense Rule*, September 2019, <https://bit.ly/38i27Kz>; TICAS, *What to Know About the Borrower Defense to Repayment Rule*, April 2019, <https://bit.ly/3mPKJkd>; TICAS, *Protecting the Cohort Default Rate from Forbearance Abuse*, January 2020, <https://bit.ly/2JrGUmM>.
- ¹⁶ TICAS, *Untangling the Web: How to Monitor the Risks of Online Education*, July 2020, <https://bit.ly/329Dlba>.
- ¹⁷ Federal Student Aid Portfolio Summary, December 2020, <https://bit.ly/5J1v>.
- ¹⁸ The White House, “Pausing Federal Student Loan Payments,” January 20, 2021, <https://bit.ly/395WbnQ>.
- ¹⁹ TICAS, *The Debt Is in the Details: A Review of Existing Proposals to Streamline Income-Driven Repayment*, July 2019, <https://bit.ly/3ep8fs0>.
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- ²¹ TICAS, *Raising College Attainment: A National Proposal to Scale Student Success Strategies*, January 2021, <https://bit.ly/2YhUhtQ>.