October 28, 2019

The Honorable Robert C. "Bobby" Scott
Chair
Committee on Education and Labor
1201 Longworth House Office Building
Washington, DC 20515

The Honorable Virginia Foxx
Ranking Member
Committee on Education and Labor
2462 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Scott and Ranking Member Foxx:

On behalf of the nation's community colleges, representing CEOs and trustees, we write to express our views on H.R. 4674, The College Affordability Act. The Higher Education Act (HEA) is by far the single most important piece of legislation for community college students and institutions. It has allowed millions of students to improve their lives and helped our colleges deliver high quality education. It is critical to update the HEA to reflect the needs of today's students and remedy ongoing shortcomings in the federal financial aid system. We commend this reauthorization effort and hope that comprehensive reauthorization legislation will be enacted this Congress.

The College Affordability Act (CAA) has many features that will facilitate community college student success and enhance their education. However, we also have concerns about selected provisions. Below we highlight some of most important aspects of the legislation for our sector, though this is not an exhaustive list. We hope that these comments will guide the committee as it refines the legislation.

Pell Grants

We strongly support the $625 increase to the Pell Grant maximum award as well as annually indexing the maximum grant to inflation. For community college students, these are foundational features of the legislation. We also support increasing the lifetime eligibility limit from 12 to 14 full-time semesters and endorse exempting remedial and noncredit courses from being included in this period. By greatly enhancing community college affordability, these changes will aid student success.

We strongly support expanding Pell Grant eligibility to incarcerated individuals and those enrolled in high-quality short-term programs. These eligibility changes are also longstanding community colleges priorities.

Second Chance Pell Grants – As stated, extending Pell Grant eligibility to incarcerated individuals is a huge advance in public policy that will serve both individuals and the broader society. However, we are concerned about the bill's provisions relating to allowable tuition and fees. The CAA essentially creates a "cliff" between what Pell Grant recipients and non-Pell Grant recipients may be charged for a program. Under the legislation, Pell Grant recipients may not be charged anything beyond their grant amount, while non-Pell Grant recipients may be charged up to their Expected Family Contribution (EFC). Thus, incarcerated individuals whose EFC falls just beyond Pell Grant eligibility (including those who are below the minimum award amount) may owe their entire cost of attendance, while an individual whose EFC qualified them for only a small award would have their full cost of attendance covered. This cliff effect should be eliminated by limiting charges to EFC or cost of attendance for all incarcerated individuals, whether or not they receive a Pell Grant.

Short-Term Pell Grant Program Eligibility – Again, we heartily commend the committee for extending Pell Grant eligibility to short-term programs. This is an overriding community college priority. However, we are deeply concerned about the CCA's provisions in this area, which may prevent many high-quality programs from qualifying. We believe that these "guard rails" are particularly unnecessary given that proprietary institutions are excluded from this new eligibility.

Rather, community colleges support the bipartisan, bicameral JOBS Act (S. 839, H.R. 3497), which takes a balanced and responsible approach to establishing eligibility for short-term programs. We oppose the CAA's additional programmatic eligibility requirements, which include income thresholds, completion rate benchmarks, restrictions to institutions based on Heightened Cash Monitoring, and a career pathway requirement.

We do not support a completion rate or earnings threshold for Pell Grant eligibility. Such thresholds would be unique to this small subset of HEA programs and render many high-quality programs ineligible. We also believe that use of the BLS earnings for individuals with a high school diploma is a flawed indicator for program eligibility. The BLS data look at individuals 25 years or older and consider median earnings regardless of how many years of work experience that person may have. This is not a suitable metric of comparison for individuals who have recently completed a credential.

We also have concerns regarding the exclusion of colleges that have had any negative or adverse action from accreditors within the past 5 years. This would potentially exclude colleges placed on Heightened Cash Monitoring 1 (HCM1) from participating. HCM1 is triggered for reasons that have little or no correlation with an institution's ability to operate a high quality academic or workforce program. Entire states (Minnesota and West Virginia) would likely be eliminated from eligibility if HCM1 were to remain as an eligibility barrier.

While we support the general concept that eligible job training programs should include most of the required aspects of a career pathway, a universal requirement is problematic. It would also eliminate many high-wage programs that include certain prerequisites for students, or those pathways which terminate with a certificate or associates degree. We believe that the JOBS Act language that would require credit articulation, as well as counseling requirements, should be enough to achieve this intent without additional potentially negative consequences.

Postbaccalaureate Pell Grants - Finally, we do not support H.R. 4674's expanded Pell Grant eligibility for postbaccalaureate students, even though more than 5% of community college students possess a baccalaureate degree. This fundamental change to the program, which since its inception has been focused on assisting the financially neediest undergraduate students, needs far greater consideration before being advanced. We would support creating a targeted program of need-based assistance for graduate and professional students if it focuses on areas that Congress sets as a priority, or in which there is a clear demand.

Unit Record Data System

We strongly support the long overdue postsecondary data system created in H.R. 4674, which we believe will have a transformative effect on higher education. There is a compelling need for a comprehensive postsecondary education data system that follows students, including transfer students, throughout higher education and generates workforce data. The absence of a data system of this nature is an extraordinary shortcoming of federal policy. Gaining transfer and workforce information will allow community colleges and policymakers to better understand the impact of federal programs, and, more importantly, help students make better decisions about postsecondary education. We believe that longstanding concerns around data security are also effectively addressed in the legislation.

Completion Measurements

We encourage using the CAA to add to the HEA's required completion measurements. For community college programs (those of two years or less), the formal completion rates should include 300% of the normal time of completion of, or graduation from, the student's program. Based on extensive research, the national Voluntary Framework of Accountability (in which more than 200 colleges participate) uses the 300% completion measure and it should also be reflected in federal statute.

Accreditation

The legislation's alteration of the HEA's currently required accreditation standards represents a significant change. Our preliminary assessment of these changes is that they are appropriate given accreditation's focus on educational quality and the nature of our colleges' missions. The requirement that accreditors set specific goals for the three student achievement areas simply reflects what institutions and accrediting bodies already focus on, though their activity obviously goes well beyond that.

We thank the committee for clarifying in the amendment in the nature of a substitute that the regulatory process ("Working Group") delineated in Section 4713 ED should simply promulgate various *definitions* of student achievement and other key terms (e.g., "150% of the normal time it takes to complete a program"), and not do anything beyond this – specifically, not set any sorts of numerical standards.

However, in that same vein, we strongly oppose the authority granted to the Education Secretary in the new Section 496(r)(2) to require agencies to review or revise standards, or the performance benchmarks selected by agencies. This replaces the longstanding principle of accreditation by peer review and replaces the best judgment of an institution's academic officials, and those of accrediting agencies, with that of the government. It effectively gives the Department close to carte blanche to set performance standards, violating longstanding and appropriate lines of authority between the federal government and institutions. We urge the committee to reconsider this policy, as it would fundamentally alter the nature of accreditation, causing colleges to focus on the federal government's "bright lines" rather than fulfilling their own missions.

Further, requiring that each performance benchmark developed by agencies (e.g., 150% of "the normal time it takes to complete a program") be applied to each institution that an agency approves conflicts with the stark reality that American higher education is extraordinarily diverse and not amenable to applying the same standard to hundreds of institutions. The fact that accrediting bodies are authorized to take into consideration historical significance and physical location for section 101(a) institutions does not counteract the underlying problem.

Federal Work Study and Supplemental Educational Opportunity Grants

We greatly appreciate the revised institutional distribution formula for the Federal Work Study (FWS) and Supplemental Educational Opportunity Grants (SEOG) programs. This will provide greater financial assistance for our low-income students, who have been inequitably treated by the existing formula. We also endorse the increased authorization levels for both programs.

We do not support providing an FWS bonus for improved institutional outcomes. First, community colleges generally oppose federal performance-based funding. Furthermore, the CAA's FWS bonus structure would compare outcomes from community colleges to the nation's most selective institutions without regard to comparable resources, student population, or financial need. Additionally, using the 150% on-time completion rate as a metric significantly disadvantages community colleges, who have large part-time student populations. It is conceivable that no community colleges would receive this performance bonus. We believe the performance bonus conflicts with what the FWS formula revision was designed to do, i.e., provide more resources to institutions that serve the greatest number of needy students.

Child Care Access Means Parents in School (CCAMPIS)

We commend the increased CCAMPIS authorization level and effort to modernize the program. However, we have concerns with the new quality indicators and performance-based bonus structure.

The bill's quality indicators assume that all child care supported by CCAMPIS would be provided to the infant, toddler, and preschool age groups. This provision could therefore eliminate the ability to use CCAMPIS funding to support after-school care and summer care/camps for school aged children. This language also presumes that there is a quality issue with the services supported by CCAMPIS funds, which has not been identified by program audits. Additionally, the certification requirements can be expensive and difficult to obtain.

We caution against making the requirements for institutional participation in CCAMPIS too onerous. In FY 2018 Congress more than doubled the CCAMPIS appropriation. Our associations worked to ensure there were enough applications for the additional funds because historically the program has not always had strong demand, in part due to the extensive planning entailed in delivering services. In FY 2001 and 2002 the Department of Education was unable to obligate $8.7 million and $3 million in grant funds, respectively, due to a lack of worthy applications. If Congress wishes to expand CCAMPIS, it should carefully consider additional requirements that may unintentionally depress program participation.

While we appreciate many aspects of the CCAMPIS provisions, community colleges have endorsed S. 1403 and encourage the inclusion of provisions from that bill in a final HEA reauthorization.

FAFSA, Simplified Needs Test, and Loans

The CAA significantly improves the current financial aid system by simplifying the aid application process, refining needs analysis, and streamlining loan repayment. Community colleges strongly support restructuring the FAFSA to an automatic-zero Expected Family Contribution for students who have recently received a federally means-tested benefit. Additionally, we support the effort to move to a one-time FAFSA application for students and families. Evidence shows that many students fail to complete applications even after they have previously applied for and received federal aid.

Community colleges support the increased income level to qualify for zero-Expected Family Contribution. We also appreciate provisions to simplify the loan repayment process for student borrowers, and the elimination of origination fees on federal student loans.

Title IV Eligibility for Dreamers

We strongly support the extension of financial aid eligibility to Dreamer students and those students who are or would have been eligible for the Deferred Action for Childhood Arrivals program. We have long supported financial aid for Dreamers, who were brought to this country as children and should not be barred from achieving their full educational potential because of their immigration status.

Gainful Employment

Community colleges continue to question the statutory limitation of gainful employment metrics to certificate programs for the non-profit sector, since it excludes many degree programs, across higher education, that are specifically intended to prepare people for jobs. In addition, H.R. 4674 potentially distorts debt-to-earnings calculations by implying, if not mandating, the inclusion of non-completers, who do not receive the economic benefits of the educational program. The Obama Administration limited cohorts to program completers in its second complete iteration of the GE rule, which is referenced in the amendment in the nature of a substitute. Prospective students can ascertain a program's completion rate through the CAA's data system. In general, however, a debt-to-earnings metric is an effective means of quantifying a program's quality, and its value to a prospective student.

Competency Based Education Demonstration Project

We do not support H.R. 4674's competency-based education (CBE) demonstration project because CBE has evolved to the point that a demonstration is neither necessary nor appropriate. Furthermore, the demonstration project itself implies that CBE is generally used for technical programs, which is not the case, as many academic programs are now delivered through a CBE framework as well. In addition, the reporting requirements, both in terms of application for the projects and subsequent evaluation, are unrealistic. They will ultimately serve to undermine the benefits that the program might otherwise provide.

Accountability Metrics

Community colleges are generally supportive of the bill's new accountability metrics for default and repayment. We greatly appreciate the bill's rejection of any type of risk sharing scheme that would disproportionately impact open access institutions. The use of an adjusted cohort default rate and on-time repayment rate appear to be a significant improvement over the existing cohort default rate metric. Additionally, we appreciate the concept of recognizing the resources institutions dedicate to student instruction and support.

America's College Promise

Community colleges strongly endorse the CAA's America's College Promise (ACP) program. The legislation would spark greater participation in postsecondary education by more fully utilizing the nation's community college system, which continues to provide education at far lower tuition rates than other sectors. The ACP's "first-dollar" approach will enable federal and other student aid to have significantly greater impact, providing a huge leap in community college affordability. We also support asking states to contribute a share of the new investment in community colleges as well as the legislation's maintenance of effort requirement. The legislation's emphasis on community college improvement, and enhanced transfer, are appropriate for legislation of this scope. Along with the even larger state and local expenditures on community colleges, the ACP represents a vital federal investment in our institutions.

Additional Support for Institutions and Students

Community colleges support new funding to bolster dual enrollment programs, emergency grant aid, community college student success, and reforms to remedial education. We also strongly support the permanent extension of grants funding under Part F of Title III. In addition to the CAA's generous funding increases, these new grant programs focus on areas strongly associated with improved student success. In general, we believe that the programs are well targeted and thoughtfully constructed. Dual enrollment is growing in importance across the country, but in an uneven and at times inequitable fashion; H.R. 4674 would address that. Also, despite all the advances made in developmental education in recent years, there is still no paradigm for the best way to deliver this education. This new program would help promote efforts to identify the most effective developmental education delivery practices.

Thank you for your consideration of these views. Again, we thank you for the introduction of this legislation of overwhelming importance. We look forward to working with the committee on the bill as it advances.

Sincerely,

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