January 30, 2024

The Honorable Virginia Foxx
Chair
Committee on Education & the Workforce
U.S. House of Representatives
Washington, DC 20515

The Honorable Bobby Scott
Ranking Member
Committee on Education & the Workforce
U.S. House of Representatives
Washington, DC 20515

Dear Chair Foxx and Ranking Member Scott:

I write on behalf of the American Association of Community Colleges (AACC) concerning the "College Cost Reduction Act," H.R. 6951. AACC represents the nation's 1,038 community colleges and their students.

H.R. 6951 would make major changes to many of the core features of the Higher Education Act (HEA). It would likely dramatically alter the distribution of funds to students and institutions. Given the bill's recent introduction, it is not possible at this time to assess many of the legislation's elements. In other areas, the proposals address longstanding AACC positions. The following comments therefore address some important aspects of the bill. We urge the committee to advance this legislation at a more deliberate pace, allowing fuller evaluation of its impact. Congress badly needs to reauthorize the Higher Education Act, but in practice it can only do so if it is moved in such a fashion as to generate a substantial measure of stakeholder buy-in. The current proposed legislation does not meet that standard.

Risk Sharing and the PROMISE Program

The CCRA contains two dramatically new proposals that would, alternatively, require payments from colleges in a new risk-sharing process tied to student loan repayments, and one that would reward some colleges through a new grant program that would replace Supplemental Educational Opportunity Grants (SEOG). The risk-sharing mechanism would require colleges to pay a portion of the cost of missed loan payments or interest not paid by their former students. The percentage of the missed payments or unpaid interest for which an institution is responsible is determined by a ratio of completers' earnings to the tuition they paid. If this earnings to price ratio (EPR) is above 1, the college owes no risk sharing payments.

The funds derived from this risk-sharing process would be dedicated to a new PROMISE program that would make grants to institutions, to be used to enhance college affordability and student access and success. Institutions with an EPR above 1 would be eligible to receive funds, and the amount received would also factor in the amount of Pell Grants the college's students receive and the institution's on-time completion rate.

Community colleges appreciate the intent of the PROMISE program to reward colleges for a positive combination of student earnings, low tuitions, enrollment of financially needy students, and completion rates. However, we have concerns with key aspects of this program and the way it would be funded.

First and foremost, we cannot support the risk-sharing proposal that provides resources for the PROMISE program. Although preliminary analyses indicate that community colleges would fare better than other sectors under the proposal, we have consistently opposed risk-sharing, because of its basic premise that institutions should be held responsible for student loan repayments. Loans are made by the federal government to students rather than institutions to meet college expenses. Colleges do not establish the terms and conditions of loans, nor are they involved with most aspects of their administration, including collection.

We are also concerned by two other aspects of the risk-sharing and PROMISE program combination. The first is that risk-sharing payments would be based in part on the interest not paid by students who avail themselves of the assisted loan repayments authorized under this bill. There are numerous reasons why a borrower's earnings may be low enough to qualify them for this assistance, but which do not indicate any type of institutional shortcoming. Some jobs that require a postsecondary credential and serve important societal interests nonetheless do not pay well, at least at the entry level. This reality is a major reason why income-based repayment programs exist in the first place.

Second, the requirement that institutions determine a maximum total price for each program of study for categories of students based on family income and financial need would be very difficult for community colleges to execute. Our institutions do not generally present costs to students in this manner because too many factors might render inaccurate, including the time it takes a student to complete, state and local support for the program, and other factors that may influence the cost of program delivery. We realize that only a "maximum" total price is required, but fear that institutions may find it necessary to make that price high enough to account for unforeseen circumstances, which may in turn dissuade prospective students from pursuing the course of study.

College Costs and Financial Value

The linchpin of an effective and accountable higher education system is comprehensive data that accurately represents student success, both while students are enrolled, and then through completion and into the workforce. We applaud the CCRA's strong focus on data transparency. However, several important changes are needed to Title I.

First, AACC supports the authorization of the College Scorecard. The Scorecard has served as an excellent consumer-facing source of data to help students and families make informed college decisions. Under three administrations, the Department of Education has worked to refine and append the data presented on the Scorecard in service of these goals, incorporating feedback from key stakeholders and results from consumer testing. The inclusion of students receiving military and veteran's benefits, as well as WIOA support, will flesh out the institutional picture presented on the scorecard, although implementation will need to be done thoughtfully, given the different nature of the programs.

While we welcome continued enhancement of the Scorecard, we urge the Committee to consider the burden on institutions and the overall goals of the tool. AACC appreciates that the bill requires that data reported for the College Scorecard be used in a fashion to avoid any duplicate reporting. However, the text proposes new elements including program-level information on college costs and financial aid and an array of highly disaggregated data. These new reporting requirements would be burdensome on institutions. We have other concerns about this extensive disaggregation. The first is that it may impinge upon the Scorecard being an effective, consumer-facing tool for students and families. The Scorecard provides students with a clear and easily digestible picture of student access, costs, and success. Put differently, the Scorecard helps students explore and navigate a complicated and complex higher education landscape by presenting them with the most *important* information. The CCRA would significantly expand the amount of data being presented to users and could undermine the efficacy of the Scorecard as a consumer tool. This information may be useful to collect but is not best presented on the Scorecard. In addition, because of the small size of many community college programs, the extensive disaggregation may be rendered null by the need to protect student privacy.

Community colleges have long advocated for the creation of a federal student-level data network (SLDN) to generate accurate, meaningful data on postsecondary outcomes, including post-completion earnings. However, AACC cannot support the SLDN proposed in the CCRA because it does not include *all* students, which is essential to creating a truly useful system. By limiting reporting to only students participating in Title IV, receiving veterans' education benefits, or participating in a WIOA program, the CCRA's proposed system will leave out more than half of all community college credit students. This is not acceptable.

Moreover, because so many students will be excluded from the new system, the CCRA will ultimately increase the reporting burden for community colleges, rather than reducing it, which is one of the ultimate goals of a comprehensive SLDS system. Because colleges are required to report data for enrollment, retention, completion, and financial surveys to the federal government for Title IV and non-Title IV recipients, CCRA would require institutions to report on non-federally aided students to IPEDS separately, in addition to reporting student-level data to an SLDN.

Community colleges continue to support the creation of a comprehensive SLDN, like that proposed in the bipartisan College Transparency Act. AACC urges the Committee to modify the new data system to include all students, rather than just those receiving Title IV, WIOA funds, or veterans' education benefits.

Loan Provisions

While only about 12% (NPSAS: 2019) of community college students, loans serve as an essential source of support for many students, and repayment terms are of great importance. AACC continues to urge policymakers to focus on meeting the needs of students with low balances, as reflected in the Administration's SAVE plan. Some of these concepts are embodied in the loan provisions of the CCRA.

H.R. 6591 contains some key loan provisions that AACC supports:

- Giving campuses discretion to lower loan maximums for certain programs. Because post-completion earnings vary so greatly by program, it is appropriate to adjust borrowing maximums on this basis. The CCRA reflects this reality, while also ensuring that this significant institutional authority will be used equitably and on a clearly articulated basis. The legislation also authorizes linking borrowing limits to enrollment status, which AAC strongly supports. More generally, this new authority is made essential given the bill's risk-sharing provisions.

- Streamlining existing repayment plans, which despite recent changes that have benefited students, have also been proven confusing both to borrowers and the public.

- Ending the capitalization of interest is a welcome change. Community colleges also support the elimination of origination fees, which in practice simply represent a tax on students.

Accreditation

- The legislation authorizes institutions or programs not under sanction to change accreditors without the approval of the Secretary, including when it is directed by state law. Given changing state and other policies, it is important for the statute to explicitly provide this authority. We note that being required to change an accreditor does not change the fundamentally voluntary nature of accreditation, any more than it does to be required to be approved by recognized accreditors to participate in Title IV.

- The current accreditation standards have generally served accreditors, institutions, and students well. Since these standards were altered in the last HEA reauthorization, community college completion rates have steadily increased. Accreditors have implemented the statutory standards of student achievement outcomes in ways consistent with campus academic processes and policies, and all the major institutional accreditors have converged to focus squarely on student outcomes. Given this, it is not now necessary to make the HEA statute more specific or constrained in this area, which could have the counterproductive impact of reducing accreditors' flexibility in evaluating each institution.

- The proposed statute appropriately eliminates any requirements that accreditors distinguish between education delivered in-person and that occurring when the student and instructor are separated, as long as accreditors can demonstrate that they can adequately evaluate distance education programs.

- We oppose the requirement that institutions may not reject credits solely on the accrediting agency that approves an institution if that agency is recognized by the Secretary for the purposes of Title IV. Acceptance of credits must rest entirely under the prerogative of the accepting institution. It is rare that credits are rejected outright based on an institution's accreditors, but when this occurs it generally is because the admitting institution lacks other grounds for evaluating a student's previous academic record.

- We endorse requiring the Secretary to develop common terminology for accrediting decisions, to develop a broad understanding, particularly among the public, of the meaning of terms such as monitoring, warning, show cause, and other relevant status.

Student Success

- AACC strongly supports the authorization of Postsecondary Student Success Grants. The grants help institutions implement evidence-based programs and strategies to promote college persistence, completion, and success. In the program's first two award cycles, five community colleges have received grants representing a $10 million investment in student success at community colleges and in developing and adapting evidence-based practices to the community college context. AACC is eager to see the grant program maintained and expanded. To that end, the Association urges the Committee to approve the program's authorization and to increase the authorization amount to deliver more aid to colleges and students.

- AACC also strongly supports the inclusion of the bipartisan *Reverse Transfer Efficiency Act* in the CCRA. This legislation will facilitate reverse credit transfer, helping colleges work together to identify and engage students who have earned enough credits to be awarded a degree or credential and conferring that credential with the student's consent. This commonsense policy change has long been a priority of community colleges, and AACC urges the Committee to approve the provision.

Administrative Issues

The CCRA would preclude the Department of Education from promulgating regulations in a wide variety of areas and nullify other regulations already in place. AACC has supported some of these regulatory provisions and opposed others. However, without addressing specific provisions, we caution against barring regulation on such a broad basis, across major portions of the Higher Education Act. It is preferable for the statute to clearly delineate Congress's specific intent.

Also, the CCRA requires the Department to provide an initial program review report 90 days after a site visit to an institution of higher education. The institution would have 90 days to respond, and the Department would have 90 days to provide a final report and any subsequent enforcement actions. We support the requirement that a programmatic review be completed within two years after the initial visit, and we support set timelines throughout the process. This provides greater clarity for the institution and holds the Department accountable to a timeline as well.

Thank you for your attention to these views. Please do not hesitate to contact me or any members of my staff if you have any questions about them.

Sincerely,

Walter G. Bumphus
Walter G. Bumphus, Ph.D.
President and CEO

cc: Members of Committee on Education and the Workforce

AMERICAN ASSOCIATION OF COMMUNITY COLLEGES

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