

**KEEPING THE PELL GRANT PROMISE:
INCREASING ENROLLMENT, SUPPORTING SUCCESS**

HEARING

BEFORE THE

**SUBCOMMITTEE ON
HIGHER EDUCATION AND
WORKFORCE INVESTMENT**

OF THE

**COMMITTEE ON EDUCATION AND LABOR
U.S. HOUSE OF REPRESENTATIVES**

ONE HUNDRED SEVENTEENTH CONGRESS

FIRST SESSION

HEARING HELD IN WASHINGTON, DC, JULY 29, 2021

Serial No. 117-26

Printed for the use of the Committee on Education and Labor



Available via: edlabor.house.gov or www.govinfo.gov

U.S. GOVERNMENT PUBLISHING OFFICE

45-175 PDF

WASHINGTON : 2022

COMMITTEE ON EDUCATION AND LABOR

ROBERT C. "BOBBY" SCOTT, Virginia, *Chairman*

RAÚL M. GRIJALVA, Arizona	VIRGINIA FOXX, North Carolina, <i>Ranking Member</i>
JOE COURTNEY, Connecticut	JOE WILSON, South Carolina
GREGORIO KILILI CAMACHO SABLAN, Northern Mariana Islands	GLENN THOMPSON, Pennsylvania
FREDERICA S. WILSON, Florida	TIM WALBERG, Michigan
SUZANNE BONAMICI, Oregon	GLENN GROTHMAN, Wisconsin
MARK TAKANO, California	ELISE M. STEFANIK, New York
ALMA S. ADAMS, North Carolina	RICK W. ALLEN, Georgia
MARK DeSAULNIER, California	JIM BANKS, Indiana
DONALD NORCROSS, New Jersey	JAMES COMER, Kentucky
PRAMILA JAYAPAL, Washington	RUSS FULCHER, Idaho
JOSEPH D. MORELLE, New York	FRED KELLER, Pennsylvania
SUSAN WILD, Pennsylvania	GREGORY F. MURPHY, North Carolina
LUCY McBATH, Georgia	MARIANNETTE MILLER-MEEKS, Iowa
JAHANA HAYES, Connecticut	BURGESS OWENS, Utah
ANDY LEVIN, Michigan	BOB GOOD, Virginia
ILHAN OMAR, Minnesota	LISA C. McCLAIN, Michigan
HALEY M. STEVENS, Michigan	DIANA HARSHBARGER, Tennessee
TERESA LEGER FERNANDEZ, New Mexico	MARY E. MILLER, Illinois
MONDAIRE JONES, New York	VICTORIA SPARTZ, Indiana
KATHY E. MANNING, North Carolina	SCOTT FITZGERALD, Wisconsin
FRANK J. MRVAN, Indiana	MADISON CAWTHORN, North Carolina
JAMAAL BOWMAN, New York, <i>Vice-Chair</i>	MICHELLE STEEL, California
MARK POCAN, Wisconsin	JULIA LETLOW, Louisiana
JOAQUIN CASTRO, Texas	<i>Vacancy</i>
MIKIE SHERRILL, New Jersey	
JOHN A. YARMUTH, Kentucky	
ADRIANO ESPAILLAT, New York	
KWEISI MFUME, Maryland	

VÉRONIQUE PLUIVOISE, *Staff Director*
CYRUS ARTZ, *Minority Staff Director*

SUBCOMMITTEE ON HIGHER EDUCATION AND WORKFORCE
INVESTMENT

FREDERICA S. WILSON, Florida, *Chairwoman*

MARK TAKANO, California	GREGORY F. MURPHY, North Carolina <i>Ranking Member</i>
PRAMILA JAYAPAL, Washington	GLENN GROTHMAN, Wisconsin
ILHAN OMAR, Minnesota	ELISE M. STEFANIK, New York
TERESA LEGER FERNANDEZ, New Mexico	JIM BANKS, Indiana
MONDAIRE JONES, New York	JAMES COMER, Kentucky
KATHY E. MANNING, North Carolina	RUSS FULCHER, Idaho
JAMAAL BOWMAN, New York	MARIANNETTE MILLER-MEEKS, Iowa
MARK POCAN, Wisconsin	BOB GOOD, Virginia
JOAQUIN CASTRO, Texas	LISA C. McCLAIN, Michigan
MIKIE SHERRILL, New Jersey	DIANA HARSHBARGER, Tennessee
ADRIANO ESPAILLAT, New York	VICTORIA SPARTZ, Indiana
RAÚL M. GRIJALVA, Arizona	JULIA LETLOW, Louisiana
JOE COURTNEY, Connecticut	VIRGINIA FOXX, North Carolina
SUZANNE BONAMICI, Oregon	<i>(ex officio)</i>
ROBERT C. "BOBBY" SCOTT, Virginia <i>(ex officio)</i>	

CONTENTS

	Page
Hearing held on July 29, 2021	1
Statement of Members:	
Scott, Hon. Robert C. “Bobby”, Chairman, Committee on Education and Labor	1
Prepared statement of	5
Murphy, Hon. Gregory F., Ranking Member, Subcommittee on Higher Education and Workforce Investment	7
Prepared statement of	8
Statement of Witnesses:	
Jones, Robert J., Ph.D., Chancellor, University of Illinois Urbana-Champaign	16
Prepared statement of	18
Ortagus, Justin, Ph.D., Associate Professor of Higher Education Administration and Policy, Director of the Institute of Higher Education, University of Florida	9
Prepared statement of	11
Poliakoff, Michael B., Ph.D., President, American Council of Trustees and Alumni	23
Prepared statement of	25
Suriel, Darleny, Student, City College of New York	27
Prepared statement of	30
Additional Submissions:	
Chairman Scott:	
“Higher Education School Finance Inequity and Inadequacy in Virginia,” ERN, July 2021	61
“How to make good colleges want low-income students,” <i>The Hill</i> , July 14, 2021	88
Morelle, Hon. Joseph, a Representative in Congress from the State of New York:	
Prepared statement of the Association on Higher Education and Disability (AHEAD)	90

**KEEPING THE PELL GRANT PROMISE:
INCREASING ENROLLMENT,
SUPPORTING SUCCESS**

Thursday, July 29, 2021

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON EDUCATION AND
WORKFORCE INVESTMENT,
COMMITTEE ON EDUCATION AND LABOR,
Washington, DC.

The Subcommittee met, pursuant to notice, at 10:18 a.m. via Zoom, Hon. Robert C. “Bobby” Scott presiding.

Present: Representatives Scott, Takano, Leger Fernandez, Jones, Manning, Bowman, Pocan, Castro, Sherrill, Espaillat, Courtney, Bonamici, Murphy, Grothman, Stefanik, Banks, Miller-Meeks, Good, McClain, Harshbarger, Spartz and Foxx (*ex officio*).

Also present: Representative Morelle.

Staff present: Katie Berger, Professional Staff; Jessica Bowen, Professional Staff; Christian Haines, General Counsel; Rasheedah Hasan, Chief Clerk; Sheila Havenner, Director of Information Technology; Ariel Jona, Policy Associate; Andre Lindsay, Policy Associate; Mariah Mowbray, Clerk/Special Assistant to the Staff Director; Kayla Pennebecker, Staff Assistant; Véronique Pluviose, Staff Director; Banyon Vassar, Deputy Director of Information Technology; Claire Vial, Professional Staff; Cyrus Artz, Minority Staff Director; Michael Davis, Minority Operations Assistant; Amy Raaf Jones, Minority Director of Education and Human Resources Policy; Hannah Matesic, Minority Director of Operations; Eli Mitchell, Minority Legislative Assistant; Mandy Schaumburg, Minority Chief Counsel and Deputy Director of Education Policy; and Brad Thomas, Minority Senior Education Policy Advisor.

Mr. SCOTT. We’re ready to begin. The recording studio has asked for a countdown before we begin. Five, four, three, two, one. Good morning. The Subcommittee on Higher Education and Workforce Investment will come to order. Welcome everyone. We know that Chair Wilson is unexpectedly unable to participate, so I will be Chairing the Subcommittee this morning.

I note for the Subcommittee that pursuant to Rule 7 of the Rules of the Committee that the gentleman from New York, Mr. Morelle, will participate in today’s hearing with the understanding that his questions will come only after all Members of the Subcommittee on both sides of the aisle who are present, have had an opportunity to question the witnesses.

The Subcommittee is meeting today to hear testimony on “Keeping the Pell Grant Promise: Increasing Enrollment, Supporting Success.” This is an entirely remote hearing. All microphones will be kept muted as a general rule to avoid unnecessary background noise.

Members and witnesses will be responsible for unmuting themselves when they are recognized to speak, or when they wish to seek recognition. I’ll also ask Members to please identify themselves before they speak. Members should keep their cameras on while in the proceeding.

Members will be considered present in the proceeding when they are visible on camera, and they will be considered not present when they are not visible on camera. The only exception to this is if they are experiencing technical difficulties and inform the Committee staff of such difficulty.

If any Member is experiencing a technical difficulty during the hearing, you should stay connected on the platform, make sure you are muted, and use your phone to immediately call the Committee’s IT director whose number was provided in advance.

Should the Chair experience technical difficulty or need to step away to vote on the floor, a majority Member is hereby authorized to assume the gavel in the Chair’s absence. This is an entirely remote hearing and as such the Committee’s hearing room is officially closed.

Members who choose to sit with their individual devices in the Committee room must wear headphones to avoid feedback, echoes and distortion resulting from one or more persons on the platform sitting in the same room. Members are also expected to adhere to social distancing and safe healthcare guidelines, including the use of masks, hand sanitizer and wiping down their areas before and after their presence in the hearing room.

In order to ensure that the Committee’s five-minute rule is adhered to the staff is keeping track of a timer, which will appear in its own thumbnail picture named timer, excuse me 001_timer. There will be no official one-minute warning, but I believe the color of the background may change at one minute to give an indication that time is coming to an end.

The field timer will show a blinking light when time is up. Members and witnesses are asked to wrap up promptly when their time has expired. A roll call is not necessary to establish a quorum, so to get to the witnesses first, that process will be omitted.

Pursuant to Committee Rule 8(c) opening statements are limited to the Chair and the Ranking Member. This allows us to hear from the witnesses sooner and provides all Members with adequate time to ask questions. I will now recognize myself for the purpose of making an opening statement.

Today we’re meeting to examine trends related to Pell eligible students’ access to public four-year institutions. The State and institutional roles in helping students succeed, and how Federal legislation could help. Each person in this country deserves access to an affordable high-quality, higher education, and as we have consistently established, a high-quality post-secondary degree remains the surest pathway to financial security and a rewarding career.

In fact, that access is what President Johnson said when he signed the Higher Education Act in 1965. He said that the law means that a high school senior anywhere in this great land of ours can apply to any college or university in any of the 50 states and not be turned away because the family is poor.

And that's the way it was back then when the Pell Grant was covering about 80 percent of the cost of college education. Now it's covering about 30 percent of the costs of a higher education, and that's one of the reasons we have the problems we have now. But for decades Pell Grants and public institutions have been critical to helping students from low-income backgrounds enroll in college and reach their full potential.

However, growing research reveals that there are still too many public institutions with student bodies that do not reflect the communities they're established to serve. Even institutions that do enroll Pell eligible students may not provide the support the students need to complete their degrees.

According to research from 2018, only a quarter of the institutions with higher-than-average Pell enrollment actually graduated more than half the students. Unfortunately, the campus closures, the inequitable access to remote learning during the pandemic created new barriers to low-income students.

In fact the Brookings Institute found that "Students from households making less than \$75,000.00 per year were almost twice as likely to forego college during the pandemic." During the last year Congress has taken decisive action to help institutions and students weather the pandemic.

We passed three COVID relief packages providing more than 75 billion dollars to help institutions stay afloat, reopen their campuses safely, and address the urgent needs of students. We also addressed Pell Grant award amounts for millions of current recipients, and expanded eligibility for hundreds of thousands of others, including incarcerated students. And while these packages have saved our higher education system from financial collapse, we know that we must address the root causes behind persistent various and post-secondary degrees—namely chronic State disinvestment in higher education.

Since the Great Recession this widespread trend has led some public institutions to rely on revenue from wealthy out-of-State students, while also raising tuition and further pushing costs onto students and families. State disinvestment has also left many institutions unable to provide the services and resources its students need to complete their education.

Today our expert witnesses will help us examine bold, legislative initiatives to lower the costs of college, and support student success. We'll discuss the Pell Grant Preservation and Expansion Act, a bill that Congressman Pocan and I introduced, which will double the maximum Pell Grant award, and tie future increases to inflation.

Over the years the purchasing power of the Pell Grant has dramatically declined, covering the smallest share of college costs in four decades. Passing this long-standing higher education priority, will not only boost Pell Grant awards, but also expand eligibility for these critical resources.

We must also pursue investments in higher education like those included in the American Families Plan. The President’s proposal calls for investing in stronger Pell Grant awards, tuition free community college, reduced costs at underresourced institutions, including HBCUs and other MSIs, and dedicated funding to ensure institutions can help students complete their degrees.

As we will discuss today, these steps are critical to building back a better higher education system for our Nation’s students. If we fail to make these investments, we will further contribute to our higher education system in which only wealthy Americans can afford to go to college.

However, if we act now, we can make significant progress toward ensuring that all students have access to the life changing benefits that come with a quality, college education. I want to thank our witnesses for being with us today, and now recognize the distinguished Ranking Member, the gentleman from North Carolina, Dr. Murphy for the purpose of making an opening statement.

[The statement of Chairman Scott follows:]

STATEMENT OF HON. ROBERT C. “BOBBY” SCOTT, CHAIRMAN,
COMMITTEE ON EDUCATION AND LABOR

Today we are meeting to examine trends related to Pell eligible students’ access to public four-year institutions, the State and institutional roles in helping students succeed, and how Federal legislation could help.

Each person in this country deserves access to an affordable, high-quality higher education. As we have consistently established, a high-quality postsecondary degree remains the surest pathway to financial security and a rewarding career.

In fact, that access is what President Johnson said when he signed the Higher Education Act in 1965. He said that the law means that: “a high school senior anywhere in this great land of ours, can apply to any college or any university, in any of the 50 states, and not be turned away because [their] family is poor.”

That’s the way it was back then when the Pell Grant was covering about 80 percent of the cost of college education and now it’s covering about 30 percent of the costs of higher education, and that’s one of the reasons we have the problems we have now.

For decades, Pell Grants and public institutions have been critical to helping students from low-income backgrounds enroll in college and reach their full potential.

However, growing research reveals that there are still too many public institutions with student bodies that do not reflect the communities they were established to serve.

Even institutions that do enroll Pell-eligible students may not provide the support students need to complete their degrees. According to research from 2018, only a quarter of institutions with higher-than-average Pell enrollment actually graduated more than half of these students.

Unfortunately, the campus closures and inequitable access to remote learning during the pandemic created new barriers for low-income students. In fact, the Brookings Institute found that “students from households making less than \$75,000 per year were almost twice as likely to forego college” during the pandemic.

Over the last year, Congress has taken decisive action to help institutions and students weather the pandemic. We passed three COVID relief packages, providing more than

\$75 billion to help institutions stay afloat, reopen their campuses safely, and address the urgent needs of students.

We also increased Pell Grant award amounts for millions of current recipients and expanded eligibility for hundreds of thousands of students, including incarcerated students.

While these packages may have saved our higher education system from financial collapse, we know that we must address the root causes behind persistent barriers to postsecondary degrees—namely chronic State disinvestment in higher education.

Since the Great Recession, this widespread trend has led some public institutions to rely on revenue from wealthy, out-of-State students while also raising tuition and further pushing costs onto students and families. State disinvestment has also left

many institutions unable to provide the services and resources that students need to complete their education.

Today, our expert witnesses will help us examine bold legislative solutions to lower the cost of college and support student success.

We will discuss the Pell Grant Preservation and Expansion Act, a bill that Congressman Pocan and I introduced, which would double the maximum Pell Grant award and tie future increases to inflation. Over the years, the purchasing power of Pell Grants has dramatically declined, covering the smallest share of college costs in four decades. By passing this long-standing higher education priority, we would not only boost Pell Grant awards but also expand eligibility for these critical resources.

We must also pursue investments in higher education like those included in the American Families Plan. The President's proposal calls for investing in:

- Stronger Pell Grant awards,
- Tuition-free community college,
- Reduced costs at underresourced institutions, including HBCUs and other MSIs, and

Dedicated funding to ensure institutions can help students complete their degrees.

As we will discuss today, these steps are critical to building back a better higher education system for our Nation's students. If we fail to make these investments, we will further contribute to a higher education system in which only wealthy Americans can afford to go to college. However, if we act now, we can make significant progress toward ensuring that all students have access to the lifechanging benefits that come with a quality college degree.

Thank you, again, to our witnesses for being with us. I now recognize the distinguished Ranking Member, the gentleman from North Carolina, Dr. Murphy, for his opening statement.

Mr. MURPHY. Thank you, Mr., Chairman, and thank you to the witnesses that we have today. The Pell Grant program is the cornerstone of Federal student aid. Every year six and a half million Americans pursue secondary education with the help of the Pell Grant.

Created in 1972 the Grant Program enhances the Higher Education Act mission—to increase access to college. Eligible undergraduate students, most of whom come from extremely low-income families, use the voucher-like grant to enroll in a participating program in a college or university of their choice.

Historical numbers demonstrate the program's success in encouraging people to consider post-secondary education. In 1972, 49 percent of high school graduates enrolled in college. Today that number is at 67 percent. Congress created a very generous Federal student aid system.

Even adjusted for inflation, the program—that Pell Grant award, is six and a half thousand dollars has never been higher. One could reasonably assume that the college has never been more affordable for Pell Grant recipients. Sadly, the truth is that colleges and universities, not the students, are the major beneficiaries of the Pell Grant program.

In a 20-year period from 1997 to 2017, the Pell Grant increased 44 percent in real terms, yet the maximum Pell Grant as a percentage of published prices, went from covering 94 percent of tuition and fees in 2004 at four-year colleges, to 61 percent in 2015.

Former Secretary of Education William Bennett believed that the Federal Student Aid Program allows institutions of post-secondary education to raise their prices because the institutions know that widely available Federal loan and grant subsidies will cushion the blow of increased consumer cost.

In fact, I have written extensively on administrative bloat, not only as a Member of Congress, but also as I witnessed the explosion of administrative bloat when I was a Member of the Board of Trustees at Davidson College. This may have just been a hypothesis when he made the claim in 1987, however newly available data now proves that the Bennett hypothesis was correct. A recent analysis by the Federal Reserve Bank of New York examined the link between student aid and college costs.

The report found a pass-through effect of Pell Grant awards and published tuition prices. In other words, every dollar the Federal Government increased the student aid, college raises their prices by an incremental amount. Additional dollars allocated to poor students will eventually wind up captured by these institutions.

Congress wanted to subsidize students but wound-up subsidizing institutions. Schools are taking advantage of the taxpayers' charity. This Committee should be concerned about the unintentional consequences of a well-intentioned student aid policy—republicans and democrats goal to make college more affordable for all families has led to skyrocketing costs.

We cannot afford to perpetuate a system trapped in a vicious Bennett hypothesis cycle. There is no question that the promise of higher education is broken. Eventually, colleges and universities must be held accountable for their actions and justify their outrageous prices.

Congress must recalibrate the Federal Student Aid Program to account for revenue hungry actions of institutions. Institutions' focus on increasing revenue means less time and fewer resources are spent on actual student success initiatives. Millions of Pell Grant recipients have failed to earn a post-secondary credential. The four-year completion rate for all Baccalaureate degree students is a paltry 44 percent.

The costs of failing to complete on time are enormous. Each additional year of school in a public four-year college costs over \$60,000.00 after accounting for school expenses and lost wages. It is not only low-income students suffering from failed higher educational policy.

Even if the students do graduate, there are serious questions about the value of education that they receive. The 2018 job outlook survey conducted by the National Association of Colleges and Employers found that almost 80 percent of students considered themselves proficient at oral and written communications, but employers only thought 40 percent of the students were competent communicators.

Pumping additional dollars into the Pell Grant problem will not solve the serious underlying issues plaguing the higher education sector. Comprehensive reform of the HEA's accountability framework will do more to help students in the long-term, than just pouring money into a failing system.

Republicans know that there are many paths to life-long success. The commanding heights of the American culture pressure too many people into narrow Baccalaureate degree pipelines. The Committee's primary focus should be setting up Pell Grant recipients for posterity, no matter the type of educational pathway they

choose. Access to college matters, but a Baccalaureate isn't the only option for looking to live fulfilling lives.

We must fix a broken system, not by throwing more money at it, but demanding financial accountability by higher educational systems. I look forward to hearing from the witnesses on how to fix our flawed post-educational—post-secondary educational policies. Thank you, Mr. Chairman, I will yield back.

[The prepared statement of Mr. Murphy follows:]

STATEMENT OF HON. GREGORY F. MURPHY, RANKING MEMBER, SUBCOMMITTEE ON
HIGHER EDUCATION AND WORKFORCE INVESTMENT

The Pell Grant program is the cornerstone of Federal student aid. Every year over 6.5 million Americans pursue postsecondary education with the help of the Pell Grant. Created in 1972, the Pell Grant program advances the Higher Education Act's (HEA) mission to increase access to college.

Eligible undergraduate students, most of whom come from extremely low-income families, use the voucher-like grant to enroll in a participating program at a college or university of their choice.

Historical enrollment numbers demonstrate the program's success in encouraging people to consider postsecondary education. In 1972, 49 percent of recent high school graduates enrolled in college. Today, that number stands at almost 67 percent.

Congress created a generous Federal student aid system. Even adjusted for inflation, the maximum Pell Grant award of \$6,495 has never been higher.

One could reasonably assume this means that college has never been more affordable for Pell Grant recipients. Sadly, the truth is that colleges and universities, not the students, are the major beneficiaries of the Pell Grant program.

In a 20-year period from 1997 to 2017, the Pell grant increased 44 percent in real terms. Yet the maximum Pell Grant, as a percentage of published prices, went from covering 94 percent of tuition and fees at public four-year colleges in 2000 to 61 percent in 2015.

Former Secretary of Education William Bennett believed that the Federal student aid program allows institutions of postsecondary education to raise their prices because the institutions know widely available Federal loan and grant subsidies will cushion the blow of increased consumer costs.

That may have just been a hypothesis when he made that claim in 1987, but newly available data now proves the Bennett Hypothesis was correct. A recent analysis by the Federal Reserve Bank of New York examined the link between student aid and college costs. The report found a pass-through effect of Pell Grant award amounts and published tuition prices. In other words, for every dollar the Federal Government increases student aid, colleges raise their prices by an incremental amount.

Additional dollars allocated to poor students will eventually wind up captured by institutions. Congress wanted to subsidize students but wound up subsidizing institutions. Schools are taking advantage of the taxpayers' charity.

This Committee should be concerned about the unintentional consequences of well-intentioned student aid policies. Republicans' and Democrats' goal to make college more affordable for all families has led to skyrocketing college costs.

We cannot afford to perpetuate a system trapped in a vicious Bennett Hypothesis cycle. There is no question that the promise of higher education is broken. Eventually, colleges and universities must be held accountable for their actions and justify their outrageous prices. Congress must recalibrate the Federal student aid system to account for the revenue-hungry actions of institutions.

Institutions' focus on increasing revenue means less time and fewer resources are spent on student success initiatives. Millions of Pell Grant recipients have failed to earn a postsecondary credential. The four-year completion rate for all baccalaureate degree students is a paltry

44 percent. The costs of failing to complete on time are enormous. Each additional year of school in a public four-year college costs over \$60,000 after accounting for school expenses and lost wages.

It is not only low-income students suffering from failed higher education policy. Even if students do graduate, there are serious questions about the value of the education received. A 2018 Job Outlook Survey conducted by the National Association of Colleges and Employers found almost 80 percent of students considered themselves proficient at oral and written communications, but employers thought only 41 percent of their students were competent communicators.

Pumping additional dollars into the Pell Grant program will not solve these serious underlying issues plaguing the higher education sector. Comprehensive reform of the HEA's accountability framework will do more to help students in the long term than just pouring money into a failing system.

Republicans know there are many paths to lifelong success. The commanding heights of American culture pressure too many people into a narrow baccalaureate-degree pipeline. The Committee's primary focus should be on setting up Pell Grant recipients for prosperity no matter the type of educational pathway they choose. Access to college matters, but a baccalaureate degree isn't the only option for those looking to live fulfilling lives.

We must fix a broken system, not by throwing more money at it, but by demanding financial accountability from our higher education systems.

I look forward to hearing from the witnesses on how we can fix our flawed post-secondary education policies.

Mr. SCOTT. Thank you. I will now introduce our witnesses. First Dr. Justin Ortagus is an Associate Professor of Higher Education and administration policy, and Director of the Institute of Higher Education at the University of Florida. He holds a Bachelor of Arts degree in English, and a Master of Education and educational leadership from the University of Florida, and a Ph.D. in higher education from Penn State University. He's a former Pell Grant recipient.

Dr. Robert J. Jones became Chancellor of the University of Illinois at Urbana-Champaign in 2016. Prior to becoming Chancellor he served as President of the University at Albany State, Albany, State University of New York, or SUNY. He earned a bachelor's degree from Fort Valley State College, a master's degree in crops, physiology from the University of Georgia, and a Doctorate in crop physiology from the University of Missouri in Columbia.

Dr. Michael Poliakoff became President of the American Council of Trustees and Alumni, or ACTA in 2016. Prior to becoming President he served as Vice President of Policy at ACTA. He received his Bachelor of Arts from Yale University, and a Ph.D. in classical studies from the University of Michigan.

I will now yield to my friend from New York who's asked to introduce our last witness, the gentleman from New York Mr. Espailat.

Mr. ESPAILLAT. Thank you, Chairman Scott. It has my pleasure to introduce Darleny Suriel, who I am proud to say is an Afro-Latina of Dominican descent. She is a student at City College where I taught as an adjunct professor, Mr. Chairman, right in Harlem, right in Hamilton Heights in the 13th congressional District.

And she is a current Pell Grant recipient. She previously attended SUNY Purchase and Borough of Manhattan Community College where she completed her associate degree in December 2020. She also works as a policy assistant for degrees at NYC at the Goddard Riverside Center. I know very well, when I was a Member of the State Senate, I represented the Columbus Avenue area in the 80's where Goddard Riverside provides those critical services.

And she focuses on equity and success in post-secondary education completion. I look forward to learning a great deal from Ms. Suriel. She will instruct us and educate us all as she is an impor-

tant voice in this debate, and I thank you Mr. Chairman for giving me the opportunity to introduce her. I yield back.

Mr. SCOTT. Thank you. And I want to welcome all of our witnesses. We appreciate them for participating today and look forward to their testimony. We will remind the witnesses that we have your written statements, and they will appear in full in the hearing record.

Pursuant to Committee Rule 8(d), and Committee practice, each of you is asked to limit your oral presentation to a five minute summary of your written statement. But before you begin your testimony, please remember to unmute your microphone. During your testimony staff will be keeping track of time, and a light will blink when time is up.

Please be attentive to the time, and wrap up when your time is over, and then remute your microphone. If any of you experience technical difficulties during your testimony, or later during the hearing, you should stay connected on the platform, make sure you are muted and use your telephone to immediately call the Committee's IT director whose number was provided to you in advance.

We will let all the witnesses make their presentations, and then we'll move to Member questions. When answering questions please remember to unmute your microphone. Witnesses are aware of their responsibility to provide accurate information to the Subcommittee, so we will now proceed directly to their testimony, and we will begin with Dr. Ortagus. Dr. Ortagus you're recognized for five minutes.

STATEMENT OF JUSTIN ORTAGUS, PH.D., ASSOCIATE PROFESSOR OF HIGHER EDUCATION ADMINISTRATION AND POLICY AND DIRECTOR OF THE INSTITUTE OF HIGHER EDUCATION, UNIVERSITY OF FLORIDA

Mr. ORTAGUS. Chairman Scott, Ranking Member Murphy, and Members of the Subcommittee, thank you for the opportunity to testify today. My personal journey from Pell Grant recipient to college professor is a testament to how need-based aid can change the trajectory of student's lives.

The Pell Grant program is designed to increase educational attainment for lower income individuals who may not reap the benefits of a college education otherwise. Unfortunately, the purchasing power of the Pell Grant has diminished over time. The maximum Pell Grant previously covered 79 percent of the average costs of attending a public four-year institution, but today's Pell Grant only covers 29 percent.

The college enrollment rates of individuals with low-income families are significantly lower than their upper-and middle-income peers, particularly among students of color and public flagship universities. Even after controlling for academic ability, college enrollment rates for high school graduates from the lowest earning families are 30 percentage points lower than high school graduates from the highest earning families.

The United States had a problem with low enrollment among low-income students before the COVID-19 pandemic, but that problem has intensified over the past 18 months. The number of

high school graduates who enrolled in college decreased by 6.8 percent in 2020.

But decreases in college enrollment numbers were 2.3 times greater for students from low-income high schools when compared to students from higher income high schools, with the sharpest enrollment declines at public colleges and universities. So why aren't more low-income students obtaining the benefits of college?

Generally speaking there are two types of barriers that prevent low-income students from enrolling in college—informational barriers and financial barriers. Despite the importance of removing informational barriers by simplifying and streamlining the admissions and financial aid processes, low-income student barriers are rooted in their financial distress, and the most effective policy solutions will directly address that reality by increasing need-based financial aid, and thereby reducing unmet financial need.

State disinvestments in higher education are another important consideration in this conversation. Nationally, State appropriations for higher education remain 6 percent below Fiscal Year 2008 levels, and 12 states are at least 20 percent below their pre-recession levels. This general trend has played a part in rising tuition at public four-year institutions, and the affordability crisis facing low-income students.

Numerous studies have shown the positive impact of need based financial aid on low-income students' likelihood of college enrollment, persistence, and degree completion. In one rigorous study, a team of researchers found that providing Pell Grant recipients with access to additional need-based aid, increased their likelihood of going to college, graduating from college, and earning higher wages in the labor market.

That same study shows that increases in need-based aid represent a good investment that pays for itself several times over, given that estimated increases will allow the government to fully recoup its investment within 10 years.

Current and future investments, the conversations and efforts designed to improve college access and student success among low-income students should be informed by rigorous evidence, and data-informed best practices.

One example is the HAIL Scholarship at the University of Michigan, which increased application rates by 42 percentage points, and enrollment rates by 15 percentage points among high-achieving low-income students, and I provide details of that intervention in my written testimony.

Another example is the CUNY ASAP model, reflecting a comprehensive approach to student support. CUNY ASAP participants were nearly twice as likely to graduate after 3 years when compared to their peers not participating in the program.

The evidence I've outlined provides a clear path forward. Given that the purchasing power of the Pell Grant has decreased over time, the Federal Government could substantially increase its investment in the Pell Grant to increase access for low-income students.

In addition, low-income students benefit greatly from affordability or tuition-free guarantees, given their considerable financial hardships. The academic literature offers compelling evidence of

the importance of addressing both informational and financial barriers when seeking to increase access and support success in higher education.

The American Families Plan can offer much needed funding to underresourced institutions serving a disproportionate share of low-income students, and students of color. This type of targeted investment, evidence-based retention and degree completion strategies can extend the Federal policy conversation beyond college access to improving student success. Thank you.

[The prepared statement of Mr. Ortagus follows:]

PREPARED STATEMENT OF JUSTIN ORTAGUS

Justin C. Ortagus, Ph.D.
Associate Professor, Higher Education Administration & Policy
Director, Institute of Higher Education
University of Florida

Testimony before the Higher Education and Workforce Investment Subcommittee
U.S. House Committee on Education and Labor

“Keeping the Pell Grant Promise: Increasing Enrollment, Supporting Success”

July 29, 2021

Chairwoman Wilson, Ranking Member Murphy, and members of the subcommittee, thank you for the opportunity to testify today.

My personal journey from Pell Grant recipient to college professor is a testament to the ways in which need-based aid can change the trajectory of students' lives. As a scholar of higher education, my goal in this testimony is to provide a brief overview of the evidence pertaining to Pell-eligible student enrollment, the impact of need-based financial aid on college access and student success, and the evidence-based ways to improve the opportunities and outcomes of Pell-eligible students.

Low Enrollment of Pell-Eligible Students

The need-based Pell Grant represents the most common federal grant and a meaningful investment from the federal government to increase educational attainment for individuals from lower-income families who may not reap the benefits of a college education otherwise.

Unfortunately, the purchasing power of the Pell Grant has diminished over time and, as a consequence, the proportion of Pell-eligible students enrolled in college remains relatively low. The maximum Pell Grant previously covered 79% of the average costs associated with attending a public four-year institution, but today's Pell Grant only covers 29%.¹

The college enrollment rates of individuals from low-income families are significantly lower than the college enrollment rates of their middle- and upper-income peers. Even after controlling for academic ability, college enrollment rates for high school graduates from the lowest-earning families are 30 percentage points lower when compared to high school graduates from the highest-earning families.²

Although the share of low-income students who would qualify for Pell Grants has increased over the years, the percentage of Pell-eligible students who enroll in college, particularly at public four-year institutions, remains far too low.

Between 2010 and 2018, the number of Pell recipients has decreased from 9.31 million students to 7.11 million students, representing a decrease of about 5 percentage points. During that same time period, the total amount of Pell expenditures decreased from \$35.68 million to \$28.67 million.³ In 2016, the percentage of Pell recipients at public institutions (between 33.5 and 38.2 percent) was substantially lower than the percentage of Pell recipients at for-profit institutions (64.2 percent).⁴

Regardless of Pell eligibility, the benefits of attending and completing college are clear. On average, individuals who obtained a bachelor's degree earn about \$1 million more in their lifetime when compared to high school graduates.⁵ But there are considerable gaps in degree attainment according to socioeconomic status. Children from high-income families are about six times more likely to earn their bachelor's degree when compared to children from low-income families.⁶

Why Aren't More Pell-Eligible Students Obtaining the Benefits of College?

Generally speaking, there are two types of barriers that prevent low-income students from enrolling in college—informational barriers and financial barriers. Previous work has outlined the following key barriers facing low-income college students: academic preparation prior to college enrollment, cost of attendance (and unmet financial need), and a lack of accurate, clear, and simple information pertaining to the admission process and financial aid options.⁷

In an effort to address these barriers, an experimental study found that offering low-income, high-achieving students a no-paperwork application fee waiver and personalized information about colleges' net prices, resources, curricula, students, and academic outcomes had a positive effect on their likelihood to apply and be admitted to more colleges.⁸ A follow-up study using survey data showed that this intervention actually changed low-income students' knowledge and informed their decision-making.⁹

Despite the importance of removing informational barriers by streamlining and simplifying the financial aid process, low-income student barriers are rooted in financial difficulties and the most effective policy solutions will directly address that reality by increasing need-based financial aid and thereby reducing unmet financial need.

The Role of the COVID-19 Pandemic

The United States had a problem with low enrollment among Pell-eligible students before the COVID-19 pandemic, but that problem has intensified over the past 18 months.

The number of high school graduates who enrolled in college decreased by 6.8 percent in 2020. Prior to the pandemic, any changes in year-to-year college enrollment numbers varied little according to high school characteristics. During the pandemic, decreases in college enrollment numbers were 2.3 times greater for students from low-income high schools when compared to students from higher-income high schools, with the sharpest enrollment declines at public colleges and universities.¹⁰

Low-income students navigating the COVID-19 pandemic have been shown to be more likely to drop a course and face challenges due to higher childcare responsibilities, a lack of reliable internet, and a greater probability of being sick or stressed. In addition, low-income students are at greater risk of experiencing financial distress related to basic food needs (46% higher), shelter concerns (62% higher), job loss (15% higher), and the loss of financial aid (12% higher).¹¹

Recent evidence has shown that the number of Free Application for Federal Student Aid (FAFSA) applications during the COVID-19 pandemic has declined by 14% among first-year undergraduate students, particularly in lower-income zip codes and areas with a larger share of Black and Hispanic individuals.¹² Although legislation pertaining to FAFSA simplification is a step in the right direction, additional measures to remove informational and financial barriers will be needed to improve access and foster success among low-income and racially minoritized students.

The Positive Impact of Increases in Need-Based Aid

Numerous studies have reported the positive impact of need-based financial aid on students' likelihood of college enrollment, persistence,¹³ and degree completion.¹⁴ In an experimental study focused on low-income students attending public universities in Wisconsin, a team of researchers found that offering additional need-based financial aid increased low-income students' odds of bachelor's degree attainment.¹⁵

In a systematic review of the causal impact of grant aid on persistence and degree completion, the authors reported that state grants provide larger award amounts than Pell Grants and, as a result, have slightly larger positive effects on students' academic outcomes.¹⁶

Another rigorous study examined the impact of the Pell Grant and increases in need-based aid in Texas. The researchers showed that providing first-time students with access to additional need-based aid increased their likelihood of going to college, attempting more credit hours, graduating from college, and earning higher wages in the labor market. That same study shows that increases in need-based aid represents a good investment that pays for itself several times over given that estimated increases on earnings will allow the government to fully recoup its investment within 10 years.¹⁷

Institutional Efforts to Improve College Access and Student Success

Current and future efforts designed to address these issues should be informed by rigorous evidence and data-informed best practices. Several experimental studies have been released in recent years that should be used to shape our collective thinking regarding how to improve college access and student success among low-income students.

The *Bottom Line* intervention focused specifically on low-income high school juniors and seniors by offering intensive one-on-one college application advising, financial aid support, college choice guidance, transition to college guidance, college orientation support, and continued guidance after initial college enrollment. The intervention had a positive impact on low-income high school students' likelihood of enrolling and persisting in college.¹⁸

The High-Achieving Involved Leader (HAIL) Scholarship at the University of Michigan was designed to improve access to the University of Michigan for high-achieving, low-income high school students. Several researchers partnered with the University of Michigan to offer free tuition to qualifying high-achieving, low-income high school students throughout the state. The key point related to this experimental study is that the same tuition guarantee was available to this subgroup of high-achieving, low-income students prior to the intervention, so the intervention was merely offering a clear, early, and unconditional guarantee of the same amount of grant aid as a way to reduce the complexity and uncertainty of the admissions and financial aid process. What did the authors find? The HAIL Scholarship offer increased application rates (42 percentage points) and enrollment rates (15 percentage points) among high-achieving, low-income students.¹⁹

A disproportionate share of low-income students leave college before earning a degree, but roughly 10% of non-completers were performing well academically and had already made considerable progress toward their degree prior to departure.²⁰ In an experimental study designed to induce re-enrollment among previously successful non-completers, a team of researchers partnered with five high-enrollment, diverse community colleges in the state of Florida to implement a targeted text messaging re-enrollment campaign. The authors found that providing information to simplify the re-enrollment process and offering a one-course tuition waiver increased former low-income students' likelihood of re-enrollment by roughly 17 percent. The former students who were randomly assigned to receive the information and one-course tuition waiver were also more likely to persist to the next semester upon re-enrolling.²¹

The final example of evidence-based best practices is the City University of New York Accelerated Study in Associate Program (CUNY ASAP). The research identifying the positive effects of CUNY ASAP is perhaps the most compelling because it was proven effective across multiple geographic contexts (New York City and Ohio). CUNY ASAP provides a series of "wraparound" supports, including financial assistance with textbooks, "tuition and fee gap" scholarships, a dedicated advisor from initial enrollment to graduation, enhanced career services, class registration support, and more. Results indicate that students randomly assigned to CUNY ASAP were nearly twice as likely to graduate after three years when compared to students not assigned to the program.

Conclusion

The evidence I have outlined in this testimony provides a clear path forward for the federal government and American higher education. Given that the purchasing power of the Pell Grant has decreased over time, the federal government could substantially increase its investment in the Pell Grant program to improve college access for low-income students. In addition, low-income students benefit greatly from affordability guarantees in the form of a tuition-free college education. Importantly, one-quarter of the positive enrollment effect identified in the HAIL Scholarship study at the University of Michigan was driven by low-income students who would not have attended *any* college in the absence of the tuition-free scholarship offer.²² This is a critical policy consideration when considering the merits of legislative proposals for tuition-free guarantees at public institutions.

Previous research highlighted above offers compelling evidence regarding the importance of addressing both informational and financial barriers when seeking to increase access and support success in higher education. The American Families Plan includes a considerable investment in the evidence-based strategies that have been shown to improve retention and completion, particularly among low-income and racially minoritized students. This type of targeted investment can offer much-needed funding to the under-resourced institutions serving a disproportionate share of low-income students and extend the federal policy conversation beyond increasing college access to improving student success.

- ¹ Protopsaltis, S., & Parrott, S. (2017). Pell Grants—a key tool for expanding college access and economic opportunity—need strengthening, not cuts. Center on Budget and Policy Priorities. Retrieved from <https://www.cbpp.org/research/federal-budget/pell-grants-a-key-tool-for-expanding-college-access-and-economic>
- ² Baum, S., Ma, J., & Payea, K. (2013). *Education pays: The benefits of higher education for individuals and society*. The College Board.
- ³ Federal Pell Grant program end-of-year reports. U.S. Department of Education. Retrieved from <https://www2.ed.gov/finaid/prof/resources/data/pell-data>
- ⁴ U.S. Department of Education. (2019). Trends in Pell Grant receipt and the characteristics of Pell Grant recipients: Selected years, 2003–04 to 2015–16. Retrieved from <https://nces.ed.gov/pubsearch/pubinfo.asp?pubid=2019487>
- ⁵ Carnevale, A. P., Rose, S. J., & Cheah, B. The college payoff: Education, occupations, lifetime earnings. *The Georgetown University Center on Education and the Workforce*.
- ⁶ Bailey, M. & Dynarski, S. (2011). Gains and gaps: Changing inequality in U.S. college entry and completion. In G. Duncan and R. Murnane (Eds.), *Whither opportunity? Rising inequality, schools, and children's life chances*. Russell Sage.
- ⁷ Long, B. T., & Riley, E. (2007). Financial aid: A broken bridge to college access? *Harvard Educational Review*, 77(1), 39-63.
- ⁸ Hoxby, C., & Turner, S. (2013). Expanding college opportunities for high-achieving, low income students. *Stanford Institute for Economic Policy Research Discussion Paper*.
- ⁹ Hoxby, C. M., & Turner, S. (2015). What high-achieving low-income students know about college. *American Economic Review*, 105(5), 514-17.
- ¹⁰ Causey, J., Harnack-Eber, A., Ryu, M., & Shapiro, D. (2021). A COVID-19 special analysis update for high school benchmarks. National Student Clearinghouse Research Center.
- ¹¹ Rodríguez-Planas, N. (2020). *Hitting where it hurts most: COVID-19 and low-income urban college students*. IZA Discussion Paper No. 13644.
- ¹² Gurantz, O., & Wielga, C. (2021). How have FAFSA submissions differed during COVID-19? *Educational Researcher*, 50(4), 256-260.
- ¹³ Bettinger, E. (2015). Need-based aid and college persistence: The effects of the Ohio College Opportunity Grant. *Educational Evaluation and Policy Analysis*, 37, 102S-119S.
- ¹⁴ Castleman, B. L., & Long, B. T. (2016). Looking beyond enrollment: The causal effect of need-based grants on college access, persistence, and graduation. *Journal of Labor Economics*, 34(4), 1023-1073.
- ¹⁵ Goldrick-Rab, S., Kelchen, R., Harris, D. N., & Benson, J. (2016). Reducing income inequality in educational attainment: Experimental evidence on the impact of financial aid on college completion. *American Journal of Sociology*, 121(6), 1762-1817.
- ¹⁶ Nguyen, T. D., Kramer, J. W., & Evans, B. J. (2019). The effects of grant aid on student persistence and degree attainment: A systematic review and meta-analysis of the causal evidence. *Review of educational research*, 89(6), 831-874.
- ¹⁷ Denning, J., Marx, B., & Turner, L. (2019). ProPelled: The effects of grants on graduation, earnings, and welfare. *American Economic Journal: Applied Economics*.
- ¹⁸ What Works Clearinghouse, Institute of Education Sciences, U.S. Department of Education. (2021, April). Bottom Line. Retrieved from https://ies.ed.gov/ncee/wwc/Docs/InterventionReports/WWC_IR_Bottom-Line_REPORT_508.pdf
- ¹⁹ Dynarski, S., Libassi, C. J., Michelmore, K., & Owen, S. (2021). Closing the gap: The effect of reducing complexity and uncertainty in college pricing on the choices of low-income students. *American Economic Review*, 111(6), 1721-56.
- ²⁰ Shapiro, D., Ryu, M., Huie, F., Liu, Q. (2019). Some college, no degree: A 2019 snapshot for the nation and 50 states (Signature Report No. 17). National Student Clearinghouse Research Center.
- ²¹ Ortugus, J. C., Tanner, M., & McFarlin, I. (2021). Can re-enrollment campaigns help dropouts return to college? Evidence from Florida community colleges. *Educational Evaluation and Policy Analysis*, 43(1), 154-171.
- ²² Dynarski, S., Libassi, C. J., Michelmore, K., & Owen, S. (2021). Closing the gap: The effect of reducing complexity and uncertainty in college pricing on the choices of low-income students. *American Economic Review*, 111(6), 1721-56.

Mr. SCOTT. Thank you. Dr. Jones?

**STATEMENT OF ROBERT J. JONES, PH.D., CHANCELLOR,
UNIVERSITY OF ILLINOIS URBANA-CHAMPAIGN**

Mr. JONES. Thank you, Chairman Scott and Ranking Member Murphy and Members of the Subcommittee for holding this hearing, and for inviting me to testify on behalf of the University of Illinois Urbana-Champaign. In my written testimony I noted that the Pell Grant augments our own annual investment of more than 145 million of institutional aid, and I shared some best practices and some lessons that we've learned in Illinois, as we've increased our enrollment and graduation rates of Pell eligible students.

These include the Illinois Promise, and the Illinois Commitment, our free attendance and free tuition programs for low-income families, and those below the medium income rate, plus some of our earlier engagement recruitment programs, and our student success efforts that has led to a graduation rate that is nearly 40 percent above the national average.

For my opening remarks my message is very short and very simple. I am here to advocate in the strongest possible way for an increase in Pell Federal funding for expansion of the number of fami-

lies that are able to access these critically important grants, and as a Member of the Association of American Universities, and the Association of Public and Land Grant University, my university is fully supportive of the Double the Pell Campaign.

The Pell program is one of the most strategic, efficient, flexible Federal investments that we can make in our Nation's educational, economic, and social development. This is a professional assessment, but it also is deeply rooted in my own personal experiences.

Yes, I am the Chancellor of an original land grant university, and we are the flagship university in our State. We enroll more than 52,000 students and award more than 13,000 undergraduate, and graduate degrees each year, more than one in five of our freshman are first generation students.

I grew up as the child of a sharecropper in southwestern Georgia during the Jim Crow Era. I was the first in my family to attend college. Scholarships or Pell Grants were not readily accessible for kids like me, so I worked full-time jobs in high school to save enough money to attend Fort Valley State College, where I earned my undergraduate degree, and while finishing a master's degree at University of Georgia.

I received an offer from the University of Missouri to pursue a Ph.D. with the support of the George Washington Carver Fellowship. That fellowship changed everything for me forever. It paid more than \$7,000.00 a year, more money than I had ever earned, and it was also the first time I could be a student without working part-time jobs to support my studies.

So removing that financial obstacle was a life and career changing opportunity. In so many ways I was just lucky. But it is unacceptable today that college attainment, success, and all of the advantages that come with a degree should come down to a matter of luck for anyone in our country.

Financial need is the one common, easily identifiable, fully stoppable obstacle to college access, success, post-college opportunities, for too many. It is a particularly acute crisis for families living on the economic margins in our country. Double the Pell, triple it even. I just ask that you act now. There is an urgency here every day that we delay, Pell's purchasing power is further eroded. Educational access will be the driver of our recovery and our ability to rebuild from this devastating COVID-19 pandemic.

We have a rare window of opportunity right now to expand the program that will immediately change the lives for millions of families in this country. By increasing overall funding, increasing the maximum grant, and broadening access, you give our Nation's universities more resources and more flexibility to tailor programs in ways that are best in line with the needs of our respective states, and the families you represent.

You significantly reduce personal and family financial constraints as an obstacle to college attendance. You dramatically improve the retention and the graduation rates of low-income and under-represented students once they enter college and university, and you significantly reduce the overall debt of those students when they graduate.

I fully understand that when it comes to Federal funding, Congress will always be challenged to balance the many legitimate and

important priorities, but I would argue that the math in this case is simple, and overwhelmingly convincing. One program, more college access, more college graduates, less student debt. So in short by strengthening the Pell Grant you create a more competitive, equitable, productive workforce to meet the needs of our 21st Century society.

So thank you for the opportunity to testify, and I look forward to responding to any questions you might have.

[The prepared statement of Mr. Jones follows:]

PREPARED STATEMENT OF ROBERT J. JONES

Written Testimony of Robert J. Jones, Chancellor, University of Illinois Urbana-Champaign
 Before the U.S. House Committee on Education and Labor Subcommittee on Higher Education and Workforce Investment
 Hearing on "Keeping the Pell Grant Promise: Increasing Enrollment, Supporting Success"
 July 29, 2021

Introduction:

Thank you, Chairwoman Wilson, Ranking Member Murphy and members of the subcommittee for holding this hearing and for inviting me to testify in my role as Chancellor of the University of Illinois Urbana-Champaign. I am deeply appreciative of the opportunity to speak in support of the federal Pell Grant program. I am excited to be able to share some of the best practices and some of the lessons we have learned at Illinois in recent years as we've increased our enrollment and graduation rates of Pell-eligible students. And I will be perfectly direct and transparent in my message right from the start.

I am here to advocate in the strongest possible way for increased federal Pell funding and for an expansion of the number of families able to access these critically important grants. I firmly believe that the Pell program is one of the most strategic, most efficient and most flexible federal investments that we can make in our nation's educational, economic and social development. And my institution, as a member of the Association of American Universities (AAU) and of the Association of Public and Land-grant Universities (APLU), is fully supportive of the "Double the Pell" campaign. We are part of a nationwide coalition of higher education institutions who have come together on this most important issue.

Now that I've spoiled my ending, I'd like to step back and offer some more substantive background that I hope will help you better understand how I come to have this view and provide helpful context as you consider legislation to strengthen the Pell Grant Program.

My Background:

I currently serve as the 10th chancellor of the University of Illinois Urbana-Champaign. My university was founded in 1867, one of the original land-grant universities established after President Abraham Lincoln signed the Morrill Act in 1862. We are the state of Illinois flagship public research university, located about 120 miles south of Chicago. We rank among the top 15 public universities in the nation and we are proud to claim 25 Nobel Prize winners among our faculty and alumni. Our faculty and graduates have been the inventors and originators of everything from sweet corn to supercomputers, from the visible LED to Tesla, from the modern web browser to Pay Pal, and other examples too numerous to mention. Annually, we award more than 13,000 bachelor's, master's, doctoral and professional degrees. Our enrollment last year – even in the midst of COVID-19 – was over 52,000 undergraduate and graduate students. Our freshman class averages around 7,500 students each fall, with about 73 percent of those students being recruited from within our own state. And we are very, very proud that more than one in five of our freshmen class each year are first-generation college attendees. We take pride in providing education opportunities, research discoveries and innovations on a global scale and with world-class excellence.

Prior to Illinois, I was a faculty member and senior vice president at the University of Minnesota and then served as president of the University at Albany in the state of New York, a member of the SUNY system. My career as a university administrator and leader has been focused on expanding access to a high-quality college education while ensuring that those experiences are affordable to all who wish to pursue them. And it was my own personal educational path that brought me to this focus.

I grew up on a farm in southwestern Georgia during the Jim Crow era. My parents were sharecroppers and along with my siblings, I worked the fields with our parents growing up. I was the first in my family to attend college. I made that choice largely because of my own desire to have a life better than what my parents were experiencing. I was fortunate enough to have a mentor, my ninth grade vocational agriculture instructor, who started to call me "Professor." My parents certainly could not afford to send me to college, and scholarships or Pell Grants were not very accessible for kids like me. So I worked a full-time job during my junior and senior years in high school in order to save enough money to enroll in Fort Valley State College, where I earned my undergraduate degree. I went on to pursue my master's from the University of Georgia. At Georgia, I received an offer from the University of Missouri to pursue a Ph.D. with the support of its George Washington Carver Fellowship.

That fellowship changed everything for me, forever. It was a full ride. And it paid me \$7,500 a year. That was more money than I had ever earned in my life. And it was also the first time in my life that I was able to be a full-time college student without working a full-time job to support my studies. Removing that financial obstacle was life- and career-changing. It led to a faculty position at Minnesota and 34 years there, and to a career in higher education administration that I never would have imagined existed when I was working peanut and cotton fields in Georgia.

A fellowship that came to me unexpectedly, seemingly out of the blue, altered the trajectory of my expectations and my educational possibilities. In so many ways, I just got lucky.

It is wholly unacceptable to me that college attainment, college success and all of the lifelong advantages in our society associated with a degree should come down to a matter of luck for anyone. Access to a university shouldn't be limited by what your parents earn or by the good fortune of where you happen to live. It is a human right. And it is a fundamental building block for our national economic and social development.

I realize that there are many components that factor into college access and college readiness. And we all know that there are plenty of differing plans, ideas and debates on how best to prepare students to attend and to succeed in college.

But we know that for too many people in this country, financial need is the one common, the one easily identifiable and the one fully solvable obstacle to college access, success and post-college opportunity. It is a particularly acute crisis for families of color and families living on the economic margins. It is a crisis within our power to address, right here and right now. And it is one where action to increase the investment of federal funds in the Pell Grant program will vastly amplify the ability of individual states and their respective universities to efficiently, quickly and measurably put a college education within the reach of far more of our families.

The Power of Pell Grants to Enhance Recruitment, Retention and Success for Illinois Students:

We know that too many well-qualified students in my own state of Illinois don't even consider applying to our university because they believe they simply cannot afford it. Each year we aggressively recruit talented students, many from historically underrepresented backgrounds, who earn admission to our university. Yet many choose to not enroll at any college or university. When we ask these students why they didn't enroll, the survey responses are consistently because the combination of federal, state and university aid wasn't enough to close their financial gap. At Illinois, closing the gap between what families can afford and the cost of attendance is a priority.

Pell Grants are an essential component in making an Illinois education more affordable and more accessible for a growing percentage of our student body. Pell-eligible students now represent 25

percent of all undergraduates at our university. That is an increase of about 29 percent from 10 years ago and a 76 percent increase from 15 years ago. That upward trend is one that we are pursuing with deliberate intent. We were recently recognized by the American Talent Initiative (ATI) for our increase of more than 1,400 Pell-eligible students since 2016. So, for about 8,500 young women and men each year at Illinois, Pell Grants are quite possibly the difference between going to college or not. It is also important to note that Pell Grants – and innovative new recruitment and support programs enabled by the flexibility the Pell program offers – are especially important in improving the outcomes and trajectories of underrepresented populations. At Illinois, students from these populations account for about 60 percent of Pell Grants awarded here.

Institutional Aid for Students:

While Pell Grants are a critical foundation in our efforts, we fully recognize our own responsibility to leverage and augment these federal investments with our own dollars.

We have strategically, methodically and significantly increased the investment of our own institutional funds to need-based financial aid programs that serve Pell-eligible students. On top of Pell Grant funds our students will receive this year, we will commit more than \$145 million in institutional aid from our own funds.

We have created two different scholarship aid programs that are proving to be transformative in allowing more low-income state residents to enroll here. Our **Illinois Promise** program provides Illinois residents with a family income at or below the federal poverty level with support to cover the entire estimated cost of tuition and fees, room and board, and books and supplies. Two years ago, we added our **Illinois Commitment Scholarship**, which guarantees four years of free tuition and fees for Illinois families with annual income of \$67,100 or less. Nearly 30 percent of our new freshman classes are attending through one of these two programs. Both are built on top of Pell funding.

Student Recruitment and Early Engagement at Illinois:

Illinois Promise and Illinois Commitment have been extremely important in our ability to recruit high-need students from traditionally underrepresented populations to attend Illinois. The financial impact these scholarships offer to families – in combination with an active and robust recruiting agenda that focuses admissions efforts in the Chicago Public Schools, the St. Louis metropolitan area and also in geographically underserved regions in the southern part of the state – have led us to record levels of overall diversity in our incoming classes the past two years. We also recognize the importance of engaging with prospective students from underrepresented populations long before they consider applying to college. Early outreach can play a critical role in helping students and families understand the preparatory path they need to follow to be ready for college and creates a relationship that helps them understand the choices and opportunities open to them. We understand that for many families, particularly those in higher-need areas, everything leading up to the college experience can be a new and unfamiliar journey – a journey we can make easier and more understandable.

One great success story is our **Principal's Scholars Program** that begins engaging students in STEM fields as early as sixth grade. This program now operates in 66 elementary, middle and high schools in the state of Illinois. And I should note that this program isn't just about preparing students for admission to our university, it is about helping these students prepare for a college experience at any institution they choose.

Academic Support at Illinois:

While the foundations of Pell funding are important in our ability to increase access, they also underpin efforts to boost student achievement and success for enrolled students, putting them on a stable, sustainable footing when they graduate and begin their careers.

This federally established base allows us the fiscal freedom to create academic support programs and mechanisms tailored to help students with the greatest needs to thrive here and to earn degrees. At Illinois, our scale and our breadth of academic offerings create some challenges for us in how we build support programs that can be deployed enterprise-wide but that also meet the very diverse needs of students specific to their college, department or discipline. What we attempt to create is a core university framework and infrastructure for student support that is augmented by disciplinary or departmental networks designed for those pursuing these degrees.

In practice, that means we establish more tailored student advising programs embedded closely to the student's "academic life." Finding ways to put advisors within a figuratively "easy reach" leads to earlier identification of possible academic issues and also makes it easier for these students to build and sustain personal support networks throughout their time with us.

Creating strong, centrally funded, administered and operated student services, counseling and wellness programs and cultural programs is another approach that we employ to help ensure that the student experience at Illinois is consistent and rewarding. We work to build an infrastructure that supports cultural, social and emotional development and exploration, and helps students find their place in what might otherwise seem to be a very large and overwhelming institution.

We have also developed new programs that are very specifically geared to assist the students who come to us with the highest risk of leaving early. These are far more intensive and targeted to assist a smaller number of students. One example is the **Illinois Scholars Summer Bridge Program**, which brings a cohort of our first-generation, highest financial-need students to campus for a six-week residential orientation and preparation program. This gives them a critical head start on the transition into college at Illinois. Our legislature has recognized this pilot program as a model for all of our state, and we are expanding it.

For our **Illinois Promise** scholarship recipients – our students from families below the federal poverty line – we also created a dedicated advising, mentoring and support team that will be with these students for all four years of their Illinois journey.

And some of the most important steps we take involve looking more critically at our overall business and academic operations as a university to determine how we can make changes that create more consistent student experiences and remove some unintended obstacles to their progress.

Ultimately, if there is a common theme in our approach, it is that we use data-driven, evidence-based strategies that provide support to our students in every aspect of their college journey from the day they accept our offer – or even years before the apply – to the day they walk across the stage with their diploma.

Student Success at Illinois:

We have many examples of programs and activities that vary in their nature, size and target audience, but they all have several commonalities: They are student aid that is focused on success and achievement; they can be differentially deployed to assist specifically identified student needs; and they are resource intensive. And once again, the Pell program allows us to allocate those necessary resources in ways that are most efficient and most directly elevate student achievement at scale.

We are very proud that our student success initiatives at Illinois yield an 86 percent six-year graduation rate for our students – about 26 percentage points above the national average. Historically, across the nation, Pell-eligible students have succeeded at significantly lower rates than their non-Pell peers. At Illinois, we are working to close that gap and we have reason for optimism. Our six-year graduation rate for Pell-eligible students is 80 percent – just slightly lower than our overall graduation rate and 39 percentage points above the national average of 41 percent for Pell-eligible students.

And finally, Pell Grants and the additional aid and services they catalyze play an enormous role in reducing or eliminating the total debt our students carry when they graduate. At Illinois, 55 percent of our students leave this university with zero personal student debt. Of those who do have loans, the average debt is \$24,343 – about 16 percent below the national average. As a point of reference, our May 2020 graduates who took jobs within six months of graduation reported a \$65,000 average starting salary.

The recruitment and success initiatives that we have found to be effective for our students and for our state may not be appropriate for another institution. What works for us may be different than what would benefit students at a smaller liberal arts college on the East Coast or a Historically Black College or University. There is no one-size-fits-all when it comes to educational opportunity and achievement. And that is why the Pell Grant program is so very important to our higher education system. It provides enormous support in a way that also delivers enormous flexibility to universities in how we meet the needs of our students.

Conclusion:

I will end my testimony exactly as I started it – by respectfully but loudly advocating for increased federal funding and expanded access to the Pell Grant program. Double the Pell. Triple it even. I just ask you to act now. There is an urgency here. We are just beginning a national rebuilding and recovery from the devastating impacts of the worst global health crisis in 100 years, and educational access will be the driver of that effort.

Right now, we have a rare window of opportunity to increase and expand a program that will immediately change the lives of millions of families in this country – particularly those students who have the chance to be the first in their family to go to college.

I believe that if you want the fastest and most efficient way to increase college attainment, access and success, you already have a long-established and well-proven mechanism in place with the Pell Grant.

By increasing overall funding, increasing the maximum grants and broadening access, you give our nation's universities more resources and flexibility to tailor programs in ways that are best aligned with the needs of your respective states and those families who you represent. You are letting your universities fund more students and also to create more flexible and adaptive programs to assist those who have the greatest need.

You significantly reduce personal and family financial constraints as an obstacle to college attendance.

You dramatically improve the retention and graduation rates of lower-income and underrepresented students once they enter college.

And you significantly reduce the overall debt of those students when they graduate from our institutions.

5

I fully understand that when it comes to federal funding, members of Congress will always be challenged to balance too many legitimate and important priorities with the realities of budgets and dollars.

But I would argue that the math in this case is as simple as it is overwhelmingly convincing.

One program. More college access. More college graduates. Less student debt.

In short, by strengthening the Pell Grant, you are creating the more competitive, more equitable and more productive workforce that we must have if we are to meet the needs of our 21st century society.

Thank you for the opportunity to testify, and I look forward to your questions.

6

Mr. SCOTT. Thank you. Dr. Poliakoff.

**STATEMENT OF MICHAEL B. POLIAKOFF, Ph.D., PRESIDENT,
AMERICAN COUNCIL OF TRUSTEES AND ALUMNI**

Mr. POLIAKOFF. I thank Representative Scott, Ranking Member Murphy, and the Members of this Subcommittee for the opportunity to address the critical issue of Pell Grants and student success. For over 25 years the American Council of Trustees and Alumni, ACTA for short, has worked to ensure that America's students receive an intellectually rich high-quality college education, at an affordable price.

The Pell Grant has been the cornerstone of America's investment in college financial aid for nearly 50 years. It has been an engine of access to higher education. But for Pell Grants fully to realize their promise they need greater accountability. The leading education journal *Inside Higher Ed* States, the value of the Pell Grant hasn't kept up with the cost of college, and we must ask why not.

The price of college is simply just too high. The average student that borrows to fund a college education graduates with over \$39,000.00 of debt. Simply increasing Federal funding will not solve this issue. During the Great Recession, the Federal Government helped Americans return to college. The government increased the borrowing limit for undergraduates, while the Recovery Act increased the maximum Pell Grant and expanded eligibility. From 2007 to 2010, Pell Grant expenditures rose from nearly 16 billion to 37 billion, and student loans grew from almost 75 billion to over 110 billion.

Despite increased Federal aid, growth and tuition costs outpaced both aid and discounting, forcing families to pay more and increasing the amount of student loan debt. Some states saw tuition fees at four-year public institutions, rise by an average of \$2,800.00.

After adjusting for inflation, tuition at four-year public institutions rose 19 percent during the recession. ACTA surveyed over 1,500 public and private non-profit institutions and found that despite the decrease in certain sources of revenue following the recession, colleges and universities made no comparable cuts in spending.

Schools had a choice, cut spending or charge students more, and the majority chose the latter. We must recognize that the student debt crisis is fundamentally a spending crisis. Furthermore, a greater portion of this spending is going to non-instructional sources such as student services, administration, and construction.

On this last point colleges and universities have been profligate. Our research at top ranked public universities found that the overwhelming majority failed to meet their state's minimum expectations for hours of classroom use, but they built new spaces. In 2015 alone, colleges and universities spent 11.5 billion on the construction and maintenance of 21 million square feet of new space.

We must face the music. In total the United States spends an average of about \$30,000.00 per student per year on higher education, a figure nearly twice the average of other developed nations. Spending has not brought us the outcomes that we should expect.

Worse than the spike in tuition that followed the increases in loan limits and Pell Grants is the fact that the completion rates for students who enrolled in college in 2008, 9 and 10, fell. This brings

us to the second crucial issue for any Pell Grant legislation—the lack of oversight at the institutional level.

Are schools doing enough to ensure that Pell students receive the academic support they need to graduate? When the data finally became available in 2017, an analysis by Third Way, referenced by Representative Scott, revealed that Pell students graduate at a rate 18 percentage points lower than their non-Pell peers.

214 institutions have Pell graduation rates lower than 25 percent. A Pell Grant should not be allowed so often to be a ticket to nowhere. Finally, too often policy proposals push students toward four-year degrees, a position which reveals a lack of respect for the value of community colleges and career education.

Please look carefully at any proposal that fails to examine how colleges are spending Federal funds. We recommend scrutiny of the completion rates at institutions that receive Pell Grant students, and echo a suggestion made by Third Way skin in the game.

Institutions with poor Pell Grant completion rates should be held accountable. And we ask Congress to incentivize creative initiatives to lower cost as Representative Murphy suggested. For example, aforementioned consortia for instructional delivery, year-round use of campus, baccalaureate degrees in 90, rather than 120 credit hours.

Increasing the size of the Pell Grant may well be appropriate, but only if accompanied by rigorous new accountability measures and metrics. Thank you for the opportunity to be with you today.

[The prepared statement of Mr. Poliakoff follows:]

PREPARED STATEMENT OF MICHAEL B. POLIAKOFF

Higher Education and Workforce Investment Subcommittee
“Keeping the Pell Grant Promise: Increasing Enrollment, Supporting Success.”

Testimony of Michael B. Poliakoff

July 29th, 2021

I thank Chairwoman Wilson, Ranking Member Murphy, and the members of the subcommittee for the opportunity to address the critical issue of Pell Grants and student success in higher education. For over 25 years, the American Council of Trustees and Alumni (ACTA) has worked to ensure that America’s students receive an intellectually rich, high-quality college education at an affordable price.

The Pell Grant has been the cornerstone of America’s investment in college financial aid for nearly 50 years. The latest available data indicate that over the past decade the program has awarded nearly \$330 billion to students from low- and middle-income backgrounds. Approximately one in three undergraduates currently receive Pell Grants. It has unquestionably been an engine of access to higher education.¹

But in order for Pell Grants fully to realize their promise, additional layers of accountability must be applied. Recent coverage in the leading education journal *Inside Higher Ed* identifies the issue: “The value of the Pell Grant hasn’t kept up with the cost of college.” That observation invites the question, “why not?”²

The matter of price and affordability bears rigorous consideration. There is a broad consensus that the price of education is simply too high. Tuition at four-year public institutions has nearly tripled since 1990. Today, the average student who borrows to fund his or her education graduates with over \$39,000 of debt.³

There is little evidence to suggest that simply increasing the amount of federal funds available to students will solve this issue. For example, during the Great Recession, the federal government encouraged Americans to return to college and further their education. To provide much-needed assistance during the greatest economic downturn in a century, the government increased the borrowing limit for undergraduates in 2007 and 2008, while the 2009 Recovery Act increased the maximum amount that could be awarded under the Pell Grant and expanded eligibility for the program. From 2007 to 2010, access to these funds skyrocketed, with Pell Grant expenditures rising from nearly \$16 billion to \$37 billion and student loans growing from almost \$75 billion to over \$110 billion. And what were the results?⁴

Undergraduate enrollment surged, with nearly 2.5 million additional undergraduates attending a two- or four-year institution in 2010 than in 2007, which also generated a significant increase in tuition revenue.⁵

Despite increased access to federal aid, growth in tuition outpaced both aid and discounting, forcing families to pay more to send their children to college and increasing the amount of

student loan debt held by the average borrower. From 2007 to 2012, states that were hit hardest by the Recession saw tuition and fees at four-year public institutions rise by an average of \$2,800, while states least affected still experienced a \$1,200 average increase. More broadly, after adjusting for inflation, tuition at four-year public institutions rose 19% during the Recession.⁶

These increases in tuition are often framed as necessary due to declines in state appropriations during economic recessions. However, ACTA surveyed over 1,500 public and private nonprofit institutions from 2010 to 2018 and found that despite the dramatic decrease in certain sources of revenue in the years immediately following the Recession, colleges and universities made no comparable cuts in spending. Schools were given a choice: radically cut spending to make up for the loss of funds or increase revenue by charging students more. The majority chose the latter, with disastrous effects for students. Any attempt to tackle the issue of college affordability must first recognize that the student debt crisis is fundamentally a spending crisis.⁷

Furthermore, a greater portion of this spending is going for non-instructional purposes such as student services, administration, and construction. On this last point, colleges and universities have been profligate. Our 2014 research on top-ranked public universities found that the overwhelming majority failed to meet their states' minimum expectations for hours of classroom use. At many, Friday afternoons are simply a dead zone: one institution conceded, "the University constructs additional facilities—because of lack of use outside of certain "prime time" class periods or times of the day." Some are—now more than ever—committing vast resources toward amassing real estate. In 2015 alone, colleges and universities in the U.S. spent \$11.5 billion on the construction and maintenance of 21 million square feet of new space.⁸

We must face the music: In total, the United States spends an average of about \$30,000 per student per year on higher education, a figure which trails only Luxembourg internationally and is nearly twice the average of other developed nations. Spending has not brought us the outcomes that we should expect.⁹

Something even worse than the spike in tuition followed the increases in loan limits and Pell Grants in 2007, 2008, and 2009. The completion rates for students who enrolled in college in 2008, 2009, and 2010 fell. This brings us to the second crucial issue for consideration in any Pell Grant legislation.¹⁰

The lack of oversight over this program at the institutional level has been shocking. How do colleges spend funds acquired through these grants? Are schools doing enough to ensure that Pell-eligible students receive the support they need to graduate? These questions went unanswered for decades, as the Department of Education failed to provide publicly available data related to institutional outcomes for this student population before late 2017. When these data finally became available, a 2018 analysis by Third Way revealed that Pell students graduate at a rate 18 percentage points lower than their non-Pell peers; 80% of institutions graduate Pell students at a lower rate than their non-Pell peers; and only 25% of four-year institutions graduate more than 50% of their Pell students after six years. According to Third Way, 214 institutions have Pell graduation rates lower than 25%. In contrast, some institutions are stewarding the Pell Grant program very well: At 242 schools, Pell Grant students have higher graduation rates than their non-Pell peers. A Pell Grant should not be allowed so often to be a ticket to nowhere.¹¹

Finally, painting higher education with a broad brush does harm to the diversity of the system. Too often, policy proposals are framed in such a way as to push as many students as possible toward a four-year degree; a position which reveals a lack of respect for the value provided by community colleges, which are often far better suited to help students who are underprepared for higher education gain the skills they need for success. With over 40% of recent college graduates employed in a position that does not even require a degree, one would be hard-pressed to justify funneling more students into programs which they may not need in order to find career success and which may saddle them with life-altering debt. We should heed the title of the book by Kenneth Gray and Edwin Herr: *Other Ways to Win: Creating Alternatives for High School Graduates*.¹²

We counsel the subcommittee to look carefully at any proposed policy solution which fails to examine adequately how colleges are spending federal funds. We particularly recommend scrutiny of the completion rates at institutions that receive Pell Grant students and echo a suggestion made by Third Way: skin in the game. Institutions with poor Pell Grant completion rates should be held accountable and required to pay back to the Pell program a percentage of the funds received.

Increasing the size of the Pell Grant may well be appropriate, but only if accompanied by rigorous, new accountability measures and metrics.

¹ Jennifer Ma, Matea Pender, and CJ Libassi, *Trends in College Pricing and Student Aid 2020*, Trends in Higher Education Series (New York: College Board, 2020), Fig. SA-15B, 43, <https://research.collegeboard.org/pdf/trends-college-pricing-student-aid-2020.pdf>; and U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS), Student Financial Aid component final data (2008–09 to 2017–18) and provisional data (2018–19).

² Alexis Gravely, “Doubling Pell Has Broad Support, but Is It Attainable?,” *Inside Higher Ed*, June 25, 2021, <https://www.insidehighered.com/news/2021/06/25/doubling-maximum-pell-grant-necessary-experts-say-it-attainable>.

³ Ma, Pender, and Libassi, *Trends in College Pricing and Student Aid 2020*, 12; and First Republic Bank, “U.S. Student Loan Debt Statistics,” March 25, 2021, <https://www.firstrepublic.com/personal-line-of-credit/student-loan-debt-averages-2021>.

⁴ Jill Barshay, “How the last recession affected higher education. Will history repeat?,” *The Hechinger Report*, April 6, 2020, <https://hechingerreport.org/how-the-2008-great-recession-affected-higher-education-will-history-repeat/>.

⁵ Barshay, “How the last recession affected higher education. Will history repeat?”

⁶ College Board, *Trends in Student Aid 2012*, Trends in Higher Education Series (New York: College Board, 2012) in *How the Financial Crisis and Great Recession Affected Higher Education*, eds. Jeffrey R. Brown and Caroline M. Hoxby (Chicago: University of Chicago Press, 2014), 209–233, <https://www.nber.org/system/files/chapters/c12862/c12862.pdf>; Nate Johnson, “College Costs, Prices and The Great Recession,” Lumina Issue Papers (Indianapolis: Lumina Foundation, 2014), <https://www.luminafoundation.org/files/resources/college-costs-prices-and-the-great-recession.pdf>; and Barshay, “How the last recession affected higher education. Will history repeat?”

⁷ Armand Alabab, Kyle Beltramini, and Anna Sillers, *The Cost of Excess: Why Colleges and Universities Must Control Runaway Spending* (Washington, DC: American Council of Trustees and Alumni), forthcoming August 2021.

⁸ Michael Poliakoff, Armand Alabab, Jonathan Pidluzny, and Ian Cook, *Southern Exposure: A look at Mississippi’s Public Colleges and Universities*, (Washington, DC: ACTA, February 2020); and Michael Poliakoff and Armand Alabab, “Middle America Pays the Price for War on Poverty Policies—Including in College,” in *The Not-So-Great Society*, eds. Lindsey M. Burke and Jonathan Butcher (Washington, DC: The Heritage Foundation, 2019), 141–149.

⁹ Poliakoff and Alabab, “Middle America Pays the Price”

¹⁰ Barshay, “How the last recession affected higher education. Will history repeat?”

¹¹ Wesley Whistle and Tamara Hiler, “The Pell Divide: How Four-Year Institutions are Failing to Graduate Low- and Moderate-Income Students,” Third Way, May 1, 2018, <https://www.thirdway.org/report/the-pell-divide-how-four-year-institutions-are-failing-to-graduate-low-and-moderate-income-students>.

¹² U.S. Census Bureau and U.S. Bureau of Labor Statistics, Current Population Survey (IPUMS); U.S. Department of Labor, O*NET; and Kenneth C. Gray and Edwin L. Herr, *Other Ways to Win: Creating Alternatives for High School Graduates*, (Thousand Oaks, CA: Corwin Press, 2006).

Mr. SCOTT. Thank you. And last but not least, Ms. Suriel.

DARLENY SURIEL, STUDENT, CITY COLLEGE OF NEW YORK

Ms. SURIEL. Good morning, Chair Scott, Ranking Member Murphy, and Members of the U.S. Higher Education and Workforce Investment Subcommittee. My name is Darleny Suriel. I’m a first-generation Afro-Dominican immigrant from the Bronx, and a senior at the City College of New York.

I also work at DegreesNYC, a collective impact movement, working toward education equity in New York City. I’m here to speak to you today about my college experience, and how the Pell Grant has contributed positively to my role to success.

I have had an unconventional post-secondary journey through three public academic institutions—SUNY Purchase College, CUNY’s Borough of Manhattan Community College, and CUNY

City College where I am currently pursuing my bachelor's degree. My academic journey has included many personal, financial, and systemic challenges.

My experience is similar to a third of college students nationwide who have transferred during their college career. The Pell Grant has supported students like me as we navigate through these institutions. Thanks to the Pell Grant, I have had access to high-quality education without worrying about accumulating significant debt.

When I began my college career at SUNY Purchase, I was fortunate enough to be eligible for the SUNY Educational Opportunity Program, EOP, which offers students' academic and financial support. However, even with help from EOP and the Pell Grant, I did not have enough to fully cover my room and board.

I still had to take out a loan of over \$5,000.00 while struggling to afford costs above tuition. At the time my family could only afford to give me \$40.00 for my fall semester, so I had no choice but to get a part-time job in addition to my work study job.

Starting college as a first-generation freshman was a challenging and intimidating transition for me. I am thankful for Pell because it's the reason I can afford to go to college, however, I do believe increasing Pell would alleviate some of the financial burdens students like me face.

After my first year at Purchase, I transferred to Borough of Manhattan Community College in New York City. While attending BMCC as a commuter, I am no longer qualified for an opportunity program, which meant that my schoolbooks would not be covered by CUNY.

As a BMCC student, I also encountered costs above tuition that were significantly higher than at Purchase. I had to buy weekly Metro cards that would cost me over \$500.00 a semester. I remember feeling frustrated because in high school I was eligible for free school Metro cards due to my socioeconomic status, but that changed once I entered college, even though my financial circumstances did not.

There were days where I had to miss class because I could not afford a Metro card. In addition to being a full-time student, I had to take on a part-time job at Best Buy to afford these non-tuition expenses. I worked almost 30 hours weekly. Half of my paycheck went to these expenses, while the other half went to my household.

College students need to focus on their education without having to stress out about working long and strenuous shifts, to be able to afford transportation, food, or the academic resources they need to excel academically. The pandemic has shined a light on the food insecurity, housing insecurity, digital insecurity, and unemployment that college students are experiencing at alarming rates.

Almost half of the college student population in this country deals with food insecurity. These financial obstacles can negatively impact the student's academic performance, and ability to graduate on time. When I transferred to City College, I was alleviated from many of the costs associated with being a commuter student due to remote learning.

My school cafeteria was not my refrigerator, and my school transportation was a Zoom link. If the spring 2021 semester would not have been remote, my Pell Grant would not have been enough

to cover these costs. My 2021 spring semester Pell amount was barely enough to cover my tuition. I still had to pay \$300.00 out of pocket.

If I had gone to school in person, my expenses above tuition would have exceeded \$1,000.00. I'm a full-time student, a part-time worker, and a caretaker for my two siblings with disabilities. My mother and I are the only financial providers of our household. I do not have the privilege of being able to solely focus on my academics due to these financial responsibilities.

As I prepare to go back to in-person learning next month, I worry that my Pell Grant would not be enough to cover my tuition, let alone my above tuition expenses. I also worry that I will run out of Pell before attaining my bachelor's degree due to my non-traditional college journey.

Expanding Pell would allow college students the opportunity to trust their academic journey, instead of treating college as a race that they must complete in four-years, or risk losing their financial aid. The Pell Grant must be doubled so that it can reflect the current needs of college students.

About 30 percent of college students graduate at the traditional four-year rate compared to almost 60 percent at a 6-year rate. Expanding the Pell Grant acknowledges this reality and can support students as they pursue a post-secondary degree.

Education is supposed to be the great equalizer in this country, but how can that be so if every student does not have an equal chance of affording a college education? The cost of college is more than tuition. Therefore, the amount of Pell college students receive should cover more than just tuition. Passing the Pell Grant Preservation and Expansion Act can increase enrollment and degree completion amongst college students.

These students are potential CEOs, doctors, lawyers, congressional leaders, and even Presidents, who just need their national leaders to believe in them enough to invest in them. We are the future of this country's economy and workforce. Doubling the Pell Grant would not only be an investment in the education of young college students, it would also be an investment in the future of this country. Thank you for your time.

[The prepared statement of Ms. Suriel follows:]

PREPARED STATEMENT OF DARLENY SURIEL



**Darleny Suriel, Senior at CUNY City College of New York
Youth Council Coordinator, #DegreesNYC
US Higher Education and Workforce Investment Subcommittee
Testimony on the Pell Preservation and Expansion Act of 2021
July 2021**

Good Morning Chair Wilson, Ranking member Murphy and members of the US Higher Education and Workforce Investment Subcommittee. Thank you for taking the time to hear my testimony today. My name is Darleny Suriel. I am a first-generation Dominican immigrant and college student at the City College of New York a public four-year university, where I am currently pursuing my bachelor's degree. I am also the Youth Council coordinator for Goddard Riverside's #DegreesNYC, a data-informed collective impact movement co-led by young people and professionals to move to equity in education in New York City. I am here to speak to you today about my college experience and how the Pell Grant has contributed positively to my road to success.

I have had an unconventional postsecondary journey through three public academic institutions: Purchase College where I started my college journey, the Borough of Manhattan Community College (BMCC) where I attained my associate's degree, and City College, a four-year university, where I am currently pursuing my bachelor's degree. My academic journey has included many challenges--some personal, some financial, some systemic, and some pandemic-related--but through it all, there have been many more triumphs than challenges. My experience is similar to a third of college students nationwide who have transferred during their college career. The Pell Grant has supported students like me as we navigate through these institutions. Thanks to the Pell Grant, I have had access to high-quality education without worrying about accumulating significant debt. The Pell Grant has made it possible for me to afford tuition, pay for books, and even receive meal vouchers when I was dorming at SUNY Purchase College.

When I began my college career at SUNY Purchase, I was fortunate to be eligible for the Educational Opportunity Program (EOP), which offers students academic guidance, career counseling, and financial assistance for non-tuition costs. However, even with help from EOP and the Pell Grant, I did not have enough did not fully cover my room and board. I still had to take out a loan of over \$5,000 while struggling to afford costs above tuition. At the time, my family could only afford to give me \$40 for my fall semester, so I had no choice but to get a part-time job at the local AMC theatre in addition to my work-study job. Starting college as a first-generation freshman was a challenging and intimidating transition for me. I have always been thankful for Pell, but I do believe that if it were to increase, it would alleviate a lot of the financial burden students like me face and it would allow us to focus solely on academics.



After my first year at SUNY Purchase, I transferred to Borough of Manhattan Community College in New York City. While attending BMCC as a commuter, I no longer qualified for an Opportunity Program which meant that my school books would not be covered by CUNY. I relied on Goddard Riverside's Options Center - a community-based organization that helps first-generation college students get into and through college by providing one-on-one counseling - to help me purchase the books I needed for my classes. As a BMCC student, I also encountered costs above tuition that were significantly higher than at Purchase. I had to buy weekly MetroCards that would cost me over \$500 a semester. I remember feeling frustrated because in high school I was eligible for free school MetroCards due to my socioeconomic status, but that changed once I entered college even though my financial circumstances did not. I found myself making difficult decisions such as missing class on days when I could not afford a MetroCard. In addition to being a full-time student, I had to take on a part-time job at Best Buy to afford transportation costs, food, and the digital devices I needed to complete my work. I worked almost 30 hours weekly and got paid bi-weekly. Half of my paycheck went to these non-tuition expenses while the other half went to help support my family. College students need to focus on their education without having to stress about working long and strenuous shifts to be able to afford transportation, their next meal, or the books and digital devices they need to excel academically.

The pandemic has shined a light on the food insecurity, digital gap, and other basic needs that college students are experiencing at alarming rates. When I transferred to City College, I was alleviated from many of the costs associated with being a commuter student due to remote learning. My school cafeteria was now my refrigerator and my school transportation was a zoom link. However, if the Spring 2021 semester would not have been remote, my Pell grant would not have been enough to cover my food and transportation expenses. The Pell amount I received for the 2021 Spring Semester was barely enough to cover my tuition. I still had to pay \$300 out of pocket for tuition. If I had gone to school in person, my expenses above tuition would have exceeded \$1,000. I am a full-time student, part-time worker, and a caretaker for my two siblings with disabilities. I do not have the privilege of being able to solely focus on my academics. My mother and I are the sole financial providers of our household. Doubling the Pell Grant would allow me to pay for educational costs beyond tuition, and use my work wages to help my mother pay rent or buy groceries for our home. As I prepare to go back to in-person learning next month, I worry that my Pell Grant will not be enough to cover my tuition, let alone the additional costs of being a commuter student. I also worry that I will run out of Pell before I can attain my bachelor's degree due to my non-traditional college journey. Expanding Pell would allow college students the opportunity to trust their academic journey, instead of treating college as a race that they must complete in four years or risk losing their financial aid.

The Pell Grant must be doubled so that it can reflect the current needs of college students. Almost half of the college student population in this country deals with food insecurity. The percentage of college students that are affected by the digital divide, housing insecurity, and unemployment is



equally as jarring. These financial obstacles can negatively impact a student's academic performance and ability to graduate on time. About 30% of college students graduate at the traditional four-year rate compared to almost 60% at a six-year rate. Expanding the Pell Grant acknowledges this reality and can support students as they pursue a post-secondary degree.

Education is supposed to be the great equalizer in this country, but how can that be so if every student does not have an equal chance at affording a college education? The cost of college is far more than tuition. Therefore, the amount of Pell college students receive should cover more than just tuition. Passing the Pell Grant Preservation and Expansion Act can lead to an increase in degree completion amongst college students. These students are potential CEOs, Doctors, Lawyers, Congressional leaders, and even Presidents who just need their national leaders to believe in them enough to invest in them. We are the future of this country's economy and workforce. Doubling the Pell Grant would not only be an investment in the education of young college students, but it would also be an investment in the future of this country.

Thank you for your time.

Mr. SCOTT. Thank you. Thank you. And under Committee Rule 9(a) we will now question witnesses under the five-minute rule. I will be recognizing Committee Members in seniority order. Again, to ensure the Member's five-minute rule is adhered to, staff will be keeping track of time and the timer will show a blinking light when time is expired, so please be attentive to wrap up when your time has expired, and remove your microphone.

And the first questioner is on the way to the White House for a special event, but still wanted to participate. The gentlemen from California Mr. Takano.

Mr. TAKANO. Thank you, Mr. Chairman. My first question is for Mr. Ortagus. Mr. Ortagus, are you aware of any studies which validate the Bennett hypothesis that was mentioned in the Ranking Member's opening comments?

Mr. ORTAGUS. Yes, thank you for your question. There are studies that validate the Bennett hypothesis, but they're restricted to for-profit universities. The Bennett hypothesis does not hold well at all with public universities. Public universities obviously have constraints or caps on their tuition through the State often times, but separate from that, all the evidence that finds the limited effectiveness of this actually holding, again is constrained within the private for-profit sector.

Mr. TAKANO. That's very interesting Mr. Ortagus because the Chairman and this Committee have really done some groundbreaking work to reign in for-profit universities. And as you said the studies that do exist to validate the Bennett hypothesis, so mainly have only shown that it's for-profit institutions that seem to fall in line with that hypothesis.

So the research does show that for-profit institutions base tuition on the amount of financial aid available. A rigorous study found that for-profit institutions eligible for Federal student aid charged 78 percent more than comparable programs at ineligible for-profit institutions.

I think that's what you're getting at. I understand that you yourself were a Pell recipient, and based on your experience and your research, what improvements can be made to the Pell Grant pro-

gram to help more low-income students go to college and complete a degree?

Mr. ORTAGUS. Sure. A couple things I reference in my testimony are the informational and financial barriers. So obviously, for informational barriers if we could reduce the uncertainty, reduce the complexity for getting the Pell Grants in the hands of lower income students, that's kind of a no brainer and straightforward with some legislation and administrative action we've seen.

The most obvious and pressing component is increasing the Pell Grant, providing additional financial aid. You're exactly right. I was a Pell recipient, and this really provided me the option and the privilege to stop being a cashier at the local Wynn-Dixie grocery store and focus more on my studies and my pursuit of higher education. I think all students should be afforded that opportunity and leverage to be able to focus on their academic work in that same way.

But there's an overwhelming amount of literature speaking to the positive impact of need-based aid which really ties to the need to increase the Pell Grant in a meaningful manner.

Mr. TAKANO. Well thank you for that. How has the pandemic worsened barriers for Pell Grant recipients, and what can be done at the institutional State and Federal levels to alleviate these barriers?

Mr. ORTAGUS. Sure. Some things I've talked about in my full written testimony, but not as much in my oral testimony is what actually happens to low-income students during a pandemic, so they're more likely to drop a course. They're more likely to have financial issues with employment, the obvious financial issues, but they are also really clear issues with accessibility to a reliable internet, and potentially having the issues with employment and some of the service work industries, really has direct kind of implications for students who are dealing with financial distress in higher education.

So COVID-19 has really exacerbated some of these issues. There's also really compelling literature showing that the FAFSA declines are concentrated in the neighborhoods of low-income and high share of black and Hispanic individuals as well. So it's really bringing to bear and it's exacerbating many of the inequities that already exist prior to the COVID-19 pandemic.

Mr. TAKANO. Thank you for that Dr. Ortagus. I just want to close with my observation that the study that we mentioned earlier that found that for-profit institutions eligible for Federal aid charged 78 percent more than comparable programs at ineligible for-profit institutions.

The study also showed that the price differential between the for-profit institution receiving Federal aid, and the ineligible institution is approximately the same amount of the Federal subsidy, meaning that students paid the same in the net price at either type of for-profit institution, but the ineligible for-profit school pockets the Federal aid.

This strongly suggests that we need better oversight of the for-profit sector, not that we should stop providing students with Federal aid to enroll in college. I yield back Mr. Chairman.

Mr. SCOTT. Thank you. We'll now turn to does Ms. Miller-Meeks seek recognition for questions?

Mrs. MILLER-MEEKS. Yes sir, thank you so much.

Mr. SCOTT. OK thank you. You have five minutes.

Mrs. MILLER-MEEKS. I appreciate the opportunity to address our witnesses, so thank you very much. As many of you know I left home at 16 to become a doctor, and the route for me was through community college, then to a four-year degree, and then on to medical school.

In the intervening time being active duty in the military. I also got a master's in education. And so what I found through the educational system is that as we increased third party payment and removed the student receiving the education from the payment, be that loans, scholarships, or other avenues we've seen the cost of higher education continually to skyrocket out of sync with inflation.

We also see this in healthcare which is the same kind of system. So the other thing that I've seen is the continued push for four-year Baccalaureate degree which for some people is certainly the route to go after high school, but for others is not.

So Dr. Poliakoff, could you answer, do you think that a Baccalaureate degree is the only avenue for a meaningful career, or are there other avenues, and how would you recommend addressing this disparity that we've seen?

Mr. POLIAKOFF. Thank you, Representative Miller-Meeks, for that question. My answer is emphatically no for the pressure to have a four-year degree. I'd like to recommend a book, it's now in its third edition called Other Ways to Win by Gray and Herr. The fact is that for many students a four-year degree is absolutely correct. We've got a lot of problems to address within that degree, but for others it really is like an attractive nuisance.

In other words, pulling students into a degree program for which they are not ready, while on the other hand community colleges and career education—and let me say we need to level the playing field when we talk about these issues. For-profits are not, should be viewed the same way that we view non-profit institutions, the same accountability measures.

You know let me get back to the point about community colleges. There was a time when we had a great number of reverse transfers. Students who got four-year degrees, and then went back to community colleges because they needed to get the kind of training that would allow them to have family sustaining income. That tells us a lot.

There are entirely too many four-year degree programs that are really nugatory, that do not prepare people either for career or for citizenship. So forgive me for going on at some length Representative, but I think you're entirely right. We are off track if we think that the four-year degree is the only way to win.

One thing that I would stress is that community colleges and four-year institutions must have good articulation agreements so that the pathway is clear. States that have strong two plus two programs have generally seen some very, very good results.

Mrs. MILLER-MEEKS. Thank you for that. And I'd also like to say some of the things that I, having gone to medical school, some of the things I currently see in our higher education system, and in

medical school focusing on things other than the science that we'll need to address issues, similar to lack of accountability.

So I'm wondering if you consider accountability measures and metrics and is there anything to control for grade inflation and low standards, in other words, for schools to game the system and their graduation rates, but without the quality that makes for a meaningful degree, and a meaningful career path.

Mr. POLIAKOFF. That is an extremely important question that any degree should not be a ticket to nowhere, an expensive ticket to nowhere. And there are certainly ways to make sure that graduation rates aren't gamed. There are some excellent academic value-added assessments that need to be used more, the ETS proficiency profile, the Council on Aid to Education, Collegiate Learning Assessment.

These are rigorous tests. I actually had the temerity to try one, and I'm glad nobody ever recorded my score. There are ways of seeing how well students have taken in the core collegiate skills that they need for success in any career. We need to use these better.

Mrs. MILLER-MEEKS. Thank you very much and thank you Mr. Chair. I yield back my time.

Mr. SCOTT. Thank you. And I see you're competing with some of your colleagues from behind you. Thank you for participating.

Mrs. MILLER-MEEKS. I do apologize.

Mr. SCOTT. On their behalf, thank you. Ms. Leger-Fernandez is next up. You're recognized for five minutes.

Ms. LEGER FERNANDEZ. Thank you so much Chair and Ranking Member. You know I do consistently hear from constituents and the schools in my district that the Pell Grant is so essential, and one of the best ways we can improve our higher education system I will admit like many of us here I received the Pell Grant, and for a time my kids actually received the Pell Grant. It tells you the kind of work I was doing.

But I wanted to ask Chancellor Jones a question. Earlier we heard Mr. Poliakoff's testimony criticize the increase in student services, non-academic services that schools were engaging in as part of profligate spending. Can you describe how services like wraparound services for disadvantaged students, are they beneficial, and whether you believe that these non-academic services are necessary to ensure success?

Mr. JONES. Yes. Let me just say thank you for the question. I have—fundamentally believe that an important part of the educational experience occurs outside of the formal classroom. I think sometimes we get too focused on the formal classrooms, and we don't really fully appreciate that those services that occur outside of the classroom further supports the ability of our students to be academically successful.

And so it's one thing to recruit a student into your university to provide the bridge for financial support, but you have to bring them into a place that has a culture of providing those wraparound services that are critically important to their mental health, their sense of well-being, that provides the academic support that they need to be successful.

And a lot of that academic support actually begins before you admit them into your university, in terms of summer bridge pro-

grams. How do you reach out to Pell eligible students and make sure they understand, and that they are well prepared to be successful in your university.

And I can tell you, you must invest in those services if you are going to have students that not only are admitted, but graduate in a timely fashion. I can tell you that is part of the secret sauce. Pell is the absolute foundation for our Illinois Promise and our Illinois Commitment.

But those wraparound services we provide for students once they get here is the reason that our graduation rate for Pell students is between 80 to 82 percent, one of the highest 39–40 percent higher than the national average. And only about 6 percent lower than what the majority population, and we're working hard to close that gap by investing in those wraparound services that really does make a difference.

Ms. LEGER FERNANDEZ. Thank you. And I wanted to one congratulate Darleny Suriel for her commitment and her perseverance, and just ask you whether you believe that the doubling of Pell, you said it was really necessary, but you also pointed out how the student debt that you had to take out was impacting you, and your ability, and your family.

Do you think that the doubling of Pell is enough so you don't have to undertake significant student debt in the future, or will you also still need to if we actually doubled Pell, take out loans to make it through?

Ms. SURIEL. Yes, thank you for that question, Congresswoman Fernandez. I think that it's a start. It's a big step. It definitely would have made a difference for me because I wouldn't have had to take out that loan, and I wouldn't have had to worry about that debt.

Is it enough? I don't think so. I attend a public institution because it's a lot cheaper, but for students that are attending private institutions, even doubling the Pell Grant would still force them to take out loans in order to be able to afford their education.

But I definitely think that doubling the Pell Grant for students in public institutions, it would allow them to afford other resources that they need, such as like I said transportation costs, food, and even other digital devices such as a laptop, mobile hotspot.

We saw how big the digital gap was, especially throughout the pandemic, but it would allow them to afford these resources so that they can excel academically, and they can attain a degree.

Ms. LEGER FERNANDEZ. Thank you. Chancellor Jones, I also wanted to have a conversation with you about the benefit of attracting and hiring minority professors because for example in New Mexico, 23 of the 29 universities and colleges we have here are minority serving. I ran out of time to do that, so I'll submit that in writing because I do think that that's an important topic for us to explore. Thank you very much Mr. Chairman I yield back.

Mr. SCOTT. Thank you. The Ranking Member of the Subcommittee, and I got a message that he had wanted me to defer to Ms. Miller-Meeks as the first questioner, but so thank you for that. And for questions, Dr. Murphy.

Mr. MURPHY. Thank you, Mr. Chairman. Thank you to all the witnesses that are here today. I truly understand the difficulties of

the burdens that we're now placing upon students in overwhelming debt. I mean I was on a full scholarship, but I still had to take a job to help afford other costs, and you know that's what's part of having skin in the game.

We can't have everything always given to us, and I knew I just had to work extra hours despite being in a pre-medical program. So I'm very attuned to the debt and the hardship that we face, but that's also life, and that's how we work through things. I have a question with Dr. Poliakoff, and by the way thank you. You and I have had many discussions about some of the insanities that are going on regarding some of the things that happen on campus with administrative bloat et cetera.

I'll ask two questions. I was on the Board of Trustees of a liberal arts college, and I appreciate your help with that. Can you discuss the role that you believe Board of Trustees have about that are occurring on college campuses these days?

I was on one that at times was just a rubber stamp, and I don't think that's what boards should be, but I would appreciate your evaluation of what's going on in college campuses these days.

Mr. POLIAKOFF. Thank you, Congressman Murphy, Dr. Murphy. We need to be very clear about what should be the role of the trustee. The trustee is not primarily a checkbook, or a cheerleader, although it's great for them to support their institutions. They're fiduciaries. They're the people who have to make the hard calls.

They should not seek an adversarial relationship with administration, but they are their supervisors. Ultimately, everything that happens on campus is something that they are accountable for. They tend to understand usually a little bit more about the budget as one of their key roles, but they also need to take a look at issues of the core function of the institution which is academic success.

What's the curriculum like? What's the general education program like? They should take a look at student life. The level of the free exchange of ideas, these are all part of their solemn responsibility.

Mr. MURPHY. Thank you. I agree with you completely. We talk about free speech on campuses, that's a whole other different discussion. I've been very vocal about administrative bloat. You know we look at the money that just flows into colleges. There's been very, very, very, little activity in regard to actually reigning in college costs.

We say, you know, we hear so many times we need more money, we need more money, we need more money, well in medicine about 15 years ago there was a great transition because Medicare wasn't paying us anymore. We weren't getting more and more from Medicare, we actually had to cut costs. So tell me what you believe. Is there any hope for universities, colleges, to actually take that seriously to cut costs, to actually help our students in the long-term, rather than bloating budgets from administrators and all these extra programs.

Mr. POLIAKOFF. Yes indeed. They need to look to the positive outliers, and they are there. Perdue, President Mitch Daniels former Governor has an administrative cost that's \$1,100.00 less than the peers. They have had a tuition freeze for 7 years. It went down, the tuition went down from the time he started as President,

and their academic measures have simply been going up all the time.

This can be done. Arizona State University is another example where administrative costs have actually dropped per student. I recommend, I don't mean to be touting our own products, but we have a free website called howcollegesspendmoney.com where with a few keystrokes people can see what is the ratio between spending on administration versus instruction.

In some cases I hope Boards of Trustees will look at it and say we need to investigate. Maybe there's a good reason for it, but this is not acceptable.

Mr. MURPHY. Yes, I agree completely. We want to support our students. We want to give them every single one, regardless of socioeconomic status, a chance for opportunity for growth, but you know part of that rather than just throwing money at a system that's actually bloated, we actually have some personal responsibility in regarding to cutting costs for non-necessary items, non-academic items on campus.

You go to college to learn. You don't go for all this other stuff, and that's what in my opinion has blown the cost of tuition and thrown such a burden on our students now. So my time is up. Thank you, guys, for coming and I yield back Mr. Chairman.

Mr. SCOTT. Thank you. Thank you. The next person in seniority is the gentlelady from North Carolina, Ms. Manning.

Ms. MANNING. Thank you, Mr. Chairman. And thank you for holding this very important hearing on an issue that is so important to my district. I represent a district that has 13 colleges and community colleges, including three HBCU's, so Pell Grants are extremely important to us.

Chancellor Jones, we know that a critical piece to ensuring that students are successful when they transfer from a community college to a four-year institution is providing them with additional wraparound supports, such as counseling and tutoring at their new institution.

And I had the privilege of sitting on the Board of UNC Greensboro, for several years where I observed the kinds of supports that they use to help their students succeed. So I wonder if you can tell me do you work directly with community colleges in your State to recruit transfer students? What supports are available to ease the transfer process for Pell Grant students, moving from community colleges to your institution because I know we can all learn from your experience.

Mr. JONES. Well thank you so much for the question. Yes, we have a very active engagement with more than five community colleges across the State. We have worked very hard to kind of strengthen our articulation agreement, and to transfer pathways with those community colleges, so that students when they start community college will have a very clear understanding of what's required at the end of that 2-year period that basically guarantees their admission to the University of Illinois Urbana-Champaign.

And it is something that we are constantly coming back and re-viewing and tweaking, because you know there are issues sometime where a certain student might not quite meet the criteria and we're constantly rethinking that.

But one of the ways that we've strengthened the community college pipeline is as you said making sure that pathways are clear, and that they have the wraparound services once they get it here just like any student that started out here first year.

I mentioned the Illinois Commitment. One of the beautiful things about that Illinois Commitment it's also applicable to transfer students from families that make \$67,100.00 or less. So they are able to come in as second, third-, and fourth-year students through the transfer portal to get access to that free tuition and fee commitment. We don't just give them 2-years we actually give them an additional year.

So you can transfer in, get free tuition and fees for 3 years to allow you enough time to complete. That's the critical part of what we do. We have on average 1,000 to 1,500 transfer students each and every year. A great percentage of those students are Pell eligible or Pell students, and so it's a critical part of our overarching success in making sure that Pell students not only get access, but they get access to a degree.

They graduate at very high rates, and they have very high participation rate in what we call first year experiences, or first year destination where 93 percent of our students have that first destination within 6 months of graduating. So it is a very much a part of our overarching commitment providing affordable, accessible education to all.

Mrs. MANNING. Wonderful. Thank you, and if you haven't met our great Chancellor Frank Gilliam, I hope you have the opportunity to do so.

Mr. JONES. Look forward to it.

Ms. MANNING. Dr. Ortagus, Members of this Committee are keenly aware of the importance of increasing degree attainment for individual students who will increasingly need post-secondary education for access to good jobs. Can you tell us about trends in college access at public four-year institutions, have we made progress as a nation in expanding access to our flagship institutions? And if not, why not?

Mr. ORTAGUS. Thank you for the question. There has been some progress in the long-run over time, but we aren't enrolling enough low-income students. So roughly a third, a little over a third of students at public four-years are Pell recipients.

But if you look at the public flagships, it's roughly a quarter, so that's clearly not enough students who are Pell recipients who are engaging with these institutions that were founded to you know serve the communities in which they reside. So obviously, we want to do a better job of enrolling and educating these low-income students.

Also importantly because they have extremely high graduation rates, and they're incredibly effective at improving the quality of students' lives and the labor market outcomes. So haven't quite made the progress we want to make for sure. There's been a little bit of a decline in recent years, but hopefully that will change moving forward for sure.

Ms. MANNING. Thanks so much. My time has expired. I yield back.

Mr. SCOTT. Thank you. The gentleman from Wisconsin Mr. Grothman.

Mr. GROTHMAN. Sure. General question first of all for Dr. Poliakoff, I hope I got that right, Poliakoff. I think one of the concerns that everybody in this room should have is the increasing cost of tuition. And I know because of Pell Grants and other needs-based grants, some of the lower income people are taken care of, but I just ran into the other day into a guy who was maybe a family who had more money. I don't know how much his parents were willing to help him.

He was sitting there in his 30's with over 30 grand in debt. And obviously, the cost, the little they prepared us for here, in the last three decades, if car prices went up as quick as tuition the average new car would cost \$80,000.00. OK, so clearly, they're not running a tight ship at these universities.

But do you believe part of the problem is because some people get government grants of some nature it allows the universities not to tighten ships, and as a result the middle class that has to take out the loans, the amount they have to take out keeps going up. Is that a valid concern?

Mr. POLIAKOFF. Absolutely Congressman. If one looks at the cost calculators online a family of four in the middle class it is not going to be the recipient of a whole lot of institutional aid, or Federal aid, and that's going to put pressure on loans. And I do want to go back to this question, the Bennett hypothesis.

Our research—let's say our literature research shows some studies by very, very reliable people in the field, Michael McPherson, Martin Shapiro, Ronald Erinburg that suggests that it could be up to a \$50.00 increase in tuition for every hundred dollar increase in aid.

I would counsel the Committee to look very carefully at the study from the New York Fed, and some of these other studies before concluding that this is a disease of for-profit institutions. It seems to be a disease across all sectors, and it's not appropriate to go beating up on for-profits when this seems to be something that needs to be addressed holistically.

Mr. GROTHMAN. Does it bother you ethically that Pell Grants are available to people who are low income, but if you're a little above low income you're expected to drive yourself 40 or 50 grand in debt? In other words penalizing you because you, or your parents are married, or penalizing you because your parents have a job making \$45,000.00 or \$50,000.00 a year.

Mr. POLIAKOFF. I'm more concerned Congressman about the effect that these programs seem to have in ratcheting up the costs for everybody. I'm deeply committed to the idea of access and helping those students in greatest need, but when those programs are simply being used as part of a vicious cycle whereby, they institute more tuition increases which will be particularly problematic for middle class students, something is very wrong with the picture. I would also suggest—

Mr. GROTHMAN. And you said particularly, I want to understand. It's particularly troublesome for middle class students because they don't get Pell Grants, right? Isn't that why this is particularly a bad system for them?

Mr. POLIAKOFF. Well that Congressman, and the fact that they get so little institutional aid in the calculations—[recording breaks off]—so it's really a double effect on them. And one thing I wanted to mention to the Committee if I may, it is a good idea to go look back at Bowen's Revenue Theory of Costs. I keep this pinned to my desk. At any given time the unit cost of education is determined by the amount of revenues currently available for education relative to enrollment.

It expresses the fundamental fact that unit cost is determined by hard dollars of revenue, and only indirectly and distantly by considerations of need, technology, efficiency and market wages and prices. So somebody has got to break this vicious cycle.

Mr. GROTHMAN. OK. Here's one more thing I want you to tell me what I should say. There's a gal back home. Her kids both are 30 grand in debt, and they're working to pay off the debt. Her sister did not have a job lived more of the welfare lifestyle. Her kids went to college and got no debt.

What should I tell my constituent who you would argue did things right because the current system penalizes her kids?

Mr. POLIAKOFF. We've got very fine institutions that have operated at pretty modest costs, even lowering tuition, and keeping it frozen. It is—I vehemently disagree with the idea that college debt is good debt. This is an obstacle to marriage, to raising children, to buying a home, and we've got to go back to the issue of higher ed being in a spending crisis, not a funding crisis.

Mr. GROTHMAN. Thank you.

Mr. SCOTT. The gentleman's time has expired. Thank you. Gentleman from New York Mr. Jones. Mr. Jones?

Mr. JONES. Yes, thank you, Mr. Chair for convening this hearing. Congress signed the Higher Education Act of 1965 into law to ensure that any individual, regardless of their background or ability to pay could access a college education. For over 55 years the Pell Grant program has been a key tool in ensuring millions of students from low-income families can afford to go to college.

Nearly 7 million students rely on the Pell Grant program to cover the costs of tuition, room and board, school supplies, and other fees. Yet despite their proven success, Pell Grants now cover a small and shrinking share of college costs for students who receive them.

In 1975 Pell used to cover almost 80 percent of a college education, but since then it's purchasing power has eroded significantly, and today Pell only covers 29 percent of a college education. As we've already discussed Federal financial aid has not kept pace with the rising cost of tuition, making it increasingly difficult for low-income students to access a post-secondary degree.

It's also the case that when students go to college they don't just have to pay for tuition and fees, they also need to cover the cost of things like transportation, housing and food which have increased at a pace that Pell Grants have not kept up with. A study conducted by the National College Attainment Network found that only 25 percent of public—

Mr. SCOTT. Mr. Jones? Mr. Jones could you suspend for just a minute. I understand from the technician that the livestream has incurred some difficulty, so we have to suspend for just a moment.

Mr. JONES. Sure.

[Pause]

Mr. SCOTT.—[recording comes back in] I understand from our technicians that we're back livestreaming, and so we'll recognize the gentleman from New York Mr. Jones, thank you.

Mr. JONES. Thank you, Mr. Chair. Just to quickly re-summarize. Congress passed the Higher Education Act of 1965 to ensure that any individual regardless of their background or ability to pay can access a college education. But a study conducted by the National College Attainment Network found that only 25 percent of public four-year institutions were affordable to Pell Grant recipients.

This is among the many reasons why I, along with my colleagues have called for the maximum Pell Grant to be doubled and tied to inflation. Chancellor Jones, how would the proposals in the American Families Plan, and the Pell Grant Preservation and Expansion Act that Congress is considering, help restore the promise of the Higher Education Act?

Mr. JONES. Thank you very much Representative for the opportunity to respond to that question. I think the commitment to really increase Pell is essentially getting the money back in the hands of the students that need it to the most to ensure accessibility to an affordable education. And as I said in my oral and my written testimony the Pell Grant is absolutely the foundation on which universities, like the University of Illinois have been able to increase the investment of its own resources.

And here in Illinois we are very proud of the fact that we've increased institutional commitment for financial aid by more than almost 50 million dollars in the 5-years that I've been here. And during the period where we received significant budget cuts, and we were able to hold tuition flat for six out of those 7 years. So I think it speaks against some of the narratives about a direct link between Pell and the driving cost of tuition.

And so I guess my main point to answer your question is that with a doubling of the Pell, or even tripling it if that were possible, we're certainly leveraging the institutional commitment that we are putting on the table to keep education accessible and affordable.

It really means that we already have a very good rate relative to our peers, but it would provide the opportunity for us to do even more for students from middle to low-income backgrounds to get a world class education at an affordable price. Because we're doing our part, and I know many of my fellow institutions are doing their part, and so doubling Pell would really allow us to leverage institutional resources, which State resources to provide a world class education, and minimize the number of students that graduate with substantial debt.

We're very proud that here in Illinois most of our students, the majority graduate with little or no debt. Those that have debt, which is about 4—something percent of our students, the debt that they graduate with is significantly below the national average. On average our students only graduate with about \$24,000.00 in debt.

And why are we able to do this? How are we able to do this? It is because the basic foundation that Pell provides for us to leverage our own institutional resources to keep higher education accessible

and affordable, and the main thing I can't emphasize enough are the outcomes.

We are very committed to narrowing the gap, and we already have one of the best rates in the country. There should be no gap between the graduation rates of Pell students as it relates to the majority of students, and we are absolutely committed on destroying that gap, but we need Pell, we need our own institutional resources to get us there.

Mr. JONES. Thank you Mr. Chairman I yield back.

Mr. SCOTT. Thank you. The gentlelady from Tennessee Ms. Harshbarger.

Mrs. HARSHBARGER. Thank you, Chairman, Scott, and thank you to all the witnesses today. I'm like Dr. Miller-Meeks. You know, I went to school, and I had to get any grant that I could get, and anything I could possibly find that would help me pay for tuition. You know Dr. Poliakoff across the country, and I've talked to people here recently. We've seen these universities go crazy with initiatives to draw students in, like lazy rivers, they put extravagant restaurants in, they change the dorm structures, just to attract these elusive seniors to come in and do their four-year university bid at their school.

And you know as well as well I do, that raises tuition. And I guess my question is this. What do you say to these college Presidents about tuition going up because of that? And should the U.S. Government do anything, or change the way they federally fund these universities when the tuition keeps going up?

And if you would, what kind of metric would you put in place to help these guys and guide them to change that tuition structure sir?

Mr. POLIAKOFF. Thank you Representative Harshbarger. One of the things that can grow out of the study that we did, howcollegesspendmoney.com which is online is getting the sense for what's customary. I'm not saying it's reasonable, but what's customary for the ratio of administration to instructional expenditure.

And that could well be an accountability metric used. And many states track classroom utilization, which is actually a very good thing before the State makes a commitment at public universities to build new buildings. It is a disgrace that on so many campuses Friday is a dead zone, as Wells Hall a trustee from the Board of Regents at Texas said, "You could fire a cannon through any of our classroom buildings on Friday and not hit anybody." That's a waste of taxpayer money and it corrupts students to think that the real world is 4 days a week and starts at 10 o'clock in the morning.

And when the building boom continues that way, it wastes money, and it corrupts. So there are places where the Federal Government and State government can be far more discerning in how money is being used, and you know if I may say about lazy rivers, I don't mean to be belligerent about Louisiana State University, but their tuition and fees went up 95 percent between 2010 and 2019, and they spent 85 million dollars on a new recreation center.

Now some part of that might be private money, but anytime you build a new building it's the gift that keeps on taking because of maintenance, which might actually be the same amount of money as the cost of construction. This is not good leadership, and ACTA

certainly calls Boards of Trustees to account, and urges State legislatures to be vigilant about that.

Mrs. HARSHBARGER. Well I absolutely agree. You know if I was a business owner and I had some type of funding from the Federal Government, and I knew it was coming and they were going to give me more, of course. Do you think I'm going to lower the price? More than likely not.

So you know I'm looking at it from that perspective, for heaven's sakes, if you learn that you're going to get more money from them, it's generally not going to be an issue, is it? You're going to keep those prices the same, or you're going to go up.

Mr. POLIAKOFF. Exactly right. Senator Hank Brown, former Senator from Colorado—I was just reviewing what he said before this hearing. In most economic models if prices rise, fewer consumers with limited resources can afford your services, and thus market forces limit your ability to increase the cost to consumer.

In higher ed however, government grants and loans help cover the increasing prices for those with limited resources, hence we've just fallen into the trap of Bowen's Law and have supported bad habits that will, as Congressman said, fall heavily on the backs of the middle class in particular.

Mrs. HARSHBARGER. Well I absolutely agree, and as far as I'm concerned there needs to be accountability. We want to help those students who need help but boy, we don't want to continue to give to a bloated environment because the prices just continue to go up. And I appreciate you and I know my time's up, and I yield back Chairman.

Mr. SCOTT. Thank you. The gentleman from New York Mr. Bowman.

Mr. BOWMAN. Thank you, Mr. Chairman. Ms. Suriel thank you for your testimony today and speaking on behalf of so many college going New Yorkers with a particular focus on the CUNY system. I also want to thank you for the work you do as a youth counselor coordinator. My district includes parts of the Bronx and Westchester which also includes CUNY campuses. Our focus today is on the Pell Grant, and I want to start with a question about the FAFSA, because to get a Pell Grant you had to fill out the FAFSA first.

Unfortunately, if a student isn't aware of the FAFSA, or doesn't have the support they need to fill it out, they might take out a private loan when they could qualify for a Pell Grant. Last year Congress took significant steps to simplify the FAFSA, make it easier for students to apply. Can you share what your experience was like filling out the FAFSA?

Do you know of any peers who maybe didn't know about the FAFSA, or didn't know where to go for help in filling it out?

Ms. SURIEL. Thank you so much Congress Member Bowman. Thank you for your question, and also thank you for everything you've done for education, especially as an educator. For me I've always had a complicated relationship with FAFSA. As a first-generation immigrant and student, I am the first in my family to go to college.

My mother doesn't even speak English, so for the most part I had to figure out FAFSA by myself. Now I am a student at the Goddard

Riverside Option Center where they provide additional support for things like FAFSA. But one of my personal experiences, there was a semester, my fall 2017 semester, where I was having trouble with my FAFSA, and I thought I completed it, but I did not. I ended up not getting any aid that year, and actually accumulating tuition debt.

I also, due to similar circumstances, that I was also balancing my job at Best Buy and schoolwork, and trying to navigate everything, I also ended up losing my FAFSA due to my GPA dropping.

Those two circumstances basically forced me into having to take a year and a half gap year, to not only pay off this tuition debt that ended up going to collections and increasing, but also trying to get my FAFSA back, which I was not successful at doing. If it wasn't for the help of the Goddard Riverside Option Center, which is a community-based organization, and also help with my mother, and also what I say to my job, I would not have been able to go back to school.

As I mentioned my GPA did drop to a 1.7, but because of their help I was able to go back to school and bring it back up to a 3.5, and that's what I'm trying to say, that students need the support. A lot of the things that I'm hearing today is about accountability, and I completely agree.

Students need to see this money, but most of the time we're not a part of the decisions of where these Federal grants go. If there was a way for this money to be distributed to students, I don't believe there would be so much problems with tuition debt and things of that nature.

But as for FAFSA yes, I do know a lot of peers who either do not know how to fill out their FAFSA, struggle with it, and actually have stopped going to school because of it, so it is something that does deter a lot of students when it comes to degree completion.

Mr. BOWMAN. It sounds like our high schools need to be doing a lot more to support students in terms of FAFSA and post-secondary opportunities, beginning even as early as ninth grade, and you know, based on my experience in education, I know, often times you may have one school counselor to hundreds and hundreds of students. So there's not enough resources there to provide the support that students need.

Can you speak a little bit about that? Like what more could high schools be doing to support students in post-secondary opportunities, whether it's college or careers? And you could speak about it through the lens of FAFSA if you don't mind.

Ms. SURIEL. Absolutely, absolutely. Yes, I totally agree. I think high schools need to start talking about college, and also other post-secondary options as young as possible in ninth grade, and not wait until the end of junior year, the beginning of senior year.

As for school counselors, personally in my high school we had a guidance counselor, a different guidance counselor every year, so it was hard to build a relationship, and it was one guidance counselor for over 500 students. Therefore, if you weren't in the top 10 percent of students performing, chances are you weren't getting support. And like I said I got a lot more support from CBO's than I did from my own high school.

I also believe that high schools need to support parents. They need to like support parents in terms of helping them fill out these FAFSA applications, especially parents who may not have digital literacy, parents who are immigrants and may not understand the language, and the jargon also needs to be a lot more accessible as well to parents and students.

Mr. BOWMAN. Ms. Suriel, you're awesome. Thank you so much for your testimony. Mr. Chairman I yield back.

Mr. SCOTT. Thank you. I understand the Ranking Member of the full Committee is seeking recognition. I understand the Ranking Member of the full Committee is seeking recognition. If so, Dr. Foxx you're recognized for five minutes.

Ms. FOXX. Thank you, Mr. Chairman. I thank the witnesses for being with us today. I appreciated Mr. Poliakoff. I appreciate your comments about the lack of oversight around what colleges and universities are doing with the student aid dollars they're receiving.

Your testimony notes that there are some institutions that are being better stewards of taxpayer funds. Can you describe what characteristics "good institutions" have in terms of providing appropriate academic support to Pell Grant students? Are those good characteristics common to all those institutions, or are they more about what works on that particular campus?

Mr. POLIAKOFF. Thank you, Representative Foxx. One of the really positive initiatives that I've seen is the innovation alliance with schools like Perdue, Arizona State University, New Mexico, and others. They have really begun to use predictive analytics in order to spot the needs of students, so many unfortunately do arrive with academic deficiencies.

And certainly President Michael Crow has done a great job in working with his faculty to address the bottleneck courses where so many students just get discouraged and leave, these being engineering, mathematics courses, things that are just so important for really productive careers.

This is so much better than what happens too often at universities which is that cynically students are accepted who are not college ready, not prepared to make it, whose ambitions, and whose finances will be shattered by having been used as a revenue stream for 1 year without the mechanisms for ensuring their success.

Hence, I really do look seriously at the schools that have used new technologies to be able to get help to students quickly.

Ms. FOXX. Thank you. Another question, one of the big issues that the committees will look at in reauthorization is accreditation. I share some sympathy with institutions trying to innovate in ways that allow them to deliver the content in a more cost-effective manner.

Can you talk about what you see as the problems with the current accreditation constraints, and how students could benefit with some revisions to the accreditation process. And if you could be succinct, I have one more question I would like to ask.

Mr. POLIAKOFF. Yes. Transparency is crucial. Accreditation is sometimes called a Good Housekeeping seal of approval, and that binary distinction is applied to schools with appalling low gradua-

tion rates who don't do a good job by their students. That just misleads the public.

So one thing we need to do is to be able to get that information out and maybe ultimately severing Title IV access from the accreditation system of peer review would be an important step forward.

Ms. FOXX. Well thank you very much. There are a number of states that have started to demand more of institutions, or students in return for State institutional aid or State grant aid respectively. Have you had the opportunity to review the effectiveness of these State policies?

Mr. POLIAKOFF. Well Florida is a really good example because of the effectiveness of the Board of Governors which actually will control performance-based funding to the campuses based on how they meet certain metrics. And we've seen a post-secondary education performance fund in Kentucky.

There are initiatives that really have moved this forward. Again, I don't want to tout my own organization's work, but our publication Bold Leadership Real Reform gives some pretty good examples of such initiatives.

Ms. FOXX. Well thank you very much. I want to say that the comments you made about the attitude of institutions about we'll just use a colloquial term, "flunking" people out after 1 year without being concerned about their future, is something we've seen for too long in post-secondary education.

I saw it when I was a student and I talked to recent students who say they still see it. And we have to stop that. If institutions admit students, they have an obligation to admit only students who can make it, and then if they admit students who can't make it to do better.

I worked with programs when I was at Appalachian State University that did that, and we had very good success rate, even with students who are marginal, who were admitted, but I appreciate your comments very much, and again I thank all our witnesses for being here. Thank you Mr. Chairman I yield back.

Chairman SCOTT. Thank you. The gentleman from Wisconsin, Mr. Pocan.

Mr. POCAN. Thank you very much Mr. Chairman, and thanks to the witnesses. As the Chairman said he and I have a bill to double Pell Grants to increase Pell eligibility to Dreamers, to add six semesters of help, and if I can just in the beginning there's a few things I just want to say one.

Our Ranking Member, I do have to respectfully disagree with your analysis that colleges are the major beneficiaries, not students, of Pell Grants. As someone who got a Pell Grant, and probably wouldn't have been able to go to college without a Pell Grant, I was a beneficiary more than University of Wisconsin Madison, because that allowed me to get that education.

In fact, when you say that about universities, the University of Wisconsin Madison was under a legislative freeze on tuition, and they lifted that freeze this year and guess what? U of W Madison still froze tuition for in-State residents because it's not about just having more money for the university, it's about getting money for students so that they can go to college. I just want to mention that.

I think one of the things that was kind of inferred a few times was that not everyone should have to go to college. And I agree, there's apprenticeships, there's other things that people can do. But if you want to go to college finances shouldn't be what holds you back, and that's the problem with that argument is you're essentially saying poor people should be in some kind of a caste system and not be able to go to college, and only wealthy people can.

And I have a fundamental problem with that as I'm sure does Dr. Ortagus who mentioned he was a Pell recipient, and Ms. Suriel, who's a Pell recipient. I mean it's what gave us the opportunities to be able to do this. So Ms. Suriel let me start with you, and then I'll go to Dr. Ortagus, since we're fellow Pell Grant recipients.

Would you have been able to go to college without that money?

Ms. SURIEL. Absolutely not. I could have just dreamed about it.

Mr. POCAN. How about you Dr. Ortagus?

Mr. ORTAGUS. I could have gone to college. I had a broad-based Mayor Dade Scholarship from the State of Florida, but my success in college was directly relevant to the increase in need-based aid.

Mr. POCAN. Did you work while you were in college as well Dr. Ortagus?

Mr. ORTAGUS. Yes. I'm embarrassed to admit that my first year I did not have a Pell Grant. I didn't know what I was doing, so I was working exorbitant hours, and then the second, third and four-year I was able to kind of leverage that need-based aid accordingly, but yes.

Mr. POCAN. And Dr.—I called you Dr. Suriel, maybe you'll be a doctor someday, but Ms. Suriel I know you mentioned you also work, and so did I. I bartended and worked often until 2 in the morning and then got up and started classes the next day, and I never took a spring break when my friends did because I was busy working so I could pay for school.

Ms. Suriel another thing that's been talked about is that the graduation rates aren't as high for Pell recipients, as though that somehow is a significant problem. Well I think you know, as Chancellor Jones said, there's wraparound programs we can do to help, but I took a semester off during school to help my dad because I didn't get support from my parents, and that's what happens when you come up in a working-class family, you mentioned some challenges.

Can you just talk a little bit more about the challenges you had because one of the things we're trying to do is add six semesters of Pell, so that people who may switch colleges, or have other life experiences that you know, just so you know Ms. Suriel, half of my colleagues are millionaires.

Nothing wrong with millionaires, but they have a little different life experience perhaps than you and I. Could you just talk a little bit about why that's important?

Ms. SURIEL. Yes absolutely. I want to refer to an earlier comment made by Ranking Member Murphy about certain non-academic costs. I feel like there are costs that even though they may not be directly related to academics such as books, per se, they do affect academics, such as, as I said transportation.

How can you excel at school if you cannot get to school? Such as food. If you are a student that is taking three to four classes in a day, and you have maybe an hour of a gap hour. So for example, me—the Borough of Manhattan Community College is located in Tribeca, one of the most affluent neighborhoods in New York City.

Food was not affordable, nor accessible to us, and neither was it affordable in the cafeteria. If there was a program that distributed transportation costs where the Pell Grant can assess the transportation costs of a student or can give them a certain amount of money for books or for meal swipes, just like they do in the SUNY program.

I think these kinds of resources would actually help a lot of students not only attain a degree but feel as though they have been supported throughout their college journey.

Mr. POCAN. Yes. For many students the majority of your expenses are not tuition, it's all the other expenses to go to college, right? What's your expected major? What are you hoping to major in?

Ms. SURIEL. So I'm majoring in political science, with a minor in Latin American studies.

Mr. POCAN. Great. And are you thinking about any additional education after your bachelor's degree, or not sure yet?

Ms. SURIEL. Yes, I hope to do my master's degree afterwards.

Mr. POCAN. Awesome. Well you're awesome, thank you so much for being here today and best wishes to you, I yield back.

Ms. SURIEL. Thank you.

Mr. SCOTT. Thank you. Next, we have the gentlelady from Louisiana Ms. Letlow.

Ms. LETLOW. All the witnesses thank you for taking the time to testify before the Committee today. In the Fifth District of Louisiana many students benefit from Pell Grants. Pell Grants help make a college degree attainable by providing key financial aid for students. I see the value in supporting students who demonstrate true financial need to attend college, so they can achieve their dreams and enter the workforce prepared to take on their careers.

However, as a former university administrator I've also unfortunately seen abuse of the financial aid system. I've witnessed students use government aid for use on non-school related expenses. These scenarios concern me when these resources are meant for a specific school cost, like tuition, room and board and books.

There should be better oversight on how these funds are spent. While I'm glad we're discussing how Pell Grants can benefit our students, I have reservations about the policy ideas of doubling the maximum Pell Grant award, and expanding semester eligibility for another six semesters, especially when I've seen first-hand misuse of financial aid funds.

Some students may not want to choose a four-year degree path. They may be more inclined to attend community college or a trade school, where they can be prepared for skilled occupations in a specific field. These careers are often in high demand and are good-paying jobs.

My question is for Dr. Poliakoff. What would you say about the impression that students need a four-year degree from a university

or college so they can be successful in their careers? How can Congress remove the stigma?

Mr. POLIAKOFF. Well Representative that is such a crucial question. And perhaps part of it is informational on the number of four-year college graduates who leave college with lots of debt, and relatively limited career possibilities. How many of them would have been far better off doing a 2-year degree, or career training that can articulate ultimately into a four-year degree if appropriate.

I remember back when I was Deputy Secretary of Education of Pennsylvania, and I toured Harrisburg Area Community College, and President Edna Baehre was explaining to me—this is back in the 90's, that the graduates of their respiratory therapy program were being hired right out of it at \$28,000.00 a year which then in Pennsylvania was quite a great wage.

And as I mentioned earlier, she was seeing a lot of reverse transfers from four-year institutions to Harrisburg Area Community College in order to get the kind of career skills they needed. A four-year degree can be a wonderful, wonderful thing, both for career and citizenship, but until four-year institutions reinstitute a real core curriculum that's full of the fundamental skills, and cut-out a lot of the fluff, they're not serving students well.

This is one of the reasons my organization has really advocated looking seriously at a 90-credit hour Baccalaureate degree major core curriculum and get people out into workforce for further training.

Ms. LETLOW. Thank you so much for that answer. I yield back my remaining time to Ranking Member Foxx. I yield back Chairman.

Mr. SCOTT. Thank you. Thank you and next we have the gentlelady from Oregon, Ms. Bonamici.

Ms. BONAMICI. Thank you so much Chairman Scott, and Subcommittee Ranking Member Murphy for this important hearing, and thank you to our witnesses. There's a growing college affordability crisis in this country, and it started long before the pandemic.

Tuition and fees continue to rise while the amount of financial assistance available to students fails to keep pace. I was on my own when I went to college. I was able to work my way through first at community college, then college, then law school, all with a combination of grants, loans, and work study. And I worked every year.

I was able to repay the manageable amount of debt I had even while working in public space, but unfortunately this is not the experience for far too many students across the country. A few weeks ago it was an honor to welcome Education Secretary Cardona to northwest Oregon.

And we spoke with community college students and administrators, and they made clear that adequate financial aid was a lifeline to keep them enrolled, especially during the pandemic. We spoke with RJ, a student from Chemeketa Community College and he told us about how federally funded direct aid provided him with financial stability. It allowed him to pay electricity and rent, and therefore stay in school.

We know that the Pell Grant delivers critical financial support to make college accessible, especially for our most historically

disenfranchised students. So by increasing Pell Grant funding we will help more students be able to reach their higher education goals.

So my questions are for Dr. Ortagus. In your testimony you discuss some of the institutional efforts to improve access and student success. So based on your research, what institutional efforts have been most helpful in supporting, retaining, and graduating Pell Grant recipients, and what can the Federal Government do to support or expand these efforts—these successful efforts.

Mr. ORTAGUS. Sure. So what I did reference in my own research I talked about folks who had left college without getting a degree. We were able to induce them to return to college by offering financial support as well as trying to simplify the re-enrollment process.

Beyond that when thinking about retention or degree completion components, I reference the CUNY ASAP model and that had really nice mechanisms associated with like high touch advising and wraparound services that were referenced earlier today. Not only the financial side for textbook assistance, they call it tuition and fee gap funds that were outlined as well, but they would really have a nice total support for the student and that was found to nearly double graduation rates for a really empirically rigorous study where they were randomly assigning folks to the CUNY ASAP relative to the control group.

So really compelling evidence of the benefit of informational and financial barriers being addressed through those wraparound services.

Ms. BONAMICI. But it really does make a difference if I support Trio and Gear Up and programs that help with retention, particularly for first generation students. We have a great program in Oregon called Future Connect, and it's a mentoring program and the students who actively go through the program they act as mentors. It really makes a difference.

And Dr. Ortagus I was encouraged to see that President Biden's American Families Plan incorporates many aspects of the America's College Promise Act, including a Federal/State partnership to provide tuition free community college, and a dedicated stream of funding for increasing student success, and tuition subsidies for students at Historically Black colleges and universities, tribal colleges and universities, and minority serving institutions.

So based on your research, what benefits should we expect for students and communities if Congress were to provide the funds necessary to make the tuition free community college a reality nationwide?

Mr. ORTAGUS. Sure. So I'll talk about like the broader academic literature and what we've seen in a relatively new area of scholarship. One is that we look at the Tennessee Program. It's been found to reduce student loan debt. There have also been rigorous studies looking at increases in students of color as far as enrolling at those community colleges, and increases, specifically with Hispanic and Native American students, and their likelihood to go earn a bachelor's degree.

So there are some significant academic outcomes, enrollment outcomes, and financial outcomes that are a benefit when trying to

provide that affordability or tuition free guarantee for a sector that is serving overwhelmingly a large share of low-income students.

Ms. BONAMICI. Thank you. And in the brief time we have remaining, how can we make sure that tuition free community college works in conjunction with four-year institutions to strengthen opportunities for all students?

Mrs. ORTAGUS. Yes. The biggest thing is we referenced earlier articulation agreements. I want to briefly say that I have read arguments about concerns about it cutting into the market share of public four-years, and that's just kind of a red herring, and not based in empirical fact.

I've conducted studies, well with my colleagues looking that whenever resources are given to community colleges, or if they even offered targeted bachelor's programs, there's decreases in for-profit enrollment, but not actually for public four-year enrollment.

Ms. BONAMICI. And what about private colleges?

Mr. ORTAGUS. Excuse me?

Ms. BONAMICI. What about the private, for example liberal arts colleges, does it affect them? Same as public—

Mr. ORTAGUS. Yes, basically the general relationship is when resources are given to community colleges. The research that I'm indicating is not affecting public four-year, and was affecting private for-profit, I did not see a statistically significant relationship in my own work with the private non-profits such as liberal arts colleges.

Ms. BONAMICI. Thank you. I'd be interested in getting that new material submitted for the record. Thank you Mr. Chairman I yield back.

Mr. SCOTT. Thank you. I understand there's some other republican Members expected, but they're not on the platform yet. If not, I recognize myself for questions. Mr. Ortagus you mentioned a study that showed that if you spend more money, the graduation rate went up. Can you say a little bit about this study, how much money and what it was spent on?

Mr. ORTAGUS. Yes. So the general in reference to what you were talking about, I don't remember the exact like amount or allocation, but I can just say there's an overwhelming amount of evidence related to of course as you provide aid to students, they're more likely to graduate.

There are also studies on the cost side for institutions showing that if institutions spend money specifically on instructional spending, or student services, there are positive implications for graduation rates. So those are kind of the two overarching points I was trying to make in the point you're referencing.

Mr. SCOTT. We've referenced the initiative to double the Pell Grant. If we double the Pell Grant, how close will we come to the good old days when we covered about 79 percent of the costs of going to a State college.

Mr. ORTAGUS. It wouldn't quite be that close. It would be moving in the right direction. It wouldn't quite be, you know, nearly 80 percent coverage, but it would be moving for sure in the right direction given that currently it's roughly 29 percent for all the public four-year costs.

And I just think when you look at the empirical literature I referenced about the benefits of increasing need-based aid in conjunc-

tion with the Pell Grant, which was a study in Texas, really convincing and compelling outcomes in relation to not only the academic outcomes, but also the estimation and the analysis that it can pay for itself within 10 years.

These are really important points when talking about the merits of this type of policy.

Mr. SCOTT. And how does it pay for itself?

Mr. ORTAGUS. Through tax expenditures, so obviously if we give folks higher wages or earnings through the labor market, it can be beneficial to the government providing that opportunity to engage higher education in that way. And I'll be happy to share that study on the record.

Mr. SCOTT. Yes, please do because when you say pay for itself, you mean the Federal budget gets the money back to pay for it, not that in society people get better wages and all kinds of esoteric stuff, but the Federal Government actually gets the money to pay the money back, is that what you're saying?

Mr. ORTAGUS. Yes, to be clear, this was a study in Texas, it was talking about State government, but the implication is could it make sense financially for a government body to provide this type of increase in need-based aid. That's separate from the substantial labor market improvements as far as earnings separate from all of the positive outcomes of a college education.

I'm merely referencing the potential to go recoup that investment through increased expenditures as far as taxes.

Mr. SCOTT. Thank you. Mr. Jones, you mentioned several times wraparound services, what does wraparound mean?

Mr. JONES. Like wraparound in the context of the kind of experiences we provide students once we get them admitted to the university, once we provide the financial packages that allows them to enroll. The work can certainly not stop there. You've got to have a kind of tutoring advising services.

A lot of the things that tutored you know kind of behind the screen if you will that makes sure that these students are academically successful, and that if they find themselves having challenges, whether it's academically or financially, those challenges can be addressed.

And it can't just be a one-shot deal. The way it works here at the university is that we provide these services for four years to assure that the Pell eligible low-income students have not only get access to the university, but they graduate. And it's been shown to be very critically important.

Our first year to second year retention rates are about 92 percent for unrepresented students, and even the third and fourth year they remain very, very high, and that's why we have one of the highest graduation rates among first generation and under-represented students in the country.

Mr. SCOTT. Mr. Jones, we talked about free community college. If your goal is a four-year degree, is it helpful to start with a two-year community college, or much more advantageous to start with the four-year college itself?

Mr. JONES. Well Representative let me say after having spent 4 years as the President of SUNY Albany and valued the proposition when I was President of SUNY Albany, I was very pleased to learn

that 48 percent of the students that walked across the stage at SUNY Albany started out at a community college, and that's one of the value propositions about the relationship between community colleges and four-year institutions in the State of New York.

We have the same kind of aspirational goals as I've said here where we have pathways and articulation agreements that ensure that students ? that if that is the best choice for you as a student, is that the most practical and economic choice for you to make to ultimately receive a four-year degree, we fully support that, and that's why we work so hard to have seamless up-front very transparent articulation agreement with community colleges across the State of Illinois.

Mr. SCOTT. Thank you. My time is expired, but I ask unanimous consent to put in two reports, one report, one article. A report from Education Reform Now, which highlighted the low Pell enrollment at several Virginia public institutions of higher education, and an article from The Hill that illustrates that the problem is not specific to Virginia, but a nationwide problem. Without objection those two—the article and the report will be entered into the record.

Mr. SCOTT. Next, we have my colleague from Virginia, Mr. Good.

Mr. GOOD. I thought I was your esteemed colleague from Virginia sir.

Mr. SCOTT. Distinguished colleague, OK, my distinguished colleague.

Mr. GOOD. Thank you, Mr. Chairman. Thank you for the recognition and the opportunity to address the group and thank you to our witnesses. As someone who came from a lower income family, who had to work all of my life, my parents were not able to help me at all with college, and so I had to work my way through.

I was the beneficiary of a Pell Grant, and without a Pell Grant college would have been out of reach for me, so I'm thankful for that opportunity that was provided to me to work my way through school. Dr. Poliakoff, I want to thank you for being here and testifying to this Subcommittee, and I appreciate your testimony, your honest approach to this issue.

But I have concerns about that the approach from the other side that they're taking on the Pell Grant issue, and we continue to see the same democrat playbook—to throw more money at a problem and hope that will fix it, hope that will make it work finally.

And that's just what H.R. 3946 would do by doubling the Pell Grant by Fiscal Year 2027. Not to mention the equally concerning provision making illegal aliens eligible for Pell Grant funding. Talk about further incentivizing these illegal border crossings, when we continue to provide benefits to illegal aliens, including a desire to make these—doubling the Pell Grants available to illegal aliens.

Dr. Poliakoff, should every prospective college student receive doubled Pell Grant funding in your opinion?

Mr. POLIAKOFF. I do not believe that it would be prudent or appropriate to discuss that before digging into the accountability measures. Resources are finite, and they are particularly finite for education. And it is necessary to dig into indeed the work of Third Way, a center left organization, why are there over 200 schools with a 25 percent graduation rate for Pell students?

What are best practices? What are worst practices? That work hasn't been done. I'd also like to see if I may be so bold, I'd like to see this Committee look into the idea of how we reinvent higher education.

The costs will continue to grow, and once again I think we need to take that report from the New York Fed very seriously, that with increased loans and increased Pell Grants tuition just goes up as Bowen predicted years ago.

This is a vicious cycle, and as important as it is that we provide funding for the students who need it to get to college, we've got to be very careful of where those dollars are going.

Mr. GOOD. Thank you, sir. I'm very concerned, as I think many, at least on our side are, on the runaway costs of college education and the explosion of spending and costs related to non-academic purposes, or in my view, non-appropriate purposes. And a one size fits all approach of this puts the students last, American students last in our education system—a system that has bloated salaries for tenured teachers, administrative staff.

In fact a 2020 report stated that in 2019, 19 public university Presidents or Chancellors made over a million dollars, while the average salary for public university Presidents was over \$500,000.00, \$544,136.00 to be exact. Dr. Poliakoff are you concerned by these bloated administrative salaries in public ed, and how it corresponds to the rising tuition costs I would submit?

And can you recommend to us on the Committee on some ways that we might want to attack the runaway costs of college and help students be able to afford it?

Mr. POLIAKOFF. Thank you for that crucial question. It is destructive of the budget, and destructive of morale for leadership to be so far out of the range of even a full professor's salary. It is unseemly. And good leadership will back away from such practices.

Moreover, if we use—fully utilize the data that's available from National Center for Education Statistics that we have analyzed in our howcollegesspendmoney.com website, it becomes possible to see what is customary, and as I said before, not necessarily reasonable, but what is customary for the ratio of admin to instructional spending?

And it would be very appropriate to begin to make that an accountability metric.

Mr. GOOD. Thank you, you're right on time. I appreciate your response and thanks for being with us today. Thank you, Mr. Chairman, I yield back.

Mr. SCOTT. Thank you. The next person to be recognized is the last Member on the Committee that hasn't been recognized and that's Mrs. McClain. Mr. Morelle will be recognized as a non-Committee Member after all of the Committee Members have been recognized. So we'll now recognize the gentlelady from Michigan, Mrs. McClain.

Mrs. MCCLAIN. Thank you, Mr. Chairman. Mr. Poliakoff, can I start with just a simple question, is do you believe a four-year degree is the only pathway for success for students in the workplace?

Mr. POLIAKOFF. Absolutely not.

Mrs. MCCLAIN. So my question is there seems to be a disconnect right? The workforce, at least the people in my district, is clam-

oring for people with skilled trades, yet our four-year college degrees don't always match those needs, which is what's happening right now.

Is there any reason right now why we can't use that Pell Grant? Because right now the Pell Grant is only for the two and the four-year colleges, correct? Is there any reason why we couldn't use those Pell Grants to actually fill that skilled trades gap for some shorter period of institutional certificates or what not?

Mr. POLIAKOFF. This is a very, very important frontier, and on career training, whether it's for profit or non-profit that has good accountability measures and good metrics, is an entirely appropriate place for Federal money. Getting people into family sustaining wages, and very often with a pathway should they ever want to go back to four-year institutions.

Mrs. MCCLAIN. So you would be open to using some of those Federal funds to really bridge—on the Pell Grant, to really bridge that gap for accredited certified programs, obviously, less than a four-year, or a 2-year traditional college perspective.

Mr. POLIAKOFF. Yes. And—

Mrs. MCCLAIN. Thank you, sir. With that I yield my time back. Thank you.

Mr. SCOTT. The gentlelady's time has expired, she yielded back. Now we've got finally to Mr. Morelle, the gentleman from New York.

Mr. MORELLE. Thank you, Mr. Chairman, first of all for allowing me, although I'm not a Member of this Subcommittee, I'm obviously an excited Member of the Education and Labor Committee, and you've done me an honor to let me just speak for a few moments, so thank you and Chairman Wilson for having what I think is a really, really important issue about Pell Grants.

And I very much appreciate the witnesses sharing their stories and their perspective. I want to acknowledge the former SUNY Albany President. I served a long time in the State legislature on the Higher Education Committee, and I have a son, Nicholas, who has a degree from SUNY Albany, so I appreciate you for all of your work and I'm sorry we've lost you to Illinois, but I know you're doing great work there.

And to Ms. Suriel who is from I think is from the Bronx, but then studying in Manhattan, so as a New Yorker, I'm grateful for the great representation from the great State of New York. But I wanted to focus in on a specific thing as it relates to Pell Grants. I'm very supporting of expanding Pell Grants. I think they're critically important.

I appreciate Representative Good's story, and other's stories about who have used Pell Grants, and it's really made a significant difference in their life. I wanted to talk about students with disabilities, and the question about the requirement of full caseloads in order to qualify for Pell.

And in many cases folks who have disabilities are struggling with some of the challenges of that and need additional time to complete course work for graduation, but the obstacles they face in many cases prevent them from receiving and accessing the full Pell Grant award.

So I'm working on ways to reduce barriers to education for students with disability in my district, and throughout the Nation, I'm working on a bill that would allow Pell Grant flexibility for applicable students, while still maintaining progress toward graduation and aligning affordability and accessibility in addition to setting students with disabilities up to gain Meaningful Employment opportunity, which is obviously the goal, or is at least part of the goal.

I wonder Chancellor if you might be able to just give me some perspective. Does the current structure of Pell Grants as it relates to students with disabilities to create barriers that make it hard for them to be successful? I think you're on mute sir.

Mr. JONES. Thank you Representative. You know we take a lot of pride on the fact that this university was one that did a lot of the innovation through Ted Nugent and others to make this campus very accessible to students with disabilities. And to my knowledge the Pell Grant component of that in terms of financial accessibility to this university isn't an obstacle.

I will do some further checking on that, but not to my knowledge.

Mr. MORELLE. OK.

Mr. JONES. The biggest issue is making sure we've got the accommodations that are absolutely critical for students to be able to physically navigate the campus, and that's why as I said, we were the ones that invented curb cuts to allow people in wheelchairs equal access.

We have an entirely new building that's being designed so everybody can access that building equally, you know, whether you need accessibility or not. But the biggest issue is the kind of services we provide in one of our dormitories where we provide full accommodation for students that need that kind of help, you know, regardless of what their disability might be.

And so that's where we think the biggest need is, is to make sure that we are providing accessibility for students that need it in terms of physical accessibility to all of our campus resources that we are providing you know, making sure that everything that we send out across the campus in terms of mass mails are equally accessible to all.

That's the biggest challenge we face more so than any problem, I believe regarding Pell as it relates to accessibility, but I'd be more than happy to look into that and get back to you with more detail.

Mr. MORELLE. Well I would love to, first of all thank you for your leadership on this and the importance of making sure that we you know have a least restrictive setting for people with disabilities to achieve a college degree and achieve their dream. I would love to come back to you, and I will because I have a letter from the Association of Higher Education and Disability, a group called AHEAD on the question of intellectually developmentally disabled students obtaining a degree in higher education.

And they've raised concerns, so without objection, Mr. Chair, I'd like to submit the letter from that group for the record, but I would love to come back and talk to you about those challenges so that we can perhaps look for a legislative way to advance the interests of all people by issuing higher education. With that Mr. Chair I yield back, again thank you for your indulgence.

Mr. SCOTT. Without objection your request, your letter will be admitted.

Mr. SCOTT. I'm not aware of other Members who have not been recognized. If not, Dr. Murphy do you have a closing statement? The gentleman from North Carolina, Dr. Murphy is recognized for a closing statement, when he unmutes.

Mr. MURPHY. Thank you, Mr. Chairman am, I good?

Mr. SCOTT. You're good.

Mr. MURPHY. All right thank you. Thank you, Mr. Chairman. I want to say thank you to all of the panelists today. I think we've learned a lot and had some great discussions. We're obviously on different levels of where we feel this pathway should go, but I appreciate nonetheless the very robust and very good conversation today.

I think that everybody agrees that Pell Grants have been an extraordinary and powerful tool in helping low-income students across this Nation access a post-secondary education. It's afforded opportunity for so many individuals who have benefited from this program.

But today we talked a lot about root causes when it is convenient, and for some reason we're failing to address the root causes behind why we have seen skyrocketing student debt. Instead, the answer is to pour more money into a system that honestly is broken, and has been failing our students, and saddling them with tremendous debt.

As I mentioned earlier when hospitals and physicians had Medicare rates cut to them, they found a way to cut costs, save money, and at the same time increase quality of care. Why can higher education not do the same? They cannot and will not until they are held accountable. Throwing more money at them is literally opposite of what we should be doing in rewarding bad behavior.

Colleges need to do their part in keeping costs down and ensure that their students actually graduate with a useful degree. As students with diverse backgrounds seek out post-graduate, post-secondary education, colleges, and universities need to do a better job of serving their unique needs.

It's time for college administrators to come down from their ivory towers and serve the students coming through the door, rather than forcing the students to rearrange their lives to enter academia and then force subsequently, straddling them with enormous student debt upon graduation.

Once a student is enrolled, they need to gain the skills that they need whether they be welding, critical thinking, or problem-solving in the most efficient, cost-effective, and effective way possible. That is simply not happening right now. We have seen an explosion of college majors that offer students no chance of gainful employment upon graduation, and only saddle them with monstrous debt.

As we reauthorize the Higher Education Act, we need to have a serious conversation about what is standing in the way of colleges and universities from lowering their costs, and subsequently better serving their students.

Again let me be very clear, we want to help our students, especially low-income students and give them every opportunity to a pathway to a successful career. The jobs are out there. We need to

get the students the skills that they need to get hired and thrive after college and subsequently not be able to move forward because they're straddled with debt.

I thank the Chairman for holding this hearing. Again, I thank the participants, I look forward to continuing these conversations in the months to come, thank you Mr. Chairman, I will yield back.

Mr. SCOTT. Thank you. Thank you. Thank you. I remind my colleagues that pursuant to Committee practice materials for submission for the hearing record must be submitted to the Committee Clerk within 14 days following the last day of the hearing, so that's by close of business August 12, preferably in Microsoft Word format.

Material submitted must address the subject matter of the hearing. Only a Member of the Subcommittee or an invited witness may submit materials for inclusion into the record. Documents are limited to 50 pages each. Documents longer than 50 pages will be incorporated into the record by way of an internet link which you must provide to the Committee Clerk within the required timeframe, but you have to recognize that in the future that link may no longer work.

Pursuant to House rules and regulations, items for the record should be submitted to the Clerk electronically by emailing submissions to edandlabor.hearings@mail.house.gov. So I want to thank our witnesses for their participation today. Members of the Subcommittee may have additional questions for you, and we ask witnesses to please respond to those questions in writing.

The hearing record will be held open for 14 days, and I remind my colleagues that pursuant to Committee practice, witness questions for the hearing record must be submitted by the Majority Staff within seven days, and the questions submitted must address the subject matter of the hearing.

I'll now recognize myself for the purpose of closing statement. I want to thank our expert witnesses for an engaging dialog, and for your commitment to student success. Today we reflected on the urgent need to expand low-income student access to affordable, high-quality public education, and our responsibility to help all students complete their degrees.

Even before COVID-19, many public four-year institutions enrolled and graduated far too few low-income students. Now as we've heard from our witnesses, this problem has only been exacerbated by the college closures and severe disruptions caused by the pandemic.

While Congress provided direct relief to help institutions and students weather the pandemic, persistent barriers to education still exist for underserved students. This is why we need bold, legislative solutions to lower the cost of college and support student success. Like the American Families Plan and the Pell Grant Preservation Expansion Act, and the bill that Congressman Pocan and I introduced in June.

As a Pell Grant recipient, with Ms. Suriel and Dr. Ortagus, exemplified the life changing impact of Pell Grants and public higher education can have on our Nation's students. Likewise, Chancellor Jones's testimony provides a model for transformational efforts

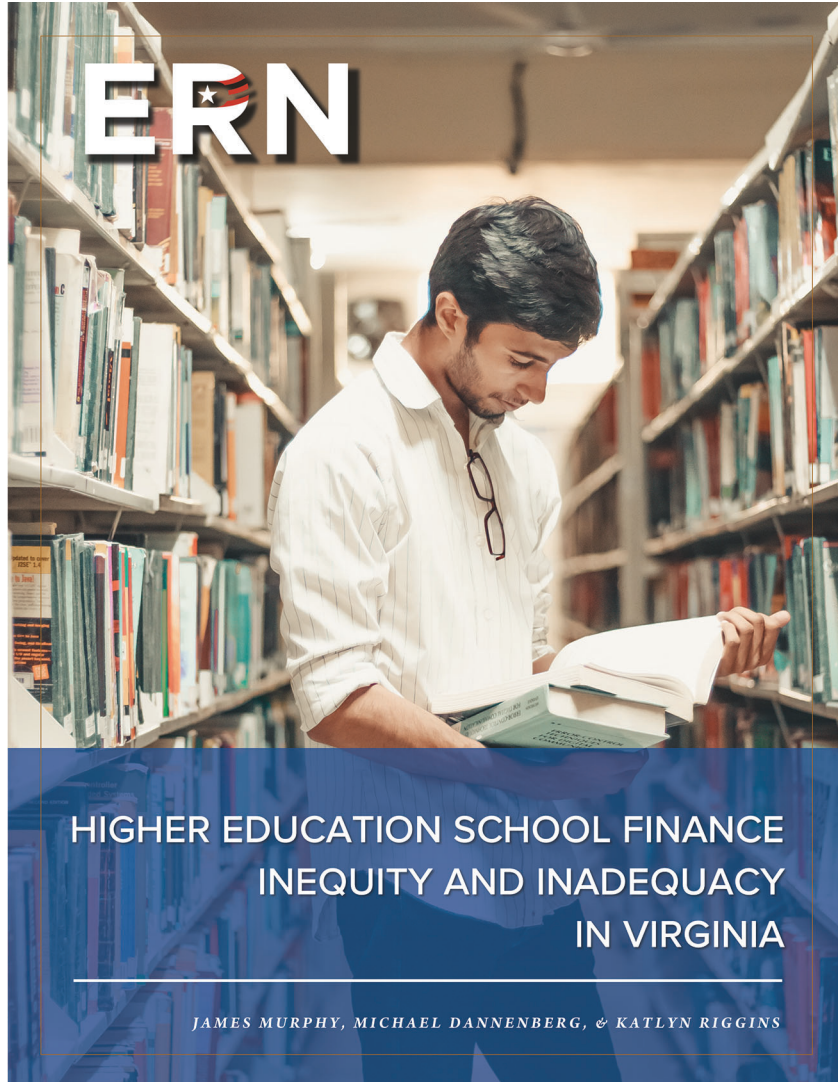
that our institutions can employ to leverage the Pell Grant and support student success.

And we should take note of this testimony that a significant portion of the value of a college education occurs outside the classroom, and so the opportunity for a liberal arts education should still be available to all, even if it is not technically monetized or otherwise job related. That opportunity still ought to be available.

We must invest in strengthening and expanding access to these critical resources so that every person can learn and earn the lasting benefits that come with a quality degree. So again, I want to thank our witnesses, and I look forward to building back a better higher education system in which everyone can succeed.

And if there's no further business to come before the Committee, without objection the Subcommittee now stands adjourned.

[Additional submissions by Chairman Scott follow:]



HIGHER EDUCATION SCHOOL FINANCE
INEQUITY AND INADEQUACY
IN VIRGINIA

JAMES MURPHY, MICHAEL DANNENBERG, & KATLYN RIGGINS

EXECUTIVE SUMMARY

A

Democratically controlled legislature and Democratic governor have increased total funding for Virginia's public universities markedly over the past three years, but the Commonwealth still has an irrational, inequitable, and unjust public higher education finance system in need of reform. Even with a significant increase in state investment for the most recent fiscal year, public support for Virginia higher education has not kept up with rising costs and an expanded pool of students, leading to not just higher tuition and fees for students and families, but some of the highest tuition and fee levels in the country and ever rising student loan debt, particularly for working-class, low-income, and racial minority students.

The findings summarized below and detailed in this paper track those of our prior brief, *Scratching the Surface*, which describe a system of higher education in Virginia that is segregated on a *de facto* basis by class and race. It is incumbent for Virginia state leaders to not just increase higher education funding overall, but to do so in a way that furthers equitable state finance of and access to quality public colleges and universities. As federal officials, especially those from Virginia, and advocates in the Commonwealth and beyond likewise consider major new investments in higher education as per President Biden's latest budget proposal, it is incumbent on them to do the same – further equitable state finance of and access to quality public colleges and universities.

Hidden Distribution Decisions & High Levels of Higher Ed School Finance Inequity

- Virginia does not have a transparent, consistent funding formula for state support to public institutions of higher education linked to institution need, access, affordability, or success.
- The Commonwealth provides 68% more in state funding to public four-year colleges than it does to two-year community colleges per full-time equivalent student.
- Wealthy, public four-year colleges like William & Mary receive more state funding per student annually than Old Dominion and George Mason, which serve a much more racially and socioeconomically diverse student body.

Scarce Public Dollars Directed to the Wealthy & Dubious Private Schools

- Virginia spends close to \$70 million per year on the Virginia Tuition Assistance Grant (VTAG) program for those attending private four-year colleges. VTAG funds are disconnected from family financial need and support private institutions where not even half of undergraduates earn a degree.
- More students from upper-income families earning over \$100,000 a year benefit from VTAG than students from hard-pressed middle-income families with incomes between \$50,000 and \$100,000. In fact, through VTAG each year, approximately \$10 million in Virginia college financial aid goes to families with zero demonstrated financial need.
- Liberty University, which is arguably one of the worst non-profit private colleges in the country for poor and minority students in terms of affordability and completion, is the largest recipient of

VTAG funding by a factor of four. Liberty University alone received almost \$17 million in VTAG funds in 2019 (25% of the total VTAG funds Virginia dispensed to undergraduates) despite having a Black student graduation rate of just 17%.

Exceptionally Low Investment in Public Higher Education

- Not only is Virginia not leveling up higher education school finance equity, until the recent Democratic takeover of the state legislature, it had been slowly divesting from public higher education. In 2001, Virginia students paid just 23% of the cost of public higher education and the state paid 77%. In 2019, students covered 52% and the state just 48%.
- Even after increased total investment during the tenures of Governors McAuliffe and Northam, as of 2020 Virginia still ranked 44th in the nation in state funding for two-year colleges per full-time equivalent student.
- Virginia's public four-year comprehensive and research institutions have the 3rd and 7th highest tuition and fee levels in the nation, respectively.
- On an inflation adjusted basis, Virginia's per pupil contribution to public higher education has been relatively flat for the last decade and remains smaller than it was in 2009 for four-year institutions.

Elevated & Rising Student Debt Levels

- Some 57% of Virginia postsecondary education graduates from public four-year colleges leave with student loan debt and a quarter owe more than \$50,000.

- At Virginia's two public HBCUs, approximately 90% of graduates leave with student loan debt. Half of them owe more than \$40,000. In contrast at the state's two wealthiest and most selective public universities, each of which receive sizable financial support from the Commonwealth of Virginia, barely a third of students graduate with debt and median debt is \$15,000 less than at the HBCUs.
- In 1992, just 29% of Virginia residents took out loans to attend a public college, but in 2018, 51% did. The amount individuals borrowed almost doubled in inflation-adjusted dollars. The portion of community college students who take out loans increased more than five times.

Our first report examined student demographics and enrollment trends at Virginia public and private colleges individually, compared to each other, and compared to national levels and peer institutions in other states.

This paper is the second in a series making up a full report on Virginia's small 'c' conservative commitment to diversity and socioeconomic mobility through higher education. Here, we focus on college affordability and financial aid.

INTRODUCTION

Few states loom as large in the history of public education as Virginia. More than two centuries ago, Thomas Jefferson's "Bill for the More General Diffusion of Knowledge" argued that because an educated citizenry was essential to successful democracy it should be "educated at the common expense of all" without regard to "wealth, birth or other accidental condition or circumstance."¹ Even though today we would reject Jefferson's understanding of who constituted the citizenry, his is still a commendable, high ideal that went on to guide the creation of the University of Virginia and shaped the American understanding of higher education as not just a finishing school for the elite, but as an engine of democracy, freedom, and socioeconomic mobility.

Over the past twenty-five years that engine has stalled in Virginia.

The Commonwealth has slowly privatized higher education by failing to maintain funding for its public institutions. The funding it does provide for higher education is not supplied in a systematic and transparent manner emphasizing equity or accountability. And it runs a regressive financial aid program that sends millions of dollars to private colleges and universities that too often fail to deliver an adequate return on the taxpayers' investment.

All this adds up to high tuition, increased student loan debt, and declining college affordability for low-income, working class, and hard-pressed middle class Virginia residents.

A meaningful commitment to socioeconomic opportunity and diversity in higher education entails a commitment to college affordability as well intentional recruitment and fair admission policies. It does little good to increase recruitment of underrepresented minorities or low-income students if an institution is not affordable. Conversely, enrolling high

numbers of underrepresented students only to have them drop out or graduate with crippling student loan debt deeply impairs the power of higher education to elevate one's economic standing. The data indicate Virginia needs to address multiple college affordability issues.

Virginia Funds Higher Education Inequitably

The large differences in net price (i.e. out-of-pocket price after all grant aid is conferred) and student debt among Virginia's public universities point to a more fundamental issue in the Commonwealth's higher education system. There are large inequities in how the state funds higher education. In fact, Virginia does not even have a public higher education funding formula that can be said to drive equity and infuse a degree of accountability.

Aggregate state appropriations for community colleges have returned to 2009 levels in Virginia, but there remains a large gap in state funding per pupil between two- and four-year public colleges. Virginia four-year colleges receive 68% more per full-time equivalent (FTE) student than two-year institutions, even though community colleges have less institutional wealth and serve students with much greater need (see figure 1).

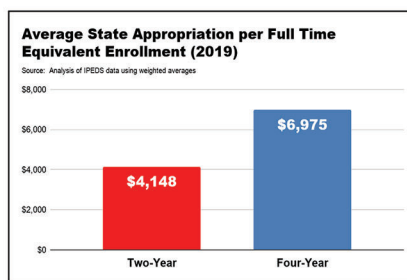


Figure 1

William & Mary University, with its nearly \$1 billion endowment, and the Virginia Military Institute (VMI), with a \$540 million endowment, receive more than twice as much per FTE student than many community colleges in the state.² Two-year institutions in the Commonwealth, almost without exception, serve low-income students and Black students at a much higher rate than either William & Mary or VMI (see figure 2).³

Institution Name	State Appropriation per FTE Student (2019)	Pell Enrollment (2018)	Black Enrollment (2018)
William & Mary	\$ 8,464	11.6%	7.2%
Virginia Military Institute	\$ 8,015	13.9%	6.2%
Lord Fairfax Community College	\$ 3,988	20.6%	4.0%
Piedmont Virginia Community College	\$ 4,505	22.0%	12.5%
Tidewater Community College	\$ 3,677	39.0%	31.0%

Source: Analysis of IPEDS Data 2016-18.

Figure 2

Among four-year universities, state appropriations are unevenly distributed and appear to follow no clear logic. While it is good to see institutions with larger Pell Grant recipient shares receiving more funding than those that enroll a smaller portion of low-income students in most cases, it is still notable that the Commonwealth's two HBCUs enroll the largest shares of Pell Grant students but do not receive the largest appropriation per full-time equivalent student (see figure 3).

- George Mason enrolls Pell Grant students at more than twice the rate that the University of Virginia and is much more racially and ethnically

diverse, but it gets the smallest per FTE pupil state appropriation in the Commonwealth among four-year colleges.

- Virginia Military Institute gets the sixth largest state per pupil appropriation and William & Mary gets the fifth largest, even though both institutions have huge endowments and rank among the worst 11 public universities *in the country* in terms of Pell Grant student enrollment rate.

State Appropriations per FTE for 4-Year Public Universities (2019) and 3 year average Pell enrollment share (2018)

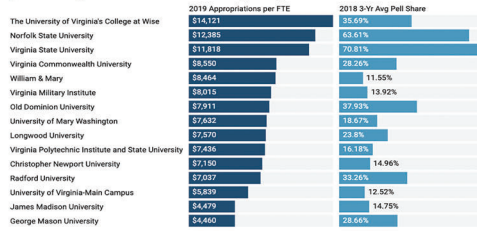


Chart: ERN • Source: IPEDS • Get the data • Created with Datawrapper

Figure 3

A more rational and equity-minded approach to funding higher education in the Commonwealth would direct appropriations to the institutions that enroll greater shares of low-income and working-class students as well as under-represented minorities. It would reward institutions that improve outcomes for these and all students as reflected in graduation rates overall and among disaggregated subgroups. It would reward reduction of enrollment and completion gaps between wealthy students and white students as compared to those who are not. It would take into consideration institutional wealth and success.

And it would support improved academic preparation at the secondary school level so that students are better able to complete their postsecondary education studies in a timely fashion.

Virginia has no such approach, although some equity measures are proposed in SCHEV's Virginia Plan for Higher Education.⁴ Currently, Virginia's distribution of state higher education funding prioritizes faculty-student ratios, instruction and support services, and faculty salaries.⁵ It sets a goal that "the percentage of the cost of education for Virginia students enrolled at an institution to be funded from state general funds is the same for each institution." But Virginia does not actually do that (see figures 2, 3). Moreover, equal funding is bad funding when it comes to higher education. Virginia's two- and four-year colleges need *equitable* funding; that is higher funding for those with higher needs, and a formula that guarantees it.

[Virginia Misdirects Financial Aid to the Wealthy & Dubious Private Schools](#)

Inefficiency and inequity also bedevil one of Virginia's largest student grant aid programs. One way states blunt the impact of declining overall state investment in higher education and rising tuition and fees on hard-pressed families is to increase state grant aid to needy students. Virginia has many aid programs, but the largest are two need-based programs for public institutions and one disconnected from need for private colleges.

- 1) The Virginia Commonwealth Award and the Virginia Guaranteed Assistance Program (VGAP) are side-by-side, need-based grant programs for residents enrolled in an undergraduate program at in-state, public two- or four-year institutions. VGAP recipients must have at least a 2.5 GPA in high school, enroll full-time in college, and maintain a 2.0 GPA. The average Virginia Commonwealth/VGAP Award was \$2,752 in 2018. In 2020, the total funding for both programs was \$249 million.⁶
- 2) The Virginia Tuition Assistance Grant Program (VTAG) is a non-need *and* non-academic merit based grant for undergraduate and graduate students who are Virginia residents attending private, non-profit four-year institutions in Virginia (96% of the funds go to undergraduates).⁷ The average VTAG award was \$3,066 in 2018. In 2020, the total funding for VTAG was \$71 million.⁸
- 3) Because VTAG is not based on need and simply distributed to students who complete the application (meaning it is not even a so-

called "merit" program), millions of taxpayer dollars each year go to students who do not need financial assistance, particularly since highly-resourced students are more likely to be advised to fill out the application.⁹ More students from families earning over \$100,000 a year end up with a larger share of VTAG financial aid than students from working-class and middle-income families with income between \$50,000 and \$100,000 in 2018 (see figure 4).

Distribution of VA Tuition Assistance Grants by Income

Source: VA DOE, SCHEV FA01 Report, 2018-19



Chart: ERN • Created with Datawrapper

Figure 4

Almost 16% of the students who received VTAG funding in 2018 (3,269 students in total) qualified for no financial aid or did not even bother applying for federal financial aid (see figure 5). Each year, approximately \$10 million in Virginia state college aid goes to families with zero demonstrated financial need and zero indication of heightened academic merit.

Financial Aid Status of Students Who Received VTAG (2018)

Source: VA DOE (2018). Financial need is determined by a Federal Formula that deducts the Expected Family Contribution from the Cost of Attendance.

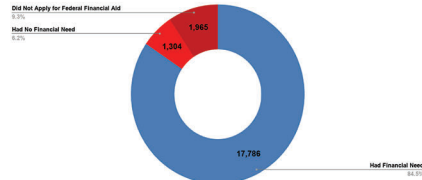


Figure 5

Moreover, VTAG funding is provided to a number of private colleges with poor student outcomes. Nine private colleges (37.5% of all such Virginia institutions) that get VTAG funds have graduation rates below 50% (see figure 6).¹⁰ Liberty University is the largest recipient of VTAG funding by a factor of four, even though it has a 47% overall graduation rate and a Black graduation rate of just 17%.¹¹

VTAG Funds Received by Virginia Private Four Year Institutions (2019) and 6-year Graduation Rate (2019)

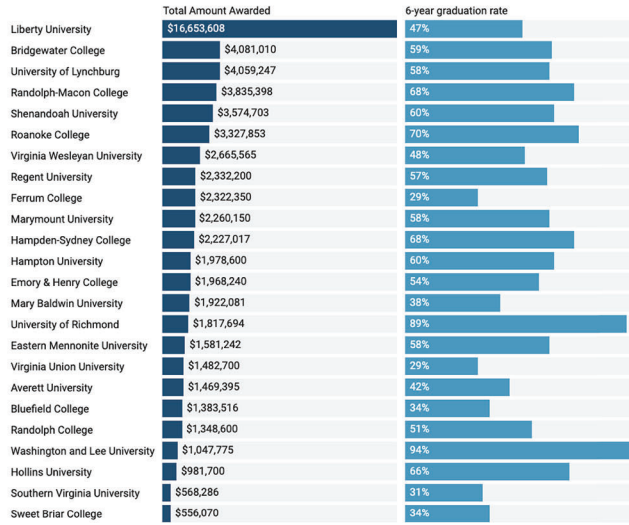


Chart: ERN • Source: IPEDS and SCHEV Table FA03: Tuition Assistance Grant (TAG), Award Totals • Get the data • Created with Datawrapper

Figure 6

Over 100,000 Virginia residents attending the Commonwealth's public colleges received Pell Grants in 2018. Their average income was \$27,805. Their average Pell award was just \$4,309, leaving a large gap to cover the cost of attendance for many low-income students.¹² Virginia would do far more good if it used the \$70 million per year it spends on the VTAG on additional aid for students who receive Pell Grants.¹³

Virginia Has Increasingly Privatized Its Public Higher Education System

Redirecting VTAG aid to students with financial need is necessary, in part, because over the past two decades Virginia has followed a path of privatization when it comes to public college finance. As in many states, *per-student* higher education appropriations in Virginia have declined since their peak in 2001. Since 2012, the Commonwealth's appropriations per FTE student at two- and four-year institutions combined have increased, but a wider lens reveals that they have dropped 24% in constant dollars since the start of the century. That decline is three times larger than the national average, which was 8% lower as compared to the level in 2001.¹⁴

In 2020, Virginia ranked 44th in state funding for two-year community colleges per FTE student and 36th in funding for higher education overall, despite being among the wealthiest states in the nation (see figures 7 & 8).¹⁵

Public Higher Education Appropriations Per FTE by State at Two-Year Institutions, FY 2020

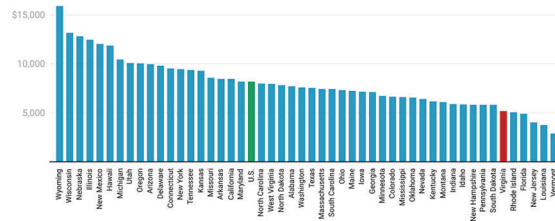


Chart: ERN - Source: SHEEO State Higher Education Finance - Created with Datawrapper

Figure 7

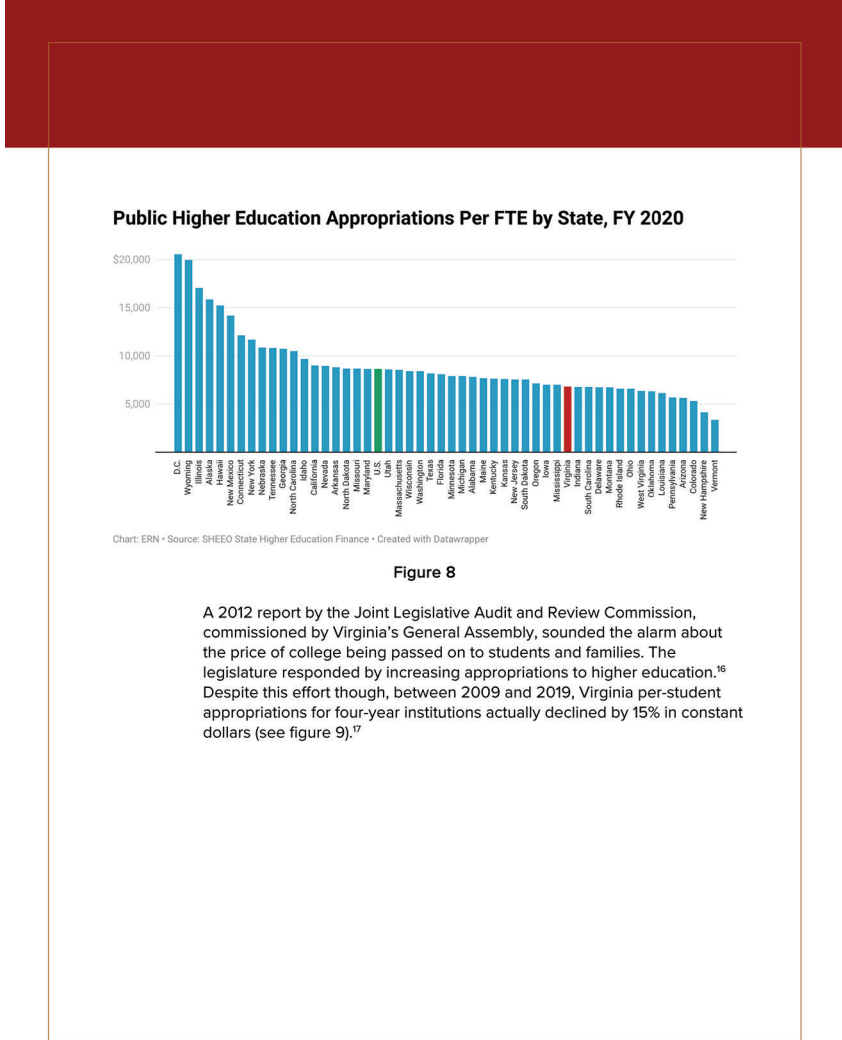


Figure 8

A 2012 report by the Joint Legislative Audit and Review Commission, commissioned by Virginia’s General Assembly, sounded the alarm about the price of college being passed on to students and families. The legislature responded by increasing appropriations to higher education.¹⁶ Despite this effort though, between 2009 and 2019, Virginia per-student appropriations for four-year institutions actually declined by 15% in constant dollars (see figure 9).¹⁷

State Appropriations per FTE at Four Year Institutions (2019 \$)

Source: IPEDS, adjusted to 2019 \$ using Consumer Price Index

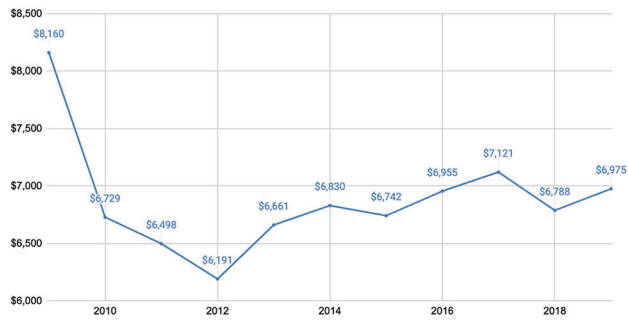


Figure 9

When public colleges are underfunded by states, they typically backfill a substantial portion of missing resources with heightened tuition and fees charged to families. In 2001, Virginia students paid just 23% of the cost of public higher education and the state paid 77%. In 2019, students covered 52% and the state just 48%.¹⁸ Virginia's comprehensive public four-year colleges and research universities have the 3rd and 7th highest tuition and fee levels in the nation (see figure 10).

Virginia's Rank Among All States In-State Undergraduate Tuition and Fees at Public Institutions

Institution Category	1989-90	1993-94	2000-01	2009-10	2018-19	2019-20	Estimated 2020-21
Comprehensive Institutions	3rd	3rd	6th	10th	3rd	3rd	3rd
Doctoral/ Research Institutions	5th	8th	19th	16th	7th	7th	7th

Source: SCHEV 2020-21 Tuition and Fees Report

Figure 10

The University of Virginia (UVa) has the fifth highest in-state tuition and fee level in the nation for public flagships (see figure 11), despite its \$9.6 billion endowment (18th highest in the nation).¹⁹ On top of that endowment, UVa built a cash reserve of \$2.2 billion between 2007 and 2016—one former board member called it “a slush fund”—even as it raised tuition and fees. UVa deemed this reserve a Strategic Investment Fund, intended to propel improvements at the university, but it was not until 2020 that it finally provided \$30 million for the university’s scholarship endowment.²⁰ That sum represents less than 5% of the fund it has distributed across the university since 2016.²¹ Dedicating more of the Strategic Investment Fund to financial aid could make UVa one of the most affordable flagships in the nation, but the university appears to have the opposite priority.

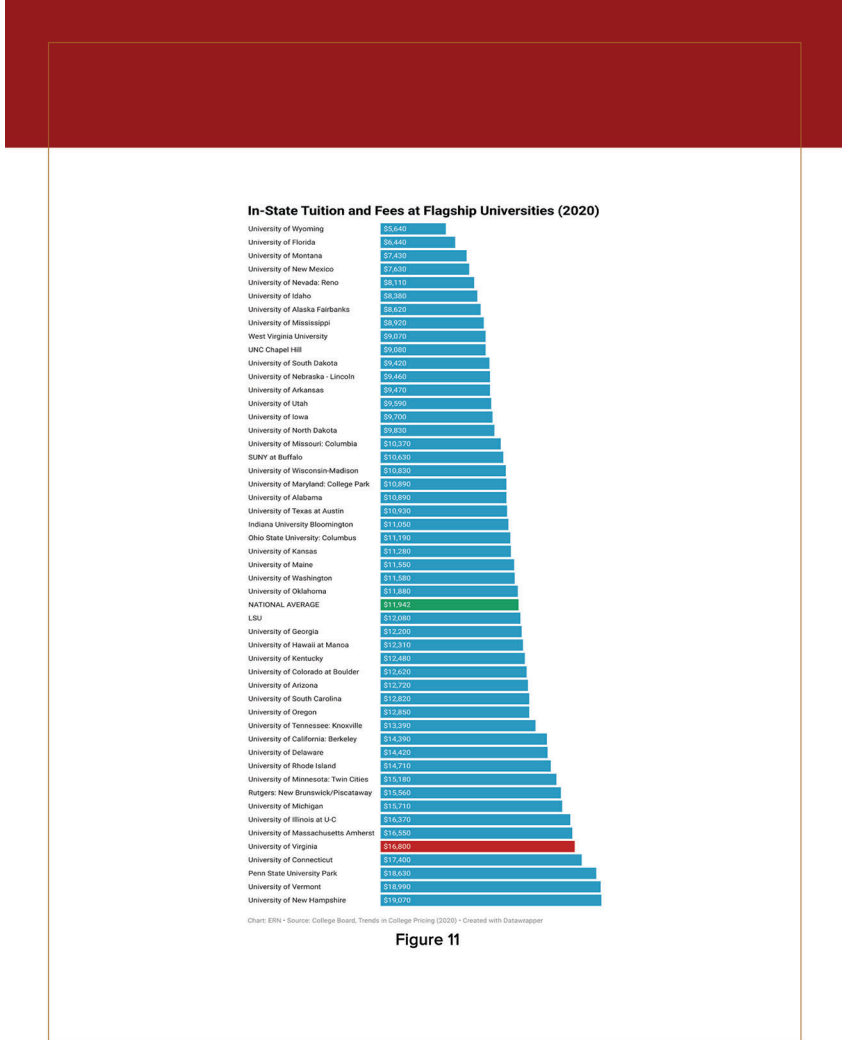


Figure 11

Published tuition and fees do not tell the whole college affordability story, however. Federal and state grants along with institutional discounts mean that at most colleges and universities many students do not pay sticker price. Sticker prices matter since they can discourage students from even applying because they think that college is too expensive. But more significant than sticker price is the actual cost of attendance, or net price. Net price is the out-of-pocket price students pay for tuition, fees, books, food, and housing expenses after all grant aid and scholarships are subtracted from the published cost of attendance.²²

Over 1,200 first-time, full-time students from households with incomes below \$30,000 per year attend Christopher Newport, Virginia Commonwealth, George Mason, and Virginia State University. The average net price for these exceptionally low-income but promising students is over \$15,000 a year, or more than half of their annual household income. Each of these colleges charges low-income students substantially more than peer institutions (see figure 12).²³

Net Price for Low-Income Students

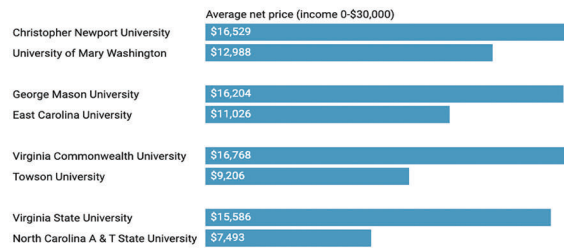
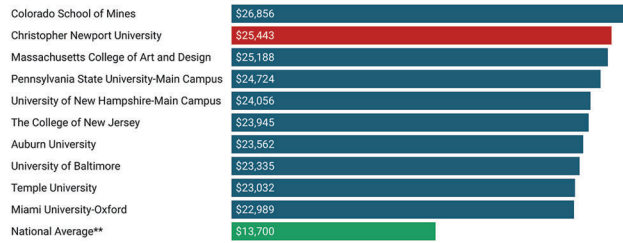


Chart: ERN • Source: IPEDS (2018-19) • Created with Datawrapper

Figure 12

Christopher Newport University (CNU) deserves special attention, if only for its connection to political clout. It's a public college located in U.S. House of Representatives Chairman Bobby Scott's Congressional District and its President is former U.S. Senator Paul Trible (R-VA). CNU has the second highest average net price of any public, four-year institution of higher education *in the nation* (see figure 13).²⁴ It has steadily increased its net price over the last decade; adjusted for inflation, CNU's net price has increased 37% (60% in unadjusted dollars). Today over a quarter of CNU students that graduate do so with over \$60,000 in student loan debt. Perhaps not coincidentally, from 2011 to 2018 its enrollment rate of students with Pell Grants shrank from 17% of undergraduates to 14%. The state average Pell Grant student enrollment rate at four-year public institutions grew slightly from 25.6% to 25.8% during this time.²⁵

The 10 Highest Net Prices per Year at 4-Year Public Colleges and Universities (2018)*



*Three public institutions identified in IPEDS with the highest net prices were left off this list because two of them, according to College Scorecard, are primarily 2-year institutions and the other has only been a public institution for one year. **National average for 2017 from NCES

Chart: ERN • Source: IPEDS, NCES • Created with Datawrapper

Figure 13

UVa's net price for students from households making less than \$30,000 is lower than Christopher Newport and many of its in-state peers', but low-income students pay even less at William & Mary and at other flagships with a national reputation (see figure 14).

Average Net Price for Low-Income and Working Class Students

	Average net price (income 0-\$30,000)	Average net price (income 48,001-\$75,000)
University of Virginia-Main Campus	\$8,862	\$14,671
William & Mary	\$4,711	\$11,721
University of North Carolina at Chapel Hill	\$4,026	\$11,060
University of Michigan-Ann Arbor	\$3,166	\$10,028
University of Florida	\$1,994	\$8,528

Chart: ERN • Source: IPEDS • [Get the data](#) • Created with [Datawrapper](#)

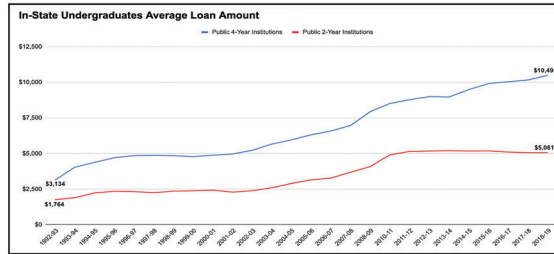
Figure 14

One should not rush to applaud William & Mary, however, on affordability for low-income students. Like UVa and Christopher Newport, it admits far too few low-income students. At Virginia Commonwealth University, 13% of freshmen come from households making less than \$30,000; at Virginia State, 28%. But at UVa, William & Mary, and Christopher Newport less than 4% of freshmen come from poor households. In fact, these three universities rank among the 11 worst public colleges in America when it comes to enrolling students with Pell Grants as noted in our first Virginia higher education brief. And no public official seems to hold these institutions accountable for that performance.

[More College Students in Virginia Have to Borrow to Pay for College, and They Are Borrowing More Than Ever](#)

Since 1992, the share of Virginia residents who need to take out loans to attend a public Virginia four-year college has grown from 29% to 51%. The amount borrowed on average increased from \$3,134 in 1992 (\$5,589 in 2018 dollars) to \$10,495 in 2018 (see figure 15). At private, Virginia four-year colleges, the share of students taking out loans grew from 40% to 70%, with a larger increase as well in the amount of borrowing in one year, from

\$3,860 in 1992 (\$6,884 in 2018 dollars) to \$11,264 in 2018. While the share of Virginia residents who borrow to attend a community college has been significantly smaller than at four-year public institutions, that proportion has increased more than five times, from 2.5% to 12.6% between 1992 and 2018. Make no mistake, Virginia's student loan crisis is in large part a function of state disinvestment in higher education.



Source: SCHEV Table FA33T: Trends in the Percentage of Students Enrolled in the Fall who Borrowed
Figure 15

From 2002 to 2018, the share of students graduating from Virginia's public universities with debt increased by 24% and the amount of debt they had increased by 18% (see figure 16). Worse yet, the debt of big student loan borrowers (i.e., the highest quartile that owe over \$50,000) grew by 49% during that same time period. The dollar amounts and shares are higher yet at four-year private universities.²⁶ And it is important to note that these numbers are only for college graduates, who at least enjoy the financial benefits of a degree, unlike the thousands of students leaving college with debt and no degree.

Trends in Student Debt at Virginia 4-year Universities and Colleges

All dollar amounts converted to 2018 \$, using Consumer Price Index

	Share of Graduates with Debt (Public)	Share of Graduates with Debt (Private)	75 th ile Debt (Public)	75 th ile Debt (Private)
2002	46%	60%	\$34,035	\$43,284
2018	57%	69%	\$50,720	\$53,809

Chart: ERN • Source: SCHEV Table EOM 01T • Get the data • Created with Datawrapper

Figure 16

There are vast differences in the proportion of students who graduate from Virginia's public universities with debt and in how much debt they possess (see figure 17). At Christopher Newport and James Madison University, a quarter of graduates leave owing more than \$60,000 in student loan debt. At Longwood University, a quarter of graduates owe more than \$70,000 in student loan debt. Students of color who graduated from four-year colleges in Virginia are more likely to have debt than white graduates are (64% to 54%, respectively), and their median debt levels are about \$1,500 higher.²⁷

Student Debt at Virginia 4-year Public Universities (2018)

All data are for graduates of 4-year Bachelor's degree programs.

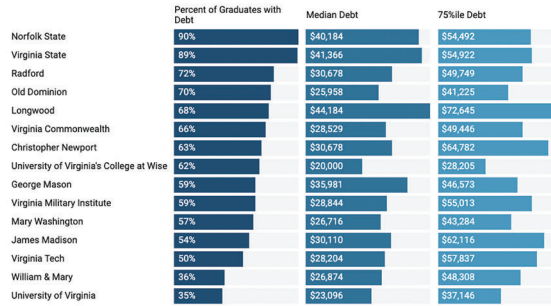


Chart: ERN • Source: SCHEV Table EOM 01T • Get the data • Created with Datawrapper

Figure 17

A notably smaller share of students graduate with debt from Virginia's two most selective and wealthiest public universities, and their debt loads are smaller on average, particularly at UVa. But again before we commend William & Mary or UVa for their seeming affordability, recall they enroll smaller shares of Pell Grant recipients than almost every other public college and university in the nation. They look relatively affordable compared to other Virginia colleges in terms of median student loan debt,

in part, because they accept relatively few students who need to borrow money for college.

In stark contrast, almost every graduate from the state's two public Historically Black Colleges and Universities (HBCUs), Norfolk State and Virginia State, leaves with debt, and a quarter of graduates owed more than \$54,000 in 2018 (see figure 17).²⁸ The ubiquity and size of student loan debt for Black students and at HBCUs is of particular concern. For reasons ranging from societal discrimination in employment and earnings to the racial wealth gap and occupational choice, national data indicates some 49% of Black student loan borrowers default on a student loan at least once over a 12 year repayment period and some 23% of Black *bachelor degree* holders default on student loan at least once during the same period of time—a rate four times higher than their white peers (see figure 18).²⁹ In short, student loan debt at public two- and four-year colleges is worsening racial inequity.

Borrower Loan Default Rate within 12 Years after Entry (Students entered in 2003-04)

	Overall	Attained Bachelor's Degree	Attained Associate Degree	Attained Certificate	No Degree, Still Enrolled	Dropped Out
White	21%	6%	17%	40%	23%	38%
Black/AA	49%	23%	33%	54%	46%	65%
Hispanic/Latinx	36%	14%	21%	51%	30%	48%
Overall	29%	9%	22%	46%	29%	46%

Source: Center for American Progress, 2017.

Figure 18

CONCLUSION

In our last brief on Virginia higher education, we highlighted Virginia's *de facto* segregated system by class and race. This brief follows on that because affordability contributes to inequity in access and outcomes. It is not enough simply to recruit a diverse pool of applicants. Colleges and universities must be affordable as well in order to make a meaningful commitment to diversity.

Virginia has failed to answer the charge Thomas Jefferson called it to over two centuries ago: to create an educated populace "without regard to wealth, birth or other accidental condition or circumstance." It was a noble challenge then and one that Virginia can and should still fulfill, for its own good and the good of families with students of all ages.

###

ENDNOTES

¹ "79. A Bill for the More General Diffusion of Knowledge, 18 June 1779," Founders Online, National Archives.

² For endowment data, see James Murphy, "Rich Schools, Poor Recruiters," Education Reform Now (February 2021). State funding figures based on analysis of IPEDS data for sources of revenue in 2018.

³ Average Pell share and Black student share calculated from an analysis of IPEDS enrollment data for 2016-18.

⁴ State Council of Higher Education for Virginia, Pathways to Opportunity: The Virginia Plan for Higher Education (2020).

⁵ See Virginia code, Title 23.1.

⁶ The average award totals are for undergraduates attending two- or four-year public institutions in 2018-19, the most recent year for which data are available from the State Council of Higher Education of Virginia (SCHEV). See Table FA13: VA Student Financial Assistance Program Report for the average award to students attending public institutions. SCHEV does not report separate average award amounts for the Commonwealth and VGAP programs.

⁷ Share calculated from the sum of all undergraduate Tuition Assistance Grants in 2018-19 found in Table: FA03: Tuition Assistance Grant (TAG), Award Totals, SCHEV.

⁸ The average award totals are for undergraduates attending two- or four-year public institutions in 2018-19, the most recent year for which data are available from the State Council of Higher Education of Virginia (SCHEV). See Table FA13: VA Student Financial Assistance Program Report for the average award to students attending public institutions and Table: FA03: Tuition Assistance Grant (TAG), Award Totals for awards to students at private institutions

⁹ Students with financial need, as defined by the federal government, are those whose expected family contribution, determined by completing the FAFSA, is lower than a university's cost of attendance.

¹⁰ A few institutions for which graduation rates were not available in IPEDS were left off the table.

¹¹ Graduation rates based on an analysis of 2019 IPEDS enrollment data.

¹² See SCHEV table FA09: Pell Grant Report: 2018-19.

¹³ Total derived from sum of all undergraduate Tuition Assistance Grants in 2018-19 found in SCHEV Table: FA03: Tuition Assistance Grant (TAG), Award Totals.

¹⁴ State Higher Education Executive Officers Association, State Profile: Virginia, State Higher Education Finance (SHEF) Report (2020).

¹⁵ SHEF Report (2020), see figure 3.2. Alaska does not have community colleges, so Virginia is ranked 44th out of 49 states.

¹⁶ Joint Legislative Audit and Review Commission, Addressing the Cost of Public Higher Education in Virginia (2012).

¹⁷ IPEDS data. All dollar amounts adjusted to \$2019, using the Consumer Price Index.

¹⁸ See chart 7 in SCHEV's Higher Education Funding: Baselines and Trends in Education and General Support (2020) report.

¹⁹ <https://www.cavalierdaily.com/article/2020/12/ucwva-the-university-has-the-money>

²⁰ Nick Anderson, Susan Svrluga, and Danielle Douglas-Gabriel, "Lawmakers want to know why U-Va. stockpiled billions but still boosted tuition," *Washington Post*, August 25, 2016.

²¹ James Bacon, "UVA Builds Scholarship Endowment to Half-Billion Dollars," *Bacon's Rebellion*, December 13, 2020. As of 2019, the Strategic Initiative Fund had provided approximately \$640 million in funding to programs at UVA.

²² Net prices are calculated using only those students who apply for federal financial aid. Net price figures therefore leave out some students. A number of these students—particularly at expensive private colleges and universities, such as Washington and Lee University and the University of Richmond—will be wealthy enough to simply pay the full or discounted sticker price and thus qualify for no grants and take out no federal loans, which results in net prices that are actually significantly lower than the average price paid to attend. According to the Department of Education's College Scorecard, only 23% of students at Washington and Lee receive federal loans, even though the published cost of attendance there is over \$70,000.

²³ Data for 2018-19 taken from IPEDS. IPEDS reports net price and headcount by income for first-time, full-time students only. There are almost certainly thousands more continuing students from this income bracket enrolled at these four universities. Peer institutions were chosen based on region and similar academic profiles as derived from College Results Online.

²⁴ Based on an analysis of IPEDS data.

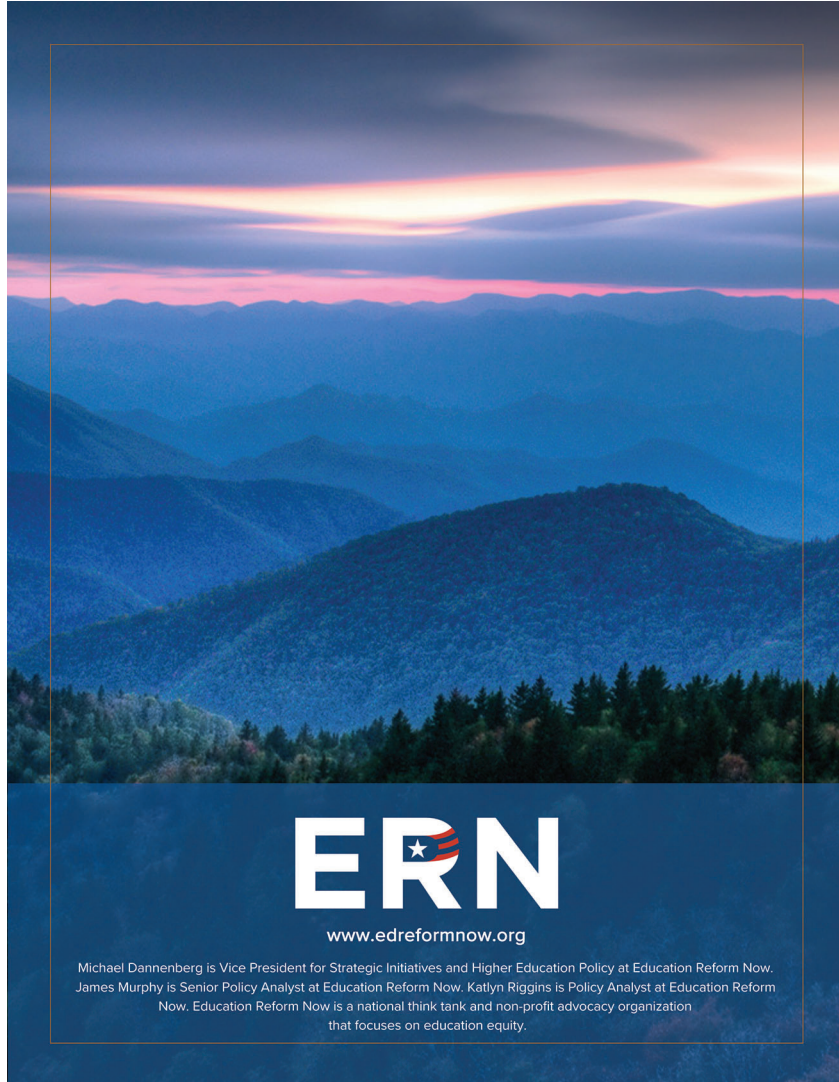
²⁵ Based on an analysis of single year undergraduate headcounts in IPEDS.

²⁶ Data from SCHEV Table EOM 01T: Debt Profile: Total Loans 5 Years and includes private and federal Student loans and PLUS loans.

²⁷ See SCHEV Table EOM 04: Debt Profile: Student Loans by Race 5 Years.

²⁸ See SCHEV Table EOM 04: Debt Profile: Student Loans by Race 5 Years.

²⁹ Ben Miller, "New Federal Data Show a Student Loan Crisis for African American Borrowers," Center for American Progress (2017).



ERN

www.edreformnow.org

Michael Dannenberg is Vice President for Strategic Initiatives and Higher Education Policy at Education Reform Now. James Murphy is Senior Policy Analyst at Education Reform Now. Katlyn Riggins is Policy Analyst at Education Reform Now. Education Reform Now is a national think tank and non-profit advocacy organization that focuses on education equity.



How to make good colleges want low-income students

BY OZAN JAQUETTE AND MICHELLE DIMINO, OPINION CONTRIBUTORS — 07/14/21 07:30 AM EDT
THE VIEWS EXPRESSED BY CONTRIBUTORS ARE THEIR OWN AND NOT THE VIEW OF THE HILL

1 SHARES

SHARE

TW

Just In...

Watch live: Biden gives remarks on COVID-19 vaccination efforts
ADMINISTRATION — 155 AGO

CNN's Cuomo tells restaurant owner: 'You sound like an idiot' for denying service to vaccinated customers
MEDIA — 13M 53S AGO

House members will huddle Friday to plot next steps on Jan. 6 probe
HOUSE — 13M 54S AGO

Tesla reports over \$800M in energy business revenue in second quarter
EQUILIBRIUM/SUSTAINABILITY — 17M 43S AGO

Senate's proposed clean energy standard is a major win for health
OPINION — 22M 44S AGO

Marilyn Manson files to dismiss sexual assault lawsuit from former 'Game of Thrones' actor
IN THE KNOW — 31M 10S AGO

Scarlett Johansson sues Disney over simultaneous streaming release of 'Black Widow'
IN THE KNOW — 34M 30S AGO

House passes sprawling spending bill ahead of



© iStock

America has a college access problem. Selective private colleges and public flagship universities mostly want rich students.

How do we know? In 2017, we collected data on recruiting visits by 15 public flagship universities and 25 selective private colleges to high schools across the country. Private colleges concentrated on affluent, predominantly white high schools, with an **emphasis on private schools**. Surprisingly, 12 of the 15 public universities visited more out-of-state high schools than those within their own borders. And those visits also concentrated on affluent, predominantly white high schools, with an emphasis on private schools.

Why do these colleges primarily target rich students and overlook lower-income students? Because rich students pay the bills.

But there's a policy fix on the horizon: The **Pell Grant Preservation and Expansion Act**, introduced in Congress last month, proposes to double the federal Pell Grant. Pell helps over 7 million low-income students pay for college each year, but has **failed to keep pace** with skyrocketing college costs. Momentum to double Pell has been **mounting for months**. The primary argument is that it will make college more affordable for low-income students. That's true, but it's only half the case for why we should double Pell.

7/29/2021

fall shutdown fight
FINANCE — 38M 31S AGO

VIEW ALL

View Latest Opinions >>

Related News by |

Kavanaugh conspiracy?
Demands to reopen

Before you renew Amazon Prime, read this
Sponsored | Capital One Shopping

Polling misfired in 2020 — and that's a lesson for

Want to evaluate Donald Trump's judgment?

How to make good colleges want low-income students | TheHill

The other half, which nobody is talking about, is that doubling Pell will finally make good colleges want to enroll poorer students.

Right now, even the highest Pell award doesn't stretch very far for the lowest-income students — the maximum grant covers the average cost of tuition and fees at public four-year colleges in just **three states**. That means that many colleges must offer substantial need-based institutional aid to help Pell recipients afford the cost of attendance. If each Pell student represents a financial loss, universities have an incentive to enroll fewer of them — not more.

By doubling the maximum grant, Pell funding would fully cover in-state tuition and fees for grantees in **39 states**, and 90 percent or more of those charges for recipients in six other states. Rather than shaming public universities into enrolling more low-income students, doubling Pell will instead make it so that low-income students contribute to the university budget like high-income students do. In other words, doubling Pell will make growing low-income enrollment a sensible business strategy.

We know this can work because we've seen it play out before in a different sector. In the 1990s and 2000s, as the federal student loan program ballooned, low-income students' eligibility for both Pell Grants and loans made them **financially attractive to for-profit colleges**, which saw an easy way to tap into a growing pool of government funds. At its height in 2010, the sector accounted for about 14 percent of total full-time equivalent students, but nearly a quarter of federal grants and loans.

Meanwhile, public flagship universities — grappling with decades of eroding state appropriations — did not experience a similar incentive to grow low-income enrollment. Instead, they **substituted for state budget cuts by enrolling more out-of-state students**, who pay two to three times the price of in-state tuition. From 2006 to 2016, the share of out-of-state freshmen at public research universities increased from 18 percent to 27 percent, and flagships in states with lower state funding often enroll more out-of-state than in-state students.

Faced with the same incentives, why didn't public institutions respond like for-profits? In part, because public universities spend more on educating each student, which means they require a larger investment in federal aid to induce a similar enrollment response. When the Obama administration massively expanded funding for Pell, public universities did substantially increase their Pell enrollment — and as Pell funding has since declined to nearly pre-Obama levels, Pell enrollment has likewise declined. These trends suggest that like for-profits, public universities are sensitive to Pell's generosity — but it takes a bigger shift to move the needle.

House passes sprawling spending bill ahead of fall shutdown fight
Titans quarterback says NFL is going to make unvaccinated players'...

That bigger shift will come from doubling Pell. Once colleges see they can enroll more low-income students and pay the bills, they will start to solve the college access problem themselves.

Ozan Jaquette is associate professor of higher education at UCLA.

Michelle Dimino is senior education policy advisor at Third Way.

TAGS EDUCATION PELL GRANT COLLEGE UNIVERSITY HIGHER EDUCATION SCHOLARSHIP

[Additional submission by Mr. Morelle follows:]



Association on Higher Education And Disability
8015 West Kenton Circle, Suite 230
Huntersville, NC 28078

July 29, 2021

Madam Chairwoman Wilson, Ranking Member Murphy, and the entire subcommittee for Higher Education and Workforce Investment, thank you for this opportunity to allow the Association on Higher Education And Disability (AHEAD) to submit a written statement into the official record for today's hearing. Protecting the promise of Pell Grants for our nation's students is a worthy issue, and AHEAD is grateful that the Committee is taking a sincere interest in addressing financial aid accommodations for college students with disabilities.

Furthermore, thank you for allowing Rep. Morelle to participate in this important hearing, as well as for giving him a platform to bring up the significant topic of students with disabilities and Pell Grants.

AHEAD is the leading professional membership association for people committed to equity for students, staff, and faculty with disabilities in higher education. It has over 4,000 members in 2,100 higher education institutions representing all 50 states and U.S. territories. We are a membership organization that serves disability resource professionals, student affairs personnel, ADA coordinators, diversity officers, AT/IT staff, faculty and other instructional personnel, and colleagues who are invested in creating welcoming higher education experiences for disabled individuals. AHEAD has also ran the federally funded National Center for College Students with Disabilities (NCCSD) for the last six years, reaching over 1.5 million people through its technical assistance, research, and DREAM national organization for students with disabilities.

Since at least 2003, the field of higher education and the disability community have had a sincere interest in adjusting Pell Grant course credit requirements and semester caps for students with disabilities who would benefit from lower course loads as a reasonable accommodation. These students would then be considered full-time for the purpose of Pell Grants, even though they are taking a reduced credit load. Other students may be considered as "making satisfactory academic progress" toward a degree despite needing additional semesters to complete their degree program.

Students with disabilities have lower matriculation rates to college and lower graduation rates from college than the general population, and it is important to understand that one of the barriers for students with disabilities to successfully graduate is their unique challenges affording college.

Students with disabilities face unique financial challenges that their non-disability peers do not. Students with disabilities are twice as likely to find it "very difficult" to cover expenses, twice as likely to have past due medical bills, and twice as likely to live in poverty. These



barriers make attending college that much more difficult. A way to help address these challenges is through Pell Grants.

These grants are seen as a primary pathway for many students with disabilities to secure funding to attend college. As of 2012, approximately 54% of students with disabilities are Pell Grant recipients.

Currently, to receive a full Pell Grant award, a student must take a full course load, defined as 12 credit-hours per semester. Students have a limit of 12 semesters to participate in the grant program. However, current data shows 63% of disabled students graduate "on time" compared to 83% of non-disabled students. In part, that difference reflects reduced credit loads. Many students with disabilities have accommodations (based on disability documentation from medical providers). Accommodations are designed to aid in retention, engagement, and better graduation rates. One such accommodation for students may be to take fewer credit-hours while remaining a full-time student, but this accommodation typically does not apply to any form of financial aid originating outside of the institution (i.e., from the government or private lenders).

An affordability issue arises if a student takes fewer credit-hours because they will receive a lower Pell Grant award. However, a student with reasonable accommodations still has the same room, board, and other college expenses as a full-time student, as well as additional disability-related expenses. Thus, a student with disabilities who is taking a lower number of credits while also relying on Pell Grant funding may find that financial aid is no longer adequate to cover non-tuition costs. They will either need to find other funding to pay for those expenses or leave college. Or alternatively, students may not take the lower course load to maintain their full Pell Grant assistance and then academically struggle, which can also lead to students leaving college early. Either option also means career and degree options may be unavailable to students, including study abroad, internships, career training, and service learning.

Additionally, a student with disabilities who is taking a lowered credit course load as a reasonable accommodation may need more time than a traditional student to complete degree requirements to graduate. Due to the current 12 semester equivalent limit for Pell Grant funding, these students can face the loss of Pell Grant funding just as they approach graduation, meaning they are identified as making inadequate progress and must either find additional funding or not graduate.

AHEAD Recommendations:

- The Department of Education to be able to adjust the Pell Grants' credit-hour and semester limit requirements for students with disabilities who are on track for graduation but are taking reduced credits due to reasonable accommodations; and
- Students with disabilities to be considered "full-time" and "making satisfactory academic progress" if they receive these accommodations; and
- Modification of the Cost of Attendance (COA) formula's rule for a disability allowance [**20 USC § 108711 (9)**] to include full-time Pell Grant allocation; and

2



- Guidance from the Department of Education on how **institutions can adjust the COA to include accommodations for Pell Grants and inclusion of other disability expenses related to college attendance.**

If the Committee wishes to contact AHEAD regarding these remarks, they may contact us through Scott Lissner (lissner.2@osu.edu) or by calling 614-292-6207.

3

[Whereupon, at 12:41 p.m., the Subcommittee adjourned.]

