



The Education Trust

Closing the gaps in opportunity and achievement, pre-k through college.

February 23, 2018

The Honorable Lamar Alexander
Chairman
Senate Committee on Health, Education,
Labor and Pensions
Washington, DC 20510

The Honorable Patty Murray
Ranking Member
Senate Committee on Health, Education,
Labor and Pensions
Washington, DC 20510

Dear Chairman Alexander and Ranking Member Murray,

On behalf of The Education Trust, an organization dedicated to closing long-standing gaps in opportunity and achievement that separate low-income students and students of color from their peers, thank you for the opportunity to provide comments on what a reauthorized Higher Education Act (HEA) should include.

The research is clear: A college degree is the surest path to upward social mobility, particularly in our economy, with two-thirds of new jobs requiring some form of postsecondary education. Yet, there are glaring — and growing — gaps in who enters and completes college.

Since the original HEA was passed in 1965, the U.S. has made substantial progress in college access. College-going rates have climbed for students from all economic and racial groups. Yet despite this progress, *low-income students are just now enrolling in postsecondary education at rates their high-income peers did in the mid-1970s.*¹ And the low-income students and students of color who do enroll in college are *far less likely* than other students to enroll in institutions where most students graduate and *far more likely* to enroll in the institutions that graduate few of their students and create disproportionate debt.² Indeed, in every category of postsecondary education, low-income students and students of color are less likely than others to earn the degrees that they want and need, and far more likely to end up with debt and no degree.

This reauthorization of HEA is an opportunity to make higher education more equitable. As you begin discussions, we hope you will keep what is best for all students, but especially low-income students and students of color, at the forefront.

There are many important issues a reauthorized HEA will need to address. But the following are four areas The Education Trust believes demand attention.

¹ U.S. Department of Education, National Center for Education Statistics (2016). *Digest of Education Statistics 2015*.

² Ed Trust analysis of IPEDS Fall enrollment, Fall 2014 (by race) and NCES National Postsecondary Student Aid Study (NPSAS:12), 2011-12 (by Pell recipient status).

1) Improving college affordability for low-income students, students of color, and other vulnerable populations

Pell Grants help make higher education accessible for over 7.5 million students. Over one-third of White students, two-thirds of Black students, and half of Latino students rely on Pell Grants every year.³ Pell Grant dollars are well-targeted to those in need: 83 percent of Pell recipients come from families with annual incomes at or below \$40,000, including 44 percent with annual family incomes at or below \$15,000.⁴

But today, the maximum Pell Grant is at its lowest purchasing power in over 40 years: It covers less than 30 percent of the average cost of attendance at a public four-year institution.⁵ After funding from all sources is considered, low-income students still have to find a way to finance — on average — the equivalent of 76 percent of their family income, leading to disproportionate levels of debt.⁶

The financial barriers to higher education must be addressed. Through a reauthorized HEA, Congress should invest in social mobility and the American dream by investing in the Pell Grant program with three important steps.

First, **Congress should restore the annual adjustment to the maximum award based on inflation, which it allowed to expire this year.** Because college costs are not decreasing, ending the adjustment is — in real terms — a cut to Pell Grants. Without the adjustment, Pell students would see the buying power of their awards reduced drastically, with the maximum award covering only one-fifth of costs in 10 years, significantly exacerbating affordability and access issues for low-income students.

Second, while appropriators control the amount of discretionary funding put into the Pell Grant program, HEA should signal to appropriators the need to increase the maximum award. **A reauthorized HEA should set the goal of raising the maximum award to cover at least half of the cost of attendance at a public four-year institution over time.**

Finally, **Congress should expand Pell eligibility for justice-impacted students and Dreamers, two groups of students who are currently banned from accessing the grants.** For incarcerated and justice-impacted students, the societal benefits of access to a higher education could not be clearer: Correctional education programs reduce the rate of recidivism by 43 percent and increase the rate of employment after release by 13 percent.⁷ These programs are associated with fewer violent incidents in participating prisons.⁸ These

³ Congressional Budget Office (CBO), January 2017 baseline projections for the Pell Grant program, <http://bit.ly/2mLy0nk>, Table 2; and Ed Trust calculation NPSAS:12 using PowerStats.

⁴ <https://www2.ed.gov/finaid/prof/resources/data/pell-2014-15/pell-eoy-2014-15.html>

⁵ College costs are defined here as average total in-state tuition, fees, room, and board costs at public four-year colleges. Calculations by TICAS on data from the College Board, 2016, Trends in College Pricing 2016, Table 2, <http://bit.ly/2j61cQh>, and U.S. Department of Education's Pell Grant Payment and Disbursement Schedules, <https://ifap.ed.gov/dpclatters/attachments/1718PellPaymentDisbursementSchedules.pdf>.

⁶ Ed Trust calculation NPSAS:12 using PowerStats.

⁷ https://www.bja.gov/publications/rand_correctional-education-meta-analysis.pdf

⁸ https://storage.googleapis.com/vera-web-assets/downloads/Publications/postsecondary-education-in-prison-fact-sheet-for-correction-leaders/legacy_downloads/postsecondary-education-in-prisonfactsheet-for-corrections-leaders.pdf

programs also result in net savings to taxpayers of between \$4 and \$5 for every \$1 invested and are substantially more cost efficient than just incarceration.⁹

One-fifth of Deferred Action for Childhood Arrivals (DACA) recipients are enrolled in postsecondary education. Another third of recipients are in high school and are considering options to further their education and their preparation for the workforce after they graduate.¹⁰ Having access to Pell Grants will enable more of these young Americans to pursue higher education and enhance their opportunities to contribute to the United States, the only country many of them have ever known. And, separately from HEA reauthorization, we would be remiss if we did not call on Congress, yet again, to pass legislation to provide Dreamers with deportation relief, the opportunity to receive work permits, and a pathway to citizenship.

2) Aligning federal investments with campus performance on equitable access and completion

A reauthorized HEA must maintain and build upon the existing accountability structures.

Accountability provisions currently in place, including the 90/10 rule and gainful employment regulation — which aim to cap federal funding of for-profit colleges and hold career training programs accountable for providing labor market return on investment among graduates — represent important safeguards against the proliferation of unscrupulous institutions of higher education and low-quality postsecondary credentials.¹¹ History has shown that, given the chance, many predatory institutions will take advantage of the availability of federal grants and loans, leaving students worse off than when they started, i.e., with debt but no degree, or with a credential that has no market value. **These existing accountability provisions must be maintained and strengthened.**

And while these existing rules are critical, they need to be augmented with a system that creates pressure and support for the entire higher education system to improve, especially for the low-income students and students of color who are most likely to be underserved by today's system.

Accountability in a reauthorized HEA must include measures of access and completion.

Research shows that the strongest predictor of loan default is whether a student completes college.¹² Thus, any federal efforts to improve higher education must go beyond issues of cost and focus on improving completion. But we have also seen¹³ that existing state completion-focused policies that use financial incentives to hold campuses more responsible for student outcomes have been shown to push schools to become more selective¹⁴ and keep out those students — typically low-income students and students of

⁹ https://storage.googleapis.com/vera-web-assets/downloads/Publications/postsecondary-education-in-prison-fact-sheet-for-correction-leaders/legacy_downloads/postsecondary-education-in-prisonfactsheet-for-corrections-leaders.pdf

¹⁰ <http://www.migrationpolicy.org/research/education-and-work-profiles-daca-population>

¹¹ <https://www.brookings.edu/blog/brown-center-chalkboard/2017/01/11/how-much-do-for-profit-colleges-rely-on-federal-funds/>; Comparison of for profits and community college repayment and outcomes, <https://ticas.org/blog/three-ways-scorecard-data-show-difference-between-profit-and-community-colleges>; For profits students earn less than they did prior to enrolling (negative return on investment), <http://www.nber.org/papers/w22287>; Loan repayment rates by sector, https://trends.collegeboard.org/sites/default/files/2017-trends-student-aid_0.pdf

¹² <https://files.eric.ed.gov/fulltext/EJ905712.pdf>

¹³ <https://tcf.org/content/report/why-performance-based-college-funding-doesnt-work/>

¹⁴ <https://jhupbooks.press.jhu.edu/content/performance-funding-higher-education>

color — who are perceived as more “risky.” There needs to be a simultaneous focus on increasing equitable access and completion, ensuring that schools enroll, serve, and graduate the students who have been historically disadvantaged in higher education.

In a reauthorized HEA, **Congress should adopt a system that helps under-performing institutions improve, holds them accountable when they fail to do so, pushes selective institutions to enroll more low-income students, and rewards institutions that enroll and graduate large shares of Pell-eligible students.**

A higher education accountability framework that promotes equitable access and completion must:

- **Establish minimum standards** for institutions on enrolling historically underserved students and for improving student performance and outcomes on measures such as retention, transfer, graduation, and job placement, especially for these student groups;
- **Sustain and increase investments** in low-resourced campuses to support the implementation of evidence-based strategies that improve completion especially for historically underserved students;
- **Provide rewards** for institutions making continual growth toward reaching ambitious access and success goals within a reasonable timeline; and
- **Enforce meaningful consequences** for underperforming institutions that, after getting needed resources, time, and support, fail to meet minimum enrollment and performance standards.

All metrics must be disaggregated and equity prioritized.

Before disaggregation of data was required in our K-12 system, we knew anecdotally that schools were not educating all groups of students well. But we did not know just how significant the inequities were, and we didn’t know which schools were making progress and which weren’t. Unfortunately, we are largely in the same place now in higher education.

As with the K-12 system, if we look only at overall averages, we sweep the opportunity gaps that exist for low-income students, students of color, and other vulnerable populations under the rug. An accountability system that does not pay attention to these inequities is insufficient. During the process of reauthorizing the Elementary and Secondary Education Act, Congress agreed that the opportunities and outcomes for different groups of students had to matter. We believe that same agreement must continue in reauthorizing HEA.

In addition to being essential for identifying and addressing inequities, high quality, disaggregated data are a prerequisite to responsible policymaking and ensuring students and families have accurate information about institutions. **A reauthorized HEA must overturn the ban on the creation of a student unit record system and create a student level data network, linking existing federal data sources to accurately evaluate outcomes.**

3) Supporting innovation and the scaling of evidence-based practices for improving completion

Research from The Education Trust has consistently shown that, with dedicated and intentional effort, institutions can close access and completion gaps between students of color and low-income students and

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their peers and improve outcomes for all students. **In a reauthorized HEA, Congress should establish a completion innovation fund to identify, implement, evaluate, and scale practices that improve completion, particularly for the students who are most at risk of dropping out, including low-income students and students of color.**

This fund could be structured similarly to the Education Innovation and Research program established in the Every Student Succeeds Act, with tiers of grants based on building the body of evidence-based innovations and then scaling those practices. There should be a few parameters on the program to ensure it is focused on equity and driving improved outcomes for the most vulnerable students:

- **Content:** Programs should strive to provide comprehensive wraparound services, such as academic counseling and mentoring, and help cover non-tuition costs of attendance such as transportation, books, food, and housing, for the neediest students. The list of completion strategies worthy of testing should not be so narrowly tailored to exclude strategies that haven't been tested through randomized control trials.
- **Scaling:** Programs should incentivize states and institutions to re-evaluate practices (e.g., remediation approaches), policies (e.g., credit accumulation requirements), and charges (e.g., transcript fees), identify the impact on low-income students and students of color, and to strive to adopt reforms and remove unnecessary barriers to enrollment and completion for such students.
- **Evaluation:** Program outcomes including impacts on retention and completion should be rigorously evaluated including, where appropriate, through randomized control trials. Evaluation results should be disaggregated by race, income, and other student characteristics of relevance. Where appropriate, programs should utilize data analytics to identify students at risk of dropping out and evaluate the long- and short-term impact of interventions on various types of students, disaggregated by race, income, and other student characteristics of relevance.

Additionally, the completion innovation fund should be targeted to the institutions that serve high proportions of historically disadvantaged students, including community colleges and minority-serving institutions. The grants should be for at least 150 percent of the length of the degree (i.e., three years for two-year institutions and six years for four-year institutions) to ensure campuses are able to see the interventions through the life-cycle of a student and generate more meaningful and replicable results. The fund should provide the technical assistance, and support with technology and human capital, needed for scaling existing promising practices at low-resourced campuses.

4) Ensuring that institutions of higher education protect the safety and civil rights of all students

Ensuring that every student has equal access to a quality education is essential to our nation's future and the fulfillment of the American dream. Sadly, far too many students — especially those who historically have been underserved — still do not have that equal access, and far too many struggle to feel safe and supported to be who they are in school and on college campuses. When the government fails to enforce federal civil rights laws, it effectively increases the risk that historically marginalized communities may be exposed to harmful discrimination, blocking them from full participation in school, college, the workforce, and broader society.

In reauthorizing HEA, lawmakers must do everything they can to ensure that all students have access to a safe, supportive, and inclusive learning environment and that no student is subject to discrimination on the basis of race, country of origin, religion, immigration status, sex, disability, sexual orientation, or gender identity. **Congress should protect the safety and civil rights of all students by supporting colleges in preventing and responding to incidents of sexual assault, hazing, and racism on campus; upholding protections for students with disabilities granted under the Americans with Disabilities Act; and enacting strong nondiscrimination requirements to defend the rights of lesbian, gay, bisexual, transgender, and queer students.**

Thank you again for the opportunity to provide this input. We look forward to working with you both throughout this process. If you have any questions, please contact Kelly McManus, director of government affairs, at (202) 293-1217 x359 or kmcmanus@edtrust.org.

Sincerely,

A handwritten signature in black ink, appearing to read "John B. King Jr.", written in a cursive style.

John B. King Jr.
President and CEO
The Education Trust