

August 29, 2014

The Honorable Tom Harkin  
Chair, Committee on Health, Education, Labor and Pensions  
U.S. Senate  
Washington, D.C. 20510

*RE: Comments on the Higher Education Affordability Act*

Dear Senator Harkin,

Thank you for the opportunity to present comments on the *Higher Education Affordability Act (HEAA)*. On behalf of CLASP's Center for Postsecondary and Economic Success (C-PES), we respectfully submit these recommendations for your consideration and further exploration. C-PES promotes policies and investments to increase career advancement and economic mobility for low-income adults and youth. C-PES has in-depth knowledge of federal higher education, workforce, and human services policies and also provides technical assistance to states and colleges on improving postsecondary access and completion, providing students with comprehensive financial supports, developing career pathways, and designing performance measurement systems.

There is much in this proposed legislation to celebrate. Regarding Title IV aid, we appreciate the increase of Income Protection Allowance levels, the restoration of year-round Pell, permitting students pursuing career pathways to access federal financial aid by proving their ability to benefit from postsecondary education, strengthening early awareness for Pell Grants, and standardizing financial aid award letters. We also support tying loan repayment to a student's ability to pay. We support the creation of a requirement for the College Scorecard and the legislation's support of innovation leading to greater persistence and completion, as evident in the First in the World Grants, the statewide competitive grant program to improve outcomes for "underrepresented" students, and the Community College and Industry Partnerships Program.

#### ***Twin Challenges: Affordability and Completion***

Over the last three decades, college costs have increased nearly four times faster than median family income. Financial aid has not filled the growing gap, and "unmet financial need"—the share of college costs not covered by financial aid or what the family is expected to contribute—has risen sharply. Half of community college students had unmet financial need in 2007-2008, averaging \$4,500, as did 43 percent of students at public four-year colleges or universities, with their unmet need averaging \$6,400.<sup>1</sup>

As a result, students must work more and borrow more, with debt now averaging more than \$26,000 for recent four-year college graduates.<sup>2</sup> Rising costs and rising debt make college a riskier investment for students and families, who lack the information they need to shop around for colleges and programs of study that will provide them with the best opportunity to earn a credential and secure a good job after graduation.

Lack of college affordability not only limits access to education, but also impacts the time it takes for a student to earn a degree, which can threaten completion. Financial pressure to work more while in college—and take fewer classes at a time—also affects whether students ultimately complete a certificate or degree. A number of studies have found that working too many hours while in college negatively affects academic performance.<sup>3</sup> Increasing need-based grant aid can reduce the pressure to work too many hours while in school among those students most at risk, including low-income and working, adult

students with family responsibilities. Targeting grant aid to these students can also increase college enrollment, as well as persistence and credits earned.<sup>4</sup>

Still other factors can contribute to low levels of student success, including logistical barriers (e.g. child care, transportation), and lack of knowledge about complex college, and academic and financial aid processes.<sup>5</sup> Some financial aid programs have coupled grant aid with interventions designed to tackle these challenges (e.g. innovations in course delivery, curriculum or instruction, learning communities, extra academic support and advising, emergency transportation or child care assistance). Early research on these approaches suggests that these more comprehensive strategies may be even more effective than grant aid alone.<sup>6</sup>

### ***The Changing Face of Higher Education***

Since the last reauthorization of the Higher Education Act, the face of higher education has changed dramatically. An increasing number of students do not fit the “traditional” student profile of a full-time student transitioning directly from high school to a four-year college or university. More students—of all ages and backgrounds—are selecting two-year universities and vocational schools. And colleges are increasingly partnering with other education and training systems to deliver occupationally-focused programs well-connected to local labor markets.

Today’s undergraduates are more diverse than ever and cannot be defined by a single characteristic. Forty-seven percent of undergraduates are independent, meaning that they do not rely on their parents for financial support. Thirty-six percent of undergraduates are adults age 25 or over; 32 percent work full-time. Over their college careers, more than half of undergraduates now attend part-time for some semesters. These students bring life experience, which enhances their educational experience. But at the same time, they require more flexible schedules and service delivery modes to accommodate their multiple responsibilities. Their needs are typically not met by what many traditional colleges currently offer.

Ethnic and racial trends in higher education promise to bring even more changes in the coming years. Between 1995 and 2009, the number of Hispanic students grew by 107 percent and the number of African-American students grew by 73 percent, almost five times the rate of white students.<sup>7</sup> However, deep racial inequalities persist; nearly all of the enrollment growth among Hispanic and African-American students has occurred at less selective or open-access institutions, where completion rates are generally lower.<sup>8</sup> Postsecondary institutions are likely to see even greater increases in minority enrollment in future years as the proportion of minority high school graduates soars (specifically among Hispanics); by 2020, the Western Interstate Commission for Higher Education projects that “10 states will have majority-minority graduating high school classes.”<sup>9</sup> For this reason we are glad to see added supports for Minority-Serving Institutions in the Higher Education Affordability Act.

Community colleges and occupationally-focused institutions are growing in popularity due to their relatively low cost and high accessibility. Forty percent of undergraduates attend community colleges, compared to only 29 percent who attend four-year colleges and universities. Yet these community colleges receive comparatively low financial support from federal, state, and local governments. The average revenue per community college student is less than half of the per-student revenue at four-year colleges (\$8,594 versus \$16,966, respectively).<sup>10</sup>

The changing face of higher education requires a bold rethinking of federal higher education policy to ensure that America’s postsecondary education system has what it takes to educate an increasingly diverse student body while accommodating the needs of a rapidly-shifting labor market. CLASP’s feedback on the HEAA, as well as our additional comments regarding HEA reauthorization, reflect this changing landscape.

We have also developed detailed proposals to simplify and better target higher education tax credits to low-income students and families, while improving their effect on college access and completion. While outside the jurisdiction of this Committee, tax-based student aid presently accounts for more than half of non-loan student aid (\$34 billion) and could be better leveraged as a vehicle for improving college access among low-income students. For our detailed recommendations on higher education tax credits, see: [http://www.clasp.org/documents/CLASP\\_WaysMeansMemo.pdf](http://www.clasp.org/documents/CLASP_WaysMeansMemo.pdf).

The following pages contain our suggestions for improving the bill even further, including legislative language for some provisions. We are happy to provide more detail and legislative language for those recommendations that do not already include it.

Thank you again for the opportunity to provide you with our feedback.

Sincerely,

Marcie Foster  
Senior Policy Analyst

Kisha Bird  
Senior Policy Analyst

Amy Ellen Duke-Benfield  
Senior Policy Analyst

Rhonda Tsoi-a-Fatt Bryant  
Director, Youth Policy

## COMMENTS ON THE HIGHER EDUCATION AFFORDABILITY ACT

### *Title I – General Provisions*

#### **Section 109/133: College Scorecard<sup>11</sup>**

Currently, data systems and reporting requirements are not structured appropriately to aid consumers and policymakers in understanding how well institutions perform across key metrics, including metrics on access and completion for low-income students. The HEAA discussion draft acknowledges this through its creation of a more robust College Scorecard. We support further expanding the collection and public reporting of student outcome, financial aid, and debt data that students, parents, and policymakers need to make informed decisions. This could be achieved by modifying existing institutional reporting and disclosure requirements under the HEA to implement expanded public reporting that includes the addition of some new measures and shifts some existing measures from institutional disclosures to reporting requirements through IPEDS. Specifically, beyond what the draft legislation already includes we suggest:

- Requiring colleges and universities to provide access to outcome data by program of study, to the extent practical, to facilitate comparison of similar programs across institutions via the Scorecard.
- Along a similar vein, requiring the scorecard to access outcome data for Pell Grant and/Stafford Loan recipients in order to provide comparisons between institutions.
- Requiring expanded reporting by institutions to address data gaps for measuring access and success for low-income students, including key measures of *institutional access and affordability*; *interim measures of student progress*; and reporting of *credential and degree attainment rates*, using both the current definition of these rates and an expanded student cohort along the lines recommended by the Committee on Measures of Student Success.
- Expanding the role for the Department of Education and the National Center for Education Statistics, including the development of common definitions and data elements and the development of comparable information on these measures. These results should be made publicly available for currently reported subcategories of students, such as gender and race/ethnicity, and for Pell Grant recipients and by enrollment status.<sup>12</sup>
- We commend the senator for including a loan repayment rate on the proposed scorecard, because it provides more robust information than a default rate indicator.

*We would also urge you to require public reporting of other important information that is now only required to be disclosed on request and find more cost-effective ways to comply with reporting requirements.*

Currently consumers and policymakers lack critical data needed to understand how well institutions perform on access and completion, especially for low-income students. For example, the Education Sector and the American Enterprise Institute surveyed 152 public and private four-year colleges and universities to assess the availability of required information under the Higher Education Act.<sup>13</sup> The central finding was that “[t]he large majority of colleges are in total noncompliance with some of the most widely cited provisions of HEA: those meant to focus attention on the struggle of low-income students to graduate from college.” This included provisions for collecting and reporting such data elements as the graduation rate for Pell Grant recipients, for which only 25 percent of sample institutions had publicly available information. Some type of employment placement information was provided by 67 percent of the institutions, but this largely consisted of “anecdotal information about the jobs and employers of recent graduates” for about 11 percent of the institutions. We recommend converting some disclosure requirements to reporting requirements, while also finding more cost-effective ways for institutions to comply with these increased requirements. Specifically, we suggest:

- Modifying Higher Education Act requirements, changing to reporting requirements certain elements currently included as disclosure requirements. This would include, at a minimum, Pell Grant graduation rates, transfer policies, and data on cost. The new scorecard includes some, but not all of these.
- Exploring, through the Department of Education, technical options for institutions to report required data in a more cost-effective manner than the current IPEDS process. This might include the option for institutions to replace some portion of the summary reporting requirement by submitting student-level data to a national clearinghouse, such as the National Student Clearinghouse. Another alternative would be for Congress to replace IPEDS entirely with a national student unit record system, which would eliminate the need for IPEDS; facilitate the inclusion of employment and earnings data in consumer information; lift much of the reporting burden from colleges; and solve a myriad of issues that arise from an institution-based postsecondary data system.

We also encourage the senator to urge the Secretary of the Department of Education to explore the possibility of breaking out key data by enrollment status over time, including students who attend always full-time, attend always part-time, and who have mixed enrollment status. A recent study by the National Student Clearinghouse of nearly two million undergraduates found that more than half (51 percent) attended a mix of full and part-time over a six-year period, while just 7 percent attended exclusively part-time. These data highlight how problematic it is to group students in IPEDS by their enrollment status at enrollment, as for half of those students that initial enrollment status does not accurately describe their attendance over time.

The additional reporting requirements would enable the development of better profile information for colleges along the lines of the NCES *College Navigator* site or the *College Portrait of Undergraduate Education* developed for colleges participating in the Voluntary System of Accountability. Further, these improved profiles would include results for types of students that frequently encounter difficulty persisting in college and completing a credential. We appreciate that the discussion draft includes provisions related to the development and consumer testing of the scorecard website. Such profile information should be provided through well-designed web interfaces that have multiple paths to information that also allow users to avoid extraneous material, while drawing their attention to important contextual elements.

*We encourage you to require states to gather and disclose aggregate student employment and earnings for all programs of study.*

Students need access to information about their potential future employment and earnings so that they can identify programs that best meet their goals and provide the greatest value. Access to reliable and usable labor market results information is a critical unmet need for all students, but it is particularly critical for low-income students and first-generation college goers. According to the 2013 Higher Education Research Institute's survey of freshman at bachelor's-degree-granting institutions, employment and earnings prospects ranked highly as some of the primary reasons they chose to go to college. In fact, three of the top five reasons students cited for going to college were related to anticipated employment and earnings results, including "to be able to get a better job" (86 percent), "to get training for a specific career" (77 percent), and "to be able to make more money" (73 percent). These motivations also figured prominently in their college selection process. Fifty-three percent of 2013 respondents said that the reputation of their college for getting graduates "good jobs" was one of the top reasons they chose the institution they were attending.<sup>14</sup> These results are consistent over several years of this survey.

While nearly all students desire to improve their financial and employment future, students who are the least likely to attend college due to socioeconomic barriers are the most likely to benefit from it in terms of subsequent earnings.<sup>15</sup> Andrew Kelly and Mark Schneider found that when parents were “provided with graduation-rate data, 15 percent switched their preference to the school with the higher graduation rate.”<sup>16</sup> In addition, these effects were stronger among parents with lower educational attainment levels and lower incomes. A review of focus group studies of how students select colleges found that low-income, first-generation students “tend to focus on a single college or two, primarily due to cost considerations and the fact that their grades and test scores limit their choices.”<sup>17</sup> For these students, having program-level data is especially important because it may help them expand the range of program and institutional options they explore.

Students, parents, and the public at large view postsecondary education and training as a way to boost students’ prospects for stable employment and greater earnings. This is particularly true for adult students, who tend to view completing a certificate or degree as a route to a better job or career.<sup>18</sup>

Each of these research findings supports the idea that providing better employment and earnings data to students and parents will improve the ability of students to select programs and colleges that best meet their needs. The reality is that the decision to attend college has become both more important and riskier than ever, so students and families should have access to the information they need to assess and compare the workforce results of programs and institutions. Despite this, the availability of high-quality, comparable data on labor market results at the institution and program levels is very limited. Congress has two principal options for addressing this:

- Encourage states to gather and disclose aggregate student employment and earnings for all programs of study. Continue funding of State Longitudinal Data System grants to encourage states to develop a common definition of postsecondary program enrollment and standardized collection of data on certificate and degree attainment, so that students enrolled in and successfully completing programs of study can be identified in a comparable manner. Congress could also build on existing Workforce Data Quality Initiative grants to require inclusion of UI earnings data as part of longitudinal student records accessible through the State Longitudinal Data System. Congress should include language in the appropriations for the Departments of Education and Labor, specifically authorizing access to cross-state UI earnings data, notwithstanding other provisions of law. States could be required to submit these aggregate results to the Department of Education for use by NCES to expand institutional-level profile information to include employment and earnings results for all occupational programs of study (not just certificate programs) and for all students, including those who complete a credential or degree and those who do not.
- Create a national student unit record system and match education outcome data with employment and earnings data, broken out by institution and program. It would be possible to have a national student unit record system that allows the matching of student-level education and employment and earnings data while protecting individual and employer privacy. Congress would have to act to remove the current bar on such a system; if it did so, the process of producing usable consumer information on labor market outcomes would be far easier than under a state-based system. A national student unit record system could facilitate matching with Social Security Administration earnings data along the lines of what was done to support the gainful employment requirements, providing more complete and more comparable coverage of earnings results.

Employment and earnings results data should be presented in a labor market context. It is particularly important to provide context for *earnings* results; otherwise, colleges serving economically distressed areas or preparing students for entry into less lucrative fields will be unfairly compared to other colleges.



To make this information meaningful, it is essential to know how the earnings results for a particular program compare to earnings levels for related occupations in the program's regional labor market.<sup>19</sup>

Lastly, while we support the use of employment and earnings data to support better consumer information, at this time, we do not support the use of these data to determine funding levels or institutional eligibility for federal student aid. We appreciate that this draft of the HEA does not include such a proposal, which would require a careful consideration of the unintended consequences of such reforms, specifically on access for underrepresented students and those at a higher risk of non-completion.

### **Section 135: In-State Tuition for Certain Individuals**

We support the draft's inclusion of homeless children or youth and foster care children or youth to the populations which are entitled to in-state tuition.

## *Title IV – Student Assistance*

### **Part A – Grants to Students**

#### **Section 411: Year-Round Pell Grants**

We recommend restoring access to year-round Pell, without the administrative complexity of the original provision, and thus enabling more low-income and working students to earn credentials quickly and on a schedule that can accommodate family responsibilities and changing life circumstances. We commend the Senator for seeking to restore year-around Pell for those students who are enrolled full-time.

However, we object to the requirement that the student have successfully completed at least a full-time course-load before receiving year-around eligibility. Students drop down to part-time status for a variety of reasons, including course schedules, work schedules, and illness, and then return to full-time status. These students should not be made ineligible for a summer Pell Grant.

In addition, Congress should explore eliminating the need to re-file the FAFSA annually for recipients who enroll continuously at the same institution.

#### **Section 413: Early Awareness of College Financing Options**

We commend the bill for including robust activities around early awareness. We think two provisions would make this section stronger. First, we recommend the bill also include language in the activities section regarding early awareness of college financing options targeted toward adults. This could include developing materials that would be distributed through libraries, Department of Labor One-Stops, high school equivalency preparation programs, human service agencies, and other places where low-income adults are likely to frequent. Second, we recommend adding language informing students about their potential eligibility for education tax credits, since this is another essential funding avenue for low- to moderate-income students. These tax credits are currently underutilized by eligible students and their families.

#### **Section 414: American Dream Grants**

We support the development of American Dream Grants and the requirement of eligible states to have “made significant progress establishing a longitudinal data system that includes the elements described in section 6201(e)(2)(D) of the America COMPETES Act.” We commend the Senator for tying participation in separate grants programs to advances made in developing longitudinal data systems.

## **Part B – Federal Family Education Loan Program**

### **Section 421: Simplification of Income-Based Repayment Options for Federally Insured Student Loans**

We support the Senator’s efforts to consolidate student loan repayment plans and link repayment to the ability of a student to repay their loans while preserving adequate resources for living expenses.

## **Part E—Need Analysis**

### **Sections 471-473: Increased Income Protection Allowance for Dependent and Independent Students**

In the last several budget cycles, policymakers and outside experts have made numerous proposals to reduce Pell Grant expenditures and the federal deficit. Such proposals have included decreasing the income protection allowance. We appreciate the Senator’s efforts to reduce the “work penalty” for low-income students by expanding the income protection allowance. But we are in favor of increasing the IPA proportionately instead of by a flat amount so as to avoid disproportionately benefitting dependent students more than independent students with children, since the latter typically have more significant living expenses.

### **Section 475: Prior Prior Year**

CLASP supports allowing the use of income from the second prior year (“prior prior year”) to serve as the basis of student (or student family income) and permitting students and families to use the IRS Data Retrieval Tool to import that data. We remain concerned about the effect of this change on those students or student’s families who have experienced a significant income in between the prior prior tax year and the time of enrollment. Therefore, we strongly encourage you to include language explicitly encouraging the use of professional judgment for those students in such a situation. We believe it is important to include the language here, in addition to the traditional professional judgment language later in Part E to underscore the importance of aid administrators using their discretion for these cases.

### **Section 475: Definition of Independent Student**

We agree with the draft’s expansion of the definition of an independent student.

## **Part F—General Provisions**

### **Section 483B: Institutional Financial Aid Award Letter**

We support efforts to standardize financial aid award letters as a means of making information more transparent to potential students and their families. We recommend you consider adding to the “Key Required Contents for Financial Aid Award Letters” language encouraging Pell-eligible students to consider seeking other forms of state and federal government financial assistance targeted toward low-income individuals.

*Proposed Legislative Language:* Add the following language to the required contents: “Inform Pell-eligible students about their potential eligibility for additional need-based federal, state, and local government supportive services, such as subsidized child care, health insurance, transportation, and career planning.”

Over 98 percent of independent community college students with incomes in the bottom three quintiles had unmet need in 2007-2008. Moreover, a growing proportion of undergraduate students are either independent (47 percent), parents (23 percent), or low-income (40 percent) and may be eligible for other benefits to help them meet this unmet need. Studies show that some public benefits programs are not being used by all of those who are eligible to receive them, and colleges could play a role by helping students learn about and apply for these benefits. Needing to fill the financial need gap can lead to



students working more or reducing their course load so they can make ends meet. This need to increase work while in school can threaten college completion for students. A 2009 survey of young adults (ages 22 to 30) found that 71 percent who had left college without a credential cited the need to “work and earn money” as one reason. Fifty-four percent listed this as a “major reason.”

Congress should explore proposals that encourage institutions and the federal government to make students aware of the benefits for which they may be eligible. Such efforts could improve college completion and reduce unmet need among the most vulnerable students. Strategies to increase awareness could include requiring that federal aid award letters include a sentence that encourages students to apply for any public benefits for which they may be eligible, including the Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF), Medicaid or the Children’s Health Insurance Program (CHIP), Individual Training Accounts through the Workforce Investment Act, Unemployment Insurance, and Trade Adjustment Assistance. Institutions also could provide or refer students to sites that offer free tax preparation and ensure they receive the Earned Income Tax Credit (EITC), the Child Tax Credit, and appropriate education tax credits including the American Opportunity Tax Credit or Lifetime Learning Credit, if eligible. These efforts could include adding information about public benefits access to the required activities as part of Student Support Services and Educational Opportunity Centers, authorized in Title IV. In addition, such an activity could be added to the allowable activities in the various Title III programs. We would be happy to discuss additional recommendations related to more comprehensively meeting students’ financial needs.

#### **Section 486: Ability to Benefit**

We support the efforts to restore eligibility for federal student aid for students who do not have a high school diploma or equivalency but are enrolled in a career pathway program and are able to demonstrate their “ability to benefit” from postsecondary education by passing a federally-approved assessment or completing at least 6 credit hours that are applicable toward a degree or certificate. However, we believe the ATB should be restored in full and not tied to enrollment in a career pathways program.

The loss of ATB has threatened the economic mobility of low-skilled adults and youth seeking postsecondary credentials to improve their job prospects. Forcing students who can benefit from college now to sequentially earn a high school equivalency and only then, a postsecondary credential, drags out their educational pathway, prolonging their time to degree and access to good wages to support their families. Furthermore, it is disproportionately harmful to low-income, first generation, and minority students. An estimated 31 percent of ATB students are Hispanic and 19 percent are Black—compared to 14 percent of all undergraduates who are Hispanic or Black. And finally, it also inhibits college innovations aimed at accelerating the path to completion, such as career pathway and basic skills bridge strategies.

#### **Section 490: Competency Based Education Demonstration Program**

We are delighted that the legislation makes provisions for a competency based education demonstration program. We would encourage you to add language that ensures this demonstration program is coordinated with the findings of the Competency Based Education experimental sites initiative, such as requiring the Department of Education to keep Congress informed about the lessons learned from the CBE experiments and make recommendations for reforms to HEA that would facilitate the use of CBE.

We recommend the legislation utilize the more inclusive term “credential” instead of “degree” because it captures the various levels of postsecondary credentials that are valuable in the labor market. We also see the purpose of this demonstration program as improving the labor market relevance of such credentials.

*Proposed Legislative Language:* Modify 486B(a)(2) as follows: “PURPOSE—to potentially lower the cost of postsecondary education, ~~and~~ reduce time needed to attain a postsecondary ~~degree~~ credential, and improve the labor market relevance of the credential.”

We are concerned about the following language that amends Section 486B(e)(2)(C)(vii): “*Selection-ability to translate competencies to traditional credit hours to help facilitate the ability of students to participating in the demonstration project to transfer to another institution of higher education if the student so desires.*” Rather than requiring that they translate back to traditional credit hour, they should be allowed to test other ways, such as competency-based transcripts, to achieve transfer.

In addition, requiring that all loans made lead to an improved employment outcome is an unfair double standard for CBE programs. There is no such guarantee required for traditional education programs.

*Proposed Legislative Language:* Strike language in section 486B(e)(2)(D) “~~Ability to offer a financial guarantee to assume all Federal loans made under Part D to students who demonstrate that the education received didn’t lead to improved employment prospects.~~”

Lastly, the following change adds to the evaluation the ability to evaluate the stackability of credentials awarded through CBE and the transferability of CBE learning credits using different methodologies.

*Proposed Legislative Language:* Modify section 486B(f)(1)(C) to read “Graduation rates for participating students and the average period of time for ~~degree~~ credential completion, including degrees and certificates, by a student participating in...”

## **Part H—State-Federal College Affordability Partnership**

We support all efforts to incentivize state investments in higher education, particularly in ways that increase the enrollments of low-income students. We strongly recommend you consider adding language encouraging states to strengthen their need-based aid programs geared toward public institutions. Despite moderate increases, funding for state need-based aid is still unacceptably low. In total, state spending for need-based aid is less than one-fifth of what the federal government spends on Pell Grants.<sup>20</sup>

## *Title V—Developing Institutions*

### **Section 502: Authorized Activities under Part A of Title V**

We recommend adding language to the amended Section 503 to include education about eligibility for additional need-based supports.

*Proposed Legislative Language:* Amend 503 (b)(4) to read “Student support services, including the development and improvement of academic programs, tutoring, counseling, school sanctioned travel, ~~and~~ financial literacy for students and family, and education about potential eligibility for additional need-based federal, state, and local government supports, such as subsidized child care, health insurance, and transportation.”

## *Title VII—Graduate and Postsecondary Improvement Programs*

### **Section 702: First in the World Competitive Grant Program**

We commend Sen. Harkin for supporting the First in the World Competitive Grant program as a means of seeding effective innovations. We recommend two small adjustments to the program.

Effective institutional reform to improve outcomes for low-income students increasingly requires cross-system collaboration. We recommend giving applicants who seek and demonstrate such collaboration be given priority. We also recommend allowing these funds to be used for implementing career pathways, an effective strategy for increasing access and success in postsecondary education among low-income and underprepared students.

#### *Proposed Legislative Language:*

Section 785(c) Priority—Add a priority (7) develop cross-system partnerships among workforce, adult education, career-technical education, human services agencies and others.

Section 786 Uses of Funds—Add “(5) Implementing career pathways programs” and renumber the remaining provisions.

### **Section 703: Dual Enrollment and Early College High School Programs**

We strongly support the inclusion of the Dual Enrollment and Early College High School Programs. We believe that these two strategies are effective methods of increasing enrollment and success in college for low-income, first generation, and minority students. The guarantee that these programs will be administered at no cost to the students is particularly important for these populations, as are the supportive services required as a part of this grant. Alignment of the program performance measures with subgroup definitions in the Elementary and Secondary Education Act is helpful, such that outcomes from these programs can be analyzed for many subgroups.

### **Section 704: Minority-Serving Institutions Innovation Fund**

We strongly support the inclusion of the MSI Innovation Fund and believe that targeting resources to these particular institutions has the potential to change how policy and practices are implemented to strengthen services for students served at MSIs.

We encourage the following recommendations to reinforce the purpose of the fund:

- *A priority should be included for eligible entities that serve a high percentage of “low-income students” as defined in Sec. 796A.* Expanding the priority beyond entities that “serve a high percentage of students that are eligible to receive a Federal Pell grant” allows institutions and/or partnerships to plan and develop a continuum of innovations that support postsecondary preparation, transition, persistence, and completion.
- *Expand the targeting language around African-American males in Sec. 795D (2) (A) to include males of color.* Findings from higher education literature suggest a wide range of factors that impede college access, participation, and achievement of young men of color. For example, African Americans often lack of teacher and counselor encouragement to enroll in college. And across African-American, Native American, and Latino student groups, issues of overpopulation in special education and low academic achievement negatively impact postsecondary participation. While there is limited higher education research on Asian American student experiences, emerging literature suggests perceptions of campus climate affect mental health and

depression and Asian American males are more likely than women to be depressed and the least likely to seek help.<sup>21</sup>

- *Make explicit the definition of “historically underrepresented in higher education” means “traditionally underrepresented student” as defined in Sec. 796 A.*

We also recommend adding the following to the use of funds in Section 795E:

- *Innovations designed to improve student achievement and postsecondary persistence through culturally appropriate programs that provide wraparound services and other supports.* There are several successful state and campus-based innovations underway that have demonstrated signs of progress toward postsecondary access and achievement for communities of color, including young men. These programs employ culturally-specific strategies to create a sense of community and connectedness for students, offering opportunities for leadership and civic engagement, mentorship, rites of passage experiences to engage with peers and gain positive recognition<sup>22</sup>.
- *Innovations designed to support career pathways for “low-income” and “traditionally underrepresented students”.* Build on the inclusion of Career Pathways as a planning and service delivery strategy in the newly passed WIOA legislation. The career pathway approach incorporates and integrates best practice service models such as participant-focused education and training; consistent and non-duplicative assessments of participants’ education, skills, and assets/needs; support services and career navigation assistance; and employment services and work experiences that have been shown to help under-prepared youth and adults gain postsecondary credentials and good jobs.
- *Activities that connect low-income students to comprehensive financial supports, including public benefits funded at the local, state and federal level such as subsidies for child care, health insurance and transportation.* Given the degree of unmet need among students attending MSIs, we strongly encourage you to add language to the uses of funds that supports efforts to connect more low-income students to any public benefits for which they are eligible.

### **Section 705: State Competitive Grant Program for Reforms to Improve Higher Education Persistence and Completion**

Given the high levels of unmet need among low-income college students, this grant program would be strengthened if it required the state comprehensive state plans to include plans for informing low-income students about their potential eligibility for public assistance programs, such as subsidized child care and health insurance. Recent research has shown that the combination of such benefits can lead to higher rates of persistence and completion.

## *Title VIII—Additional Programs*

### **Section 802: Community College and Industry Partnerships Program**

We strongly support the inclusion of the Community College and Industry Partnerships program in the HEAA and appreciate the ability of funds to be used to advance innovative adult education activities, particularly those that are part of a longer-term career pathway.

## ADDITIONAL RECOMMENDATIONS

We also submit the following recommendations for your consideration for the reauthorization of the Higher Education Act that were not included in the discussion draft.

- 1) *Increase the semester cap on Pell Grants to ensure students have access to Pell throughout the entire course of their program of study and to better align with Satisfactory Academic Progress (SAP) requirements.*

As part of the Consolidated Appropriations Act of Fiscal Year 2012, the lifetime limit for the receipt of a Pell grant was reduced from 18 semesters (9 years) to 12 semesters (6 years). This has a detrimental effect on all students, but particularly low-income students seeking four-year degrees. While many low-income students attend shorter-term certificate or associate degree programs, this may not be their terminal point. Over one-quarter (26 percent) of students who begin at two-year colleges transfer to a four-year institution within five years.

The 12 semester cap on Pell Grants does not currently align with SAP requirements, which students are required to meet throughout their enrollment as a condition of receiving federal financial aid. Satisfactory academic progress guidelines allow for aid eligibility up to 150 percent of program length. For a student in a full-time program taking 12 credits per semester, this equates to 7.5 years. Under the newly-instated Pell semester cap, a full-time, low-income student would only be eligible for 6 years, leaving significant unmet need in their final years of study and threatening their completion.

CLASP recommends increasing the semester cap on Pell Grants to ensure students have access to the financial resources they need throughout their entire course of study, while aligning with the existing SAP requirements.

- 2) *Revise the Federal Work Study (FWS) Formula and Align Work Placements with Student Field of Study.*

Nearly \$1 billion is provided to colleges annually through the Federal Work-Study (FWS) program in exchange for those institutions providing subsidized employment to enrolled students. In theory, FWS funding is a valuable source of campus-based aid for low-income students who need additional resources to meet their financial obligations for books, tuition, and other living expenses. Yet in practice, the majority of FWS funding goes to students who are not low-income—indeed 20 percent goes to families with incomes over \$100,000—and who attend private, relatively wealthy institutions.

We recommend reforming the Federal Work-Study program to better target aid to low-income students. Reforms could include distributing FWS funds based on the extent to which an institution serves low-income or Pell-eligible students instead of basing allocations on institutional longevity in the FWS program, as is done now. We also recommend better leveraging the FWS program to provide meaningful, industry-relevant employment in a student's field of study. This could include eliminating the 25 percent cap on private sector employment and phasing in stricter requirements that placements are related to a student's field of study. (Current law only requires placements to align with coursework and vocational goals "to the maximum extent practicable.") These FWS reforms would help low-income, working students better balance work and school and help small employers retain good workers who are motivated and invested in their education.



3) *Restore the income eligibility for determining an “automatic zero” estimated financial contribution under the simplified needs test.*

A student qualifies for an automatic zero estimated financial contribution (EFC) if her (or her parent's) income is \$24,000 or less (for the 2013-2014 academic year) and she (or her family) meets other eligibility requirements (e.g., receipt of selected public benefits or use of a simplified tax form). Qualifying for an EFC of zero would likely result in the highest maximum grant aid for a given cost of attendance because, by definition, the student would be deemed unable to provide any financial resources to her college education. Depending on the student's cost of attendance, this amount could still be below the maximum Pell grant.

This qualifying maximum income limit for determining an automatic zero EFC was recently lowered with little opportunity for debate to \$23,000 (for the 2012-2013 academic year) from \$32,000 as part of the Consolidated Appropriations Act of Fiscal Year 2012. Lowering the income maximum threatens access to student aid and postsecondary education for low-income students by overestimating the resources available to needy families and thereby reducing their potential grant aid. This change is targeted at the most vulnerable and low-income students. An income of \$32,000 is already below 150 percent of the poverty level for a family of four; these families often struggle to meet even basic living expenses. Such truly needy students should be able to rely on a full Pell Grant to help them meet college costs while preventing reliance on student loan debt or working excessive hours while in college, which can threaten completion.

CLASP recommends restoring the provisions of the College Cost Reduction and Access Act that would reestablish the automatic zero EFC maximum income limit at a minimum of \$32,000 and allow this amount to increase annually with inflation.

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<sup>1</sup> Vickie Choitz and Patrick Reimherr, *Mind the Gap: High Unmet Financial Need Threatens Persistence and Completion for Low-Income Community College Students*, CLASP, 2013, <http://www.clasp.org/admin/site/publications/files/CLASP-Unmet-Need-Brief-041213-final-ab-2.pdf>.

<sup>2</sup> Matthew Reed and Debbie Cochrane, *Student Debt and the Class of 2011*, The Institute for College Access and Success, 2012, <http://projectonstudentdebt.org/files/pub/classof2011.pdf>.

<sup>3</sup> Judith Scott-Clayton, *What Explains Trends in Labor Supply Among Undergraduates, 1970-2009?*, NBER Working Paper 17744, National Bureau of Economic Research, 2012.

<sup>4</sup> Benjamin Castleman and Bridget Terry Long, *Looking Beyond Enrollment: The Causal Effects of Need-Based Grants on College Access, Persistence, and Graduation*, Harvard Graduate School of Education, NBER, and NCPRE, 2012, [http://gseacademic.harvard.edu/~longbr/Castleman\\_Long\\_-\\_Looking\\_Beyond\\_Enrollment\\_-\\_draft\\_Oct2012.pdf](http://gseacademic.harvard.edu/~longbr/Castleman_Long_-_Looking_Beyond_Enrollment_-_draft_Oct2012.pdf) and Sara Goldrick-Rab, Douglas Harris, Robert Kelchen, and James Benson, *Need-Based Financial Aid and College Persistence: Experimental Evidence from Wisconsin*, Institute for Research on Poverty, 2012, <http://www.irp.wisc.edu/publications/dps/pdfs/dp139312rev.pdf>.

<sup>5</sup> Thomas Bailey, Shanna Smith Jaggars, and David Jenkins, *Introduction to the CCRC Assessment of Evidence Series*, Community College Research Center, 2011, [http://www.csus.edu/ihelp/PDFs/CCRC\\_assessment\\_of\\_evidence\\_series\\_intro.pdf](http://www.csus.edu/ihelp/PDFs/CCRC_assessment_of_evidence_series_intro.pdf).

<sup>6</sup> Susan Scrivener, Michael J. Weiss, and Colleen Sommo, *What Can a Multifaceted Program Do for Community College Students?*, MDRC, 2012, [http://www.mdrc.org/sites/default/files/full\\_625.pdf](http://www.mdrc.org/sites/default/files/full_625.pdf); David Deming and Susan Dynarski, *Into College, Out of Poverty? Policies to Increase the Postsecondary Attainment of the Poor*, National Bureau of Economic Research, 2009, [http://www.nber.org/papers/w15387.pdf?new\\_window=1](http://www.nber.org/papers/w15387.pdf?new_window=1); and *Opportunity Grant Program: Fall 2011 Report*, Washington State Board for Community and Technical Colleges, 2011, [http://www.sbctc.ctc.edu/college/studentsvcs/2011\\_opp\\_grant\\_report-final.pdf](http://www.sbctc.ctc.edu/college/studentsvcs/2011_opp_grant_report-final.pdf).

<sup>7</sup> Anthony P. Carnevale and Jeff Strohl, *Separate and Unequal*, Georgetown University Center on Education and the Workforce, 2013, <http://www9.georgetown.edu/grad/gppi/hpi/cew/pdfs/Separate&Unequal.FR.pdf>.

<sup>8</sup> Ibid.



<sup>9</sup> Brian T. Prescott and Peace Bransberger, *Knocking at the College Door: Projections of High School Graduates* (eighth edition), Western Interstate Commission for Higher Education, 2012, <http://www.wiche.edu/info/publications/knocking-8th/knocking-8th.pdf>.

<sup>10</sup> *Bridging the Higher Education Divide*, The Century Foundation, 2013, 25, [http://tcf.org/assets/downloads/20130523-Bridging\\_the\\_Higher\\_Education\\_Divide-REPORT-ONLY.pdf](http://tcf.org/assets/downloads/20130523-Bridging_the_Higher_Education_Divide-REPORT-ONLY.pdf).

<sup>11</sup> Our comments for improving postsecondary performance metrics are based on the research and analysis in a CLASP report, *Reforming Student Aid: How to Simplify Tax Aid and Use Performance Metrics to Improve College Choices and Completion*. The report includes both legislative and administrative recommendations; below, we include only the recommendations that would require legislative action. For our full recommendations on higher education performance metrics, see: <http://www.clasp.org/admin/site/documents/files/Final-RADD-WhitePaper-Feb-2013.pdf>.

<sup>12</sup> This information should be made public through improved websites with better search capability so that results for key groups can be observed easily. Key measures should be included, as appropriate, on the Department of Education's College Scorecard and Financial Aid Shopping Sheet.

<sup>13</sup> Kevin Carey and Andrew P. Kelly, *The Truth Behind Higher Education Disclosure Laws*, Education Sector, 2011, [http://www.educationsector.org/sites/default/files/publications/HigherEdDisclosure\\_RELEASE.pdf](http://www.educationsector.org/sites/default/files/publications/HigherEdDisclosure_RELEASE.pdf).

<sup>14</sup> Kevin Eagan, Jennifer B. Lozano, Sylvia Hurtado, et al., *The American Freshman: National Norms Fall 2013*, Higher Education Research Institute at UCLA, 2014, <http://www.heri.ucla.edu/monographs/TheAmericanFreshman2013.pdf>.

<sup>15</sup> Jennie E. Brand and Yu Xie, *Who Benefits Most from College? Evidence for Negative Selection in Heterogeneous Economic Returns to Higher Education*, American Sociological Review, 2010, <http://www.asanet.org/images/journals/docs/pdf/asr/Apr10ASRFeature.pdf>.

<sup>16</sup> Andrew P. Kelly and Mark Schneider, *Filling in the Blanks: How Information Can Affect Choice in Higher Education*, American Enterprise Institute for Public Policy Research, 2011, <http://www.aei.org/files/2011/01/12/fillingintheblanks.pdf>.

<sup>17</sup> Keith MacAllum, Denise M. Glover, Barbara Queen, and Angela Riggs, *Deciding on Postsecondary Education: Final Report*, National Postsecondary Educational Cooperative, 2007, <http://nces.ed.gov/pubs2008/2008850.pdf>.

<sup>18</sup> Carolin Hagelskamp, David Schleifer, and Christopher DiStasi, *Is College Worth It For Me? New York: Public Agenda*, 2013, [http://www.publicagenda.org/files/IsCollegeWorthItForMe\\_PublicAgenda\\_2013.pdf](http://www.publicagenda.org/files/IsCollegeWorthItForMe_PublicAgenda_2013.pdf).

<sup>19</sup> Tim Harmon, Neil Ridley and Rachel Zinn, *Workforce Results Matter: The Critical Role of Employment Outcome Data in Improving Transparency of Postsecondary Education and Training*, CLASP, 2014, <http://www.clasp.org/resources-and-publications/files/2014-04-29-CLASP-Workforce-Results-Paper.pdf>

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<sup>21</sup> John Michael Lee Jr. and Tafaya Ransom, *The Educational Experience of Young Men of Color: A Review of Research, Pathways and Progress*, the College Board, 2010, [https://advocacy.collegeboard.org/sites/default/files/EEYMC-ResearchReport\\_0.pdf](https://advocacy.collegeboard.org/sites/default/files/EEYMC-ResearchReport_0.pdf)

<sup>22</sup> <http://www.clasp.org/federal-policy/legislation-and-reauthorizations/CLASP-Comments-on-House-Hearing-Keeping-College-Within-Reach.pdf>