

# Hearing on Expanding Access to Higher Education and the Promise it Holds

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## HEARING

BEFORE THE

SUBCOMMITTEE ON OVERSIGHT

OF THE

COMMITTEE ON WAYS AND MEANS

U.S. HOUSE OF REPRESENTATIVES

ONE HUNDRED SEVENTEETH CONGRESS

FIRST SESSION

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June 29, 2021

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# **COMMITTEE ON WAYS AND MEANS**

Subcommittee on Oversight

Hearing on Expanding Access to Higher Education and the Promise it Holds

June 29, 2021 – 2:00 PM

Witness List

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Dr. Marshall Anthony Jr., Senior Policy Analyst, Center for American Progress

Dr. Susan Whealler Johnston, President and Chief Executive Officer, National Association of College and University Business Officers (NACUBO)

Dr. Steven M. Rose, President, Passaic County Community College

Dr. Susan M. Dynarski, Professor of Public Policy, Education, and Economics, University of Michigan

Scott Pulsipher, President, Western Governors University



**HOUSE COMMITTEE ON WAYS & MEANS**  
CHAIRMAN RICHARD E. NEAL

# ***ADVISORY***

## **FROM THE COMMITTEE ON WAYS AND MEANS SUBCOMMITTEE ON OVERSIGHT**

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CONTACT: (202) 225-3625

### **Chair Pascrell Announces Oversight Subcommittee Hearing on Expanding Access to Higher Education and the Promise it Holds**

House Ways and Means Oversight Subcommittee Chair Bill Pascrell, Jr. announced today that the Subcommittee will hold a hearing on “Expanding Access to Higher Education and the Promise it Holds” on Tuesday, June 29, 2021 beginning at 2:00 PM EDT.

This hearing will take place remotely via Cisco Webex video conferencing. Members of the public may view the hearing via live webcast available at <https://waysandmeans.house.gov/>. The webcast will not be available until the hearing starts.

In view of the limited time available to hear witnesses, oral testimony at this hearing will be from invited witnesses only. However, any individual or organization not scheduled for an oral appearance may submit a written statement for consideration by the Committee and for inclusion in the printed record of the hearing.

### **DETAILS FOR SUBMISSION OF WRITTEN COMMENTS:**

Please Note: Any person(s) and/or organization(s) wishing to submit written comments for the hearing record can do so here: [WMdem.submission@mail.house.gov](mailto:WMdem.submission@mail.house.gov).

Please ATTACH your submission as a Word document, in compliance with the formatting requirements listed below, **by the close of business on Tuesday, July 13, 2021.**

For questions, or if you encounter technical problems, please call (202) 225-3625.

## **FORMATTING REQUIREMENTS:**

The Committee relies on electronic submissions for printing the official hearing record. As always, submissions will be included in the record according to the discretion of the Committee. The Committee will not alter the content of your submission, but reserves the right to format it according to guidelines. Any submission provided to the Committee by a witness, any materials submitted for the printed record, and any written comments in response to a request for written comments must conform to the guidelines listed below. Any submission not in compliance with these guidelines will not be printed, but will be maintained in the Committee files for review and use by the Committee.

All submissions and supplementary materials must be submitted in a single document via email, provided in Word format and must not exceed a total of 10 pages. Witnesses and submitters are advised that the Committee relies on electronic submissions for printing the official hearing record.

All submissions must include a list of all clients, persons and/or organizations on whose behalf the witness appears. The name, company, address, telephone, and fax numbers of each witness must be included in the body of the email. Please exclude any personal identifiable information in the attached submission.

Failure to follow the formatting requirements may result in the exclusion of a submission. All submissions for the record are final.

## **ACCOMMODATIONS:**

The Committee seeks to make its facilities and events accessible to persons with disabilities. If you require accommodations, please call (202) 225-3625 or request via email to [WMDem.Submission@mail.house.gov](mailto:WMDem.Submission@mail.house.gov) in advance of the event (four business days' notice is requested). Questions regarding accommodation needs in general (including availability of Committee materials in alternative formats) may be directed to the Committee as noted above.

**Note:** All Committee advisories and news releases are available at <https://waysandmeans.house.gov/>

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EXPANDING ACCESS TO HIGHER EDUCATION

AND THE PROMISE IT HOLDS

Tuesday, June 29, 2021

House of Representatives,

Subcommittee on Oversight,

Committee on Ways and Means,

Washington, D.C.

The subcommittee met, pursuant to call, at 2:08 p.m., via Webex, Hon. Bill Pascrell [chairman of the subcommittee] presiding.

\*Chairman Pascrell. Good afternoon. I call to order the Subcommittee on Oversight. Thank you, everyone, for joining us today.

I hate doing this impersonally, forgive me, blame me, but the fact of the matter is we are best when we are all together in person. No one knows that better than Dr. Rose, my long-time friend. Thank you to everyone for joining today.

This is a super committee. I read your bios a couple of times, and you folks know what you are talking about in an issue that is very, very important to Americans: expanding access to higher education and the promise it holds. And Dr. Rose knows, I believe, that the community colleges are the engine for the next recovery.

We are holding this hearing virtually, in compliance with the regulations for remote committee proceedings. Before returning to today's important topic, I want to remind members of a few procedures to help you navigate the virtual hearing. This is critical today. We are in the midst of votes, so we are running here, running there. I will leave, somebody will take my place, but I come -- when I go, I will come back.

First, consistent with regulations, the committee will keep microphones muted to limit background noise. Members are responsible for unmuting themselves when they seek recognition. or one recognized for their five minutes.

Second, when members are present in the proceeding, they must have their cameras on. If you need to step away to attend another proceeding or vote, as I said, please turn your camera and audio off, rather than logging out on the platform.

Third, we will dispense with that practice of observing the Gibbons Rule, and instead going order of security -- no, seniority -- for questioning, alternating between majority and minority, beginning with the members of the Oversight Subcommittee. We have other members who have joined us, as well, today.

Finally, without objection, Representative Evans is authorized to serve as chair in the event I need to step away from the hearing.

I thank you for all your continued patience as we navigate these procedures to continue serving our country together in this great time of need.

And with that I will now turn to the important topic of today's hearing, expanding access to higher education, and its promises.

Today the Subcommittee on Oversight will examine an important and timely topic: access to and affordability of higher ed. Study after study has documented how higher education helps Americans get good-paying jobs, support a decent home, and comfortably raise a family. Higher education is a gateway to the middle class. Yet for many young people, especially those of color and from low-income backgrounds, significant barriers to higher education exist. Those barriers may have even multiplied during the pandemic.

Thanks to Congressman Jimmy Gomez and Senator Bob Menendez, our bill to make student loan a debt forgiveness tax free through 2025 passed in the American Rescue Plan [sic].

But we need to examine how else we can help students. We are targeting the students most in need of aid. Are there ways to use the tax code to enable students, especially low-income ones, to receive higher education? That is a question.

And we also face a titanic crisis hanging over a generation of college graduates: crippling student loan debt. Student loan debt totals approximately \$1.7 trillion. The average debt load of America's 45 million student bars is \$38,000. This often delays recent graduates in buying homes, starting families, and moving into the middle class. It is a challenge of our time. We must understand why the costs of college are outpacing other parts of the economy, and we must offer more relief to those struggling to pay their education.

As we return to normalcy, it is also appropriate to look at how the pandemic has affected our institutions of higher learning. New burdens have been placed on them, from COVID testing to the expansion of online learning. We must explore how the pandemic affected our higher education institutions, including their ability to provide an affordable education to all students. You will hear about that from our witnesses.

To help us understand, we have an -- I don't use the term lightly -- all experts in these matters. I thank them for their coming, and I am looking forward to the testimony.

\*Chairman Pascrell. But first I will yield five minutes to my friend, Ranking Member Mike Kelly from the great state of Pennsylvania, for his opening statement.

Mike?

\*Mr. Kelly. Well, thank you, Mr. Chairman. Thanks for holding this hearing today on expanding access to higher education.

Now, Republicans have long supported efforts to make sure Americans of all backgrounds have the ability to advance themselves through higher education. Back in 2015, Republicans supported the making -- supported making the American Opportunity Tax Credit permanent. Republicans also support the importance of the lifetime learning credit.

Recently, Republicans and Democrats on this committee came together to pass a package of retirement bills that includes an innovative education provision. This provision, which we hope will become law, incentivizes retirement savings, while also reducing student loan debt. It would allow employers to make matching contributions into an employee's 401(k), based on the employee's payment of student loan balances.

And just last week, with Mr. Doggett, we introduced a bipartisan legislation called the Tax Free Pell Grants Act. This would expand the usage of Pell Grants on a tax-free basis and ensure students don't lose out on any benefits of existing tax credits. Now, many Americans face a decision between



paying down student loan debt and saving for retirement, and this legislation would help workers to do both.

Now, when it comes to other things Congress can do to reduce barriers to higher education, we should be focused on supporting a wide variety of ways for Americans to advance themselves. That support should be there, whether someone pursues a four-year college degree, a two-year associates degree, an apprenticeship, or some other form of professional training. Our approach cannot be a one-size-fits-all. We need to meet Americans where they are. We need to support choice and flexibility, so that Americans can obtain educational advancement without having to put their lives on hold for four years.

But the answer isn't free college for everyone, or widespread student loan cancellation. Studies show that these actions won't solve the challenges that many Americans face.

But we have a lot of room for common ground and innovation that can help address barriers that many face in furthering their education. And I hope we can work together on these issues, Mr. Chairman, and that is why I am looking forward to hearing from all of our witnesses, but especially from Scott Pulsipher, the President of Western Governors University. Scott will be able to share with the subcommittee the many exciting and innovative things going on at WGU.

WGU strives to provide affordable, high-value degrees to underserved learners. WGU is an online-only university that uses a competency-based, on-demand approach to higher education. This means students have the flexibility to learn and advance through coursework at their own pace, and in a way that fits the demands that they have in their life. WGU's approach to higher education has lowered barriers to those seeking a college degree across our country.

\*Mr. Kelly. Now, we can learn from WGU's success, so thank you, Scott, for being here. And thank you to all of our witnesses for being here.

And Mr. Chairman, I yield back.

\*Chairman Pascrell. -- words. We will next hear from our -- we are next going to hear from our panel, but thank you, Mr. Kelly. Your words are on target.

Thank you to our distinguished witnesses for taking the time to appear before us today to discuss this very important issue. I will introduce our five witnesses, and then turn to each of them for their testimony.

Without objection, all members' opening statements will be made part of the record.

Our first witness, Dr. Marshall Anthony, he is a senior analyst at the Center for American Progress, where he focuses on higher education policy.

Our next witness is Dr. Susan Whealler Johnston. She is the president and chief executive officer of the National Association of College and University Business Offices.

Our third witness is Dr. Steven Rose, my friend from Paterson, New Jersey. He is the President of the Passaic County Community College, on which I served many moons ago, which is located in my congressional district.

Our fourth witness is Dr. Susan Dynarski. I hope I am correct on that. She is a professor of public policy at the University of Michigan. Right.

Our final witness is Dr. Scott Pulsipher. He is the president of Western Governors University.

Each of your statements will be made part of the record in its entirety. I would ask that you summarize your testimony in five minutes.

To help you with the time, please keep an eye on the clock that should already be pinned to your screen. If you do go over your time, I will notify you with the tap of my gavel.

Dr. Anthony, you may begin.

STATEMENT OF MARSHALL ANTHONY, JR., SENIOR ANALYST, CENTER FOR AMERICAN PROGRESS

\*Mr. Anthony. Chairperson Pascrell, Ranking Member Kelly, and members of the subcommittee, thank you for the opportunity to testify today.

I appear before you as a researcher on higher education, but I have also lived the failures of the higher education system. As a young, Black man from a low-income, single-parent household, I received the maximum Pell Grant throughout my undergraduate studies to help pay for college.

But I did not have enough financial aid to cover other necessities such as housing, food, textbooks, or transportation. That meant, when I should have been sleeping, I spent countless hours staring at the ceiling, worrying about expensive course materials that professors required me to purchase. It also meant cancelling my meal plan in order to pay for gas to get to campus and to participate in internships, and it even meant chipping in at times to help my family cover a utility bill.

Through hard work, yes, but also a great deal of good fortune, I made it here before you today. But far too many other Black, Brown, low-income, and college students with disabilities never make it to the graduation stage to collect a diploma, including those very close to me.

A large portion of college students today are, in many cases, working adults, attending college part-time and raising children. Like some of my family, classmates, and students I have taught, they are juggling demands that would strike you or I as nearly impossible, all in a desire to give their family a better life.

Never has a college degree been more necessary to make it in this country. Nearly two-thirds of jobs require some form of post-secondary education, and yet our higher education system is not equipped to do its job. Consider these four troubling facts.

First, the Pell Grant is not what it used to be. Pell is the cornerstone Federal aid program for students from low-income backgrounds like myself to help pay for college. At its peak, close to 50 years

ago, Pell once covered nearly 80 percent of the cost of attendance at public, four-year institutions. Today, the maximum Pell Award covers less than one-third of the average cost of tuition, fees, and room and board.

Second, if you think students today can still work their way through college, think again. In 47 states, on top of any and all financial aid they receive, low-income students need to work more than 15 hours per week to pay for a public, four-year education.

Third, community colleges operate on only half the revenue that public four-years receive. That means that community colleges don't have the resources they need to adequately serve low-income students, as well as Black and Latinx students who are more likely to attend community colleges.

And fourth, even before the pandemic, public higher education was already in deep trouble. When the pandemic began, only 18 states had fully recovered from cuts made in the wake of the great recession.

These are just a few of the reasons why so many students leave college with no degree and debt they cannot repay. Black borrowers, like myself, who are hard hit by employment discrimination, and have nearly 10 times less wealth than White families, are most likely to suffer.

The system has failed too many students. The ability to graduate should not be conditional upon a student such as myself having good fortune, if you want to call it that. But we have created and perpetuated a system where that unfortunate reality has been the standard for far too long. The United States can and should do better. No excuses.

I ask you today to reinvest in an equitable American dream by better supporting college students, limiting debt, and investing in community colleges and public four-year institutions in order to build a higher education system that actually works for people from all walks of life.

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

[\[The statement of Mr. Anthony follows:\]](#)

\*\*\*\*\*COMMITTEE INSERT\*\*\*\*\*

\*Chairman Pascrell. Thank you for -- Dr. Johnston, you are now recognized for five minutes.

STATEMENT OF SUSAN WHEALLER JOHNSTON, PRESIDENT AND CHIEF EXECUTIVE OFFICER, NATIONAL ASSOCIATION OF COLLEGE AND UNIVERSITY BUSINESS OFFICES (NACUBO)

\*Ms. Johnston. Thank you. Chairman Pascrell, Ranking Member Kelly, thank you for inviting me to be part of this important hearing today. I am Susan Whealler Johnston, president and CEO of NACUBO, a professional organization that serves financial officers from colleges and universities across the country.

In March 2020, when the potential impact of the pandemic was becoming clear, NACUBO strived to ensure that, despite this crisis, any student who wanted to continue their higher education studies could do so, and no college would fail because of the crisis. To that end, the pandemic relief legislation passed by Congress has made a very meaningful impact.

And I want to thank the subcommittee and your fellow lawmakers for recognizing and responding to the urgent crisis faced by the higher education sector, which educates more than 16 million undergraduate students, and is among the top 10 largest employers in 40 states. Without this legislation, more students would have had to pause or abandon their studies, and across the country we would have seen deeper institutional budget cuts that would have meant more loss of job, shuttering of programs, and fewer resources for student support, financial or otherwise.

Colleges face substantial fixed causes -- costs, sorry -- that do not abate, even during a global pandemic. Even when most students were taking classes remotely, colleges and universities still had to maintain their facilities, pay faculty and staff, continue offering services to students, and more. They also faced significant new expenses related to testing, cleaning, and social distancing. And they made unplanned technology investments, from software licenses and training to improved Internet access for students, faculty, and staff.

As our nation's colleges and universities are preparing for the fall 2021 term, some colleges are optimistic about their financial health. But just as our nation experienced an uneven impact of the pandemic, we are seeing the same in the higher education sector. For many, the pandemic amplified an

already downward trend relating to changing demographics and a regional population shift. Among many community colleges, small private colleges, and regional public universities, there is concern about fall 2021 enrollment and implication for staffing and budgeting. However, through it all, institutions and their leaders remain steadfastly committed to their educational missions and the indispensable, lifelong value of education.

In the wake of a global health crisis, the outcomes realized by those with post-secondary credentials are in stark contrast to those without. As the pandemic put pressure on employment across many industries, individuals with higher levels of education were more likely to be employed. Individuals with a high school education or less faced a 19.2 percent unemployment rate in April of 2020, compared to an 8.5 percent unemployment rate among those with bachelor's degrees or higher.

This dividend of higher education, along with others, should be available to more people. And colleges and universities are contributing to keeping college affordable and accessible, despite the high and increasing costs they bear to offer a high-quality educational experience. NACUBO sees this repeatedly in our own surveys.

The 2020 NACUBO TIAA Study of Endowments found that the 703 participating institutions spent more than \$23.3 billion from their endowments, with about 49 percent of the funds going directly to student financial aid. Our NACUBO tuition discounting study of 361 private, nonprofit colleges showed that in the last academic year nearly 90 percent of first-year undergraduates received institutional financial aid, and it covered more than half their tuition and fees, on average.

Beyond these examples, Federal policies can be strengthened so that they are working together to aid students with the cost of college. For example, charitable giving should be encouraged. Policies that discourage giving and take charitable resources away from education, like the tax on net investment income, should be reversed. Federal tax credits that ultimately lower the cost of college should be improved. And we urge Congress to increase the value of the Pell Grant, the cornerstone of

our country's investment in higher education, to ensure more students can access college in the first place.

Colleges, and universities, and lawmakers, as well as charitable organizations, families, and employers must continue making the investments necessary to make college more affordable so that, as a nation, we can achieve a more educated and inclusive populace.

We appreciate the subcommittee's interest in expanding college access and increasing affordability, so that more students can experience the lifelong benefits college degrees offer.

Thank you very much for including me in this conversation.

[\[The statement of Ms. Johnston follows:\]](#)

\*\*\*\*\*COMMITTEE INSERT\*\*\*\*\*



\*Mr. Horsford. Thank you, Dr. Johnston.

At this time I have been notified that, at the direction of the chair, without objection, the subcommittee will stand in recess for 10 minutes.

[Recess.]

\*Chairman Pascrell. I wanted to thank Dr. Johnston for your testimony. I read it, so I didn't have to hear it. So I went to vote, and we are trying to switch here. But this is pretty chaotic. Very chaotic, Dr. Johnston.

Anyway, our next speaker -- the committee will come back to order.

Our next speaker will be Dr. Rose from the Passaic County Community College. He has done a fantastic job there. I say that without any hesitation. So you better be good today.

\*Mr. Rose. All right.

\*Chairman Pascrell. Dr. Rose --

\*Mr. Rose. It is great to call you chairman. That is -- we have called you many titles before. It is great to call --

\*Chairman Pascrell. You called me many names before, be honest.

\*Mr. Rose. Yes, that may be true. Well, thank you.

\*Chairman Pascrell. Go ahead, Dr. Rose.

\*Mr. Rose. All right.

\*Chairman Pascrell. We are anxious to hear.

\*Mr. Rose. All right.

## STATEMENT OF STEVEN ROSE, PRESIDENT, PASSAIC COUNTY COMMUNITY COLLEGE

\*Mr. Rose. I am Steve Rose. I am president of Passaic County Community College. Our main campus is in the great city of Paterson, New Jersey, which is the third-largest city in our state. I have been president since 1996 and have been at the college since 1987.

When I arrived, we had approximately 2,000 students per year, and currently we serve over 11,000. And this growth is fairly typical of community colleges during this time span. Eighty percent of our students are minority, with many having English as their second language. While many enrolled to seek an associate degree for either transfer to a baccalaureate institution or direct entry into a career such as a registered nurse, others come seeking our workforce development programs leading to industry-recognized credentials in health care and technology fields.

The topic of this hearing, expanding access to higher education and the promise it holds, this is why community colleges were created.

PCCC, like most community colleges, is an open admission institution, serving students from varied educational backgrounds. While some enroll fully ready for the rigors of college-level work, others are ill prepared. Some students enter ready to enroll in advanced calculus, while others need basic arithmetic. Some enter with well-developed writing skills, while others struggle with literacy.

Community colleges are -- students are often the first generation in their family to attend college. At PCCCC [sic], many students are not only the first to attend college, but they are the first in their family to graduate from high school. We welcome all these students. We believe, regardless of age, that every student should not be limited in life by a lack of education. It is never too late.

A college degree or credential is still the easiest path to the middle class, and our programs are designed to help students reach these goals. However, these students face significant challenges. Many

work full-time, while attending school. The type of jobs they work in often have unpredictable schedules and mandatory overtime. Approximately 20 percent of our students are single parents.

The pandemic has only enhanced these challenges. During the past year students faced unprecedented challenges. Many struggled, adapting to remote classes, lacked the technology they needed. Many lost their jobs and were directly impacted by COVID.

The financial support our college and students received from the Federal Government was necessary and impactful. We were able to provide laptops for all of our students who needed them and provide financial help when needed. I am not exaggerating when I report that the aid to students was, in many cases, life-sustaining and changing.

Enrollments at community colleges have historically been counter-cyclical with the economy. During economic recessions our enrollments tend to grow and decline when the economy is thriving. When individuals have strong employment options, they tend to put off enrolling in college. Probably not a good idea. At PCCC and most community colleges, our enrollment hit an all-time high in early 2010s, and has been declining since 2012.

In 2017 we saw a large decline in enrollment when DACA and other undocumented students no longer felt comfortable attending college, due to the national debate on immigration. For the most part, these students have yet to return. This impacted both student -- new, and students who were currently enrolled.

The pandemic has brought challenges that we anticipate will last for many years. Enrollment at PCCC dropped approximately 17 percent this past year. Most of the decline came from newly enrolled students, rather than continuing students. Enrollment patterns from local high schools tend to follow fairly predictable historic patterns.

For the fall 2020 semester, we experienced a relatively minor decrease in new student enrollment from more affluent school districts. The loss of student enrollment from urban districts was dramatically worse. Enrollment from several urban high schools was down 50 percent, 5-0. In our

discussion with these districts, it is clear that these students did not choose to go elsewhere, they just did not go to college.

The outlook for fall 2021 continues to be grim. Many urban high schools report that students stopped attending remote classes at some point during the year, and many will not be graduating. In some cases, the school districts report that they have totally lost touch with these students. Significantly, it appears that students who do plan to attend this fall are coming with greater academic deficiencies. From a preliminary analysis of placement scores, these students will need more remedial classes than is typical. Since research has consistently shown that students who enter below college level graduate in greatly reduced numbers, it would appear that college graduation rates could be hurt for years to come.

I believe I can speak for all community colleges when I say that we continue to do what is ever necessary to ensure the success of our students. While challenges are daunting, the cost of failing is far too great. Thank you.

[\[The statement of Mr. Rose follows:\]](#)

\*\*\*\*\*COMMITTEE INSERT\*\*\*\*\*

\*Chairman Pascrell. Questions, I got 450 questions, but I want you to know we are very appreciative, and we will have a chance for questions a little later. I want to thank you very much.

Professor Dynarski, you are now recognized for five minutes, and thank you for being here.

STATEMENT OF SUSAN DYNARSKI, PROFESSOR OF PUBLIC POLICY, UNIVERSITY OF MICHIGAN

\*Ms. Dynarski. Chairman Pascrell, members of the committee, I am honored to testify before you today.

A college education is a great investment. Over a lifetime, a person with a bachelor's degree will earn, on average, \$1 million more than a less-educated worker. Even with record-high tuition prices, a BA pays for itself several times over.

But as college has grown more valuable, it has also grown more unequal. Low-income children are very unlikely to earn a BA when they grow up. Just nine percent do so. The odds are six times higher for children from upper-income families. Fifty-four percent of them will earn a BA. This gap is not shrinking. If anything, it is growing. I give you these statistics to get us thinking about our goals for the education tax incentives, whether they have been a success, after all, depends on the goals we set for them.

Is our goal to ease the pinch of college costs for upper-income families, whose children attend expensive colleges? If so, then the tax incentives do a passable job.

I think our goal is far more ambitious, that we want to open the doors of college to anyone who can benefit. If this is our goal, then the current tax incentives are a complete failure.

Why? The tax incentives can increase schooling, only if they put money into the hands of those for whom price is a barrier, when and where they need that money.

These potential college students who need assistance are overwhelmingly from low-income families. They attend community colleges, where tuition and fees average \$3,800, or a state university, where they average \$10,600. This is who we should keep in mind as we design tax incentives for college, a low-income person attending a public college.

Unfortunately, the education tax incentives do very little for low-income students at public colleges. Perversely, they provide the most money to upper-income students at private colleges. Here are some facts that drive home that statement.

The tax credits are only partially refundable. A low-income student gets a credit of just \$1,000 a year, while a richer one gets \$2,500.

The full lifetime learning credit goes only to students who pay tuition and fees over \$10,000. Community colleges, which educate a majority of undergraduates, charge less than half that.

The tuition deduction and student loan interest deduction pay the most to families with the highest tax rates.

The Coverdell and 529 savings plans benefit those who can afford to save and who face high tax rates. That is, the wealthy.

And if a low-income family does manage to save, they are punished for it. Their assets count against eligibility for Federal student aid, as well as for safety net programs like SNAP.

The regressivity of the tax incentives is not all that hampers their effectiveness. They are simply too complicated and confusing to affect schooling decisions. The IRS publication devoted to explaining them fills 95 pages. Families can't respond to a price subsidy if they do not know about it or understand it.

We are better off funding simple programs that work than trying to explain complex problem programs that don't. If our goal is expanded college access, the tax incentives for higher education are a terrible policy. We must set aside the illusion that the increased education -- the evidence is clear on this question.

As it stands, the education tax incentives are, essentially, a transfer program. They get money to households that have sent people to college. To do this modest job well they should impose minimal paperwork and go to families who most need the money. So here are some recommendations.

First, create a single, fully refundable credit that covers not just tuition and fees, but books, room, and board. This comprehensive definition of schooling expenses is what is used for the 529 and Coverdell accounts, which primarily benefit wealthy families. A much narrower definition is used for the credits, which have the potential to help at least some low-income students.

Second, deliver the credit at the time of college enrollment, when it can make a difference.

Finally, you asked me to address the endowment tax. It is proposed to waive this tax if schools make sufficient effort to be affordable. Here is one way to define such effort: Does a college meet the full financial need of its students, as defined by the FAFSA and the Federal methodology?

Many private colleges, and a handful of publics that -- require that students fill out the College Board's profile form, and use expanded data to measure need. This more than doubles the paperwork burden on students and increases uncertainty for families. The questions on the profile distinguish well between the rich and the extremely rich. But even a student who gets an automatic -- of zero -- that is, has the highest need -- has to complete this very complicated form. The profile should not be required of low-income students.

In conclusion, the education tax benefits provide relief for upper-income people who have gone to college, but they provide comparatively little relief for low-income families. The evidence is clear that the tax incentives do nothing to expand access. They are no substitute for Federal financial aid or for free college.

Thank you for your time.

[\[The statement of Ms. Dynarski follows:\]](#)

\*\*\*\*\*COMMITTEE INSERT\*\*\*\*\*



\*Chairman Pascrell. -- very much, Dr. Dynarski. We appreciate your efforts today, and I want to thank you. And now our final witness, I believe, is Mr. Pulsipher.

You are now recognized for five minutes. And thank you for being with us today.

## STATEMENT OF SCOTT PULSIPHER, PRESIDENT, WESTERN GOVERNORS UNIVERSITY

\*Mr. Pulsipher. Thank you, Chairman Pascrell. And thank you, Ranking Member Kelly and the distinguished members of the subcommittee. I am grateful for your convening this hearing today, and certainly for the opportunity to offer perspective on a topic that is core to WGU's founding. The promise of higher education is sorely in need of renewal to fit the times in which we live.

My name is Scott Pulsipher. I serve as president of Western Governors University. WGU is a private, nonprofit institution founded in 1997 by a bipartisan group of 19 governors who saw the opportunity to leverage technology and competency-based education to expand access, improve outcomes, and better align learning with workforce needs. Our mission is to change lives for the better by creating pathways to opportunity. Today we serve more than 130,000 full-time students, of whom 70 percent would be classified in one or more categories of underserved populations.

The idea that the pathway to opportunity should be open to all is core to our shared ideals, as a nation. This idea remains a bipartisan objective, and one held not just by our elected leaders, but by every parent and every person in this country.

Sadly, it is increasingly evident that higher education has not lived up to this promise as a great equalizer. According to the Pell Institute, students from the highest income quartile were nearly 5 times more likely to earn a bachelor's degree by age 24 than those who grew up in the lowest income quartile. For advantaged students, the education pathway can be a natural extension of one's life journey. For those marginalized, it can be a mountain to traverse. For higher education to fulfill its promise, it must be a pathway that can be traveled by every individual, where students have flexibility, support, and quality of instruction to succeed.

The future work demands the continual acquisition of new skills and knowledge in order to progress in one's career and life. To stay competitive as a nation, higher education must meet the diverse needs of Americans across their careers, for both the first and the next opportunity. And for

higher education to be a pathway, it must lead to opportunity. While that may sound obvious, it is not a conclusion that reveals itself from a study of higher education outcomes.

Nationally, 6-year completion rates hover at 60 percent. For Black students, they are closer to 40 percent. For financially independent students, half of today's enrollment, it is estimated that only one out of three will complete their degree. For too many, higher education is a path to nowhere, paved with debt.

Perhaps most importantly, higher education must not just be affordable, but valuable. Public investments in higher education should result in progress and economic mobility. The Post-Secondary Value Commission, supported by the Gates Foundation and the Institute for Higher Education Policy, found that 649 institutions leave their students with 0 economic return, after accounting for the cost of attendance.

Many of the ideas to address higher education issues today often focus on how to help pay for it, and pay they must, as the inflation-adjusted cost -- that is the inflation-adjusted cost -- of higher education has risen 120 percent since 1985. Those who argue that this burden is too heavy for students to bear are absolutely correct. We need greater accountability for the cost of education, not just new models of paying for it.

But for today's working learner, affordability is not the only barrier, and often not the most difficult to overcome. Lack of flexibility in scheduling, mode, online or in-classroom, location, faculty interaction, et cetera, limits student success -- or, sorry, limits student access, progress, and completion. Policies should consider critical challenges of completion, cost, relevancy, and, ultimately, value. We do taxpayers a disservice and institutions of higher education too many favors by merely shifting the cost of higher education without serious reform.

I am grateful to the subcommittee for the opportunity to share my perspective, and to share the example of WGU. Our tuition and fees are less than \$8,000 a year. Our competency-based model and flat rate pricing allow students to progress at a pace that is right for them. Through our responsible

borrowing initiative, we have driven per-student debt at graduation down by 32 percent over the past 7 years, to just over 14,000 today, less than half the national average. From Gallup surveys, 77 percent of our graduates say it was worth the cost, compared to 37 percent of students, nationally. We offer degrees and credentials aligned with in-demand job fields, and map learning outcomes to needed skills. Our graduates are employed at rates at or above national averages, with income gains nearly double the national average.

At WGU we know how important affordability and flexibility are to increasing both access and attainment. I am proud that WGU is living proof that America can do better in higher education. And on behalf of our individuals, families, and society, we desperately need to.

I yield my time to the subcommittee, and I look forward to discussing these issues in more depth.

[\[The statement of Mr. Pulshipher follows:\]](#)

\*\*\*\*\*COMMITTEE INSERT\*\*\*\*\*

\*Chairman Pascrell. Thank you, Mr. Pulsipher, for yielding your time. Thank you, Mr. Pulsipher, for your comments. They were on target.

And I now will open the hearing for questions. Without objection, each member will be recognized for five minutes to question our witnesses. Please stick to the five minutes. I am talking to myself, as well.

If the witnesses will respond with short and concise answers, all members should be able to ask questions. We will not observe the Gibbons Rule, as I said, in this remote setting, and will instead go in order of seniority for questioning, alternating between minority and majority, beginning with the members of the Oversight Subcommittee.

Members are reminded to mute -- or unmute, rather -- yourselves when you are recognized for your five minutes.

I will begin by recognizing myself for five minutes. Mr. Rose, you got the first question.

\*Mr. Rose. Okay.

\*Chairman Pascrell. It is good to see you, as I said before. Your expertise is needed to help us understand how the pandemic affected transition from high school to college in Passaic County. How has the lack of in-schooling learning, and the access of online learning affected students and their readiness for college?

Go right ahead.

\*Mr. Rose. Well, one of the -- you know, one of the schools you are very familiar with, our own Kennedy High School down the block from here, we saw a 50 percent decline in the number of students last fall who enrolled here than normally do. You know, that is devastating. The same was true of Passaic High School. The same was true of several of the other urban high schools. But the suburban high schools were relatively unchanged from previous years. So there is, obviously, something going on,

when you look at the difference between what is going on in the urban schools and what is going on in the suburban schools.

And right now, we know -- we are starting to see students -- our numbers are off again for fall 2021, and the students who are coming, who are enrolling, and when we are assessing where they are, it looks like many of them are going to be starting further behind than typical. They are going to need more developmental classes in order to try to catch them up. And, you know, that is going to affect these students for years to come.

\*Chairman Pascrell. Well, you are intending, I believe, to start up again person-to-person --

\*Mr. Rose. Absolutely.

\*Chairman Pascrell. -- am I correct or incorrect?

\*Mr. Rose. Yes, totally correct.

\*Chairman Pascrell. Now, you have already stated in your problem this is necessary, very important. Are you going to be ready?

\*Mr. Rose. Yes, we are going to be ready. But, you know, one of the -- like, one of the things we are doing this summer, we have all these students who are not graduating from high school. So, you know, we are offering them a free GED program right now, if they are willing to try and, you know, get that credential so that they can start college.

\*Chairman Pascrell. What can you do with the high schools, where the obvious attendance rate was down, and the applications are down to you?

\*Mr. Rose. Right, so --

\*Chairman Pascrell. What are we getting to them? Are we talking to them?

\*Mr. Rose. We are talking to the guidance counselors, and to the superintendent, and to the principals every day. And anyone they can identify, you know, we are doing it for free. Anything they

need, we are ready to step up and get these -- try and catch these students up, so that they can start college this fall and, you know, be ready.

\*Chairman Pascrell. Dr. Rose, are you an advocate of the STEM program, which we are putting in a lot of high schools in America?

\*Mr. Rose. Oh, absolutely. Of course.

\*Chairman Pascrell. It has been very successful at your school.

\*Mr. Rose. Oh, look, we send about 20 students every summer to NASA for 5, 6 weeks. When they come back, you know, they are transformed. You know, these students, their lives are changed. So, you know, STEM education -- but one of the problems is we have to start working with students when they are in middle school, and we are doing that.

\*Chairman Pascrell. Good.

\*Mr. Rose. Because if it is -- by the time they get to senior year in high school, if they haven't had enough math and science, going into one of the STEM areas is very difficult. Not impossible, but very difficult. So we have got to work with them at a young age to try and make sure they are ready for a STEM career.

\*Chairman Pascrell. I was over at the Boys and Girls Club in Paterson, and they are doing a great STEM program. Are you aware of that program?

\*Mr. Rose. Oh, we are working with them, sure, of course.

\*Chairman Pascrell. It is a good program, and I am all for it, 100 percent. STEM program, to me, is our way out, and one of the engines. And you guys in the tech schools could be center stage here. We are missing the boat if we don't support you guys.

One more question. I understand that the college is tuition-free for students with family incomes below \$65,000. Is that correct?

\*Mr. Rose. That is correct. That is a new program in New Jersey, community college opportunity grants.

\*Chairman Pascrell. Yes. Please explain how that impacts your ability to attract students, more students.

Could you also address how Congress's simplification of the Free Application for Federal Student Aid forms can contribute to improved access to higher education?

\*Mr. Rose. As you heard in testimony from the professor before, if it is not simple, it doesn't work. It has to be simple.

You know, we have so many students who would qualify for a Pell Grant, but they can't get through the application process. They get thrown into this morass of verification. And, you know, we are asking them to bring in documents, you know, from estranged relatives that they haven't seen in years. And that is the only way they can get financial aid. We have to keep it simple.

You know, things like the American Opportunity Tax Credit. It is a wonderful program. But I -- you know, I have been doing this for 40 years now, and I work with students and parents. I have never once heard a student say, "Oh, yes, I could afford college because of a refundable tax credit." That is not why they come.

\*Chairman Pascrell. That is right.

\*Mr. Rose. They come because we have a simple message. Right now in New Jersey we could say, "If your family income is under \$65,000 a year, you could attend college for free." That is the --

\*Chairman Pascrell. Thank you --

\*Mr. Rose. -- message we have to send.

\*Chairman Pascrell. Dr. Rose, thank you for your simplicity. That is what we need. Just keep it simple. We should tell that to the Congress of the United States. We have a problem of doing that.



Let's go to -- the next person you are going to have is Mr. Kelly for five minutes to ask you questions, sir.

\*Mr. Kelly. Thank you, Chairman. Thank you very much.

Mr. Pulsipher, I really find your testimony interesting, this idea of having the flexibility to choose things. I think there is one thing this pandemic has pointed out to us, is you don't have to be on campus to learn. There is other ways to learn, and I am really interested in what WGU has been able to do.

So in your testimony you mentioned a competency-based approach at WGU. How does that go-at-your-own-pace approach play out, in a practical way, for students with obligations? Because we know a lot of them have jobs that they have to do. They have families. They don't have the same ability to attend class from early in the morning to late at night. So how do you do that?

\*Mr. Pulsipher. Yes, thank you, Ranking Member Kelly, for that question. And thank you also for the recognition of WGU's innovation in this regard.

The competency-based education model simply relies upon keeping the standards for learning constant for every individual who goes through it, and letting the time vary. What that simply allows to occur is that individuals that may have a particular proclivity for learning one subject matter, or may have had prior experience in it, they can actually accelerate through those courses and that learning at their pace that is right for them and dedicate more time to focus on the new concepts, or those topics and courses that are new to them.

In doing so, what that actually allows our students to do is move at a pace that is faster than the typical kind of credit hour, 15-week kind of term model that is in traditional higher education, such that our graduates -- our undergraduates finish their degree, on average, in about 2 years and 4 months, for a total cost that is going to be about \$16,000 to them.

And so the competency-based education model is just more flexible to allow us to design curriculum and learning outcomes that are relevant to the opportunities and jobs they are going to pursue, while also being flexible enough for them to focus the time and attention where they need it.

\*Mr. Kelly. The term you use are "working learners." The college I went to, University of Notre Dame, at one time -- and, you know, its whole formation was because there wasn't a place for migrants coming into our country to go and get educated, especially depending on what religion they practiced. So a lot of what happened in South Bend was the result of bringing education to those who could never have afforded education. But I will tell you this.

So when I enrolled at Notre Dame in 1966, it was \$1,800 a semester, or \$3,600 a year. It is currently 74,000 to attend Notre Dame. So I don't know how in the world people ever get to go there, although I do know, with the aid, that the average cost comes down to 32,096. How have you been able to keep the cost of education at WGU down, and what can other institutions learn from your whole process, and the way you look at this, and making it affordable for those working learners?

\*Mr. Pulsipher. Yes, the working learners, for everyone's benefit here, is that is -- the learners today enrolled in college and in higher education, generally, than we might presume. You know, well more than 50 percent of all students are working full-time or part-time, and so that does require significant demands on their time.

From a cost standpoint, it is pretty simple at WGU, which is, first and foremost, we put the student at the center of everything we do. They are our primary customer. Our job is to help them progress, complete, and be on a pathway to opportunity. In doing so, all of our costs are centered on the instructional model, on the curriculum development, on the technology that allows us to reach and teach them where they are.

And so that has allowed us to not invest in buildings, and classrooms, and campuses, and other student life things that are not as common nor as needed for those working learners. We are very focused on the acquisition of capability, skill, and knowledge that is needed for them to progress in their

lives and are probably less focused on other emerging-adult experiences, if you will, that can comprise a large portion of the operating costs of universities and colleges today.

And so the last thing I will say for the individual is pretty important. The combination of delivering online -- 100 percent of our curriculum is delivered online -- and the competency-based model, where we have flat tuition, is that we have costs of under \$4,000 for one 6-month term in which a student can complete as many courses as they are able. And so, as they actually can go at the pace that is right for them, they actually end up spending less time and less cost to actually complete their degree.

\*Mr. Kelly. Listen, I want to thank you all for being here today. I really appreciate that information.

Please do not pass anything I said on to the president at Notre Dame, Father Jenkins. I am sure he will come back at me and say, "Hey, we missed you at the first collection and the second collection, you alumni need to start manning up here."

But listen, thanks for what you are doing. That model, though, Chair, I mean, that model is one that makes sense. And I know all the rest of you are working with the same ideas on how to make it more affordable. That return on that investment is incredible.

So thank you all for what you are doing.

Mr. Pulsipher, thank you. I am going to stay in touch with you. I have some more questions. I don't have time now, but your use of mentors, and the way you are doing this virtual learning is absolutely critical. But we will get back to that at another time.

But thank you all for being here. Mr. Pulsipher, thank you so much. Again, Mr. Chairman, thank you, a great, great hearing.

\*Chairman Pascrell. Thank you. And now, being consistent with the committee practice, we will move to a two-to-one questioning ratio, beginning with Mr. Suozzi.

[Pause.]

\*Chairman Pascrell. Tom, you are up.

\*Mr. Suozzi. Thank you, Chairman. I will try and keep it simple for the people in Congress. It is so complicated. Listen, I have -- 60 percent of Americans do not graduate from college. I mean, that is the large -- that is the majority of the people in the country. I have been in public life for 25 years, and we have always been encouraging people, go to college, go to college, go to college. Sixty percent do not graduate from college.

And I did -- looked at the U.S. Census a few years ago, and it said there is 105 million full-time jobs in America. And of the 105 million full-time jobs, 89 million of those 105 million jobs pay less than \$75,000 a year.

So, you know, I had an epiphany when I was meeting with some welders one time that came to my office. These were all young guys that had suits on. They were, you know, young guys, and they were part of the union. And I said, "What made you join the union?"

He said, "Well, my father was mad at me, and I wasn't doing well in school. My grandfather told me to join the union. He knew somebody."

And then the other guys told similar stories, almost like they were all sheepish about it. I said, "Well, how much money you make last year?" And the first guy was in his late twenties. He made \$100,000 a year. The second guy was early thirties. He made, like, \$120,000. And the third guy made, like, \$145,000.

And they -- you know, they get up at 5:00 in the morning, and they travel hours to go to work, and -- you know, but these guys -- and they work really hard, they work a lot of overtime. But they are living a great life. I was like, "You guys are doing great. You are doing fantastic. We should be encouraging more people to do that."

So I want to ask the different speakers that are here, especially -- oh, all of you. I will ask all of you, if I have the time. I have got three minutes left. Why don't people want to go to college, or don't they go to college? Is it -- how much of it is based upon affordability? How much of it is based upon people are just not suited to go to college?

And what can we do to get more people who either can't afford or don't want to go to college -- I mean, if you don't go to college, you don't want to go take a class to become a welder, where you are sitting in a classroom for a year and a half, either. You want to go to work, you want to earn while you learn. You want to be in an apprenticeship program.

So what can we do? I am -- what can we do for the 60 percent of Americans that don't graduate from college? And what can we do to get people to make more money by having a skill that is not necessarily what we think of as traditional -- graduate from college?

So you -- Steve Rose, you go first.

\*Mr. Rose. Well, we have started a welding program. And, you know, one of the things is that these are -- you know, welding is a college subject these days. There is even a college in Pennsylvania that is offering a bachelor's degree in welding.

So, you know, we have got to make sure in our colleges that we keep our curriculum up to date, and we are offering the type of things that are going to get people jobs, and those type of jobs that you are talking about, and that is what we constantly need to do.

And again, keep it simple. Make -- you know, send a message that college is affordable by keeping these programs simple, and more people will go to college. I think it is pretty simple.

\*Mr. Suozzi. Marshall, what do you think? How come these people are not going to college, 60 percent of Americans don't graduate from college?

\*Mr. Anthony. Yes, well, we have to build a college-going culture from the very beginning, in early childhood to K-12. We have a wealth of research that shows, when a parent or the school system is able to build that from the very beginning, it increases the likelihood of students going to college.

And we also know, in addition to higher ed being underfunded, we have a pretty stratified and underfunded K-12 system as well. For example, in high school, school counselors -- the school counselor-student ratio is 461 students to 1 school counselor.

\*Mr. Suozzi. Yes.

\*Mr. Anthony. I had a -- luckily, I was able to have a school counselor that really invested into me, but not everyone has that. And it is not because school counselors -- they are over -- they are having to deal with scheduling high school courses, along with other things. So we have to start --

\*Mr. Suozzi. Let me --

\*Mr. Anthony. -- it out from the very beginning.

\*Mr. Suozzi. Let me try and get the other folks to say something quickly.

Ms. Johnston, do you want to say something, Doctor?

\*Ms. Johnston. Sure. I think that one thing we can do is take a look at those students who enroll, but do not complete a degree. Those are the students who are, I would say, damaged the most through their educational experience, because they leave with debt and no degree.

If there is anything that we can do to help those students --

\*Mr. Suozzi. Why are they -- why is that happening? Why are they applying, getting in college, and then not going, not graduating?

\*Ms. Johnston. It may be financial. They may need more support financially, but they may need other kinds of support that might be offered through advising, through student services. Sometimes people have to drop out for family reasons. We have heard many of those stories. So --

\*Mr. Suozzi. I apologize, it is the cruelty of the clock.

But Susan and Scott, I would like to, if you can, along the way, when other people are asking questions, talk about this a little bit. I would appreciate it.

Mr. Chairman, thank you very much for my five minutes.

\*Chairman Pascrell. The chair is very grateful for your questions. And now I am going to ask and recognize Ms. Chu for five minutes.

\*Ms. Chu. Thank --

\*Chairman Pascrell. Ms. Chu?

\*Ms. Chu. Yes, thank you, Mr. Chair.

Dr. Anthony, as one of two psychologists in Congress who spent 10 years paying off my graduate school loans, I am particularly concerned about the rising cost of earning an advanced degree. While interest and payments on Federal loans are, fortunately, still suspended until at least September 30th under the COVID-19 emergency measures, interest rates are set to rise by nearly a full percentage point for the 2021-2022 school year. And because the Budget Control Act of 2011 eliminated subsidized student loans for graduate students, these borrowers also pay interest while they are in school, earning their degree. That is why I am reintroducing my legislation, the Post Grad Act, to restore subsidized student loans for graduate students.

Many career paths require an advanced degree, but don't offer high starting salaries such as social workers, school counselors, or teachers. Those additional few years of interest accrual are particularly harmful, especially for students who also took out loans to help pay for their undergraduate degree. So could you talk about whether you see low-income students being held out of career pathways that require an advanced degree, but do not have especially high salaries because of more expensive borrowing conditions for graduate studies? And what remedies are there?

\*Mr. Anthony. Yes, so I think this goes back to the point that, because of a host of systemic issues, there are groups of students who are typically low-income, people of color, who generally get higher levels of a degree to combat some aspect of employment discrimination, some aspect of pay disparities, as well.

We did a report not too long ago that showed grad programs enroll 15 percent of all students in higher ed, yet they account for 40 percent of bad loans. And I remember when I was in -- when I was at school for grad school, I was asking, being max Pell, what happened when I went to grad school. All of the loans were subsidized.

And we do know that there are even disparities with funding. Typically, Black students don't have that much scholarship opportunities and fellowship opportunities as other students, as well, so that, in turn, causes them to have to take out more loans, as well.

I think there is a host of solutions that the government can do. One is in instituting that, yes, there should be some type of subsidized requirement. There should also be some type of requirement for grad schools that they must not produce more debt than their completers can pay off. And so one solution that we recommend is similar to the gainful employment rule for career programs. It is that we ensure that, you know, one, that these programs are a benefit, long term, for students. Maybe institute some type of price caps on grad programs, as well. But if broad fixes cannot be done, there is also opportunity to target specific types of programs.

So, for example, for doctoral degrees, possibly creating requirements for institution-provided funding for students, rethinking maybe law school, maybe taking off a year or trying to embed that somehow in an undergraduate year type of program. So there are some broad solutions that can work, and there are some more maybe specific ones that can handle and address that problem.

\*Ms. Chu. Thank you for that.



Dr. Dynarski, I am a member of both the Ways and Means and the Small Business Committee, and I am particularly concerned about the impact of student debt on entrepreneurship, especially as we try to rebuild after COVID.

We know that rising student debt has an enormous negative impact on entrepreneurship, depressing business creation by as much as 14 percent. And in fact, student debt negatively impacts a person's ability to qualify for business loans and is associated with a 42 percent decline in business income. This is why I am an original cosponsor of Nydia Velazquez's bill, the Supporting America's Young Entrepreneurs Act of 2021, which would provide student loan forgiveness for entrepreneurs, and ensure that forgiven loan is exempt from taxable income.

So could you talk about how student loan impacts entrepreneurship?

\*Ms. Dynarski. Thank you for the question.

Student loans perform an important role, you know. There are limits to what we give out, in terms of grants, and we have evidence that borrowing makes it more likely that people will accrue more credits and go on and graduate. So I think it is important to understand that student loans were created in order to create more access to college, and as long as we are not going to be giving completely free college out, that we are going to be needing student loans.

Most people repay their student loans. Rather than see another targeted loan forgiveness program, I would honestly like to see a broad-based, universal payment program that helps everybody who needs a hand. Right? So we have got quite a few people who are defaulting on pretty small loans, but it is because they have very small incomes, and a well-structured, income-based repayment program would help to fix that.

So I would like to see programs that ensure everybody against bad outcomes, rather than add to the set of specific targeted programs, as we have for teachers and doctors and so forth. But make loans work for everybody.

\*Ms. Chu. Thank you.

\*Chairman Pascrell. Thank you very much, Ms. Chu from California. Now I am glad to recognize Mr. Wenstrup from Ohio for five minutes.

You are on.

\*Mr. Wenstrup. Well, thank you, Mr. Chairman and Ranking Member Kelly.

You know, when I finished my schooling and my surgical residency, I had substantial student loans. I had a whole list of loans. I -- wherever I could. And so I understand the stress that goes with this, and the uncertainty that it puts on someone when they graduate.

And I also recognize the soaring cost of tuition and student loans, and the threat they pose to access higher education, and how that may affect our future workforce. And that is concerning.

I can tell you, with my loans, I had them all listed out, and I paid off the high-interest loans as soon as I can and ran out the low-interest loans. And at the end of the day, it worked out.

But, you know, we consider education, and we all know one-size-fits-all is not right. Sometimes we place emphasis on a traditional, four-year degree. And while these programs may be the best option for some students, it is not the answer for everybody. Students may benefit from the other options that wouldn't require loans to pay for the program. And I think, if we can work towards policies to help our students that have taken on this debt, while at the same time looking to expand the menu of options for students considering higher education -- and, you know, we have some things out there.

For example, this committee is considering Securing a Strong Retirement Act of 2021. Just in a nutshell, it allows employers to invest in a new employee's retirement and matches what they are

paying off in student loans. So they are not paying off student loans and being held out from retirement. But that is kind of some of the bigger picture.

Mr. Suozzi was talking about the welding students. I remember when I met some welding students at a vocational school. They were the happiest seniors in high school that I met, because they knew that they had a good-paying job just waiting for them. And they had a lot of certainty associated with it.

And I recently visited Great Oaks career campus, a career technical education school in my district that had been providing innovative career development, workforce development, economic development services. And they were providing to individuals, businesses, industry, labor, communities, and other organizations for 50 years. So they are plugging in to the community.

And I have also heard from employers who are having a hard time filling available positions, due to the skills gap.

So there are many paths out of high school. We need more skilled workers with careers in technical education to meet the needs of industries, and they keep them -- they drive America. I think in some ways we had an attitude that, if you don't have a four-year degree, somehow you failed.

And I think nothing can be further from the truth. So I have a question for Mr. Pulsipher, if I can.

How do you think Congress can help prospective students be better to -- made fully aware of what their options are?

You know, as a soldier, I talk to GIs, they are going to use their GI Bill. And I always talk to them about, listen, do your homework. You got this great benefit, but make sure you are using it towards something that is going to enhance your availability and your marketability in the workforce. So how do we make people more aware of that?

And also, how can we ensure that institutions are able to keep costs affordable, so that people aren't burdened with debt for the rest of their life sometimes?

\*Mr. Pulsipher. Yes, thank you, Congressman Wenstrup, for that question. Also, I love the great state of Ohio. It is -- we have now had three years, a state affiliate in the great state there, where the state has partnered with WGU to expand access among the many working learners, and those who have some college and no degree.

I think, to your question, one of the most important things to actually do is increase the transparency and the understanding about the multiple pathways that can lead to great opportunities. And there is an opportunity to actually, you know, provide greater, you know, evidence and information as it relates to what are those different pathways, what are the earning and economic potentials of those different pathways, where can those pathways be actually pursued. Because not all of them need to go through a college. Many of them can go through alternative providers, even employer-provided training programs.

This is one of the dynamics that exists today within higher education, or at least in post-secondary education, I would say, is that, to the future of work, where more than 65 percent of all the jobs are going to require some post-secondary credential, the acquisition of those credentials is also going to come through multiple different pathways. But individuals need to be able to have that information available to them. So Congress can, actually, increase that transparency. It can help to actually give better information about the outcomes that are expected through those different pathways.

To the second question, as to how do you lower cost, there is much more time needed to discuss related to the institutional side. But certainly, Congress can increase the transparency around what is the cost of attendance to pursue those different pathways, how much should an individual consider in financing, what aid programs are eligible for them, et cetera, so that they can complete and, ultimately, be on their pathway to the job.

\*Mr. Wenstrup. Thank you, my time has expired.

\*Chairman Pascrell. Dr. Wenstrup, I want to thank you for your line of questioning, because I think options is something we need to put on the table, because a lot of these kids think the only way they are going to -- the road to success, somebody mentioned it earlier, is to go to a four-year college right away. And that, to me, is very short-sighted. So thank you for your line of questioning, Dr. Wenstrup.

\*Mr. Wenstrup. Thank you.

\*Chairman Pascrell. The chair now recognizes Mr. Doggett for five minutes, Mr. Doggett from the great state of Texas.

\*Mr. Doggett. Well, thank you very much, Mr. Chairman, and thanks for the insightful comments of each of our witnesses.

Speaking of Texas, it was over 50 years ago that President Lyndon B. Johnson signed the first Higher Education Act in San Marcos, Texas, at what is now Texas State University, the college that he attended, and in an area that I have the good fortune to -- fortune to represent today. At that time he proudly proclaimed that his objective was 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 his family is poor."

Well, sadly, as our witnesses today have indicated, and as we can all see, America has not been able to fulfill his promise to our young people. Cost is now far too often a barrier, an insurmountable barrier to the economically disadvantaged, in getting post-secondary education of whatever type.

More than a decade ago, I personally authored legislation to help restore some of that promise, to the extent we could, through our committee. Those are the provisions of the American Opportunity Tax Credit, or AOTC. Since 2009, the AOTC has helped millions of Americans pay for college. It provides a modest \$2,500 a year in tuition, fees, and other educational expenses -- that would be \$10,000 bucks over 4 years -- and it provides that a portion of that credit is refundable. Through the years I have attempted to strengthen and expand it.

Now, a couple of our witnesses have questioned the wisdom of using tax credits and tax expenditures to do what could be done more directly, through a direct expenditure or appropriation. Let me say that I, as the author of this tax credit and the first person to agree with them, I wish they could convince a majority of this committee on both sides of the aisle that that was the better approach. I would prefer a more Pell Grant to the American Opportunity Tax Credit.

But we live in a reality where this committee is in charge of tax expenditures, and has a preference for those, in many cases. And, as a practical matter, while tax expenditures have the same impact on the budget deficit as direct expenditures, particularly some of our Republican colleagues will vote for a tax expenditure when they will oppose a direct expenditure.

Whatever method we use -- and it ought to be as simple and direct as possible -- whether the issue is providing for higher education, providing affordable housing, providing for electric charging stations, or any number of other purposes considered in our committee, I prefer the direct expenditure, but I also prefer the pragmatism of trying to get as much assistance to students who are trying to get a higher education as we possibly can provide.

I think our objective has to be to get those students all of the education that they are willing to work for to try to achieve their full, God-given potential.

Now, as we look at the approach to do that, many students who have been eligible for the American Opportunity Tax Credit, and also eligible for Pell Grants, have not been able to get the full benefit of both. So last Friday -- and Ranking Member Kelly has already referenced this, and Congressman Davis -- all of us came together, about 40-plus colleagues, to introduce bipartisan legislation to fix this problem, to assure that those who are using a Pell Grant can also get the full benefit of the American Opportunity Tax Credit. Mr. Chairman, I appreciate the fact that you joined in that effort.

Our Tax Free Pell Grants Act would extend the tax-free usage of Pell Grants from tuition to cover all educational expenses like room and board. And this bill also expands the qualifying expenses for the

AOTC to cover computer costs, obviously invaluable in higher education these days, and childcare, which is also significant to being -- allowing many college students to continue with their education, or in a non-college setting for post-secondary. So childcare has become a barrier for many students; this bill is designed to remove it.

Dr. Johnston, let me just ask you in my closing time here, in your written testimony you support ending the taxability of scholarship and grant aid. Why do you believe that it is important to do that to assist students who are economically disadvantaged from continuing with their education?

\*Ms. Johnston. Thank you, Congressman, and let me start by thanking you for your efforts to improve the taxation challenges that face many of our students. And we would welcome a long-term opportunity to work more with you on that.

\*Mr. Doggett. Great.

\*Ms. Johnston. The -- much of what you have said I agree with completely, and I am grateful to hear you talk about the Pell Grant, in particular. In terms of the taxation, I think that, in many cases, students are not taking advantage of what is available to them. I think the keep-it-simple idea is part of what we need to address, so that students understand how they can take advantage of what is available.

But in terms of the AOTC-Pell interaction, the credit contains a grant offset provision that has an unintended effect by sharply limiting or eliminating the benefit received by these students. And approximately 725,000 students are affected adversely by that every academic year.

So the work that you are doing is critical in that, and we would support your continued work on that.

\*Mr. Doggett. Thank you very much. Let me ask Dr. Rose how childcare is a barrier to student success, and the importance of our addressing childcare expenses for our post-secondary students.

\*Chairman Pascrell. Congressman Doggett, excuse me, our time has run out.

\*Mr. Doggett. I understand, Mr. Chair. I will just do it in writing, then.

\*Chairman Pascrell. I think you are going to ask a great question, but would you please submit it? I would appreciate it.

\*Mr. Doggett. Certainly, thank you.

\*Chairman Pascrell. The great doctors that are here today, great personalities in education. And thank you for your very refreshing testimony.

And we are now going to call on Mr. Evans for five minutes from the great state of Pennsylvania. Thank you, Mr. Doggett.

\*Mr. Doggett. Thank you.

\*Mr. Evans. Thank you, Mr. Chairman.

My home city of Philadelphia has one of the largest Black populations, nationwide. Yet a lot of disparity exists between the education attainment of its Blacks and White residents. In the Center City area, which has restaurants, shops, and a thriving art scene, 75 percent of residents have college degrees. But in Philadelphia industrial areas on the edge, where Black residents have suffered from decades of continuous economic disinvestment, and inter-generational poverty, educational attainment are below 25 percent.

The INVEST in America Act, which the House is set to pass this week -- investment in money, workforce development, especially for training for infrastructure-related dollars. Dr. Rose, for those in Philadelphia who currently have no education or little college education, what do you think is the most practical way for them to increase their economic opportunity: technical training, workforce development programs, earning an associate degree, or earning a bachelor's degree? Dr. Rose?

\*Mr. Rose. Look, there is no one answer to that question. You know, for many students, workforce development programs are absolutely what they need. You know, some folks can't, you know, commit to doing something for two years or four years. And if we could get them through a



program in six months or a year that can get them to the type of wage that is going to be life-changing for them, you know, that is what we need to do for them.

So, you know, we need to make opportunities available. I don't want to tell somebody, you know, you shouldn't go get a Ph.D., you know, if that is what they want to do. And if they are willing to put the time in to do that, great. But if -- you know, workforce development programs are a key to getting, you know, students those types of jobs.

And, you know, we find very often, when students start in a workforce development program, you know, become a welder, become something in the health care area, they come back. You know, they will become a phlebotomist, and go out and, you know, learn how to take blood, and they get into the field, and all of a sudden they are the ones applying to become a registered nurse, and to take it to the next level.

So, you know, just because you are starting in a workforce development program, that doesn't mean that is where you are going to end up.

\*Mr. Evans. Meaning that what you start is not where you finish?

\*Mr. Rose. It doesn't have to be.

\*Mr. Evans. I thank you, Mr. Chairman.

I thank you for your answer, Dr. Rose.

Thank you, Mr. Chairman. I yield back the balance of my time.

[No response.]

\*Mr. Evans. Mr. Chairman?

\*Chairman Pascrell. Thank you for being with us today, and you asked a very, very pointed question, and you got a good answer, too, and I think you can build on the answer. But thank you for being with us today, Mr. Evans, from the great state of Pennsylvania.

The chair now recognizes Mr. Smucker from Pennsylvania for five minutes. Mr. Smucker, thank you for being with us.

\*Mr. Smucker. Thank you, Mr. Chairman. Thanks to all the witnesses for being here today.

Mr. Pulsipher, it is good to see you again. We have had a chance to meet several times during the past two congresses, when I was a member of the Education and Labor Committee. And I spent much of my two years as the ranking member on the Higher Education and Workforce Investment Subcommittee, discussing the reauthorization of the Higher Education Act, and one of the things I was pushing for was emphasizing the importance of alternatives to traditional four-year degrees, including apprenticeships and career technical education.

Now, just -- again, a little background. You know, I was a non-traditional student in college, working during the day, attending college at night. And, in fact, I was the first in my family to graduate -- not only attend college, but also to graduate from high school. And so I have seen the importance of education, and what it can do to ensure we have a great career. And it provided a lot of opportunities for me. And we want every single child, every single student to be able to access a great career, have their own opportunity to live the American dream. And we want them to ensure they have the best pathway to get there.

So, you know, I support aid to those who need help, but I think there are impacts of that that we have to talk about, particularly as Democrats on the committee here are proposing a massive expansion of Federal spending. So, you know, you had mentioned a 120 percent increase in the cost of a 4-year degree -- or that is factoring in inflation since -- when did you say that was?

\*Mr. Pulsipher. 1985.

\*Mr. Smucker. So 120 percent, more than doubled since 1985.

You know, I think -- again, I support aid, but I also think we have to consider that the more money government -- somebody else is putting in, rather than the individual, the less accountability

there is in the cost, and ensuring that it is the right pathway for a student. Do you agree with that? Do you have concerns with that?

\*Mr. Pulsipher. I do. I think we should all have concerns about this, because you are right, that is a 120 percent increase on an inflation-adjusted basis. Over that 35 years, the cost of education has risen about 2 to 3 percentage points faster than inflation each year.

And it -- and the reality is that the cost of instruction, the cost of services, the cost of administration is like -- so many of these are contributing factors to that, but certainly some of the -- on the public side, some of the state-funded budgets supporting the post-secondary public education has also been a factor in that.

But what is a challenge is that there is no check against that rising cost. Certainly, many of the public institutions still have accountability to state boards of education and state regents, et cetera. But the reality is that individuals and their families are bearing a higher portion now of the cost of attending education. And without any check against that rising cost, it is a real --

\*Mr. Smucker. If I can stop you -- I don't have a lot of time here -- what would you do? Like, do you think it makes sense to provide free college to everyone?

And if someone like myself, who really wants to ensure there is access, what is a better way to do it that provides some of that check that you are talking about?

\*Mr. Pulsipher. I think, certainly, there are opportunities to address the affordability barrier that still exists for so many that many of the colleagues to -- testifying today have raised.

But there are other issues, too, that do need to be addressed. And some of that is simply about increasing the focus on the student, and how do you address access through things like the digital divide and leveraging technology to reach and teach students where they are. How do you actually incentivize alternative post-secondary programs so that, in fact, those pathways to great jobs can also be accessible

through Federal aid programs, because they can be done at lower cost, and lower -- shorter duration than so many of the traditional bachelor's degree models.

The other thing is we do have to think about different pedagogical and personalized learning models that can actually help increase completion rates, especially among underserved populations, or those who have been marginalized. And ultimately, that is what we are trying to fund here, which is completion rates, because, as has been mentioned many times, a student who starts but does not complete is often worse off because they are carrying debt.

\*Mr. Smucker. One of the things I like about what you do is competency-based, rather than just measuring success based on the amount of time sitting in a seat. It is -- competency-based education, I think, that is another.

We have also talked about transparency. I think, you know, the more information we can get out about the job outcomes and so on of not only specific colleges, but other majors -- or specific majors, I should say, you know -- that is going to help students make the right decisions for them, as well.

So I am out of time. I have a lot more questions here, but thank you so much for being here. I appreciate it.

\*Mr. Pulsipher. Thank you.

\*Chairman Pascrell. A good job in questioning. I don't agree with everything you said, but that is unimportant. You brought up some very good questions. We need an elaboration of what you said. We don't have the time here, and -- but I am telling you, you hit a very -- some very important questions that we need all to discuss in our own heads.

I mean, a lot of these college presidents want to build Taj Mahals, you know that. They want to build the big, big buildings out in the suburbs, and they want -- you know, so then the city, where there is no campus, there is no green, you are just there. And there is a job being done in both places, no

question about it, and I thank you for your testimony, and I thank also the witness who had a lot of things to say. Whether I agreed is not important.

I want to call on and recognize Mr. Horsford for five minutes.

\*Mr. Horsford. Well, thank you, Mr. Chairman, and to the ranking member for this very important hearing on expanding access to post-secondary education, and the promise that it holds. I really want to appreciate our witnesses for their great insight and testimonies.

In fact, with the Western Governors University, I actually, when I was in the state senate, worked with our then-governor, Brian Sandoval, to help make sure Nevada was a part of that effort.

And I believe in an all-above approach to post-secondary education. Before I came to Congress, I ran the state's largest joint labor management training partnership for the hospitality industry. So I have seen firsthand how training, education, and opportunities for youth and adults is critically important, particularly as we address our competitiveness for the 21st century.

I also want to ask about the ways that we can achieve racial equity within our post-secondary education institutions for all institutions, but community colleges and four-year institutions, specifically. As one of the co-chairs for the Ways and Means Racial Equity Initiative, we have been looking at educational equity, which is a particular focus.

Professor Anthony, Dr. Anthony, can you highlight -- or you highlighted, excuse me, in your article back in April that, over the past decade, Black and Latinx youth -- adults experienced the most dramatic growth in attainment, but they also started off with the lowest skill attainment rates, compared with other racial ethnic groups, and that they remain the least likely to earn a college degree. Moreover, the attainment rates among Black and Latinx men are even lower. You state that these alarming equity gaps in attainment exist because of structural inequities in our society, including in the education system, which consistently fails to serve Black and Latinx adults.

Mr. Anthony, as I mentioned earlier, our work on the Racial Equity Initiative, we have been tasked with addressing these inequities specifically within the tax code to create a more just tax system that is equitable for everyone. So what are your recommendations for how we can address this issue within our education system?

\*Mr. Anthony. Thank you for your question, Congressman.

Yes, I also want to bring up another point that was in that piece. Some college/no degree has come up through this conversation. And just to point out how deep the inequities are rooted, among young adults ages 25 to 34, there are about 7.5 million young college students who go to college, but don't complete. If we were to re-engage all of those students, about two-thirds of the young adult population would be college-educated, which would be an amazing accomplishment for the country. But there would still be disparities by race and by gender, as well. So that is how deep they are.

When it comes to the tax code, my broad response is saying that -- and it has been brought up before -- the Federal tax code must be progressive, it must -- so, therefore, it can actually benefit low-income, middle-income families who need the services, who need that benefit the most. And right now, with the majority of the tax cuts right now, or incentives, it is regressive. So we are actually providing additional resources to higher-income families who can afford to go to college, anyway.

And so the goal of Lyndon B. Johnson in 1965 in the Higher Ed Act is to actually expand education for low-income, middle-income families, because it helps the country. There is an economic return on investment for the public of higher education. And so, in order to do that, we have to ensure that we have targeted approaches by race, by income, by disability status, where we can ensure that we are actually targeting those services to help those students and families the most. And right now, we just don't have a tax code or higher education system that works in the benefit of or the purpose of fulfilling what President Johnson intended for back in the 1960s.

\*Mr. Horsford. Thank you, Mr. Anthony. I look forward to working with you and our other panelists to identify further recommendations, you know, and I particularly agree with the point that

you and others have made around the Federal student aid, lack of support, and the fact that that has not kept up.

Tuition rates have increased, but the level of financial aid to middle-class families has not. And people should not have to go into debt at the amounts that they are in order to pursue an education for themselves and their family. And that is something that I believe we also need to address, Mr. Chairman.

With that, I yield back.

\*Chairman Pascrell. Mr. Horsford, thank you for your questions.

And thank you, Mr. Anthony, Dr Anthony, for joining in in something that we should all be thinking about as we move forward in these matters. I think this was an -- a very good example that Dr. Anthony brought up, and we should concentrate on that also, and connect this with the last question we talked about.

So thank you, Mr. Horsford from Nevada, and now we have Mr. Schneider from Illinois, five minutes.

\*Mr. Schneider. Thank you, Mr. Chairman. I want to thank you for hosting this hearing on a very critical issue to our entire nation, but especially to our students. I want to thank the witnesses for sharing your testimony and your perspectives here on the barriers to higher education, how we can work together in Congress to make education more affordable and accessible to every American.

As we discussed here today, the cost of higher education has ballooned, saddling the average American who has student loans with \$38,000 in debt. Of that debt, the highest concentration belongs to young adults between the ages 25 and 34.

I regularly hear from constituents in the prime of their lives whose goals, like starting their own small business, are stalled because of the crippling debt they took on to pursue their education. I heard from a mother of three who struggled to afford her family's medical expenses while paying off the debt

she acquired from going to college. I have heard from the family unable to buy a home in the wake of more than a decade of paying off student loans, and I have heard from young people spread even more thin, financially, because of the recent strains caused by the COVID-19 pandemic.

So I am grateful for the opportunity to address these issues as part of the Ways and Means Committee. To tackle the student loan crisis and make college more affordable, we must understand just what young people today are facing, compared to past generations.

What I would like to do is start with Dr. Anthony.

In your opening testimony you said, "If you think students today can work their way through college, think again." That sentiment, I think, reflects what I am hearing from so many young people in my community. I know, when I was in school a long, long time ago, people could work a 10-hour work-study job and graduate with little or no debt. You talked about it not being possible.

Can you talk more about the hidden costs that come with being a student today, aside from what we often think of, which is the rising cost of tuition, and how the financial burden affects a person's ability to excel in school and a career, beyond lying awake late at night, as you said, worrying about making ends meet, and how these variables, compounded by the decades of stagnant wages for workers at the lowest end of the income spectrum, are affecting the ability of educating our young people?

\*Mr. Anthony. Thank you for your question, Congressman. Yes, so I want to also put that point into context. I wrote it in the testimony, in the written testimony, that the reason why -- working is not an issue, but we want to be careful with students having to work too much. And so the amount that is left over, the net price after a student's cost of attendance, and then, when you account for Federal financial aid, students have to make up for that gap either by working or taking out student loans.

Studies show that, after working about 15 hours per -- after 15 hours per week, it can slow a student's progress towards a degree, or cause them to leave college, all together. Again, we have already talked extensively about the issue of some college/no degree. And so, yes, we need to ensure



that we are building a system where a student -- that there is a reasonable amount of hours, you know, that students can work, in order for it to be a benefit to their educational experience, and not a hindrance.

And, you know, we have students right now who are having to do not just one job, but multiple jobs, because the demographic is changing. Nearly 60 percent of the undergraduate population are what some consider post-traditional, non-traditional students juggling both college, work, and family responsibilities. So they have to make that up some -- way that we can ensure that we are benefitting these students as to one, again, get -- direct more aid so they don't have to worry about having to work too much, or take out more loans.

And this committee has the opportunity to try to benefit a tax code that, again, will be more progressive, so as -- so we can get direct aid more into the hands of students, so they don't have to rely on working too much.

\*Mr. Schneider. No, I appreciate that. I was a dorm advisor when I was in college, and it was a big job, but I didn't have the other family responsibilities, as you touched on. The non-traditional student, 15, 16 hours, that is 2 full days a week, while trying to go to school full-time. That is a burden.

I am going to shift gears a little bit, if I go to Dr. Dynarski real briefly.

You talked in your opening testimony, your written testimony, about the complexity of just putting together the whole package of student aid, figuring out the tax incentives, and everything else. Could you expand a little bit more on the simplicity?

One of the things I appreciate is, if we can make it simple, if we can make it straightforward -- straightforward may be a better term than simple -- that I decide I want to pursue a higher education, I can do it, and do it in a straightforward manner, I am more likely to achieve my goals. What would you recommend we do, as far as simplicity?

\*Ms. Dynarski. I would say that the key principles we need in place are that students know with certainty, well in advance, that college is going to be affordable. I mean, so it is okay if it is complicated on our side, on the government side, in terms of the budget, and the -- and how things run. What matters is for the students and the families themselves. For them, it needs to be straightforward and simple.

So, you know, the University of Michigan introduced a radically simplified approach for selected low-income Students. They were promised up front, no strings attached, that they would get four years of free tuition and fees. They didn't need to fill out the profile, didn't need to fill out the FAFSA. If they got in, they were going to get free tuition and fees. And when we told students this, it tripled the application rates, and it doubled the share of low-income students who chose to attend the University of Michigan.

This is pretty straightforward. We right now hide a lot of money behind a lot of forms. We delay information about how affordable college can be. And if we instead shift the information forward, and guarantee students that they are going to have their tuition and fees covered, we will have a much larger effect than we do, even if we use the same dollars.

For community colleges, the most simple way to do this is to just make them tuition-free. I don't think anybody should be borrowing to go to community college. Right now we have put people in a bind, where they either need to borrow or they need to work more. And working more puts them at greater risk of dropping out, while borrowing puts them at greater risk if they drop out. And it shouldn't be a dangerous gamble to go to college. But we have made it that.

It is time to go back to a time when it was more doable to do so.

\*Chairman Pascrell. Thank you --

\*Mr. Schneider. Thank you.

\*Chairman Pascrell. -- Mr. Schneider.

\*Mr. Schneider. I see I am out of time, so I yield back.

\*Chairman Pascrell. Thank you, Mr. Schneider, for your eloquent questions. And I thank the professor for jumping in on this with us.

And now I am going to turn to Ms. Plaskett, who is here with us today.

\*Ms. Plaskett. Thank you very much, Mr. Chairman. Thank you for convening such a really important and really dynamic hearing, where we are getting some tremendous information that is going to really, I believe, inform this -- our committee on how to support higher education and young people in enrollment in community college.

This is a question specifically for Dr. Susan Johnston, but for all of the panelists. I have just learned, through my district, the University of the Virgin Islands, which is the only higher education institution in the Virgin Islands, in my district, has implemented a COVID-19 vaccine requirement for all students, faculty, and staff. I learned that over 360 public and private colleges are requiring vaccination prior to enrollment, with that number of institutions growing every day.

As colleges are returning to in-class instruction, how has vaccination requirement affected enrollment for the fall semester?

And how is the administration enforcing and supporting and confirming this compliance at this time?

\*Ms. Johnston. Thank you for that question. As I was listening to you, I was thinking of my own service as a member of the board of trustees of two different colleges, a public and a private. And these are topics that have come before us for conversation.

It is a great concern that students be safe and healthy, that faculty and staff be safe and healthy. And yet there is some political discussion behind the requirement. And so that is why you see the numbers that you see around 400 are requiring, and the rest have yet to make up their minds, or they have made up their minds they are not falling into that category.

It does make this a challenging environment to lead an institution, when you hear from parents, "If you have this requirement, I will not send my daughter," and if you have this requirement -- and, "If you don't have this requirement, I won't send my daughter." So damned if you do, and damned if you don't in a lot of cases.

The highest order of business is to make sure students are safe. And I think that the leadership that institutions show by finding a way to ensure that safety, whether it is continuing the testing over time as students come back, if there is no COVID requirement, then continue the testing. That continues at a rather high cost for an institution, however. We knew during the pandemic that institutions were spending lots and lots of money on the safety measures that they had to put in place. So it is a complicated question that each institution is weighing.

But I think, regardless of the answer, the heart of the matter is the safety of the students and the other people who work on the campus and finding a way to manage the cost associated with continued testing versus the health issues.

[Audio malfunction.]

\*Ms. Plaskett. -- requirements, especially for students in regions with limited vaccine supplies. That is also a question that I have.

\*Ms. Johnston. Requiring the vaccination in areas where there are no easy ways to get the vaccination seems problematic. I know a lot of companies are using their facilities, their connections, and their own resources, and government resources to make sure that they get access to the required vaccinations.

You know, I think the other -- another problem with this is making sure that they are not on emergency approval for some of the vaccinations. That has been a problem for some institutions and some students and parents.

\*Ms. Plaskett. Yes, I -- Mr. Chairman, you know, I have heard that repeatedly in my own community as a rationale, be it right or wrong, as to why people are not getting the vaccine. So to push FDA to get to the place where this is no longer just an emergency approval, I think, would go a long way in dispelling some of the myths and notions and conspiracy theories that are out there.

Thank you very much for the opportunity to question the panelists. Thank you to the panelists for their time, and I yield back.

\*Chairman Pascrell. Congresswoman Plaskett, thank you for your participation today.

And I want to say this, what is pretty remarkable about the attendance we have today, and the people who have come on outside of our committee, and that is good. That is a good sign. Great issue, because it sounded like sleep time, you know, usual educational jargon. There are no vitriolics here. We got a job together to make this work, because that is such an important effect on people's lives. We see it time and time again.

We are talking about COVID. How can you not talk about education, and yet that is just the beginning of the discussion.

And our next questioner is Dr. Davis. Mr. Davis is always there on educational matters, human quality, and we are thankful that he is here today.

Mr. Davis, you have five minutes.

\*Mr. Davis. Thank you, Mr. Chairman. And you are exactly correct in your analysis of this hearing. It has been a great one. And I want to thank you for letting me waive on to it.

I have spent decades trying to help low-income students afford college. Coordinating the AOTC and Pell Grant, trying to make Pell more taxable, and better targeting the American Opportunity Tax Credit were some of my first bills on this committee when I came.

I am working closely with Representative Schweikert, Horsford, Wenstrup, Sewell -- to remove the lifetime ban on the American Opportunity Tax Credit for individuals with felony drug convictions.

And Mr. Smith from Missouri and I are trying to double the section 127 employer-provided education benefit to help workers improve their skills. Families, especially low-income and first-generation students, need us to modernize these benefits.

Professor Dynarski, let me ask you. My idea of higher ed tax policy aligns with your testimony: a simple set amount of funds based on one's income that one could use for undergraduate, or a graduate degree, or credential, curbing costs or student loan debt. Taxpayers would know how much they had and decide when to use the funds to best meet their education needs. If we were to advance this type of approach, aside from being advanceable, refundable, and having eligible expenses aligned with other tax policy, type of parameters would be needed to make sure that a credit would work, that it did work?

\*Ms. Dynarski. There are lots of different ways to design an effective and equitable system for funding college, and your suggested policy certainly aligns with the research. You know, the key for making an aid program work really well is that students need to be guaranteed their money early, and they shouldn't have to wade through bureaucratic sludge to get hold of that money, right? So the tax incentives clearly do not meet these standards.

The traditional student aid programs are getting better, especially with the recent simplification. And I thank you for that. When we have got two sets of programs together, funding college, the tax system as well as the traditional aid system, we need to be extremely vigilant about unintended collisions between the programs. And I don't know if it is anybody's job to watch out for those, because, basically, every time something changes in the tax code, or it changes on the aid side, you potentially create bad collisions of those two programs.

So, you know, the examples we have already heard are that the Pell Grants means that -- getting a Pell Grant means that the AOTC gets reduced, right? So if we are going to have multiple programs, somebody needs to be out there, keeping track of how they interact, so that students don't get hurt by it. And that --

\*Mr. Davis. Well --

\*Ms. Dynarski. -- what I would say is most important, that, and that the money get delivered when students are paying the bills. Delivering the money a year later doesn't help anybody get to college. Thank you for your question.

\*Mr. Davis. Well, thank you. Thank you so much.

And Dr. Johnston, if I could ask you, in addition to helping students directly, I am also trying to create a tax incentive for colleges and universities to graduate more low-income students with little debt to supplement, not supplant, discretionary programs. Of course, this is tricky, because nonprofits do not have tax liability. I have thought about an institutional education tax credit, similar to the new market tax credit that went to institutions of higher education that graduated their low-income students with little debt.

You raised a different, intriguing point, and that is that colleges really like bonds with good terms. Would a robust institutional credit or -- be good incentives to help college graduate low-income students with little debt?

\*Ms. Johnston. Thank you for that question. The -- I think, overall, let me just say again that the Pell Grant is the most efficient way for the Federal Government to invest in students. But a tax credit related to the investments that institutions are making in grant aid is an intriguing idea, one that should be explored further. I think there is a possibility for that.

One thing, as you have noted, is that colleges are often tax exempt, and will have varying tax liabilities. Some may have -- UBIT, unrelated tax income, that could make such a tax credit of interest to them. So I encourage you to pursue that idea.

\*Mr. Davis. Thank you very much.

And again, Mr. Chairman, it has been a great hearing. Thank you for letting me waive on. And I think everybody wanted to waive on, because you hold such great hearings, and I have been on every one I think you have had, and I am not a member of your committee.

\*Chairman Pascrell. Well, we are going to get even more exciting as we go on. It is a great issue, and you have been a great advocate.

And I just want to just recommend or suggest to you, Congressman Davis, that you look at my thoughts about baby bonds, and connecting this together with what your ideas are, and I think we can get our -- Mr. Kelly and others to look at it, as well. I think it makes a lot of sense. It hit me, it struck me when you were talking.

But thank you for your tremendous work that you did in education before this, and thank you for your comments. I appreciate that very much.

\*Mr. Davis. Thank you.

\*Chairman Pascrell. You are welcome. The chair now recognizes the great Mr. Kildee from Michigan for five minutes.

\*Mr. Kildee. Thank you, Chairman Pascrell, and I share my colleague Mr. Davis's view. This is a very critical hearing, and I really appreciate you allowing us to waive on. You have got nearly the entire Ways and Means Committee participating. So thank you for that.

My first real job in life was as a social worker. I worked at an agency, a treatment agency for children who have experienced trauma and abuse, the Whaley Children's Center in Flint, my hometown. And many of those children came from and left to go into the foster care system. So this issue around foster kids is really near and dear to my heart. So I want to focus a bit of my attention on the higher education opportunities made available to foster youth.

In our economy, as we have well established, some post-secondary education, either an apprenticeship program like the one Mr. Suozzi was pointing to, or an associate's degree, or a four-year



program, one of those is important and potentially essential to getting a good-paying job that you can use to raise a family. But there are some unique barriers that youth from the foster care system face when pursuing post-secondary education, and those barriers have been made worse during this pandemic.

But what we have seen is that institutions of higher education with campus-based support programs for foster youth, that provide services like, for example, securing stable housing during academic breaks, or counseling services have led to really significant improvements in performance, increased graduation rates. As an example, the University of Michigan's Blavin Scholars program, which serves foster youth, has a graduation rate over 95 percent. Not only is that much higher than the average of foster youth, it is much higher for all students.

So in Michigan, over 30 college campuses provide these onsite support and resources tailored to meet the unique needs of youth with experience in foster care who are attending college. And that is why I introduced legislation with my colleague, Representative Bacon, called the Fostering Post-Secondary Success for Foster and Homeless Youth Act, that would expand these programs across the country.

First, this bill would create recognition -- a recognition program through the U.S. Department of Education to identify and to highlight those colleges and universities who have tailored campus-based support programs for foster youth and for homeless youth.

And secondly, the bill would create a National Center for Fostering Post-Secondary Success for fostering homeless youth. This would put the best practices out there and provide technical help to institutions as they try to maintain these campus-based supports.

So, Dr. Dynarski, you might not be surprised, since I mentioned the University of Michigan, one of my schools, that I would love to get your thoughts on this, on what we can be through, financial support, coaching, mentoring, how we can use, say for example, the Federal tax code to help foster

youth access and succeed in college, and then any other thoughts you might have on how we could help clear a pathway for foster youth.

\*Ms. Dynarski. I would say that the most important priority would be funding the schools that these students attend. So Michigan is able to run a program like this, because it has got fee endowment that lets it run it. A lot of our other public institutions are living off of tuition, and they have seen their contributions from their states go down. And what tends to get cut is support services.

So I think, if we want to support foster students, foster children, we should be looking to support the schools that low-income students attend, and those are community colleges and public universities. We have models for programs that work well in increasing graduation rates for at-risk populations.

The CUNY ASAP program is a wraparound program that provides financial support, mentoring, tutoring, emergency financial backup, all of these things that a parent, if they were well-heeled and present, would do for their kids. The school kicks in instead and helps out. And that is, essentially, what we need to be thinking of, is that for children, for adults who don't have parents with deep pockets, who don't have family who went to college, then the institution needs to be doing the work that otherwise parents would be doing. The informal counseling that happens around the kitchen table sometimes needs to be formalized for a foster child, for example.

\*Mr. Kildee. I really appreciate those comments, and I see the other panelists nodding their heads. I wish we had time to explore this further, but I do look forward to my legislation moving forward, and I would invite any of you to provide input on the work that we are doing, Congressman Bacon and I are doing, to try to stand up these programs to assist foster youth.

Thank you, Mr. Chairman, for what has been just an excellent hearing. Thank you.

\*Chairman Pascrell. Thank you. Thank you very much, Mr. Kildee, and we appreciate your question. I think it is very important, and thank you. Come again.

\*Mr. Kildee. Will do.

\*Chairman Pascrell. And let's hear it for the cleanup hitter, Jim Panetta from California. for five minutes.

Jim, you are on.

\*Mr. Panetta. Thank you, Mr. Chairman. I appreciate this opportunity to be a part, not only of the Oversight Subcommittee here, but be a part of this excellent hearing on expanding access to higher education. I truly appreciate it. And, of course, thanks to all our witnesses, as well.

You know, I appreciate this because, obviously, having access to higher education is important for number of reasons. I guess I kind of take it a little bit personal when we are talking about community colleges, because I and my two older brothers, we are all products of community colleges. And that, basically, coming out of high school, all three of us knew that we weren't ready to go on to a four-year, so we went to our junior college, got straight, pivoted from athletics to academics, worked full-time, and were able to pay our way through the four-year colleges that we went through. They went to Berkeley, I went to Davis, so the UC schools.

And so I am a firm believer in community colleges, and you know, as we know, traditionally it was more of a state purview. But I am so glad now that the Federal Government is actually taking interest in our community colleges, and especially this Administration. And that is exactly why I joined Members of Congress recently who were also community college graduates, in writing to the first lady, Dr. Jill Biden, asking her to work with the Administration and us to support community colleges and what we can do.

So, President Rose, I am going to hit on you for a lot of my questions, if that is all right, just to prepare you, and so the other witnesses can kind of zone out, if they want. President Rose, you know, how can the Federal Government better support community colleges like yours?

\*Mr. Rose. Again, it -- I think it really just comes down -- we need a simple message that it is affordable to students. You know, when we are talking to students, it doesn't matter whether they are in sixth grade, or seventh grade, or twelfth grade. They have got to have a message that they can go to college. And if they know that that is a possibility for them, they will start focusing on that. And truthfully, they will start taking the right courses.

You know, you heard earlier that there are -- the ratio of high school guidance counselors to students is not good in most schools. And, you know, we just -- we can't count on somebody else to deliver that message. It has got to be just -- you know, it is clear: you can go to college. And if they get that message, you know, we will get more of these students into college. I don't think it is much more complicated.

\*Mr. Panetta. Yes, I agree, and that is why -- trust me, I deliver that message each time I go speak at high schools, or no matter who I talk to. I am proud to say that I am a community college graduate, and that it is accessible. And as I see it, it is the foundation upon which you could do a number of things.

In which ways, Dr. -- President Rose, does the -- does Passaic support non-traditional students?

Obviously, you know, you understand the stereotype of traditional students going away to college.

\*Mr. Rose. Of course.

\*Mr. Panetta. But in what ways are community colleges more accessible to those who work, have families to take care of?

\*Mr. Rose. That is, basically, all our students. I mean, that is -- you know, you could be 18 years old. It doesn't mean you are a traditional student. You know, the students -- you know, 20 percent of our students are single parents. You know, you have got to have -- you have got to train your faculty to be -- to work with different types of students. They have to be more flexible. They have to understand

that, if students are working a full-time job, that they are going to get called into overtime, and they are going to have things. And a faculty member can't say, oh -- you know, have a strict policy on their syllabus that says you miss two classes, you failed the class. You know, you -- that is the type of attitude you have to have.

We just, for the first time, have hired social workers in addition to our counseling staff. You know, a social worker approaches things from a very different point of view than does a counselor. And, you know, students have problems with homelessness. They have all these issues. And if we have someone on staff who can help them, that is going to make all the difference in the world.

\*Mr. Panetta. Now, you also said -- beyond non-traditional, you also said that Passaic Community College serves a lot of minority students, along with many for whom English is a second language.

\*Mr. Rose. Right.

\*Mr. Panetta. For those students, ESL programs like those at Hartnell College, another community college in my district, one of four in my district -- including Monterey Peninsula College, where I went to, I got to give them a shout out -- they can help, the ESL programs can help them perfect their English skills to pursue -- and help pursue other additional educational opportunities.

Go in -- President Rose, how are community colleges uniquely equipped to help those types of students to speak English as a second language?

\*Mr. Rose. We have programs. We are in the communities. I mean, that is the whole point. I mean, Congressman Pascrell was a trustee at our college when it was first founded, and he fought to have the college put in the middle of our downtown area. And by putting it in the middle of the downtown area -- and his argument was this is where it needs to be to serve the students who need it the most. And those are the students who have English -- limited English language proficiency. And if you put it right where they live, they are going to be more likely to come to it and take advantage of it.

\*Mr. Panetta. Good to hear. My time is up. Thank you, everybody. Thank you, President Rose.

Thank you, Chairman Pascrell, for this opportunity to have this conversation. I yield back.

\*Chairman Pascrell. Congressman Panetta, you are a live example of what we are talking about today, and you are proud of it, and we are proud of you. And thank you for your interpretation of what we are doing today.

Thank you, Dr. Rose, for your answers.

I want to thank Dr. Anthony today, Dr. Johnston today, Dr. Rose today, a doctor's name I have a difficult -- Dr. Dynarski today, and Dr. Pulsipher today. Thank you all. What an excellent panel. Let's give them -- to those who are left, let's clap and give them great, great round of applause. They did a good job. I think Kelly would agree with me on this. They did an excellent job. I would like to thank our witnesses today for joining us.

Please be advised that members have two weeks to submit written questions to be answered later in writing. Those questions and your answers will be made part of the formal hearing record.

\*Chairman Pascrell. With that, the subcommittee stands adjourned.

[Whereupon, at 4:35 p.m., the subcommittee was adjourned.]

Submissions for the Record

[College Savings Foundation, Testimony](#)