



February 27, 2024

The Honorable Mike Johnson
Speaker of the House
United States House of Representatives
H-232, The Capitol
Washington, DC 20515

The Honorable Hakeem Jeffries
Democratic Leader
United States House of Representatives
H-204, The Capitol
Washington, DC 20515

Dear Speaker Johnson and Democratic Leader Jeffries:

On behalf of the undersigned organizations, we write to express our strong opposition to Section 6 of H.R. 6585, the Bipartisan Workforce Pell Act. While the bill sponsors made changes to address some of the concerns we had previously expressed, the fundamental problem remains. The approach taken in the offset would establish a harmful precedent of targeting certain institutions and subjecting them to unequal status in federal programs. Most importantly, this provision is likely to harm the very population of students this bill seeks to address, undercutting the effectiveness of the legislation. We urge you to not bring this bill up for a vote in its current form.

In Section 6, certain institutions of higher education are required to reimburse an amount back to the Secretary of Education based on the non-repayment loan balance of students who took out loans to attend the institution. While we appreciate that students are no longer directly prohibited from accessing the federal aid they may need to finance their postsecondary education due to the type of institution they may want to attend, mandating a risk-sharing payment without the ability of institutions to limit loan borrowing will only incentivize institutions to not enroll students who are deemed “risky.”

If institutions are going to be held liable for the loan balances of students who attend the institution, then they should also be able to ensure that students are not taking on more debt than what they may truly need to succeed at the institution. If this bill were to become law, it would strongly incentivize institutions to simply withdraw from the federal lending programs to mitigate the significant and unpredictable financial risk they would be exposed to. This would force low-income students looking to finance their education into far costlier options in the private sector, while eliminating the value of this provision as an offset.

In addition, the offset does not cover the actual costs of the expansion of the Pell Grant program provided in H.R. 6585. The Pell Grant program is funded through a combination of mandatory and discretionary funding, with 84 percent coming from annual appropriations. As scored by the Congressional Budget Office, H.R. 6585 would

cost at least \$1.7 billion. While the savings found in the offset may amount to \$1.7 billion, these savings are only available for the mandatory portion of the Pell Grant. To cover the discretionary costs of the expansion, Congress would need to appropriate additional new funding through the annual appropriations process. As a result, the offset provided in Section 6 leaves appropriators on the hook for determining how this bill truly gets paid for.

In general, there is support within the postsecondary community for the objectives of the short-term Pell program with appropriate safeguards, and we appreciate the committee's work in this regard. However, attaching a poison pill offset is contrary to the goals of the bill and unnecessarily complicates what would otherwise be a broadly supported bipartisan bill.

We ask you to postpone any vote on this measure until the significant problems in Section 6 are fully addressed, and we urge you to vote against this bill in its current form if it is brought to the floor.

Sincerely,

A handwritten signature in black ink, appearing to read "Ted Mitchell".

Ted Mitchell
President

On behalf of:

American Association of Collegiate Registrars and Admissions Officers
American Association of State Colleges and Universities
American Council on Education
Association of American Medical Colleges
Association of American Universities (AAU)
Association of Governing Boards of Universities and Colleges
Association of Jesuit Colleges and Universities
Association of Public and Land-grant Universities
Council for Christian Colleges and Universities
Council for Higher Education Accreditation
Council of Graduate Schools
EDUCAUSE
NASPA - Student Affairs Administrators in Higher Education
National Association of College and University Business Officers
National Association of Independent Colleges and Universities
National Association of Student Financial Aid Administrators