

**Remarks of Congressman Bobby Scott  
Opening Statement for the  
Education and Workforce Full Committee Markup of H.R. 4508  
Tuesday, December 12, 2017 at 10:00 a.m.  
2174 Rayburn House Office Building**

Madame Chairwoman. In the 12 months that you have served as Chairwoman of the Committee we have had what I would characterize as a cordial working friendship, and I want to continue to build on that in the future.

As you know, where there's an opportunity to find common ground, I am willing to work to find it. This was illustrated in the Committee's bipartisan work on big issues such as ESSA, CAPTA, Perkins CTE, and JJDP. Yet today – despite numerous pleas to work on HEA in a bipartisan way – the Majority chose the partisan tack of drafting this bill behind closed doors, without input of Committee Democrats.

We are here today to consider H.R. 4508, a 500-page bill that was introduced just over a week ago. And just 24 hours ago, Members and staff received the text of a nearly 600-page Amendment in the Nature of a Substitute. It seems like writers at the *Wall Street Journal* had access to portions of the bill before Committee Democrats, as we first learned of some of the bill's provision in an article released days before the bill text. I have no reservation in saying that this is not the way we should begin the process of re-writing a bill that affects the lives of millions of America's students and their families.

Despite the paucity of time, Committee Democratic staff and Members poured through the bill and have identified a few themes. For example, this bill assumes that the problem with college affordability is that we're giving students *too* many resources to go to get an education or training. This is a simplification of the Bennett Hypothesis which argues that if we only reduce the amount of aid going to students, or provide more loans and fewer grants, then we could reduce the cost of college. This hypothesis has been around in the higher education field for some time. H.R. 4805 attempt to reduce the number of grant and loan options for students appears to be an effort to prove this questionable hypothesis.

Now, barring the fact that I have never had a constituent tell me that the problem in higher education is that there is too much money to help poor kids go to college, this is not an idea that should not be explored. I'd like to enter into the record a paper from the *New York Federal Reserve Bank*, [Credit Supply and the Rise in College Tuition: Evidence from the Expansion in Federal Student Aid Programs](#). The authors of this study did find that there was a measurable linkage between increases in student aid, and increases in college costs. However, that linkage was based on sticker price of colleges and not the net price students actually pay. Also, the evidence shows that the sectors that captured the *least* of any new federal dollar were public schools, the very bedrock of our higher education system.

Tellingly, the study found that linkage was most pervasive and extreme at high-tuition, non-selective private colleges and in two-year career and vocational schools.

So I would assume, that now that we have documentation of this disparate capturing of financial aid at costly, private, often for-profit institutions, that H.R. 4508 would then be full of policies designed to make sure that these types of schools have less access to financial aid. We would expect tighter regulatory and reporting requirements, and stronger guardrails to protect the federal investment.

But, that is not what we find in H.R. 4805. Instead, the bill relaxes the requirements on for-profit institutions, beginning with the consolidation of the definitions of “institution of higher education” that have for many years distinguished the mission of schools educating a student for life, versus those giving access to short-term programs to learn vocational skills.

In H.R. 4508, these schools are now considered on par with state flagships, private liberal arts colleges, and regional public schools. They are considered just another actor in the higher education field, although study after study tells us this is not the case. The worst actors in this field offer weak educational opportunities that result in students having a poorer financial outlook than if they had not attended the school at all. We know the names because we’ve seen the headlines: ITT Tech. Corinthian. In addition, we know that these schools prey on low-income and vulnerable students to pad their coffers. Faced with borrowing substantial sums of money to enroll, higher education feels out of reach or not worth the cost for many students. This inequity of opportunity serves to limit lifetime prospects, especially for low-income students, first-generation students, and students with disabilities.

H.R. 4508 picks winners and losers. On the winning side we have short-term, for-profit, career and vocational training programs, including those that have little in common with a traditional higher education program of study. Many of these courses are designed to give a person only the skills and training needed to accomplish a particular job, get them out into the workforce as soon as possible, and at as-low-a-cost to industry as possible.

The business community has outsourced the cost of training its workers to the government, and this reauthorization is making it easier to do just that. It is, therefore, no surprise that the loudest supporters of this bill are the trade association for career schools, and the business community. They are winners here today.

Madame Chairwoman, if this Committee wants to provide high-quality job training and workforce development programs, then we would be here working on the Workforce Investment Act or the Career and Technical Education Act. Those bills, which Democrats championed and worked in a bipartisan way to reauthorize over several Congresses, are attuned to needs of the business community and provide meaningful credentials to all students without creating a two-tiered system where only students that can afford to pay out of pocket end up on four year campuses, and everyone else gets a short term credential to prepare them for a low-skill job.

Democrats remain committed to a higher education system that has multiple pathways to attaining a meaningful credential that is not necessarily a four-year, on-campus degree. But we also remain committed to protecting access to a four-year, on campus degree for any person qualified and desiring of one.

That is the promise of the Higher Education Act. That promise was made when President Lyndon Johnson signed HEA into law in 1965. He said, “[This] means that a high school senior, anywhere in this great land of ours, can apply to any college or any university in any of the 50 states and not be turned away because his family is poor.”

Unfortunately, the promise of HEA has eroded and for far too many of our students, access to economic opportunity provided through higher education is in out of reach.

As the richest country on earth, we have the resources to ensure that all students have access to multiple, high-quality higher education opportunities:

- We can *increase* the maximum Pell Grant award.
- We can *provide* funds to help schools create the supports needed to accelerate completion.
- We can *support* the important work done at our Historically Black Colleges and Universities and other Minority Serving Institutions.
- We can *devise* loan repayment and forgiveness options that allow student borrowers to repay their loans without surrendering their economic freedom.

We can do all those things, if we look at the fiscal decisions made here in Washington in the collective, and not as individual choices. We must see that H.R. 4508 is the latest battle in the Majority’s War on Students. That war began again in earnest this year with the proposed tax bill, H.R. 1. Throughout the multiple iterations of that bill are provisions that make it harder for the average taxpayer to afford to go to school.

- The deduction for student loan interest are eliminated.
- Graduate students are taxed on their tuition adjustment –money they never see as income.
- College tax credits are made less generous for non-traditional students, and more generous for private schools.

And if the actual provisions of the tax bill isn’t bad enough, there is the price tag. Depending on the analysis and the version of the bill you are reviewing, the GOP tax plan will add anywhere from \$1-3 trillion dollars to the deficit over the next ten years. That is money that the Majority will have to come up with somewhere. And, starting today, we see how they plan to find it. Throughout this bill, students have to pay more to borrow more, and then pay more to repay their loans with access to fewer grant options. Sadly, it is the students who are the losers in this bill.

I was deeply troubled to read a recent Gallup poll that found that 58 percent of registered Republicans believe college has a NEGATIVE impact on our society. However, despite the GOP rhetoric, a four-year higher education remains the principle driver of social and economic mobility in our country. This is borne out statistically in all research on this subject. We also know that, despite progress, low-income students still attain those degrees at rates far lower than their financially-situated peers. As many of you have heard me say before, it’s easier for a student who is rich and mediocre to enroll-in and complete college than it is for a student who is smart and poor. Until that is no longer true, the mission of HEA goes unfulfilled.

At the same time, we can all agree that postsecondary education must be modernized to better meet the needs of today’s students, align with economic demand, and recognize multiple levels of postsecondary credentialing. In today’s economy, some form of postsecondary education is

required to succeed. And, Democrats have consistently recognized this through leadership on proposals to modernize and fund career and technical education, apprenticeship programs, and Workforce Investment Act training programs.

I fundamentally disagree with the GOP's premise that we must choose one of two sides: college or skills training. HEA can and must be reauthorized to accomplish BOTH of these goals. However, we must make those improvements ever mindful of the unique purpose of HEA – to give poor students access to what rich parents have for their own children: the opportunity to pursue college and the lifetime of benefits that follow.

We cannot be complicit in efforts to put corporate interests first and students last. Put simply, while not everyone will choose a four-year degree, EVERY student must have the opportunity, regardless of income, to make that choice.

HEA has always been considered in this Committee in a bipartisan way. Reauthorization bills often pass Congress with 300, even 400 votes in the House. We have a history of sitting down and doing right by our nation's students. Madame Chair, I regret to say that this is not the way to get there.

Not when the American Council on Education suggests, “This expedited timeframe limits the ability to analyze the bill and consult with affected parties, leaving the committee in the position of asking its members and the public to support legislation before knowing its full impact.”

Not when the United Negro College Fund remains “deeply concerned that the bill falls far short of enabling college success for the minority and low-income students who can help our country compete and win in the global economy.”

Not when the groups that represent community colleges express disappointment with “the short time frame between the introduction of the bill and the markup. Given the gravity and complexity of this legislation, the committee should provide more time for a thoughtful review of the bill's provisions and potential impact.”

I agree with all of these groups that we need more time to analyze the proposals in this bill. WE need to put our collective heads together and produce bipartisan legislation, not H.R. 4508. So it is in that spirit of bipartisanship, recognizing that we owe as much to the millions of students in this country counting on us to get this right, that I move that the committee now adjourn this markup and agree to meet at a later date to consider the monumental task ahead of us.

### **After motion fails**

Well Madame Chairwoman, we have our work ahead of us to try and make this bad bill better, and I don't know if we can get there. However, I stand with my Democratic colleagues on this committee, opposed to this bill in its current form. While I hope today (and tomorrow) marks a new era of bipartisanship on HEA reauthorization to improve this bill, I will not support underlying legislation that does not make quality degrees that lead to a good paying job more accessible and affordable for all students. I know Committee Democrats will offer research-based policy solutions to do just that, and I hope the Majority will join us in those efforts. Families are counting on this Committee to do the right thing.

I thank the Chairwoman and I yield back.