

Opening Statement of Congresswoman Susan Davis
Higher Education and Workforce Development Subcommittee Hearing
“Improving Federal Student Aid to Better Meet the Needs of Students”
Wednesday, March 15, 2017 | 10:00 AM
2175 Rayburn

Thank you, Chairman Guthrie. And thank you to the witnesses for being here. I look forward to hearing your testimony.

The Higher Education Act was enacted to expand access to college and provide an affordable degree to anyone wanting to pursue an education post high school. And today’s hearing provides us with an opportunity to hear from experts about ways to improve the federal student aid system established in this legislation.

Since HEA’s enactment, the United States has made substantial progress in college access. Student of color and low-income students are going to college at higher rates than ever before. And although we should celebrate these outcomes, there is room for improvement. When we look at the data closely, we realize that low-income students are still accessing higher education at lower rates than their more affluent peers back in the mid-1970s.

This means that instead of making college less affordable by slashing billions from federal financial aid programs like the President’s partial

budget requests, House Democrats believe that with sufficient investment, the right targeting toward the students with the greatest need, and an easy to access financial aid, the current system could better serve America's working families.

Through the HEA, the federal government has been able to provide Pell Grants, federal loans, and campus-based aid to millions of undergraduate and graduate students.

But the Pell Grant program now covers the smallest share of undergraduate costs since its inception. As state disinvestment and demographic changes have driven tuition up, Congress has failed to allow the program to keep up with costs and instead, has made changes to reduce eligibility in order to keep the cost down. We must strengthen Pell by increasing the maximum award, indexing the award to inflation, and reinstating Summer Pell, and preserve any remaining funds to reinvest in the program in future years. Otherwise, low-income students will increasingly rely on loans to afford their education.

With more students taking out larger loans, we must improve the system so students have access to favorable terms and streamlined income-driven repayment plans. Proposals that remove the availability of subsidized loans for undergraduate students and eliminate PLUS loans

for parents to create a “one loan” system would force low-income families to take out private loans which lack the consumer protections of federal student loans. And as our country fully shifts to a knowledge-based economy, workers with graduate degrees are increasingly sought after. But throughout the years, graduate students have been excluded from the federal loan system. If we want *all* students to have access to high paying jobs, Congress must preserve access to these loans as well.

Chairman, Congress also has a unique opportunity to strengthen the campus-based aid programs during this reauthorization. Campus-based aid allows students to work part-time, receive additional grant aid, and borrow additional subsidized loans. We should preserve and bolster these programs – not eliminate them as the President requests.

Robust and targeted investments are just two pieces of the puzzle. We should make financial aid easier to access. Too many students are unaware of the financial aid options provided by the government and forego the application process. And those who do apply find the form complex and confusing. Although this form has been greatly improved since its creation, we must ensure that students have a simple and functional tool at their disposal. The recent outage of the IRS Data Retrieval Tool used when filing the Free Application for Federal Student Aid (FAFSA) has already increased the burdensome verification

process. We must work together to ensure the temporary shutdown of this tool does not negatively dissuade students from applying for aid or attending college.

Chairman, we need to improve the system to work for *all* students and we must create policies that pay close attention to those who have been traditionally underserved by our system. This will ensure that we can pass a strong reauthorization of HEA focused on access, affordability, and completion.

Thank you, Chairman. I yield back.