

January 31, 2024

Committee on Education and the Workforce
U.S. House of Representatives
Washington, DC 20515

Dear Representative:

On behalf of the National Education Association's 3 million members and the students they teach and support in public schools and colleges and universities, we appreciate the opportunity to offer comments for the committee's markup of the College Cost Reduction Act, H.R. 6951. We urge the committee to vote NO. Although our focus here is on the College Cost Reduction Act, we take this opportunity to urge the committee to vote YES on the amendment offered by Rep. Jahana Hayes (CT-05) to include the Teacher Debt Relief Act in H.R. 6951. Votes related to both issues may be included in NEA's Report Card for the 118th Congress.

Regarding the Hayes amendment, teachers currently are eligible for two federal student loan relief programs: Teacher Loan Forgiveness and Public Service Loan Forgiveness. However, federal law forbids simultaneous enrollment in both, forcing teachers to work a minimum of 15 years to qualify for full relief. The Teacher Debt Relief Act corrects this by allowing teachers to access the programs concurrently.

The College Cost Reduction Act contains several provisions that are extremely troublesome and would deny students—especially those in underserved communities—access to higher education. **Specifically, we oppose:**

Title II, Part A

Amount of Need; Median Cost of College: Caps the total amount of federal student aid a student can receive annually at the “median cost of college,” which is defined as average cost of attendance for students enrolled in similar degree programs nationally and calculated by the U.S. Secretary of Education.

Title II, Part B, Subpart 2

Loan Limits: Makes changes to the number of federal student loans offered to students and allows annual loan limits to vary by program.

- Aggregate Limits: \$50,000 for undergraduate students (up to \$23,000 of which can be subsidized loans), \$100,000 for graduate students, and \$150,000 for students in graduate professional programs.
- Additionally, the bill allows undergraduates enrolled in certain qualifying programs (subject to federally regulated licensure requirements) to exceed the aggregate undergraduate loan limit if the program demonstrates “strong student outcomes” related to employment and completion.
- Caps the total aggregate amount of federal loans a student can borrow at \$200,000.

NEA Opposition: We believe any caps on federal borrowing will bar many students in underserved communities from receiving a federal financial aid package sufficient to cover the cost of college. As a result, disadvantaged students will resort to private loans, exposing them to higher interest rates and other predatory practices. While the bill provides exceptions to the caps that vary by degree program, we are concerned that the criteria are too focused on potential earnings, which could discourage students from pursuing careers in public service, such as education.

Title II, Part B, Subpart 2

Loan Repayment: The bill condenses current student loan repayment options into two new plans, a 10-year “mortgage-style” plan and a revamped income-driven repayment (IDR) plan entitled the “repayment assistance plan.”

NEA Opposition: While borrowers seeking Public Service Loan Forgiveness (PSLF) would be eligible for the repayment assistance plan, the plan calculates monthly loan payments based on 150% of the federal poverty line as opposed to the Biden administration’s IDR plan (SAVE), which calculates payments based on 225% of the federal poverty line. This more stringent income standard follows the same standard as previously failed income-driven plans. In the past, public service workers have chosen not to enroll in these plans because the monthly payments would have been unaffordable, even though that meant they could not make qualifying payments for PSLF. We expect the same issues to emerge with the proposed single option income-driven plan.

Secretarial Prohibition on New Repayment Plans: The Secretary of Education would be prohibited from creating new repayment plans and from modifying an existing repayment plan in a manner that increases costs to the government.

NEA Opposition: This provision would keep the administration from making any improvements to student loan repayment that could benefit students and families.

Title III, Part A

90/10 and Gainful Employment Rules: Repeals both and eliminates the authority for any future regulations by the Executive Branch

NEA Opposition: NEA has a record of support for the 90/10 and Gainful Employment rules. If they are lifted, for-profit and other proprietary institutions will be free to take even greater advantage of the lower-income students they predominantly serve.

Limitations on Secretary of Education’s Authority: Requires the Secretary of Education to confirm that any new regulations or executive actions issued related to the student loan program will not increase costs to the federal government; prohibits any regulations from being issued that cannot meet that threshold.

NEA Opposition: This would bar the administration from making improvements to virtually any student debt relief program, including Public Service Loan Forgiveness.

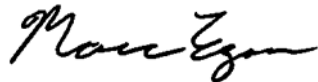
Business Representation: Requires an accreditor’s board or governing body to have at least one public member representing business and a minimum of one public member representing business for every six members of the accreditor’s board or governing body. Public members cannot be a member of any related or affiliated trade association or membership organization.

NEA Opposition: The chances that business representatives appointed to these boards or bodies could pose a conflict of interest are high. Furthermore, this measure privileges some voices over others, seeking to completely shut out perspectives of those in professional member-based associations and labor organizations.

While we do not support the College Cost Reduction Act, we would be remiss not to mention several provisions that would improve college access. The bill includes H.R. 1842, the bipartisan **Student Loan Tax Elimination Act**, which eliminates administrative origination fees on new student loans. It also includes measures that help borrowers in default through loan rehabilitation, and ends interest capitalization for current and new borrowers. Finally, we appreciate certain reforms to the Postsecondary Student Success Grant program, focused on supporting high-need students through postsecondary completion. However, the program’s set-asides for Tribal Colleges and Universities are insufficient, and the exclusion of set-asides for HBCUs and other Minority Serving Institutions is unacceptable.

Because the College Cost Reduction Act would ultimately deny students the opportunities that could benefit them, their families, and communities, we urge you to vote NO on this bill.

Sincerely,

A handwritten signature in black ink that reads "Marc Egan". The signature is written in a cursive style with a large, stylized 'M' and 'E'.

Marc Egan
Director of Government Relations
National Education Association