



Opening Statement

COMMITTEE ON EDUCATION & LABOR

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The Hon. Robert C. "Bobby" Scott • Chairman

Opening Statement of Chairman Robert C. "Bobby" Scott (VA-03)

House Committee on Education and Labor Full Committee Hearing

The Cost of College: Student Centered Reforms to Bring Higher Education Within Reach

2175 Rayburn House Office Building

Wednesday, March 13, 2019 | 10:15 a.m.

This morning marks the first of five bipartisan hearings, which will inform our work on comprehensive reauthorization of the Higher Education Act. I want to thank our witnesses for being here with us today to answer questions and provide their valuable expertise.

Our timing could not be better. Yesterday's news was a powerful reminder that elements of our higher education system are in desperate need of repair. The alleged use of bribery and fraud to game the college admissions system illustrates a reality in our higher education system: Students from wealthy families and students from poor families are not treated fairly. It is important to note that all of the indicted people in this scheme are entitled to a presumption of innocence, but at least one has pleaded guilty, so we know the scheme was going on. The reality of this is maddening and inflammatory. It is the illegal and systemic inequality in college admissions and success that ultimately deprives countless students of the chance to reach their potential.

Our education must be an engine of economic mobility for all students, not an instrument for preserving the elite status of wealthy families. In re-writing the Higher Education Act, we have an opportunity to address many factors that prevent students—particularly students of color and low-income families—from attending institutions of higher education and those same factors have too often perpetuated racial and income inequality.

This Committee has a difficult challenge. The competing proposals released in the last Congress—the Republican PROSPER Act and the Democratic Aim Higher Act—illustrated the vast differences in our approach to higher education. This hearing will begin the process of finding areas of common ground. The goal of our work in this Committee in higher education is not just to write a new higher education bill, it is to pass a comprehensive higher education bill. Accordingly, we propose to work together in a bipartisan way that produces a bill that can pass the House, pass the Senate, and be signed by the President. Students, families, taxpayers, and institutions of higher education deserve a good-faith effort to address the urgent challenges facing the higher education system.

Today, we are discussing one of the biggest challenges: The rising cost of college. The cost of attending public colleges has risen dramatically in recent years. From 1990 to 2015, the median household income increased by 12 percent, but the net cost of attending college increased by 81 percent.

When President Johnson signed the Higher Education Act, he said, "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 [their] family is poor." That could've been the case in the 1960s and 70s, but it is not the case today. In 1980, the maximum Pell Grant covered 76% of the cost of attendance at public four-year colleges. Today, the maximum Pell Grant, which is the cornerstone of federal student aid for nearly 7.5 million low-income students each year, covers just over 29 percent.

There are many factors that have led to the rising cost of college, but none are more significant than the decline of state investment in higher education. A decade ago, states paid about two-thirds of the cost of higher education.

Today, states pay, on average, less than one-third of the cost. Going from 2/3 to 1/3 doubles the cost of college to students and it's only going to get worse—45 states spent less per student in the 2018 school year than in 2008.

As tuition continues to outpace both wages and Pell Grants, it should not be a surprise that students and families are asking themselves if college is still worth the cost. The evidence and research demonstrate that, given well-supported and responsible institutions of higher education, the answer is an overwhelming yes. A college degree remains a good investment for students and families, as well as local communities and the national economy. Individuals with a bachelor's degrees typically earn about \$1 million more than high school graduates over their lives. Individuals with an associate's degrees earn \$400,000 more than high school graduates over their lives. And two out of three jobs in the modern economy are filled by individuals who have more than a high school education.

A college-educated workforce is also good for local economies. Evidence shows that for every \$1 a state invests in higher education, it receives up to \$4.50 in return in higher tax revenue and lowers spending on public assistance.

Colleges also contribute to the cultural and financial strength of communities across the country. We know that universities represent the largest employers in 10 different states around the country and, in rural areas, they are invariably the largest employer.

We also know that economic competitiveness is, to a large extent, based on the availability of a well-trained and well-educated workforce. Even though college enrollment and completion are a matter of economic competitiveness, only 48 percent of Americans ages 25 to 34 have obtained some sort of postsecondary credential. In Canada and Japan, 60 percent of young adults have obtained postsecondary education. In Korea, that figure reaches 70 percent.

If we do not address the rising costs, not only will we lose our economic competitiveness, but a growing number of students and families will lose out on the benefits of college degree. This is particularly true for low-income students and students of color, who already face significant barriers to earning a college degree. Today, we will consider a broad range of solutions to make college more accessible and affordable to individuals from all backgrounds, including:

- Halting increases in college costs by encouraging more state and local investment in public institutions.
- Restoring the purchasing power of Pell Grants and expanding eligibility, including to short-term high-quality programs that provide both valuable technical skills and a path to a two- and four-year degree, so that students will be able to afford college.
- Making college loans both cheaper and easier to pay off, while providing additional support for low-income students such as Federal Work-Study, which empowers students to earn while in college.

The evidence of the benefits of a college degree are all around us. In the recently completed 115th Congress, all Senators and more than nine in 10 members of the House of Representatives held at least bachelor's degrees. We, of all people, should not be discouraging students from seeking the education that got us here today.

If we only tinker around the edges and do not take comprehensive steps to address access and affordability, we will fail to serve the students, parents, and communities who elected to serve. In sum, we will fail the nation—and that is simply not an option.

I look forward to our discussion and I now recognize the Ranking Member, Dr. Foxx.