

February 23, 2018

The Honorable Lamar Alexander
Chairman
Senate HELP Committee
428 Dirksen Senate Office Building
Washington, D.C. 20510

The Honorable Patty Murray
Ranking Member
Senate HELP Committee
428 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Chairman Alexander and Ranking Member Murray:

On behalf of UnidosUS (formerly the National Council of La Raza)—the nation’s largest Latino civil rights and advocacy organization—I write to express our priorities and recommendations for reauthorization of the Higher Education Act (HEA). UnidosUS has a long and significant history working towards equity in education, including actively advocating for the Latino community in past reauthorizations of the Higher Education Act, which, at its core, is a civil rights act. The HEA has helped ensure that more Americans, including Latinos, can access postsecondary education and contribute to our nation’s prosperity. Any reauthorization must uphold long-standing ideals of fairness and inclusion embedded in the HEA and improve students’ chances at accessing and succeeding in the postsecondary realm.

Hispanics are the youngest and one of the fastest-growing populations in the United States. They progressively comprise a larger proportion of students enrolled in the American K-12 education system: one-in-four children are Latino.¹ And by 2050, Latinos are projected to comprise 30% of the nation’s workforce.² Our 21st Century economy will increasingly rely on the Latino community for well-educated workers, making an equitable, high-quality higher education pipeline essential. With a focus on Latino, DREAMer, and low-income students, reauthorization of the HEA should adhere to the following priorities.

Accountability

Strong regulations are needed to ensure black and Latino students have access to a quality education and are not targeted by more expensive, lower quality for-profit programs, where they are overrepresented, constituting 46% of all students enrolled.³ Studies have shown that these programs do not provide a wage premium for graduates,⁴ leaving them saddled with significant amounts of debt and no means with which to repay their loans. Any HEA reauthorization should preserve and strengthen regulations that protect students from predatory, for-profit institutions. For example, it should maintain gainful employment provisions and the defense to repayment rule. These rules provide students greater protections from aggressive and deceptive recruiting strategies, false claims, and predatory lending practices that can lead to higher student loan debt.

HEA reauthorization should also maintain the 90/10 rule, which ensures for-profit institutions do not rely on federal student aid as their sole source of funding. Moreover, it should uphold and strengthen a requirement that schools maintain low student loan default rates. These rules protect our students as they move through and beyond postsecondary education.

¹ See: Kids Count Data Center, “Child population by race,” <http://datacenter.kidscount.org/data/tables/103-child-population-by-race#detailed/1/any/false/870,573,869,36,868/68,69,67,12,70,66,71,72/423,424> (accessed January 2018).

² See: Anthony Carnevale and Nicole Smith, “America’s Future Workforce,” in *All-In Nation: An America that Works for All*, ed. Vanessa Cardenas and Sarah Treuhaft (Washington, DC: Center for American Progress and PolicyLink, 2013), <https://allinnation.org/ms-content/uploads/sites/2/2013/10/Chapter3.pdf> (accessed August 2017).

³ See: <http://younginvincibles.org/wp-content/uploads/2017/05/Higher-Education-Equity.pdf>

⁴ See: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2786445

Affordability & Repayment

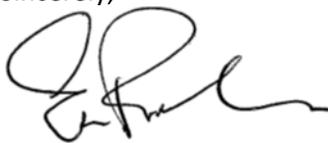
The cost of postsecondary education continues to rise faster than inflation.⁵ Any reauthorization of HEA should improve and expand student access to financial aid. Half of Latino full-time undergraduates receive federal student loans, with an average annual amount of \$9,760.⁶ HEA should streamline and simplify loan options for students, but that should not result in eliminating critical financial aid options for students. Further, reauthorization should improve the Pell Grant program, including by maintaining year-round grants and increasing the annual award to keep up with inflation. In 2012, half of Latino students received a Pell Grant,⁷ which help narrow the postsecondary achievement gap between low-income students and their higher-income peers.⁸

Any reauthorization should alleviate the burden of student debt by maintaining repayment options that take income into account. Specifically, the minimum monthly payment of \$0 for income driven repayment plans should remain and the maximum monthly payment should be no more than 10% of discretionary income. Increasing a student's payment could mean the difference between staying current on loan payments or defaulting and facing financial ruin. Additionally, any simplified income driven repayment plan must include student loan forgiveness after 20 or 25 years of repayment, and should maintain the Public Service Loan Forgiveness program, which allows for debt forgiveness for borrowers who are working in the public sector after 10 years of repayment. These programs benefit many low-income borrowers; for example, one estimate shows that it would take a low-income borrower 138 year to repay a \$30,000 loan if these options are no longer available.⁹

Finally, any HEA reauthorization should support the authority of states to regulate student loan servicers operating under their jurisdiction. Language in the bill should allow states to regulate originators, servicers, and collectors of federal student loans. States are often on the front lines of addressing issues in student loan servicing impacting borrowers in their states and they should be encouraged, not prohibited, to continue monitoring and improving the servicing market.

Reauthorization of the HEA should ensure a fair, equitable, and high-quality higher education experience for more students, including Latinos. If you have any questions or need additional information, please contact Lorén Trull, senior policy advisor for education at UnidosUS, at ltrull@unidosus.org or (202) 776-1791. We look forward to working with you to make important education reforms to advance educational equity for all our nation's students.

Sincerely,



Eric Rodriguez
Vice President

⁵ See: <https://trends.collegeboard.org/content/average-rates-growth-published-charges-decade-0>

⁶ See: <https://nces.ed.gov/pubs2017/2017051.pdf>

⁷ See: <https://nces.ed.gov/pubs2015/2015601.pdf>

⁸ See: <https://www.cbpp.org/sites/default/files/atoms/files/7-27-17bud.pdf>

⁹ See: <https://www.nclc.org/media-center/house-edu-bill-ends-student-protections-lifetime-debt.html>