



*A Union of Professionals*

## **Comments of the American Federation of Teachers (AFT) on H.R. 609, the College Access and Opportunity Act of 2005**

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### Pell Grants

Under H.R. 609, the Pell Grant program, which serves as the cornerstone of the federal government's commitment to help low- and middle-income students pay for college, was originally authorized at the current level of \$5,800, then raised slightly to \$6,000 as a result of passage of an amendment by Rep. Ric Keller (R-Fla.) At a time when college costs are increasing and the number of Pell Grant students is rising, we believe that Congress can do more to help aspiring, needy students. Students who depend on Pell Grants already have seen the purchasing power of their grants decline alarmingly during the past two decades. In that period, the purchasing power of the maximum Pell Grant has declined by half: from 84 percent of "average fixed costs of four-year public institutions" to 42 percent today.

**The AFT supports making Pell Grants a true entitlement program while also doubling the maximum grant award to \$11,600 over the next six years. We urge you to vote for any amendments that will move the maximum grant award closer to reaching that goal.**

### Loans

#### *Direct Loans*

The AFT believes that one barrier to access has been the ever-increasing loan burden that students must shoulder—particularly our nation's low- and middle-income students. We think that priority should be given to lessening the pressure created by loans while also increasing Pell Grants. We support bipartisan efforts by Reps. George Miller (D-Calif.) and Thomas Petri (R-Wis.), to provide this opportunity to lessen the loan burden. The Miller-Petri amendment is modeled on the STAR Act. Its goal is to ensure greater access while lessening the debt burden by creating incentives for institutions of higher education to switch to the federal Direct Loan Program. Because the Direct Loan Program is less expensive to administer than the Federal Family Education Loan, as documented by both the Office of Management and Budget and the Congressional Budget Office, the legislation will allow institutions of higher education to use the savings to increase the level of Pell Grants for needy students on their campuses.

**We urge you to support the bipartisan Miller-Petri amendment.**

#### *Consolidation*

H.R. 609 would create significant, long-term financial burdens for students who depend on student loans. Under the bill, students no longer would be able to consolidate their loans at a fixed rate. The current system has provided struggling students with a fixed-payment structure that allows them to budget and plan accordingly. The newly proposed variable rate has the potential both to make college much more expensive for students and their families and to make financial planning more

difficult. We understand efforts are now under way to maintain the use of fixed rates as an option for borrowers.

**However, any compromise must not be coupled with additional fees that could make consolidation at a fixed rate more expensive in the long run.**

### *Interest Rate Cap on Student Loans*

H.R. 609 would raise the interest rate cap on student loans by repealing a scheduled change to lower the cap. Just a few years ago, Congress passed legislation to ensure that beginning in July 2006, students would not be forced to pay more than 6.8 percent interest on their student loans. H.R. 609 would break that promise by increasing the cap to 8.25 percent, thereby increasing the cost of higher education for tens of millions of future students. Over a 10-year loan repayment, the average undergraduate borrower could pay nearly \$2,000 more in interest costs.

**Given that current interest rates are below 6.8 percent, we support a variable rate in the Stafford loan program that is capped at 6.8 percent, and amendments that would move us toward this goal.**

### Other Student Aid Issues

**We support an amendment to be offered by Rep. Robert Andrews (D-N.J.) that will repeal a provision in current law that has denied federal student aid funding to students with a drug conviction.**

This provision has had the effect of denying aid to many low- and middle-income students. Students who have made mistakes and paid their debt to society should not be prevented from attending college and gaining the skills needed to become productive members of society.

### College Costs

We respect the committee's interest in addressing the issue of the rising cost of higher education. The AFT recognizes that there have been significant increases in the cost of higher education in recent years. However, we believe that other issues factor into the cost of college, chief among them the declining support for higher education at the state level. The proposals in H.R. 609, while improved from previous proposals, potentially penalize institutions for trying to fully serve their students in the face of declining state budgets and the expected decline in aid from the federal government. The College Affordability Index, which is the mechanism proposed for measuring the changes in college cost, relies on a comparison to the Consumer Price Index (CPI). The CPI is a poor standard on which to base evaluation of college costs because the mix of goods and services in the CPI is quite different from the mix of goods and services that a college purchases. Because costs of services tend to rise at a faster rate than costs of consumer goods, an index that is based on the natural inflation rate for services would provide a better standard.

**The AFT supports efforts to amend this section of the bill by strengthening language related to a study that would analyze the potential effects of such an index prior to implementation.**

## **Single Definition, 50 Percent Rule and 90/10 Rule**

We are concerned that H.R. 609 would result in promoting the financial interests of the for-profit higher education industry rather than ensuring the proper management of federal funds and protecting students and taxpayers against fraud and abuse. We are encouraged by the subcommittee's efforts to address our concerns on provisions in H.R. 609 that could affect the integrity of the student aid program. Of particular note was passage of an amendment offered by Rep. Michael Castle (R-Del.) that reinstated the 90/10 rule, which we urge the committee to maintain. While the passage of the Castle amendment on 90/10 shows progress, we remain concerned with the "single definition" and the lifting of the 50 percent rule.

H.R. 609 calls for a "single definition" of an institution of higher education (IHE). This would make all IHEs, including for-profit institutions, eligible for a wide variety of federal education programs including Title III and Title V in the Higher Education Act. These programs are intended to foster the development of public and private nonprofit institutions serving special populations and addressing national needs. The limited funds available for these programs should not be diverted to for-profit institutions that, by definition, need to concentrate on the bottom line rather than on promoting a national education agenda. Maintaining separate definitions for public/nonprofit institutions and for-profit institutions recognizes the different missions of the two types of institutions while allowing students at for-profit institutions to take advantage of federal student assistance programs.

**We urge you to support any efforts to retain the current law's definition of an IHE. In the absence of such an amendment, we urge you to support an alternative amendment to be offered by Rep. Michael Castle (R-Del.) that will prevent for-profit entities from gaining access to non-HEA programs. The AFT believes this amendment is an improvement over the language now in H.R. 609.**

**At a minimum, the committee should support an amendment to be offered by Reps. Raúl Grijalva (D-Ariz) and Betty McCollum (D-Minn.), which will restrict access of for-profit entities to federal funds until the Government Accountability Office (GAO) completes a study on the impact of the single definition.**

In addition, the bill would repeal a legal provision that excludes institutions which offer more than half of their coursework by distance education from receiving federal student aid. The AFT opposes changing the "50 percent rule," which has ensured integrity in federal student financial aid programs while acknowledging that an element of "face-to-face" interaction should be part of an undergraduate education. However, if the 50 percent rule is lifted, we support amendments that would provide safeguards against fraud and abuse as recommended in a GAO audit of a model distance-education program.

**We urge you to support an amendment to be offered by Rep. Vernon Ehlers (R-Mich.) that will extend the current distance-education demonstration program through 2008, and call for a study to analyze the quality of distance-education programs.**

**In addition to the Ehlers amendment, the AFT supports any other efforts, including an amendment that may be offered by Rep. George Miller (D-Calif.), that will address our overall concerns and**

**maintain such safeguards and protections in distance education through a more permanent mechanism.**

### **Student Speech and Association**

During the 40-year history of the HEA, Congress has repeatedly rejected the idea of imposing federal control over the professional operation of our country's colleges and universities. Congress has rightly understood that academic policy is best left in the hands of governing boards of each institution, and that curriculum and teaching are not areas that require government intervention. Our nation's system of higher education reflects the academic diversity and views of its students, professors and programs. This diversity has been a key factor in establishing America's primacy in higher education. Further, the internal procedures that higher education institutions have developed to ensure objectivity and high standards—academic freedom, tenure and shared governance—have been an integral part of building and sustaining our world-class reputation for educational excellence.

Section 103 would violate these longstanding principles of academic autonomy by delineating a set of government guidelines for curriculum, teaching and grading policies on college campuses across the country. Passing a provision of this nature would set a terrible precedent of government intrusion and would open the door to a raft of politically motivated hearings and inquiries on our nation's campuses. Congress should recognize that virtually every college and university already has adopted procedures to ensure a fair resolution of complaints by students who claim they are being treated unfairly for expressing opinions in their coursework. As a result, Section 103 appears to be a solution in search of a problem that simply does not exist.

**The AFT supports an amendment that may be offered by Rep. John Tierney (D-Mass.) that will strike Section 103 from the bill.**

Along the same lines, we are concerned with the creation of an International Higher Education Advisory Board under Title VI. This advisory board would not be chosen by experts in higher education but rather by lawmakers. The board's purpose, according to its advocates, would be to highlight, question, and ultimately curb academic activities under Title VI that some board members oppose politically.

Establishment of this new board would undermine a longstanding bipartisan consensus that the federal government should respect academic freedom and independence, and not politicize professional programs on campus. This existing policy has been successful and certainly should not be abandoned now. At best, the proposed board would be duplicative—at worst; it would tarnish the Title VI program's professional reputation in the university community both here and abroad.

**We support efforts to strike the board from Title VI.**

### **Transfer of Credits**

H.R. 609 contains language that would prohibit institutions of higher education from basing their credit acceptance policies on the accreditation of the sending institution if the accrediting body is recognized by the Secretary of Education. The new federal mandate would effectively eliminate all

distinctions based on accreditation, and would force many institutions to spend time and money developing new transfer policies.

The AFT is concerned with this mandate, because institutions should be allowed to exercise their best academic judgment with regard to the terms and conditions that their students must meet to earn their credentials. In addition, we are very concerned that by denying institutions the right to set higher standards than those set by the Secretary of Education, the new federal transfer mandate would eliminate an important tool without providing additional alternatives.

**We support efforts in an amendment to be offered by Rep. Tim Bishop (D-N.Y.) that will strike this transfer of credit language from H.R. 609.**

### **Graduate Fellowships**

The AFT is concerned about the lack of minorities and women entering graduate school, securing their doctorates and eventually becoming professors. Unfortunately, the numbers of minorities and woman entering doctoral programs and becoming professors is declining.

**To this end, we support an amendment to be offered by Rep. Lynn Woolsey (D-Calif.) that will address this concern by authorizing the Patsy Mink Fellowship program. This program will provide funding for women and minorities to enter doctoral programs if they agree to teach in a degree-granting post-secondary institution.**

### **Title II, Teacher Education**

The AFT is pleased that the bill being considered by the subcommittee keeps the structure of Title II, which has functioned productively in many respects. Additional efforts to align Title II with the No Child Left Behind Act (NCLB), (where applicable) as well as the inclusion of the reauthorization of the Preparing Tomorrow's Teachers To Use Technology program, are also positive steps.

We also support the new program to address the growing need to recruit and prepare minorities for the teaching profession. The Centers of Excellence would provide funds to institutions serving minority populations to further develop and strengthen their teacher preparation programs and to ensure that teacher candidates have the necessary supports to be successful in the classroom.

The AFT is encouraged by the identification of community colleges as a vital partner in the preparation of teachers. Community colleges can play a key role in preparing future teachers by providing a solid liberal arts foundation before a student enters into the final years of teacher preparation at a four-year institution.

We do, however, have additional concerns with H.R. 609.

The AFT has always supported differentiated staffing, and paying teachers more for assuming additional responsibilities. However, we did not support the adoption of the amendment offered by Rep. Tom Price (R-Ga.) authorizing a Teacher Incentive Fund. At a time when resources are limited, authorizing funds for a new teacher incentive fund would be unwise. Directing funds to Title I, a program with a solid and proven record of raising student achievement, would be a more rational choice, given that this cornerstone ESEA program was dramatically underfunded in the recently

passed fiscal year 2006 Labor-HHS-Education appropriations bill (H.R. 3010). Additionally, such an undefined program could support merit-pay plans that history tells us have not been effective.

In addition, we are concerned about the inclusion of “a public or private educational organization” as an eligible partner for partnership grants. While the other partners have clear and specifically defined eligibility criteria, this new addition has none. Further, we are concerned with such an undefined entity serving as a fiscal agent. This language should be made more specific or be struck from the bill.

Finally, although the AFT encourages innovation and supports alternative routes to certification, our union believes that the new language on alternative routes to certification lacks sufficient criteria to ensure the viability and effectiveness of these programs.