



April 30, 2021

To: The Honorable Miguel A. Cardona, Secretary
U.S. Department of Education
400 Maryland Avenue, SW
Washington, D.C. 20202

The Honorable Michelle Asha Cooper, Acting Assistant Secretary for Postsecondary Education
U.S. Department Of Education
400 Maryland Avenue, S.W.
Washington, DC 20202

From: Dr. D-L Stewart, President
Association for the Study of Higher Education (ASHE)
4505 S. Maryland Parkway, Box 453068
Las Vegas, Nevada 89154

Dr. Jason Guilbeau, Executive Director
Association for the Study of Higher Education (ASHE)
4505 S. Maryland Parkway, Box 453068
Las Vegas, Nevada 89154

RE: Key postsecondary education issues for the Biden-Harris Administration

Our nation faces tremendous challenges and opportunities in the aftermath of the COVID pandemic and a year of political and social unrest. Those same challenges face colleges and universities and the Americans who seek a higher education and better career prospects. In the post-COVID global economy, a large portion of the United States' success, including tribal nations and territories, will center on our ability to innovate. We can only do that with an educated populace.

With the arrival of a new presidential administration, we surveyed our more than 2,000 members to ask them what challenges they view as the most pressing and salient for higher education. Overwhelmingly, our members pointed to the rising costs associated with college and the sheer ability to attend a postsecondary institution.

As a research-based organization, we offer the following recommendations and encourage the Biden-Harris Administration (Administration) to prioritize these initiatives:

1. Student Loan Cancellation

Compounding the inequities in students' and families' ability to afford college are structural and systemic inequities related to loan debt and repayment. Total US student loan debt has

surpassed \$1.6 trillion, but the burden of repayment is far from equally distributed. When it comes to paying down student loans, there is evidence at both the federal and state levels¹ that specific subgroups of students are more likely to struggle: students who do not complete their degree, students who attend for-profit institutions, and students who are Black.² Here is what the data tell us (all statistics estimated on a nationally representative sample of first-time beginning postsecondary students):

- Students who borrow to go to college but do not complete their degree are faced with paying back their student loan debt without the commensurate bump in earnings that could have occurred if the student graduated—making them more likely to struggle with repayment.
- Students who attend for-profit institutions are both more likely to borrow (89%, the highest of all sectors) and default on their student loans at the highest rates (47%, the highest of all sectors).
- On average, Black students and their families have limited economic resources due to systemic racism and can face significant labor market discrimination, which reduces their earnings in comparison with their peers who have similar occupations. This is one of the reasons why Black bachelor's degree recipients are more likely to default on their student loans compared to White students who earn a bachelor's degree (21% versus 4%). Even more startling, Black bachelor's degree recipients default more than White students who dropout (18%).³

These students deserve relief from the consequences of a system that told them attending college, and borrowing, was the only way for them to create economic stability in their lives but also created systemic barriers to enrolling in higher education institutions that were well funded, non-predatory, and equipped with the resources to help students graduate. For these reasons and others, we recommend, as has been urged by members of Congress, that the Administration cancel \$50,000 in student debt for those who hold federal loans and to ease the process for private loan borrowers to have their debt forgiven through the borrower defense policy. We understand that the Administration has directed Secretary Cardona to deliver such a memo indicating whether this can be achieved through executive action.

¹ Unfortunately, Tribal nation data are scant when it comes to student loans and territories are seldomly included in the data. This is an issue that needs to be addressed.

² Baker, D. J. (2019). When Average Is Not Enough: A Case Study Examining the Variation in the Influences on Undergraduate Debt Burden. *AERA Open*, 5(2).

Houle, J. N., & Addo, F. R. (2018). Racial disparities in student debt and the reproduction of the fragile Black middle class. *Sociology of Race and Ethnicity*, 1-16.

Scott-Clayton, J. (2018). What accounts for gaps in student loan default, and what happens after. *The Brookings Institution: Evidence Speaks Reports*, 2(57).

³ Scott-Clayton, J. (2018). The looming student loan default crisis is worse than we thought. *The Brookings Institution: Evidence Speaks Reports*, 2(34).

It is important to consider cancellation of a significant amount of debt for several reasons. It is true that the majority of student borrowers hold less than \$20,000 in student loan debt.⁴ However, Black students, who are consistently asked to borrow the most and then rewarded with occupations that often pay the least, hold substantially more student loan debt than their peers. In fact, when we look at students who earned a bachelor's degree in 2015-2016, we see that 64% of Black students held at least \$20,000 in student debt while 35% of Asian graduates, 38% of Latinx graduates, and 47% of White graduates accumulated the same amount.⁵ And since we know that Black bachelor's degree earners default on their student loans more than their White peers who do not earn a credential, these significant loan amounts matter.

2. **Affordability**

When considering college affordability, people often think of the cost of attendance—tuition and fees, room and board, books, and other supplies. Yet the true cost of college also includes other elements of individuals' lives, such as childcare and internet access. While there is less consensus on the exact prevalence, there is broad consensus that food and housing insecurity are urgent issues facing many college students.⁶ When these additional non-tuition costs of attendance are covered or subsidized by financial aid, students are more likely to enroll full-time, earn more credits, and graduate.⁷

We commend the Administration for creating flexibility in the way that institutions can use Higher Education Emergency Relief Fund (HEERF) dollars to include issues such as institutional debt from overdue bills that restrict students from enrollment and accessing their transcripts. We recommend that a nationwide program focused on reducing the price of college needs to be created. One way to do this, that the Administration has already signaled support for, is to create a national promise program, which could guarantee free tuition and fees for in-state students attending community colleges. We have evidence that these types of programs can increase enrollment in higher education.⁸ It is important that these types of programs include

⁴ Ma, J., Pender, M., & Libassi, C. J. (2020). *Trends in College Pricing and Student Aid 2020*, New York: College Board.

⁵ Baum, S., Ma, J., Pender, M. & Libassi, C. J. (2019). *Trends in Student Aid 2019*. New York: College Board.

⁶ Baker-Smith, C., Coca, V., Goldrick-Rab, S., Looker, E., Richardson, B., & Williams, T. (2020). #RealCollege 2020: Five years of evidence on campus basic needs insecurity. *The Hope Center*. Retrieved from https://hope4college.com/wp-content/uploads/2020/02/2019_RealCollege_Survey_Report.pdf

Strauss, V. (2020, Feb 20). Housing and food insecurity affecting many college students, new data says. *The Washington Post*. Retrieved from <https://www.washingtonpost.com/education/2020/02/20/housing-food-insecurity-affecting-many-college-students-new-data-says/>

US Government Accountability Office. (2018). *Better information could help eligible college students access federal food assistance benefits* (GAO-19-95). Washington, D: Author. Retrieved from <https://www.gao.gov/assets/700/696254.pdf>

⁷ Sommo, C., & Ratledge, A. (2016). Bringing CUNY accelerated study in associate programs (ASAP) to Ohio: Early findings from a demonstration in three community colleges. *MDRC Policy Brief*. Retrieved from https://www.mdrc.org/sites/default/files/ASAP_Ohio_final.pdf

⁸ Gándara, D., & Li, A. (2020). Promise for Whom? "Free-College" Programs and Enrollments by Race and Gender

some type of partnership between the federal government and states (to ensure adequate funding and capacity building can occur). It is also clear that these programs should not be laden with excessive administrative burdens, such as GPA thresholds or drug tests to gain access to the funding. These burdens overwhelmingly fall on students of color, who are low-income, or who are the first in their family to go to college and restrict the effectiveness of the policy.⁹ While these types of programs typically focus on first-time students, it would also be useful to encourage states to craft policies focused on encouraging students who have previously enrolled in higher education to return and complete their credential.¹⁰

3. *Funding for Institutions*

Part of the reason why college has become so expensive is that states have disinvested in public higher education at historic rates. When campuses lose support from their respective legislatures, they look to students to fill those budget gaps. This reality can be especially damaging for students since cuts to the state budget increase the tuition and fees at institutions for the average student.¹¹ The federal government should reward states who maintain pre-COVID levels of funding to state postsecondary institutions.¹² States' maintenance of effort is crucial for ensuring that emergency federal funding to institutions, which can be used for students and for institutional infrastructure, supplements instead of supplanting prior funding from the state. This recommendation is especially critical as, historically, states have reduced their funding to higher education during economic downturns, including the Great Recession.¹³

The Association for the Study of Higher Education (ASHE) is a scholarly, professional association (incorporated as a 501(c)3 in 1976) whose membership of more than 2,000 includes faculty who study and teach about higher education; graduate students who study in Higher Education and Student Affairs master's and doctoral programs; and professionals and administrators working on college/university campuses, in state level systems and agencies, and in national agencies, associations, foundations, and policy groups in the higher education arena.

In the past twelve months, the Association has written research-informed position statements, which are publicly available at www.ashe.ws/positiontaking, about the June 2020 Supreme Court Ruling

Classifications at Public, 2-Year Colleges. *Educational Evaluation and Policy Analysis*, 42(4), 603-627.

⁹ Gándara, D., & Li, A. (2020). Promise for Whom? "Free-College" Programs and Enrollments by Race and Gender Classifications at Public, 2-Year Colleges. *Educational Evaluation and Policy Analysis*, 42(4), 603-627.

Herd, P., & Moynihan, D. P. (2019). *Administrative burden: Policymaking by other means*. Russell Sage Foundation.

¹⁰ Shapiro, D., Ryu, M., Huie, F., & Liu, Q. (October 2019), Some College, No Degree, A 2019 Snapshot for the Nation and 50 States, Signature Report No. 17, Herndon, VA: National Student Clearinghouse Research Center.

¹¹ Webber, D. A. (2017). State divestment and tuition at public institutions. *Economics of Education Review*, 60, 1-4.

¹² Baum, S. & McPherson, M. (2020). *Strengthening the federal role in the federal-state partnership for funding higher education*. Available at <https://www.luminafoundation.org/wp-content/uploads/2021/01/strengthening-the-federal-role-in-the-federal-state-partnership-for-funding-higher-education.pdf>

¹³ Bettinger, E., & Williams, B. (2014). 8. Federal and State Financial Aid during the Great Recession. In *How the financial crisis and great recession affected higher education* (pp. 235-262). University of Chicago Press.



regarding the Deferred Action for Childhood Arrivals (DACA), the May 2020 rule changes to Title IX, as well as other issues of import to postsecondary education.