H.R. 6543, the Aim Higher Act, and the Impact to the University of California (UC)

The University of California appreciates the comprehensive approach taken to address college affordability in the Aim Higher Act, which calls for increased state investments in higher education through the authorization of a federal-state partnership called America’s College Promise. This proposed program would make public community college free and incentivize states to maintain their investments in higher education.

The federal-state partnership in the Aim Higher Act would commit additional funding to states that invest more in their public colleges and universities. In exchange for federal funding, states are required to offer all students two years of tuition-free community college and maintain investments in public institutions.

In California, low-income students can apply for the California College Promise Grant, which can waive enrollment fees at California’s Community Colleges and provide additional assistance for the purchase of books and supplies. Additionally, the California Student Aid Commission provides Cal Grants to low-income undergraduates, vocational training students and students in teacher certification programs. The Cal Grant program provides qualifying students with up to $12,630 each year to attend UC, which can be applied to tuition, room and board or books and other supplies.

These strong state investments have allowed the lowest-income Californians to access higher education in a meaningful way. UC supports incentivizing these ongoing investments in states that have a strong track record of success managing investments in higher education.

STUDENT FINANCIAL AID

Over 82,000 students – nearly 40 percent of all UC undergraduates – receive Pell Grants, the highest percentage of Pell Grant recipients of any top research university in the country. Of the UC undergraduates that graduated in fall 2017, half had no student debt upon graduation; for those UC students who do borrow, the average cumulative student loan debt at graduation was $20,600, well below the national average of $30,100.

UC supports changes to federal student loan programs that enhance student benefits and improve how student loans are administered, disbursed, serviced and repaid. UC also supports incentivizing completion rates among Pell recipients. UC’s Pell recipients have a completion rate virtually the same as their peers (82 percent) and more than 90 percent of UC’s lowest-income students go on to earn incomes that surpass their parents.

UC Concerns:
- The legislation would not address the problem of loan default among parents who sometimes borrow up to the full cost of attendance. Instead, the bill would make Parent PLUS loans eligible for income-driven repayment (IDR) plans. Over the life of a loan, a student is more likely to see an increase in pay, which will increase the payments they make as well as their ability to repay their loans. Parents headed toward retirement, whose incomes are likely stagnating, may still default on their PLUS loans.
UC Supports the Following Reforms:

- A one-time $500 increase to the Pell Grant maximum and permanent indexing to inflation, which are helpful steps in making college accessible and affordable for low-income students.
- The simplification of applying for federal student aid for individuals who receive a federal means-tested benefit (i.e. Cal-Fresh, Women, Infants and Children, Temporary Assistance for Needy Families) within the previous two years. These applicants would receive the maximum Pell Grant without answering the full set of Free Application for Federal Student Aid (FAFSA) questions.
- The proposal raises the auto-zero estimated family contribution (EFC) to $34,000 (from $25,000) and indexes it to inflation; students who meet these qualifications would likely only need to file the FAFSA application once during their time in college. The average household income in California is $66,637, 13 percent above the national average, thereby disadvantaging students from California and other high cost-of-living states.
- The proposal makes incarcerated and undocumented students eligible for federal aid, which provides life-changing economic opportunities for students that would not be possible without investment in their education.
- The authorization of additional funding to assist homeless and former foster youth in entering a pathway to higher education.
- The proposed reforms to the Federal Work-Study (FWS) funding allocation, which phases in a fair-share formula that is based on Pell recipients plus financial need from undergraduate and graduate students. A set-aside is authorized for institutions with strong and improving Pell recipient completion rates and relatively large proportions of Pell recipients.
- Formula modernization for Supplemental Educational Opportunity Grants (SEOG) to better target grant aid to the lowest-income students.
- The elimination of origination fees on all federal student loans, allowing borrowers to refinance old student loan debt at the same rates offered to new borrowers, who may have more favorable rates.
- Borrowers more than 120 days delinquent are auto-enrolled in an Income-Based Repayment (IBR) plan; enrollment can be obtained in writing, electronically or verbally, while annual income recertification would be automatic.

GRADUATE EDUCATION

In recent years, graduate-level education has received a disproportionate share of cuts in previous higher education reform efforts. Graduate students have lost all student loan interest subsidies, as well as significant funding for fellowship programs, yet are the backbone of research and innovation at UC and at universities across the country. They make discoveries across all fields of scholarship and often serve as teaching assistants. Studies have indicated that graduate education increases lifetime earnings and generates additional tax revenue to support local, state and federal initiatives.

The Public Service Loan Forgiveness (PSLF) program continues to serve as a useful incentive to attract bright and talented doctors, lawyers, teachers, social workers and other public employees to serve in under-resourced communities.

UC Concerns:

- UC supports the extension of remaining Pell eligibility to graduate programs; however, safeguards need to be developed to ensure that the program is targeted to low-income students.
UC Supports the Following Reforms:

- The extension of Pell eligibility to 14 semesters and allowing students to fully exhaust Pell eligibility on graduate studies following completion of a bachelor’s degree.
- The increase in investments for FWS and the preservation of eligibility for graduate students.
- The expansion of the PSLF program to include additional occupations, and explicit inclusion of physicians working at a non-profit hospitals or other health care facilities in states that prohibit the direct hiring of these medical professionals – such as California – so that these individuals can also have their loans forgiven through PSLF. The bill also allows individuals who have consolidated their loans to count qualifying payments prior to consolidation toward loan forgiveness instead of resetting after consolidation.
- The reauthorization of the Perkins Loan Program for graduate as well as undergraduate students.
- The reauthorization of Title VI - International Education Programs and authorization of $60 million for the program.
- UC is pleased that the proposal does not cap student loan borrowing for graduate students.

TEACHER PREPARATION
UC remains committed to preparing the next generation of teachers and providing high-quality professional development for teachers and administrators to meet the needs of California’s K-12 students.

UC administers the California Subject Matter Project (CSMP), a highly-regarded professional development program for the state’s new and experienced K-12 teachers. CSMP has provided comprehensive, content-focused professional development for over 40,000 teachers since 1988.

Additionally, the CalTeach program, an undergraduate science and mathematics teacher initiative at nine UC campuses, helps to address California’s science and mathematics teacher shortage. CalTeach recruits and prepares math and science majors for future teaching careers, offering them specialized coursework, field experiences in K–12 schools and direct pathways to the teaching profession while they complete their undergraduate degrees. Since its inception, more than 13,400 UC undergraduate students have explored careers teaching math or science through CalTeach. Of these, 2,100 CalTeach participants have gone on to earn 4,700 math and science credentials and over 2,000 CalTeach alumni have pursued teaching in California’s public schools.

UC Supports the Following Reforms:

- The continuation of current teacher preparation programs under Title II as well as the TEACH grant program, which provides grant aid to students who agree to teach certain subjects at under-resourced schools. The bill also extends its teacher preparation provisions to those preparing to work in early childhood education (i.e. Pre-K, Head Start).
- The preservation of the PSLF program, which allows teachers serving in under-resourced schools to cancel their student loan debt under the terms of their agreement, a valuable incentive toward such a career track.

MINORITY-SERVING INSTITUTION (MSI) PROGRAMS
Five UC campuses (Irvine, Merced, Riverside, Santa Barbara, Santa Cruz) are designated as Hispanic-Serving Institutions (HSIs) and three (Davis, Los Angeles, San Diego) are considered “emerging HSIs.” Additionally, one UC campus (Irvine) is designated as an Asian American Native American Pacific Islander-Serving Institution (AANAPISI) and three others are considered “eligible” AANAPISIs (Riverside, Santa Barbara, Santa Cruz). Any changes to programs affecting institutions with these designations would affect the university’s education mission. These programs should be strengthened to reflect the demographic shifts across the country.
In recent years, UC has received more than $16.1 million in federal grants in support of UC’s minority serving institution programs, For example:

**UC HSI's recent grants:**

- UC Santa Barbara is using Title V funding to strengthen the success and retention of undergraduates by focusing on first-year experiences and faculty professional development; the grant supported the establishment of a student success center offering academic support, peer mentoring and faculty interaction for first-generation students.

- UC Santa Cruz is using Title III HSI STEM grant award funding and Title V grant money to motivate and retain Hispanic and other high-need students to complete a degree program. In partnership with San Jose City College, UC Santa Cruz provides tutoring, mentoring, transfer advising and undergraduate research experiences, all with the intent of increasing the number of students who complete a bachelor’s degree on time.

**UC AANAPISI recent grant:**

- UC Irvine was awarded a $1.7 million AANAPISI grant in 2017 for DECADE PLUS, a program designed to increase retention and timely degree completion of undergraduates and graduate students through near-peer mentoring and enhanced professional development services.

**UC Concerns:**

While UC supports efforts to provide resources to students who transfer from community colleges to an MSI, the demographics of individual state or the size of an institution should be taken into account when considering MSI-designation as these factors greatly differ across the country and can significantly impact the ability of an institution to meet the Department of Education’s MSI-designation.

**UC Supports the Following Reforms:**

- The authorization for the secretary of education to award prioritization for discretionary grants to MSIs or institutions that propose sustained partnerships with an existing MSI.

- The reauthorization of grants geared toward HSIs that address the growing student population and allows eligible HSIs to establish or grow an endowment fund and use interest gained to fund scholarships for Latino students to attend that institution.

**PIPELINE PROGRAMS**

UC provides unique pathways to attend higher education for diverse populations. As many as 42 percent of UC undergraduates are the first in their families to attend college; 49 percent of these students are African American, Latino/Chicano or American Indian; 64 percent of these students are low-income. UC is dedicated to ensuring that underrepresented populations have access to higher education.

- UC has 31 TRIO-funded programs on seven campuses (Berkeley, Davis, UCLA, Merced, Riverside, San Diego, Santa Cruz) that serve approximately 9,400 students.

- UC has six GEAR UP-funded programs across two campuses (Davis and Santa Cruz) that serve 9,768 students and one state grant that serves approximately 35,000 students throughout California. The UC Office of the President administers the California GEAR UP Program (the state grant).
UC Concerns:
- The federal GEAR UP program, one of the largest programs focused on college readiness of low-income students, is level-funded. UC would support an increase in the authorization level for this program.
- Based on the number of low-income secondary school students in the state, which is estimated at 1.5 million children, UC supports having a GEAR UP program at each its undergraduate campuses. If the current set of programs operated by UC are providing direct services to 9,768 students, there is a clear need for additional funding. If one assumes that each existing GEAR UP program serves approximately 3,000 students, and if each campus of UC’s nine undergraduate campuses had a GEAR UP program, 27,000 – rather than 9,768 students – could be served; this is still less than two percent of the total eligible secondary school students in the state.

UC Supports the Following Reforms:
- The increase in authorized funding for TRIO by $110 million and simplification of eligibility requirements, as well as allowing FAFSA information, Pell eligibility and participation in a free and reduced lunch program to serve as evidence of meeting income eligibility requirements.

CAMPUS SAFETY
The University of California is committed to providing a strong, fair and transparent process to address campus sexual assault and harassment complaints. Any provisions relating to this issue should recognize the scope of the problem of sexual violence on campuses, take into consideration the significant investment that UC and other universities have made to appropriately respond to this problem and align with state laws passed since the 2011 guidance was issued by the U.S. Department of Education.

UC Concerns:
- The bill adds a new requirement that the secretary of education, in consultation with the attorney general and experts in domestic/dating violence, develop a standardized online survey regarding student experiences with domestic/dating violence. Institutions are authorized to add survey questions and must administer the survey every two years. As required by the Clery Act, the survey results must be published in the annual security report. Additionally, the secretary of education is required to prepare a biennial report to Congress on the outcome of this survey. UC would like built-in flexibility regarding the creation and administration of this type of survey for two reasons:
  1. Some campuses have already developed – or are in the process of developing – campus-specific surveys. As written, this legislation will require use of a one-size-fits-all government-developed survey and preclude use of surveys tailored to the specific populations, experiences and concerns of the campuses on which they are implemented. This will result in less meaningful results.
  2. If universities must conduct a survey every two years, the response rate will be very low, and the results will be less meaningful.

UC Supports the Following Reforms:
- The proposal to amend the Clery Act to require institutions to provide transparency regarding student safety in study-abroad programs. UC would urge institutions to work to carry out reporting requirements with local authorities, and ensure compliance with local laws and ordinances in instances where an institution has a study abroad program.