

University of California Analysis: H.R. 4674, the College Affordability Act

The University of California (UC) appreciates the comprehensive approach taken to address higher education affordability in the College Affordability Act (CAA), which calls for increased state investments in higher education through robust and sustained investments in student financial aid programs. While the University applauds the significant contributions toward increased affordability in this legislation, UC remains concerned about the growing number of students with “basic needs” insecurities, including unreliable access to housing, nutrition, child care, health care and/or technology needed for students to live healthy lives and graduate on time. UC encourages Congress to include additional investments that would further address these specific needs and improve the overall well-being of students 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 spring 2018, 52 percent had no student debt upon graduation; for those UC students who did borrow, the average cumulative student loan debt at graduation was \$20,200, well below the national average of \$28,350. Nearly 60 percent of UC students have their tuition paid for by a combination of federal, state and institutional aid; therefore, a sustained annual Consumer Price Index (CPI)-adjustment to Pell would help students pay for rising food and housing costs.

UC supports increased and sustained investments in student financial aid programs and changes to federal student loan programs that enhance student benefits and improve how student loans are administered, disbursed, serviced and repaid.

UC Supports the Following Reforms:

- Increase in Pell Grant funding, and is very supportive of a mechanism to automatically increase the award according to the CPI.
- The proposal makes incarcerated and undocumented students eligible for federal aid, which provides life-changing economic opportunities for students that would not otherwise be possible without such an investment.
- Extending Pell Grant eligibility to 14 semesters for undergraduate and graduate students.
 - UC’s six-year graduation rate, for the 2012 undergraduate cohort, is 84 percent, although most UC students graduate in significantly less time.
 - The expansion of eligibility for graduate students to 14 semesters will help with affordability of a graduate education, which is increasingly important for social mobility.
- UC supports an emergency grant program through the Supplemental Educational Opportunity Grant (SEOG). Regardless of how well governments and institutions target financial aid, some students will encounter circumstances that current policies do not anticipate. Having institutional flexibility to implement these programs is highly beneficial to students in need.
- 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. The following are cost savings that UC students would see:

- **Graduate Direct Loans cost savings:** \$2.9 million based on total loans of \$274.8 million and 1.059 percent origination interest on loans.
- **Undergraduate Direct Loans (Subsidized/Unsubsidized combined) cost savings:** \$4.5 million based on total loan amount of \$428.7 million and 1.059 percent origination interest on loans.
 - **Total potential savings of eliminating origination fees of approximately \$7.4 million for students.**

Most UC campuses have a Pell Grant enrollment above 30 percent. All UC campuses have a 6-year graduation rate for Pell students that exceeds 70 percent, while the system average is 80 percent. The New York Times (NYT) has created the College Access Index of colleges doing the most for low-income students, which is based both on the share of Pell students and the graduation rate of those students; in its ranking, UC campuses accounted for six out of the top 10 spots. In 2017-18, seven of the UC campuses enrolled a greater share of Pell recipients than any of the members of the Association of American Universities (AAU), which is 63 of the nation's premier research institutions and includes Seven UC campuses.

	2018-19 Pell Enrollment	Pell 6-Year Grad Rate (2011 entering cohort)	NYT College Access Index Ranking (2017)
Berkeley	27%	89%	9
Davis	36%	82%	3
Irvine	40%	82%	1
Los Angeles	32%	87%	5
Merced	64%	61%	
Riverside	53%	74%	
San Diego	37%	83%	4
Santa Barbara	36%	78%	2
Santa Cruz	35%	75%	
UC System	37%	80%	
CSU	50%*	54%	
Non-UC AAU Public	21%*	72%	
AAU Private	16%*	89%	

*Data are for 2017-18 (the most recent available).

UC Concerns:

- One challenge created by the extension of Pell eligibility from 12 to 14 semesters is that it may result in a misalignment of current Satisfactory Academic Progress rules. How the two interact should be clarified as the bill moves forward.
- The implementation of student aid eligibility for certain undocumented individuals as defined in the bill may prove administratively difficult as the responsibility to verify the eligibility of students who could have qualified for Deferred Action for Childhood Arrivals (DACA) or Deferred Action for Parents of Americans (DAPA) recipients, but who did not, would fall to the institution. Colleges and universities are not well positioned to verify that level of detail for aid applicants.
- The bill phases out the current funding formula for Federal Work-Study and replaces it with one that allocates funds based on the number of low-income students at an institution and the unmet need of students at that institution. UC recommends that the legislation hold harmless all institutions currently in the program with respect to their current allocation. Furthermore, if the fair share amount assesses “student need,” it should not punish institutions that have robust financial aid programs. Ideally, the formula would recognize the total cost of attendance less family contributions and the federal Pell Grant but would NOT deduct state and institutional financial aid from that financial aid.

AFFORDABILITY

In California, low-income students can apply for the California College Promise Grant, which waives enrollment fees at California community colleges and provides 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 provides qualifying students with up to \$12,570 each year to attend UC, which pays for tuition and allows most of UC’s own \$800 million in financial aid to help offset other educational costs, like room and board, books and other supplies. These strong state investments have allowed the lowest-income Californians to access higher education in a meaningful way.

UC Supports the Following Reforms:

- The proposed federal-state partnership would make public community college free and accessible to everyone. A highly skilled and educated workforce benefits families and the overall economy.

UC Concerns:

- Some states may not be able to commit to the level of funding required to participate in the partnership program, especially if a state is struggling financially. States may also find ways to circumvent investment in public four-year institutions if they need to make difficult financial decisions.
- UC does not support having the U.S. secretary of education issue various methodologies to set the total cost of attendance. There are too many variables to consider, including regional differences in cost of living and personal decisions related to housing. Crafting a methodology that acknowledges all relevant variables would likely make the calculation useless or overly burdensome.

GRADUATE EDUCATION

Graduate-level education programs have received a disproportionate share of cuts in recent 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 universities across the country. They make discoveries across all fields of scholarship and often serve as teaching assistants to undergraduates. Studies indicate that graduate education increases lifetime earnings and generates additional tax revenue to support local, state and federal initiatives. Increasingly, a graduate education contributes to social mobility as employers look for higher and higher qualifications.

UC Supports the Following Reforms:

- The expansion of Pell eligibility to 14 semesters for graduate students. This is a significant reform that will increase affordability for graduate students.
 - According to UC's initial analysis, UC expects that approximately 4,460 UC graduate students would benefit, by \$22-\$26.2 million annually.
- The strengthened investment in Federal Work-Study and the preservation of eligibility for graduate students is crucial to making graduate education affordable. Graduate students who are eligible for Federal Work-Study are automatically eligible for CalFresh, also known as the Supplemental Nutrition Assistance Program, benefits, which would help students with food insecurity issues.
- The expansion of the Public Service Loan Forgiveness (PSLF) program to include additional occupations, including physicians who work at non-profit hospitals or other health care facilities in states, such as California, that prohibit the direct hiring of certain medical professionals. 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 restoration of eligibility for subsidized Stafford Loans to graduate and professional students enrolled at non-profit public and private institutions.
- The proposal does not cap student loan borrowing for graduate students.

TEACHER & EDUCATOR PREPARATION

UC remains committed to preparing the next generation of teachers and providing high-quality professional development for teachers and education leaders to meet the needs of California's K-12 students.

UC's educator preparation work is organized as a continuum of programs, beginning at the undergraduate level, moving through postbaccalaureate certification programs to ultimately ongoing support through professional development of teachers and education leaders.

The CalTeach program, an undergraduate science and mathematics teacher initiative at UC's nine undergraduate 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 degree. Since its inception, more than 15,000 UC undergraduate students have explored careers teaching math or science through CalTeach. Of these, roughly 2,000 CalTeach participants have gone on to earn single-subject math and science credentials, and more than 1,700 CalTeach alumni have pursued teaching in California's public schools.

To support current educators, 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 is an important effort that develops effective teaching practices and strong student achievement. In 2018-19, CSMP provided training and professional learning programs for roughly 25,000 educators from 1,256 school districts throughout California, 54 percent of which were low-

performing. Additionally, faculty and staff at UC's Teacher Education Programs are working to improve the diversity of educators and leading research on improving the preparation and increasing retention among K-12 teachers. Finally, UC's Principal Leadership Institute (PLI) develops future educational leaders for schools with vulnerable and historically underserved students. More than 1,300 leaders have graduated from PLIs, with over 90 percent working as principals, assistant principals or other education leaders in high poverty, high needs schools in California.

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.

UC Concerns:

- UC shares the goals of increasing the number and quality of teacher and school leaders—and for an overall elevation of the education profession, but requests that any increase in reporting requirements be supported by additional funding.
 - UC requests that the legislation support standardized data collection practices and infrastructure to streamline this process.

MINORITY-SERVING INSTITUTION (MSI) PROGRAMS

Six UC campuses (Davis, Irvine, Merced, Riverside, Santa Barbara, Santa Cruz) are designated as Hispanic-Serving Institutions (HSIs) and two (Los Angeles and 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 grant funding to strengthen the success and retention of undergraduates by focusing on first-year experiences and faculty professional development. Title V funding has 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 support 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 Supports the Following Reforms:

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

UC Concerns:

- The demographics of a state and/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 U.S. Department of Education's MSI-designation.

PIPELINE PROGRAMS

UC provides unique pathways to attend higher education for diverse populations. As many as 40 percent of UC undergraduates are the first in their families to attend college; 51 percent of these students are African American, Latino/Chicano or American Indian; 59 percent of our first-generation underrepresented 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, Los Angeles, Merced, Riverside, San Diego, Santa Cruz) that serve approximately 9,400 students.
- UC has seven GEAR UP-funded programs across four campuses (Davis, Irvine, Merced, Santa Cruz) that serve 8,651 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 on behalf of the state.

UC Supports the Following Reforms:

- The CAA represents the most significant reforms to the GEAR UP program since its founding. The provisions are a complete revision to the GEAR UP scholarship program that would afford applicants and grantees far greater flexibility to design scholarship programs that meet their needs. Increased funding authorization allows for expanded access for students and families.
- Providing greater clarity about the timing and process by which the Department of Education will implement open grant applications and provide administrative relief for grantees, particularly by reducing the funding match ratio by half (non-federal funds to federal funds). The bill also revises permissible activities, including an emphasis on research and evaluation.

UC Concerns:

- The 2008 reauthorization of the Higher Education Act provided TRIO grant applicants with the right to request a review of their application upon evidence of a technical, administrative or scoring error made by the Department of Education. In subsequent regulations, the department has denied this right by limiting the appeal process. This has resulted in a reduction of project funding, particularly affecting MSIs. UC believes provisions to prohibit the Department of Education from restricting the right of unsuccessful grant applicants to appeal should be part of the CAA.
- Based on the number of low-income secondary school students in California, which is estimated at 1.5 million, UC supports the goal of having a GEAR UP program at each of 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. Assuming 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.

DISCLOSURE OF FOREIGN GIFTS

The University of California is committed to being compliant with Section 117 reporting requirements and ensuring there are security protocols in place across UC's research enterprise while maintaining a research environment that is open to international collaboration.

UC Supports the Following Reforms:

- Explicitly excluding tuition payments and related fees from the definition of gift or contract as well as the requirement for the U.S. secretary of education to develop regulations through a negotiated rulemaking process.

UC Concerns:

- The expansion of the definition of gift to include “human resources or payment of any staff” is troublesome. It is unclear what would constitute “human resources” or “payment of any staff.” Payment provided directly to a staff member may be considered compensation and not a “gift” to the institution.
- If the concern is foreign influence in programs funded by the U.S. government (e.g., theft of intellectual property developed under a federally funded program), these concerns should be/addressed via contract and grant reporting requirements (conflicts of interest, current and pending support, annual reports, etc.). It is impractical and expensive to estimate and report “fair market value” of all foreign contributions, such as a person’s time, particularly when there is no “gift” or other agreement.
- Sharing any specific details included in contracts that would place propriety information at risk would affect UC's research enterprise.

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 Supports the Following Reforms:

- Reversing the 2018 Department of Education guidance that weakened Title IX enforcement.

UC Concerns:

- The broadening of categories that are considered reportable offenses under the Clery Act will require training for Campus Security Authorities (CSA's) and updates to the systemwide Clery Policy. The addition of harassment and hazing would materially complicate Clery reporting. Clery requires the compilation of reports of crimes, generally using the FBI's Uniform Crime Reporting (UCR) categories. There are no FBI UCR categories for harassment or hazing. (Both UC policies and California state law do have definitions, neither of which include the intent requirement in the proposed definition in the CAA – see Ed. Code §§ 32050-32052 and PACAOS 100 at § 102.12.)

- In addition, the proposed definitions would require the CSA to make determinations about the intent or state of mind of the victim, perpetrator or both when determining whether a reportable offense has occurred. CSAs are generally required to make this determination prior to any investigation. Requiring CSAs to make subjective determinations prior to investigation increases the risk that the resulting data will be misleading.
- Similarly, the meaning of “student organization” in the hazing definition is unclear. This again shows the challenges posed when the CAA moves beyond the FBI crime definitions—many of which, particularly Aggravated Assault, Sexual Assault and Drug and Liquor Law Violations, already address the underlying hazing behavior.
- The CAA requires institutions to provide written notification to victims of institutional policies regarding reimbursement of lost tuition and costs associated with student loan interest related to sexual harassment and the four Violence Against Women Act (VAWA) categories. This will need to be added to current written VAWA notifications, as they do not currently address the specific topic of policies related to lost tuition and costs associated with student loan interest.
- A one-size-fits-all, federally-designed survey for all institutions may not be effective given the broad diversity of higher education institutions across the nation and the student populations they serve. Institutions should be allowed to develop and use their own climate surveys, as long as they meet criteria and standards defined by the Department of Education and are developed in consultation with stakeholders. While campus climate surveys can be an effective tool, they can be expensive to administer and, if required to be done too frequently, may distract from efforts to address campus climate issues.