

August 29, 2014

Senator Tom Harkin
Chairman
Committee on Health, Education, Labor and Pensions
United States Senate
428 Senate Dirksen Office Building
Washington, D.C. 20510

Dear Chairman Harkin,

I write on behalf of the 420 member institutions of the American Association of State Colleges and Universities (AASCU) to thank you for your years of tireless leadership on national higher education policy, and to offer our support for the framework you have put in place for the reauthorization of the Higher Education Act of 1965.

We view the draft released by the Committee as an important legislative landmark and the most significant set of reforms to the programs authorized by the Higher Education Act in the past four decades. AASCU has joined a large number of higher education organizations in submitting specific comments on this important legislation, and we won't repeat them here. Instead, we write to highlight what we view as the single most important affordability provision of the proposed bill: the State-Federal College Affordability Partnership.

Mr. Chairman, low- and middle-income Americans are increasingly alarmed about escalating costs of college for their children and for themselves. Even as postsecondary education and training are becoming more economically and socially consequential for success, ever larger numbers of students are forced into assuming ever greater amounts of debt to afford the opportunity. While the federal government has, particularly over the past six years, attempted to address the need through federal student aid, these funds are proving insufficient to cover the gap between escalating costs and stagnating incomes.

For the first time in the history of successive federal attempts at addressing college costs, the legislation you have drafted correctly identifies and addresses the main driver for tuition hikes experienced by the vast majority of families, i.e., diminishing state support for public institutions. Over the past three decades, the erosion of state operating support for public higher education has unleashed an unrelenting privatization trend whose predictable consequence is the affordability crisis that families face today. Tempting as it is to suggest that the federal government should continue pumping money into the system, the truth is that even our vast federal resources would prove insufficient to send every student to a privatized institution. Nor would it be realistic to suggest to struggling American families that assuming tens of

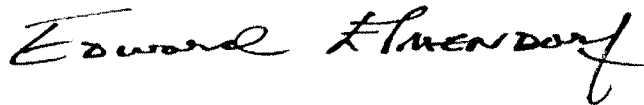
thousands of educational debt is the proper way to finance a college education. Clearly, the trend of state disinvestment in higher education has to be reversed, and states should be provided with effective, voluntary incentives to once again partner with the federal government in promoting college affordability.

I write in strong support of your legislation's State-Federal College Affordability Partnership provisions which would, at a modest federal cost, leverage billions of dollars of additional state support for public institutions. Your use of a voluntary federal grant to states will allow state policymakers to exercise their best judgment on behalf of their constituents while, for the first time in the history of the Higher Education Act, creating a strong alignment of incentives for the states and the federal government to work together in promoting college affordability.

We believe that the evidence before the Committee should convince all of your colleagues that the college financing path that the nation has pursued for the last thirty years is unsustainable. We believe this single provision of your legislation will change the underlying dynamics of college costs and significantly address college costs, affordability, and student debt for future generations of Americans.

We once again thank you for your decades of leadership on national education policy, and stand ready to work with you in support of this landmark legislation.

Sincerely,

A handwritten signature in black ink that reads "Edward M. Elmendorf". The signature is written in a cursive style with a large, stylized initial "E".

Edward M. Elmendorf
Senior Vice President