

PROTECT
STUDENTS AND
TAXPAYERS

May 3, 2022

The Honorable Nancy Pelosi
Speaker
United States House of Representatives
H-232, The Capitol
Washington, DC 20515

The Honorable Chuck Schumer
Majority Leader
United States Senate
S-221, The Capitol
Washington, DC 20510

Dear Speaker Pelosi and Leader Schumer:

We represent a broad [coalition](#) of organizations working on behalf of students, veterans, faculty and staff, civil rights advocates, researchers, and others concerned about career education programs.

As Congress considers whether to expand Pell grant eligibility to short-term education programs, we write in support of the Levin Amendment to the America COMPETES Act and the additional protections that it creates for students and taxpayers.

The Levin amendment passed the House with strong bipartisan support and offers three critical safeguards. The manager's amendment to the Senate USICA bill also contains these provisions:

1. Ensuring these dollars do not go to predatory for-profit colleges.

Congress specifically set a 15-week limit on Pell [because of](#) a history of rampant fraud and abuse. Congress set this time limit for federal aid programs in the 1992 Higher Education Act reauthorization because for-profit colleges were aggressively enrolling students and veterans into low- or no-value very short-term programs. This provision has strong support in both the House and the Senate, yet for-profit operators are seeking renewed access to limited Pell grant dollars.

Research clearly demonstrates that for-profit programs far too often prove to be high-cost, low-quality options that fail to deliver on their promises of jobs and earnings increases. Two-thirds of career programs offered by for-profit colleges already [result](#) in the average

graduate earning no more than—and often less than—a typical high-school graduate. Black students experience even worse outcomes, on average.

The Great Recession more than a decade ago forced the Pell grant program into a \$20 billion shortfall. Congress responded with \$50 billion worth of eligibility [cuts](#), many of which have yet to be restored. These cuts continue to disproportionately hurt community college students, part-time students, and students of color. Once again allowing for-profit providers to access the Pell grant program for very short-term offerings is likely to once again lead to the same abuses.

2. Ensuring that very short-term programs are not funded by student debt.

Currently, for-profit colleges offer almost no very short programs. After all, Pell grant dollars are not available for these programs and their bottom lines. If Pell grant aid were to become available, an explosion in these offerings should be expected, and with no guarantees that the cost of the programs would be covered by the available aid. If the protections of the Levin amendment are not included, students attending for-profit programs would likely take on debt to attend, putting students at risk of being worse off.

3. Ensuring career-focused short programs are offered in a classroom environment where they are most likely to benefit students.

Most very short-term programs are focused on getting students better jobs in a specific career field. These programs often require practical skills training and hands-on experiences that are not easily achieved online. Examples include heavy equipment operations, nursing assistance programs, welding, HVAC and engine repair. The Levin amendment limits the availability of Pell grant dollars to very short programs that are not offered online.

Additionally, over [70 percent](#) of students in for-profit colleges are enrolled in online programs allowing very short online programs to be rapidly scaled. Meanwhile, in the nonprofit sector many short-term programs, like [coding bootcamps](#), are already powered—and taught—by private, often for-profit, third parties. Most such programs are taught exclusively online and are not otherwise affiliated with the nonprofit university under whose brand they advertise.

Expanding Pell Grants to very short-term programs will already be a significant change to our federal aid system. Historically, the Congressional Budget Office has dramatically underestimated the cost of changes to the Pell program, most notably with changes that allowed for an expansion of online education. There is [reason](#) to believe that this will be the case again with the growth of online short-term credentials that could once again put the Pell program at risk. If these grants become available to untested online and for-profit programs, the risk is tremendously increased. Enabling the virtually unlimited growth of these programs could stretch the Pell grant program to the breaking point.

If Pell grants are to become available to very short programs, they should be focused on affordable programs that offer hands-on learning. The provisions of the Levin amendment ensure that expensive, online, and for-profit programs that can increase the number of students in debt, offer little in the way of better jobs or earnings, and place the Pell grant program itself at risk do not become a reality.

Sincerely,

American Federation of Teachers
Americans for Financial Reform
Association of Young Americans (AYA)
Consumer Action
David Halperin, Attorney
Future Coalition
Japanese American Citizens League
March On
National Consumer Law Center (on behalf of its low income consumers)
National Education Association
New America Higher Education Program
Ohio Student Association
The Education Trust
The Institute for College Access & Success
Veterans Education Success
Young Invincibles