Dear colleagues:

The Association of Independent California Colleges and Universities (AICCU) is writing to express our deep concerns with H.R. 6585, the Bipartisan Workforce Pell Act. This bill, while well intentioned, unfairly targets a subset of nonprofit colleges and universities to offset the costs of the proposed funding.

AICCU is the organizational voice for 90 nonprofit, WASC-accredited colleges and universities in California. The independent higher education sector is diverse, and includes research universities, liberal arts colleges, faith-based colleges, and art and design schools. Together, they educate nearly 189,000 undergraduate students, which is approximately 20 percent of all undergraduate students in the state.

This bill gives students the ability to use their Pell Grant for short-term training programs that are between eight and 15 weeks. While AICCU does not have a position on Workforce Pell, we do have concerns with how the bill seeks to fund this expansion. The bill would pay for Workforce Pell by making a certain subset of institutions—those subject to the excise tax on endowments—pay for nearly all federal costs for their students’ federal student loans. This is bad public policy and a bad precedent, and policy-wise, there is no nexus among federal loans, endowments, and Workforce Pell. The purpose of the federal student aid programs is to encourage colleges and universities to enroll low- and moderate-income students, not to penalize them for doing so.

In California, five nonprofit colleges and universities currently paying the excise tax on endowments would be subject to offset provision of this bill. Because of the additional, possibly significant, costs of this provision, institutions may decline to participate in federal student loan programs. Without access to federal loans, students at the impacted institutions would have to rely on private loans, which are more expensive.

H.R. 6585 will be heard on the House Floor under suspension of House rules. We encourage the examination of other ways to fund the offset. If another offset is not found, we urge your “NO” vote on this bill.

Please share AICCU’s concerns with your Congressmember. If you or the Congressmember have any questions, please connect with me at thomas.vu@aiccu.edu.