

Congress of the United States

Washington, DC 20510

[[DATE]]

The Honorable Hakeem Jeffries
Democratic Leader
United States House of Representatives
H-204, The Capitol
Washington, D.C. 20515

Dear Leader Jeffries,

We write to express our concerns about language impacting federal student loans included in H.R. 6585, the *Bipartisan Workforce Pell Act*, which was reported by the House Education and Workforce Committee in December.

While H.R. 6585's intent to help students enroll in short-term workforce programs is laudable, the bill also includes a problematic offset that prohibits colleges and universities subject to the endowment tax from awarding federal student loans. This provision will hurt students, including undergraduates but particularly graduate and professional students by arbitrarily limiting which schools they can attend or pushing them into the private loan market where borrowing costs are often higher and loans more difficult to obtain for certain borrowers.

Many of the institutions subject to the endowment tax offer substantial financial aid to undergraduates, but federal borrowing is an essential tool for their professional schools. Nurses, public health professionals, dentists, and medical students would lose access to benefits that federal student loans provide, such as income-based repayment and Public Service Loan Forgiveness, diminishing an important incentive for students to pursue public sector and nonprofit work after graduation.

As a budgetary offset, the student loan provisions are far larger than necessary to ensure the bill is revenue neutral. The Congressional Budget Office estimates that the bill will reduce spending on student loans by \$2 billion over the next decade, more than six times the cost of its Pell Grant expansion. As President Biden addresses college affordability by providing over \$39 billion in debt relief, Democrats should not support legislation that will on balance *reduce* federal student aid by \$1.7 billion.

Federal student loans have never been contingent on where a student goes to school. All students who are eligible for federal loans have historically been able to use those loans to attend any accredited institutions to which they have been admitted. Placing limitations on what schools these students, who are primarily low- and middle-income, can attend is unprecedented and does nothing to make higher education more affordable.

We remain supportive of the bill's underlying goal of helping students enroll in short-term programs, but the needs of these students should not come at the expense of those in four-year,

professional, and graduate programs. Should the Majority attempt to schedule a vote on H.R. 6585 under suspension of the rules, we ask that you oppose this effort unless the bill's sponsors identify an alternative offset that is proportionate to the bill's cost, fair to *all* students who rely on federal student aid, and does not target certain schools that are among the most comprehensive in their need-based financial aid programs.

Thank you for your leadership and your attention to our important concerns.

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