

Field Hearing on Higher Education and Job Growth

April 9, 2013

Monroe Community College, Monroe, MI

Oral Testimony

provided by

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On behalf of Macomb Community College and our President, Dr. Jim Jacobs, I wish to thank Chairwoman Foxx, Representative Walberg, Ranking Member Hinojosa and the rest of the Committee for the opportunity to testify before you today. With prior approval from the Committee, Dr. Jacobs has submitted a written testimony which highlights some of the great work that Macomb continues to do in many areas of workforce development and advanced in-demand training. To compliment this, my comments will focus on the critical importance of federal student aid for students, the workforce, and America's economy in general.

To frame the discussion, I would like to start by offering a few relevant statistics that highlight the importance of federal student aid for students pursuing higher education at Macomb. This past Fall, 24,160 students enrolled in credit classes at Macomb, which represents a 15% increase since the Fall of 2004. During that same eight-year period, the number of students receiving some form of federal student aid increased by 327%, and Pell Grant recipients increased by 231%. Stated slightly differently, more than half of all currently enrolled students depend on some form of federal student aid and a full one-third of all currently enrolled students receive a Pell Grant. Each of those numbers was less than 10% eight years ago.

When put into the further context of the many job-skill-based certificate programs and employment-driven associate degrees that Macomb Community College offers, the significant impact that federal student aid has on the economy in general is also exemplified. Related, more than half of the current aid recipients at Macomb are classified as non-traditional, with an average age of 34 years old. While the reasons for this particular population attending Macomb are obviously diverse, it is well-documented that the single biggest factor is directly related in one way or another to improving their employment situation, including having lost a job and having to learn a new employable skill. Without the assistance of the Pell Grant, many of these students would not be able to afford to attend college and thus would face greatly diminished employment prospects.

For the many students currently receiving federal student aid at Macomb who, rather than immediately entering the workforce upon graduation, continue to pursue a bachelor's degree at a 4-year institution, the importance of financial aid is also very evident. With low tuition and

fees, many Pell Grant recipients at Macomb achieve their Associate's Degree with little or no loan burden, which ultimately translates into significantly less debt upon completion of a 4-year degree. Clearly, there are many benefits, both to the student and for our economy in general, when graduating students enter the workforce with less loan burden.

The next topic I wish to mention is the need for change in the way that financial aid is administered. There is little debate that many, if not most, aspects of financial aid are far too complex, from a regulatory standpoint, from how institutions are required to administer it, and from how students interact with it. One specific area in need of change that directly impacts the ability of community colleges to leverage federal student aid to the maximum benefit of students and ultimately for the greater good of the economy, is what I refer to as the fallacy of a one-size-fits-all approach to financial aid administration. The current approach is analogous to having one set of manufacturing, safety and consumer regulations for bicycles, cars and yachts, since they are all considered forms of transportation. For example, having the same loan limits for community colleges as for 4-year private institutions is problematic for a variety of reasons, including the potential for fraud and abuse of loan borrowing at community colleges. Financial aid policy and regulations need to recognize and account for these differences. By doing so, it will make the process more efficient for each type of institution, reduce the costs of administration, and result in student financial aid being significantly more aligned with and responsive to all those it is intended to serve.

Before closing, I would like to briefly comment on the general topic of student aid as it relates to the federal budget. First and foremost, I sincerely appreciate the bipartisan support that federal student aid in general, and the Pell Grant program in particular, has received over the past several years. Pell is a universally important program and as a member of the higher education community, I am very thankful for your support. Secondly, I recognize the threat of record levels of federal debt, but urge you to continue to invest in students by fully funding student aid programs to ensure that these programs remain predictable, reliable, and sustainable. Attempting to balance the budget through reduced funding in education diminishes our odds for future success.

In conclusion, I leave you with the following observation. As demonstrated by the information provided in my testimony today regarding Macomb Community College's experiences, federal student aid continues to play an increasingly critical role in the lives of so many people, in building a well-trained, expanding workforce and in maintaining a thriving economy. The evidence is clear and indisputable: a strong commitment to federal student aid is, above all else, a solid investment in America's future.

I thank you for your time.