

Written Testimony of Mark Huelsman
Before the Committee on Health, Education, Labor, and Pensions
United States Senate
On “Reforming Financial Transparency in Higher Education”
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Good morning, Chairman Cassidy, Ranking Member Sanders, and Members of the Committee. My name is Mark Huelsman, and I am the Director of Policy & Advocacy at The Hope Center for Student Basic Needs at Temple University (“The Hope Center”). We are a national research and policy center working to improve student success and well-being by addressing students’ basic needs. I also serve as a Fellow with Protect Borrowers, a national non-profit fighting to build an economy where debt doesn’t limit opportunity.

Thank you for the opportunity to testify today on the ways we can ensure financial transparency and value in higher education. I look forward to discussing ways that we can ensure that students and families are aware of the total cost of their degree or credential and can access all resources they qualify for to finance their education. The Hope Center was pleased to respond to Chairman Cassidy’s recent Request for Information on this topic¹ and I want to thank Ranking Member Sanders for his years of leadership on college affordability. I will offer further legislative recommendations in both areas today.

I would like to begin this testimony with one of my favorite passages about the topic at hand today, spoken over 55 years ago:

“No qualified student who wants to go to college should be barred by lack of money. That has long been a great American goal; I propose that we achieve it now... No element of our national life is more worthy of our attention, our support and our concern than higher education. For no element has greater impact on the careers, the personal growth and the happiness of so many of our citizens. And no element is of greater importance in providing the knowledge and leadership on which the vitality of our democracy and the strength of our economy depends.”

This call to action came from none other than President Richard Nixon, in a statement to this body in 1970,² proposing many of the elements that make up our modern federal financial aid

¹ The Hope Center for Student Basic Needs (2025, October 24). *Response to Request for Information on Increasing College Cost and Value Transparency for Students and Families*.

<https://hope.temple.edu/sites/hope/files/media/document/Response%20to%20RFI%20on%20Price%20Transparency%20HELP%20Committee%20-%20The%20Hope%20Center.pdf>

² Nixon, R. M. (1970, March 20). *Text of Nixon message to Congress proposing Higher Education Opportunity Act*. The New York Times. <https://www.nytimes.com/1970/03/20/archives/text-of-nixon-message-to-congress-proposing-higher-education.html>

system, a system whose intent is to help students understand and ultimately afford the cost of college.

Yet today, five decades on, millions of families struggle with higher education costs that are **neither transparent nor remotely affordable**. Across the country, students face extreme difficulty paying for both the direct costs of their degree program, such as tuition and fees, and non-tuition (or indirect) costs, which are often much larger, unpredictable, and difficult to decipher. It is encouraging to see the Committee looking further into how to make college costs much easier to navigate.

Today's College Students are Struggling

Our survey data from The Hope Center shows **that 3-in-5 students in higher education struggle to meet basic needs such as food and housing** while enrolled in their degree program, while millions more struggle with costs related to child care, health care, transportation, technology, and more.³

We cannot expect students to succeed in their studies if they do not have sufficient food in their stomachs, roofs over their head, or reliable internet service to do their coursework. Yet this is exactly what we ask of millions of students across the country every day.

It can be easy to get lost in the headlines, or to be confused given the areas where this Administration has dedicated its focus, but the typical student in American higher education today does not attend college full-time, right out of high school, with parental support to live on a selective campus hours away from home. Rather, the typical experience is the **opposite of that misconception in almost every way**: the average student attends a nearby public campus, commutes to school, and is someone for whom one unexpected cost can be the difference in achieving their personal or career dreams or dropping out.

Three out of every four students attend public colleges,⁴ including four-in-10 who go to community college.⁵ Half of all students seeking an associate degree or certificate are 24 or older,⁶ and the vast majority of students in all sectors work—including 40% who work full-time.⁷ One out of every five takes care of a dependent child.⁸ The vast majority have unmet

³ The Hope Center for Student Basic Needs (2025), *2023-2024 Student Basic Needs Survey Report*, <https://hope.temple.edu/research/hope-center-basic-needs-survey/2023-2024-student-basic-needs-survey-report>

⁴ National Center for Education Statistics (2023), *The Condition of Education: Undergraduate Enrollment*, <https://nces.ed.gov/programs/coe/indicator/cha>

⁵ Community College Research Center (2025), *Community College FAQs*, Columbia University, <https://ccrc.tc.columbia.edu/community-college-faqs.html>

⁶ Calculations from the National Postsecondary Student Aid Survey (NPSAS:20). Retrieval code: **hwbafq**

⁷ Lumina Foundation (2025), *Today's Students: Working Adults*, <https://www.luminafoundation.org/topics/todays-students/working-adults/>

⁸ Anderson, T. et al (2024, September), *Who Are Undergraduates with Dependent Children?*, SPARK Collaborative, <https://studentparentaction.org/resources/who-are-undergraduates-with-dependent-children-2020>

financial need that is not covered by grants,⁹ resulting in most students borrowing for a degree and finding themselves at the mercy of a confusing and often-predatory student loan system.¹⁰ Most students do not live on campus, meaning they face the same rent increases that everyone else must contend with each month.

These are the students for whom the affordability crisis is most acute, and who most urgently need a more transparent system. Despite a few years of overly optimistic headlines¹¹ celebrating the fact that college tuition did not rise faster than historically high inflation in the economy, tuition and fees are once again rising at an alarming rate.¹² And as direct costs creep ever higher, students are also swept up in the middle of a **cost of living crisis**, in which they must find a way to budget for ever-higher food prices,¹³ child care prices that dwarf college tuition in 38 states,¹⁴ and health insurance premiums that are set to skyrocket in large part due to Congress's decision to allow enhanced Affordable Care Act tax credits to expire.¹⁵ Rents for student housing have grown at a faster rate than other types of multi-family housing over the past two years,¹⁶ and utility bills continue to skyrocket.¹⁷

The cost-of-living challenges students face are unpredictable, can spike unexpectedly within a single month or semester, and often intersect with one another. For example, our survey data finds that three quarters (78%) of students experiencing food insecurity also experience housing insecurity or homelessness; nearly nine in ten (89%) parenting students who have challenges accessing childcare also struggle to afford food and housing; and over half (53%) who experience food or housing insecurity also experience anxiety and/or depression.¹⁸

Meanwhile, our financial aid system is simply not sufficient to meet students' needs. The Pell Grant, our nation's cornerstone financial aid program, was designed to cover most of the college expenses for low-income students. The maximum award was the equivalent of more than 75% of

⁹ Calculations from the National Postsecondary Student Aid Survey (NPSAS:20). Retrieval code: **xfpbrk**

¹⁰ The Institute for College Access and Success (2023). *Quick Facts About Student Loan Debt*, <https://ticas.org/wp-content/uploads/2023/12/Quick-Facts-About-Student-Loan-Debt-2023.pdf>

¹¹ See, e.g. Perry, N. and Mumphrey, C. (2025, January 8), "College tuition has fallen significantly at many schools," *AP News*, <https://apnews.com/article/college-tuition-cost-5e69acffa7ae11300123df028eac5321>

¹² Marcus, J. (2025, October 13), "After years of quietly falling, college tuition is on the rise again," *Hechinger Report*, <https://hechingerreport.org/after-years-of-quietly-falling-college-tuition-is-on-the-rise-again/>

¹³ Horsley, S. (2025, September 19), "Grocery prices have jumped up, and there's no relief in sight," *NPR*, <https://www.npr.org/2025/09/19/nx-s1-5539547/grocery-prices-tariffs-food-inflation>

¹⁴ Economic Policy Institute (2025), *Child Care Costs in the United States*, <https://www.epi.org/child-care-costs-in-the-united-states/>

¹⁵ Sanger-Katz, M., & Parlapiano, A. (2025, October 30). "Here's how much Obamacare prices are rising across the country." *The New York Times*. <https://www.nytimes.com/interactive/2025/10/30/upshot/obamacare-subsidies-new-prices.html>

¹⁶ Feucht, A. (2025, February 6). *The (student) housing crisis*. Moody's CRE. <https://www.moodycre.com/insights/cre-trends/the-student-housing-crisis/>

¹⁷ Huelsman, M. (2025, October). *The looming utilities crisis facing students, and what we can do about it*. The Hope Center for Student Basic Needs. <https://hope.temple.edu/hope-blog/looming-utilities-crisis>

¹⁸ The Hope Center (2025), *supra* note 3

the cost of attending a public four-year college in 1975.¹⁹ Yet today, it covers one-quarter, its lowest level in history,²⁰ losing value each year to rising costs of attendance. Non-tuition costs are disproportionately responsible for the decline in the grant's purchasing power,²¹ and federal data finds that students who receive a Pell Grant experience food insecurity at far higher rates than non-Pell recipients.²² In other words, Pell is not meeting its goal to equalize opportunity, and restoring its promise requires lawmakers to find ways to lower the total net price facing students, not just tuition and fees.

Working-class students also often cannot avail themselves of federal public benefit and safety net programs, which offer many families experiencing poverty, job loss, and food & housing insecurity a lifeline to get back on their feet. These programs often contain specific rules that effectively render most students in higher education ineligible due to complex, outdated rules and extreme red tape.²³ For example, in order to access Supplemental Nutrition Assistance Program (SNAP) benefits, low-income students attending college more than half-time must navigate a series of complex exemptions in order to determine and maintain their eligibility, most often qualifying by working 20 hours per week on top of a full-time course load.²⁴ **These rules fly in the face of common sense: that higher education is work, takes work, and supports work.** The eligibility rules also reduce the likelihood that students will graduate or ever enroll to begin with.

Yet even students who meet eligibility criteria do not access these much-needed supports. The Government Accountability Office (GAO) found that while 3.3 million students in higher education are likely eligible for SNAP, only 1.1 million (33%) report receiving benefits, largely due to complex eligibility rules that surgically target students.²⁵ By comparison, an estimated

¹⁹ Protopsaltis, S., & Parrott, S. (2017, July 27). *Pell Grants—A key tool for expanding college access and economic opportunity—Need strengthening, not cuts*. Center for Budget and Policy Priorities.

<https://www.cbpp.org/research/federal-budget/pell-grants-a-key-tool-for-expanding-college-access-and-economic>

²⁰ College Board (2024). *Trends in College Pricing and Student Aid 2024*.

<https://research.collegeboard.org/media/pdf/Trends-in-College-Pricing-and-Student-Aid-2024-ADA.pdf>

²¹ Delisle, J. (2021, August 18). *What better data reveal about Pell Grants and college prices*. Urban Wire, Urban Institute. <https://www.urban.org/urban-wire/what-better-data-reveal-about-pell-grants-and-college-prices>

²² U.S. Government Accountability Office. (2024, July 24). *Supplemental Nutrition Assistance Program: Estimated Eligibility and Receipt among Food Insecure College Students*. <https://www.gao.gov/products/gao-24-107074>

²³ See, e.g., Rios, L., Welton, C., & Huelsman, M. (2024, May). *The State of State Choices: A national landscape analysis of postsecondary eligibility restrictions and opportunities in SNAP, CCDF, and TANF*. The Hope Center for Student Basic Needs at Temple University. <https://hope.temple.edu/public-benefits-eligibility-students>

²⁴ Students attending higher education more than half-time currently can qualify for SNAP if they meet normal income and other eligibility criteria, in addition to meeting one of ten exemptions, which can include working 20 hours per week, being under age 18 or above age 50, receiving TANF assistance, participating in a job training program or being assigned to a SNAP Employment & Training program, participating in work-study programs, caring for a dependent child under 6, or between ages 6-11 and lacking sufficient child care, and more. For more see USDA Food and Nutrition Service, *Students*.

²⁵ Government Accountability Office (2024), *supra* note 22.

82% of U.S. households that are eligible for SNAP report receiving benefits,²⁶ a persistent disparity often known as the “student SNAP gap.” With the Trump Administration’s recent attempt to avoid using SNAP contingency funds during the government shutdown—a decision with no precedent in history²⁷ that courts have rightly ruled against—students and colleges remain stretched increasingly thin, and in the dark about how to meet essential needs. As the current shutdown drags on, students and their families will confront even more uncertainty.

These are the realities facing students and families today, and it should be the backdrop for any discussion about financial transparency and value in higher education. Unfortunately, we are going backwards in terms of providing families the information they need to make informed decisions, thanks to the Trump Administration’s decisions to dismantle the agencies responsible for providing students with data, resources, and basic consumer protections. Worse, several provisions within the recent *One Big Beautiful Bill Act* (OBBBA) will result in higher college prices, more limited financial aid resources, and unstable state budgets, and will force students into a private student loan market that is neither transparent nor affordable.

Above all, I urge this Committee to not simply find ways to make higher education costs clearer, but **prioritize lowering the cost of attendance for students**, ensuring students have the resources to meet their full cost, and ensuring that no student is barred from opportunity because their family cannot afford to pay.

Students Need a Clear, Transparent Guarantee of Affordability

While this Committee looks at efforts to make college prices more transparent, it is important to remember that for much of our history, students had a fairly clear pathway toward financing a degree. The net price of public higher education could be managed through a part-time job and modest grant aid, in addition to generous federal benefits like the GI Bill, with student debt as a relative afterthought.

Yet because there is no federal check on how states choose to fund their higher education systems, state appropriations have been unstable—bottoming out during recessions and slowdowns, and rising slowly during economic recoveries. As a result, tuition and fees have continued to climb in tandem with living costs. Despite relative stability, and even growth, over the past few years, **32 states currently fund higher education at lower per-student levels than**

²⁶ U.S. Department of Agriculture, Food and Nutrition Service. (Updated 2025, April). *Reaching those in need: Estimates of state Supplemental Nutrition Assistance Program participation rates in 2019*. <https://www.fns.usda.gov/research/snap/state-participation-rates/2019>

²⁷ Plata-Nino, G. (2025, October 17). *Political will and administrative priorities*. Food Research & Action Center. <https://www.frac.org/blog/political-will-and-administrative-priorities>; The Hope Center for Student Basic Needs. (2025, October 28). *Statement on USDA’s decision not to spend emergency SNAP funds during the government shutdown*. <https://hope.temple.edu/newsroom/statements-announcements/hope-center-statement-usdas-decision-not-spend-emergency-snap-funds-during-government-shutdown>

they did in 2001.²⁸ In Iowa, Pennsylvania, Delaware, Arizona, Indiana, and Kentucky, per-student educational appropriations are down over 30 percent in that time. There are also warning signs in the current unstable economy: half of all states cut per-student higher education funding between 2023 and 2024.²⁹

To be clear, no federal effort at helping students understand the cost of higher education will succeed without Congress also working to **make public college prices stable and affordable**. There is currently no permanent federal mechanism that reliably keeps states from cutting higher education, nor the type of partnership that exists in other federal programs aimed at supporting vulnerable families. State budgets are subject to economic cycles, competing priorities, and mandated obligations, making it difficult to know if under-resourced colleges will have the support they need to keep costs low and maintain vital student services. States can, and often do, impose sudden price increases on students in the form of tuition and fee hikes, and often when they are in the middle of their academic program, leading to many students feeling like college pricing is a shell game. Research even shows that those states and schools that do provide robust grant aid to students to offset tuition often target that aid in a way that does not broaden access to affordable higher education, and instead may widen economic and racial disparities in college access and success.³⁰ The recent passage of OBBBA only exacerbates this problem by placing more obligations on states that will result in more higher education cuts, as I discuss in greater detail below.

I want to thank Ranking Member Sanders’s leadership on this front, and urge the Committee to work together to create a federal-state partnership to stabilize state higher education funding, eliminate tuition and fees for most students, increase Pell Grants, and bring more transparency to college pricing. Legislation such as Ranking Member Sanders’ *College for All Act*,³¹ the *Debt-Free College Act*,³² or *America’s College Promise Act*³³ would all take a major step in the right direction. Without a state-federal partnership, the Pell Grant and other federal programs will continue to lose value, and families will continue to have little understanding of how far financial aid actually stretches. In short, a bold guarantee that public college is tuition- or debt-free will do more to bring transparency to college pricing than almost any other proposal under consideration in Congress.

Providing a promise of tuition- or debt-free public college would transform our system from one where college prices are confusing and unaffordable, to one where students have a clear choice of pathways. Evidence from state-based tuition-free college programs (known as “Promise

²⁸ State Higher Education Executive Officers (2024). *State Higher Education Finance (SHEF) Report*. <https://shef.sheeo.org/report/>

²⁹ Ibid.

³⁰ Granville, Peter (2025, November). *A Better Hundred Billion*. The Century Foundation (forthcoming).

³¹ S.1832 (119th Congress)

³² S.1848 (118th Congress)

³³ S.3086 (118th Congress)

Programs”) finds that such a guarantee increases enrollment,³⁴ lowers student debt,³⁵ and results in higher attainment.³⁶ This is all the more impressive given the limitations of many state programs, some of which exclude students based on sector, enrollment status, income, age, GPA, major, or residency status after graduation.³⁷ States that have gone further and introduced programs that effectively eliminate tuition and fees and allow students to use grant aid fully for non-tuition costs, including New Mexico, have seen college enrollment outpace other states and overall debt decline.³⁸ I encourage this Committee to take these results—from programs in red and blue states alike—seriously, and build a federal-state compact that allows students to focus resources on their basic needs. I also recommend that this Committee work with the Agriculture, Finance, and Banking Committees to simplify student access to the very public benefits that are designed to meet those needs.

Students Need Clear and Reliable Cost of Attendance Estimates

As this Committee works to drastically lower the price of college for families, it also must ensure that families have a clear understanding of any costs that remain. Currently, college prices are remarkably confusing and opaque, resulting in very few families being able to estimate what the typical degree program costs.³⁹ The consequences can be dire: students routinely cite the costs of a degree program and the inability to afford basic needs as both reasons for not enrolling in higher education or dropping out.⁴⁰

³⁴ Gándara, D., & Li, A. (2020). *Promise for whom? “Free-college” programs and enrollments by race and gender classifications at public, 2-year colleges*. Educational Evaluation and Policy Analysis, 42 (4), 603-627. <https://doi.org/10.3102/0162373720962472>

³⁵ Odle, T. K. (2021). *Do promise programs reduce student loans? Evidence from Tennessee Promise*. The Journal of Higher Education, 92(6), 847–876. <https://doi.org/10.1080/00221546.2021.1888674>

³⁶ Bartik, T. J., Hershbein, B., & Lachowska, M. (2015, June). *The effects of the Kalamazoo Promise scholarship on college enrollment, persistence, and completion* (Upjohn Institute Working Paper 15-229). W.E. Upjohn Institute for Employment Research. <https://www.luminafoundation.org/files/resources/the-effects-of-the-kalamazoo-promise.pdf>; Brown, E., & Quittmeyer, R. (2024, January). *Tennessee Promise Evaluation (Office of Research & Education Accountability Report)*. Tennessee Comptroller of the Treasury. <https://comptroller.tn.gov/content/dam/cot/orea/advanced-search/2024/TNPromise2024Fullreport.pdf>

³⁷ Erwin, B., & Syverson, E. (2022, August 25). *State Information Request: College Promise Programs* Education Commission of The States. https://www.ecs.org/wp-content/uploads/State-Information-Request_College-Promise-Programs.pdf

³⁸ New Mexico Higher Education Department. (2025). *2024 annual report*. https://www.hed.nm.gov/uploads/documents/2024_NMHED_Annual_Report.pdf; New Mexico Higher Education Department. (2025, May 27). “College enrollment continues to rise in New Mexico.” <https://www.hed.nm.gov/news/college-enrollment-continues-to-rise-in-new-mexico>

³⁹ Picchi, A. (2024, April 17). “Confused about the cost of going to college? Join the club.” *CBS News*. <https://www.cbsnews.com/news/college-cost-student-debt-impact-gallup-lumina/>

⁴⁰ See, e.g., Gallup. (2024, June 18). *Cost leading reason college students are stopping out*. Gallup News. <https://news.gallup.com/poll/646088/cost-leading-reason-college-students-stopping.aspx>; The Hope Center, *supra* note 3

I encourage this Committee, along with the current Administration, to take measures to **ensure that colleges and universities accurately calculate *and* communicate their “cost of attendance”** (COA, also commonly known as “sticker price”) wherever they can.⁴¹ When institutions set and publish their COA, that figure is supposed to represent a simple estimate that includes all the basic and essential expenses they will confront in higher education, including non-tuition costs.

Accurate and reliable COA measures are crucial to helping students and families understand, prepare for, and manage the range of costs that they will incur over an academic year. It also directly determines the upper limit of federal and other financial aid that they can receive. As part of their COA estimates, institutions are responsible for accurately assessing indirect charges like off-campus housing and essential living expenses that then determine students’ eligibility for financial aid.

These figures are not trivial: non-tuition costs make up 80 percent of the total price at community colleges, and over 60 percent of the price at public four-year schools.⁴² When those costs are underestimated, students face a shortfall that financial aid rarely covers in real time, forcing them to prematurely exhaust aid eligibility and find alternative financing on the private student loan market to pay for the costs that Title IV aid does not cover. Or worse, it forces students to work longer hours at the expense of their academic success, or drop out entirely.

The methods and calculations that schools use to make up the various non-tuition elements within their COA are largely unregulated and can result in wildly inaccurate estimates.⁴³ For example, a study of nearly 6,000 institutions’ cost estimates found that almost half of all colleges’ estimated living costs are at least 20 percent above or below the actual living costs for a student living modestly with a roommate locally.⁴⁴ Another analysis by New America found that, in the typical county with more than one college or university, off-campus housing estimates vary by more than \$6,400 per year between nearby colleges.⁴⁵

Colleges are twice as likely to underestimate costs than overestimate costs, leaving students with fewer resources to meet their needs. Yet some also overestimated their costs as well, which itself can be damaging. Students seeing artificially high prices may change their college-going behavior, opt for a different institution, or choose a different living situation or enrollment pattern than would otherwise be beneficial to their success. Many students, especially women

⁴¹ 20 U.S.C. 1087ll

⁴² College Board (2024), *supra* note 20

⁴³ McKibben, B. (2024, December). *How Colleges Set Their Prices: The Need for Federal Oversight of Cost of Attendance in Higher Education*. The Hope Center for Student Basic Needs at Temple University. https://hope.temple.edu/sites/hope/files/media/document/CostOfAttendance_2024.pdf

⁴⁴ Kelchen, R., Goldrick-Rab, S., and Hosch, B. (2017, March). *The costs of college attendance: Examining variation and consistency in institutional cost allowances*. The Journal of Higher Education. <https://www.tandfonline.com/doi/abs/10.1080/00221546.2016.1272092>

⁴⁵ Dancy, K. & Fishman, R. (2016, May 10). *More than tuition: High uncertainty and complicated incentives*. New America. <https://www.newamerica.org/education-policy/edcentral/more-than-tuition-4/>

and students of color, show an understandable aversion to taking on debt and do not enroll;⁴⁶ over-inflated prices only exacerbate this dynamic.

Thanks to the bipartisan work of this Committee, the *FAFSA Simplification Act*,⁴⁷ which passed in 2021⁴⁸ and went into effect during the 2023-2024 financial aid award year, made changes to how institutions must calculate and convey various non-tuition expenses. Not only must each COA element be publicly disclosed on the institution's website anywhere that it discusses tuition and fees, but estimates are now required to be a little bit closer to actual costs. For example, food allowances must reflect the cost of three meals a day; students with dependents must receive a separate allowance for on-campus housing to reflect higher costs for families; living costs for students living with parents must reflect the reality that those students still often contribute to essential expenses.⁴⁹

These provisions should help demystify some of the costs facing students, yet there is far more to do to standardize, and ultimately, lower the burden of non-tuition costs. Perhaps most importantly, the law removed a longtime ban on the federal government's ability to regulate institutions' non-tuition costs. Now, for the first time, the Department of Education has the ability to provide clear guardrails and guidance around the components that comprise a majority of students' bills.

This new authority has yet to be utilized, though it, along with further Congressional changes to statutory language, holds great potential in helping families understand the financial burden of higher education, while holding colleges accountable for dodgy calculations that leave students worse off. Colleges have few guidelines on how to calculate COA—the current Federal Student Aid (FSA) Handbook simply notes that “each school must determine the appropriate and reasonable amounts to include for each eligible COA category,” using a “variety of methods,”⁵⁰ which opens up incentives for inaccuracies, fraud, and abuse.

Currently, colleges and universities, especially those under extreme budget pressures, may be tempted to calibrate COA estimates in ways that are detrimental to students. For example, a college could artificially inflate the estimate for *off-campus* housing, to attract more students to seemingly lower cost *on-campus* housing and dining that serve as revenue generators. Or colleges may simply artificially lower costs in order to appear more affordable.⁵¹ These decisions are fundamentally political. A report released just last week by the National Association of

⁴⁶ Long, M. G. (2021). *The relationship between debt aversion and college enrollment by gender, race, and ethnicity: a propensity scoring approach*. Studies in Higher Education, 47(9), 1808–1826. <https://doi.org/10.1080/03075079.2021.1968367>

⁴⁷ 20 U.S.C. 1087ll

⁴⁸ P.L.116-260

⁴⁹ *Supra* note 46.

⁵⁰ U.S. Department of Education. (2024). *2024-2025 Federal Student Aid Handbook, Vol. 3, Ch. 2: Cost of attendance (budget)*.

⁵¹ Dancy, K. & Fishman, R. (2016, May 12). *More than tuition: Trends in Cost Estimates Over Time*. New America. <https://www.newamerica.org/education-policy/edcentral/more-than-tuition-5/>

Student Financial Aid Administrators (NASFAA) found that 43% of financial aid offices report institutional pressure to keep their COA from appearing too high, while only 6% faced pressure to keep it from appearing too low.⁵²

I encourage this Committee to pass legislation that ensures consistency, transparency, and above all, accuracy in COA estimates. Congress should require institutions to use data-driven methods to calculate each COA component, report those methods and assumptions to the Department of Education and to students and families on their website, and update COA regularly (if not annually) to reflect any changes in costs of living. Congress should additionally require that each element of COA be included in all financial aid award letters, and that financial aid award letters are standardized, so students can better understand how to stretch their financial aid dollar. To that end, we support the bipartisan *Understanding the True Cost of College Act* and call on the Committee to add provisions to this important legislation to support better COA calculations.

Students Need Support with Unexpected College Expenses

Even in cases where COA measures are transparent and largely accurate, students face unexpected expenses that can jeopardize their ability to stay in school. While federal law provides students with some recourse in these scenarios, processes are often opaque and imperfect, and resources are increasingly scarce.

Through a process known as Professional Judgment (PJ), students can, on a case-by-case basis, have their COA or financial aid package adjusted to account for costs that do not align with the allowances set by the college. Yet this tool is rarely used by schools, and students often do not know it exists.⁵³ Colleges are reluctant to use PJ in order to avoid triggering a review or audit from the Department of Education, and many do not advertise its existence at all: a survey of financial aid administrators in September 2020 at the height of the COVID-19 pandemic, when students' financial situations fluctuated wildly and many could have benefitted from an appeals process, found that over half of colleges were not proactively reaching out to students about PJ.⁵⁴

Colleges are also constrained by a Department of Education that, in addition to being woefully understaffed to support students themselves, produces unhelpful guidance that does not reflect students' lived reality. Current guidance for PJ in the FSA Handbook specifically includes harmful language that suggests any PJ for "recurring costs" that include "standard living expenses (e.g. utilities, credit card expenses, children's allowances, etc.)" may be unreasonable.

⁵² National Association of Student Financial Aid Administrators. (2025, October 30). *Exploring how institutions build their cost of attendance*.

https://www.nasfaa.org/uploads/documents/Exploring_How_Institutions_Build_Their_Cost_of_Attendance.pdf

⁵³ Ramirez-Mendoza, J., & Jones, T. (2020, December 3). *Using professional judgment in financial aid to advance racial justice & equity*. The Education Trust. <https://edtrust.org/wp-content/uploads/2014/09/Using-Professional-Judgement-in-Financial-Aid-to-Advance-Racial-Justice-and-Equity-December-3-2020.pdf>

⁵⁴ National Association of Student Financial Aid Administrators. (2020, October). *Survey on professional judgment and COVID-19*. https://www.nasfaa.org/uploads/documents/Survey_Professional_Judgment_COVID.pdf

Yet the Department's very own examples include costs that can fluctuate tremendously within a term. Take, for example, utilities: families have seen electricity bills rise over twice the rate of inflation in the past year,⁵⁵ with higher rates proposed in most states this coming year.⁵⁶ Students also see bills spike during periods of extreme weather, sometimes by hundreds of dollars per month. Under the FSA handbook, schools are encouraged to deny students' requests for more support, even when there is no reasonable way they could have budgeted for these costs in advance. Congress should not only work with the Department to remove harmful language about PJ from their materials and right-size the policy to meet students' needs, it should also increase transparency for students and require that colleges proactively make all financial aid applicants aware of the opportunity for PJ and be provided with all relevant procedures and campus contact information.

The Department has also subverted the bipartisan intent of the *FAFSA Simplification Act*, which allows for students' Student Aid Index (SAI, formerly the Expected Family Contribution) to be negative (down to -1,500), rather than stopping at 0. The negative number created a better way for colleges to understand which students need the most help and could allow states, institutions, and the federal government to provide more direct aid to students.⁵⁷ However, the FSA handbook continues to state that students' total financial aid should never exceed COA, despite the fact that only Pell Grants and Direct Loans are capped in the statute. As a result, colleges cannot direct additional resources—including work study, need-based grants, or emergency aid—to students who, by definition, have the fewest resources. The Handbook policy limits the -1,500 number to be purely advisory and ties the hands of states and colleges, preventing them from directing badly-needed funds to students with very low incomes as Congress intended.

This Committee should also ensure that an unexpected cost is never a reason that students drop out. Even with accurate COA measurements, students still face life events over the course of a year—including medical bills, car repairs, job loss, and more—that can force them to come up with money that they do not have. According to the Trellis Student Financial Wellness Survey, over half (56%) of students report that they would have trouble obtaining \$500 in cash or credit to meet an unexpected expense, and over two-thirds (68%) say that they had run out of money at least once since the beginning of the year.⁵⁸ Among respondents of our Hope Center survey who

⁵⁵ Horsley, S. (2025, August 16). "Electricity bills are rising even faster than inflation — and AI data-centers are part of why." *NPR*. <https://www.npr.org/2025/08/16/nx-s1-5502671/electricity-bill-high-inflation-ai>

⁵⁶ Thyagarajan, A., Friedman, J., Baker-Branstetter, S., & Marquez, L. (2025, September 9). *Residents in at least 41 states and Washington, D.C., are facing increased electric and natural gas bills*. Center for American Progress. <https://www.americanprogress.org/article/residents-in-at-least-41-states-and-washington-d-c-are-facing-increased-electric-and-natural-gas-bills/>

⁵⁷ McKibben, B. (2025, March 27). *During financial aid season, colleges should support students with the greatest needs*. The Hope Center for Student Basic Needs. <https://hope.temple.edu/the-hope-blog/financial-aid-season-we-should-support-students-greatest-needs>

⁵⁸ Fletcher, C., Cornett, A., Plumb, M. H., & Ashton, B. (2025, April). *Student Financial Wellness Survey report: Fall 2024*. Trellis Strategies. <https://www.trellisstrategies.org/wp-content/uploads/2025/04/SFWS-Aggregate-Report-FALL-2024-FINAL.pdf>

previously stopped out of college but re-enrolled, nearly one-third (31%) cited an unexpected financial expense or emergency as the reason for originally leaving school.⁵⁹

During the pandemic, Congress showed bipartisan leadership in establishing a nationwide emergency aid program through the Higher Education Emergency Relief Fund (HEERF). This effort was instrumental in keeping students enrolled and helping them meet their basic needs and non-tuition costs: 61% reported using emergency funds to purchase food, and 50% used these funds for housing.⁶⁰ Emergency aid programs provide support at crucial moments in students' journeys, but they also can send a transparent and simple message to students that, should they face a moment of financial adversity, there are ample resources available to address it. This Committee should work with the Appropriations Committee to revive flexibility for the Supplemental Educational Opportunity Grant (SEOG) program to function as emergency aid, which would dramatically boost flexible resources to students without at cost for the federal government.⁶¹ Congress should also pass the *Emergency Grant Aid for College Students Act*,⁶² which would establish a permanent emergency aid program for students, modeled off the success of HEERF and other state⁶³ and institutional programs⁶⁴ across the country.

Finally, while it is not under the jurisdiction of this Committee, Congress should immediately end a surprise tax bill that affects over 3 million Pell Grant recipients each year.⁶⁵ Currently, the portion of grants and scholarships that students spend on non-tuition expenses like food, housing, and child care is often treated as “income” for tax purposes, triggering a substantial tax bill for working students who are already struggling financially. Worse, students are forced to subtract their Pell Grant from the amount of expenses for which they claim the American Opportunity Tax Credit (AOTC), which forces them to lose out on AOTC benefits if they do not have access to a knowledgeable tax professional. This tax is especially common among community colleges, where non-tuition expenses make up 80 percent of the cost,⁶⁶ adds needless complexity to the tax code, and creates yet another hidden cost for low-income students. We encourage this

⁵⁹ The Hope Center (2025), *supra* note 3.

⁶⁰ National Association of Student Financial Aid Administrators, NASPA: Student Affairs Administrators in Higher Education, & HCM Strategists. (2022, October). *Evaluating student and institutional experiences with HEERF*.

https://www.nasfaa.org/uploads/documents/Evaluating_Student_and_Institutional_Experiences_with_HEERF.pdf

⁶¹ McKibben, B. (2023, August 16). *Making college financial aid flexible and responsive: The case for continuing the federal investment in emergency grants*. The Hope Center for Student Basic Needs.

<https://hope.temple.edu/sites/hope/files/media/document/Hope-Continuing-Emergency-Aid.pdf>

⁶² S. 1344 (118th Congress)

⁶³ Anderson, R. (2025, June). *Emergency Aid at Scale: State Efforts to Support Student Parents*. HCM Strategists.

https://static1.squarespace.com/static/62bdd1bbd6b48a2f0f75d310/t/684778aa8634062072b43e15/1749514411374/Emergency+Aid+at+Scale+State+Efforts+to+Support+Student+Parents_final062025_web.pdf

⁶⁴ Stein, T., & Butler, N. (2024, June). *Maximizing the effectiveness of postsecondary emergency aid programs*. Bipartisan Policy Center. <https://www.bipartisanpolicy.org/blog/maximizing-the-effectiveness-of-postsecondary-emergency-aid-programs/>

⁶⁵ The Hope Center for Student Basic Needs at Temple University (2022, November). *Letter to Congress Urging Repeal of Tax on Pell Grants*. <https://hope.temple.edu/policy-advocacy/letter-congress-repeal-tax-pell-grants>

⁶⁶ College Board (2024), *supra* note 20

Committee to work hand-in-hand with the Senate Finance Committee to pass the bipartisan *Tax-Free Pell Grant Act*⁶⁷ to remove this surprise tax penalty on low-income students.

Students Need a Department of Education that Promotes Transparency and Supports Vital Education Data and Research

Any robust federal effort to provide accurate information about both costs and value in higher education requires a functioning Department of Education to collect and analyze data. Yet some of the very first actions taken by the Administration earlier this year included gutting several offices within the Department, including the Institute for Education Sciences (IES), the central education data collection and research funding agency established by Congress,⁶⁸ whose role is to facilitate transparency and help institutions improve and properly allocate resources. Through the so-called Department of Government Efficiency (DOGE), IES contracts were slashed or cancelled, and personnel that facilitate or work on the federal government’s key higher education transparency efforts—including the Integrated Postsecondary Education Data System, College Scorecard, and various datasets run by the National Center for Education Statistics (NCES)—have been let go.⁶⁹

In fact, several contracts that were initially eliminated were for projects required by statute, including two contracts for the National Postsecondary Student Aid Study (NPSAS), which provides invaluable data on college affordability, enrollment, debt, and outcomes every four years,⁷⁰ as well as contracts necessary for the Condition of Education report, a study produced annually on the “progress of education in the United States” that is the definitive source for education researchers and determines much of what we know about schools in the U.S., including colleges and universities, and has been the basis for decades of informed policymaking.⁷¹

While a handful of contracts have been renewed, researchers and institutions alike remain in a state of deep confusion about the state of federal education research and data collection, and data collection efforts have been stalled. A former IES Director who served in President Trump’s first term has called the current situation “way too chaotic.”⁷²

The Committee has many laudable bipartisan bills to consider that would promote college cost transparency, including Senator Cassidy’s *College Transparency Act*.⁷³ However, each of these

⁶⁷ S. 1610 (119th Congress)

⁶⁸ P.L. 107-279

⁶⁹ *Association for Education Finance and Policy v. McMahon*, No. 25-999 (April 4, 2025).
<https://www.citizen.org/wp-content/uploads/PC-SDDF-AFGE-complaint-final.pdf>

⁷⁰ Ibid.

⁷¹ P.L. 107-279

⁷² Quinn, R. (2025, October 21). “Trump gutted the Institute of Education Sciences. Skepticism of its renewal abounds.” *Inside Higher Ed*. <https://www.insidehighered.com/news/government/science-research-policy/2025/10/21/trump-gutted-ies-skepticism-its-renewal-abounds>

⁷³ S. 2511 (119th Congress)

bills, and the existing bipartisan reforms that have been adopted in recent years, **require staffing capacity at the Department of Education that, at this moment, no longer exists.** From IES to the Office of Postsecondary Education and more, the loss of hundreds of key personnel has hollowed out the agency’s capacity and expertise. We have heard from dozens of institutions who cannot get in touch with anyone at the Department of Education to answer questions about current federal grants, including those that help students overcome challenges with basic needs.

Students Need Federal Agencies that Provide Trustworthy Consumer Information and Protect Them from Scams

Further, the Administration has worked to dismantle the Consumer Financial Protection Bureau (CFPB), which, among other roles, enforces consumer protection law, conducts industry oversight and essential research on the student loan market. The CFPB has been essential in providing consumer information to students as well as current and prospective borrowers, and collecting consumer complaints about loan companies who mislead borrowers about terms, conditions, and costs.⁷⁴ As private student lending increases due to OBBBA’s new strict caps on federal loans (discussed in more detail below), students need watchdogs and researchers working to make that market as transparent as possible. Instead of continuing to ensure that students and families have the information they need to navigate a growing private student loan market and protect consumers from corporate lawbreakers, CFPB Director Russ Vought attempted to illegally fire the CFPB Student Loan Ombudsman—a legislatively-mandated position charged with assisting student loan borrowers experiencing challenges with their student loans, private lenders and student loan servicers.⁷⁵

The Trump Administration’s CFPB has also abandoned several high-profile enforcement actions, including actions against student loan servicers for illegally collecting from private student loan borrowers whose loans had already been discharged in bankruptcy and ruining their credit by sending false information to credit reporting companies.⁷⁶ At a time when more students and families will be pushed into the private student loan market in order to finance their college degree, this provides a green light for companies to further obfuscate costs and subject students and families to abusive practices. Just as students deserve transparency before they pay for college, they deserve far greater transparency from lenders about their rights after they leave school, and agencies and watchdogs willing to enforce the law on their behalf.

⁷⁴ See, e.g. the CFPB Consumer Complaints Database; Consumer Financial Protection Bureau. (2024, November). *Annual Report of the CFPB Student Loan Ombudsman*. https://files.consumerfinance.gov/f/documents/cfpb_2024-annual-student-loan-ombudsmans-report_2024-11.pdf

⁷⁵ Knott, K. (2025, February 18). “Student Loan Watchdog on the Chopping Block.” *Inside Higher Ed*. <https://www.insidehighered.com/news/quick-takes/2025/02/18/cfpbs-student-loan-watchdog-chopping-block>

⁷⁶ Student Borrower Protection Center. (2025, February). *CFPB drops enforcement action against predatory student loan company*. <https://protectborrowers.org/cfpb-drops-enforcement-action-against-predatory-student-loan-company/>

The One Big Beautiful Bill Makes College Less Affordable, and Costs Less Clear

The *One Big Beautiful Bill Act* includes several changes to federal student aid and safety net programs that are likely to reduce state support for public colleges and universities, drive up costs, and place greater debt burdens on students and families who take on loans. Specifically, the law creates new annual and aggregate caps on the amount of loans that can be borrowed by graduate students and parents of undergraduate students that are far below the price of many programs. It also gives financial aid administrators unprecedented authority to set lower borrowing limits than what is available under the statute for certain groups of borrowers. While the Committee likely intended for these caps and provisions to reduce the cost of graduate and professional education, we expect to see a massive increase in the number of students taking out private student loans to finance their program of study, including medical school and related professions.⁷⁷

In fact, we are already seeing a rapid growth of the private student loan market in preparation for the new limits taking effect next July 1, 2026, and are greatly concerned about the results for students' and borrowers' basic needs. While the Department of Education is still conducting rulemaking to determine which programs will qualify as professional programs, very large percentages of graduate and professional students will hit the new limit, meaning they will run out of money to pay for their non-tuition costs unless the price of their programs drops dramatically. Upwards of 58% of dentistry students, 26% of medicine or osteopathic medicine students, and 20% of Master of Public Health students will run out of federal borrowing eligibility.⁷⁸ I strongly encourage the Committee to weigh in with bipartisan feedback during the Department's rulemaking in favor of an expansive read of professional degree programs to help protect students from the loss in borrowing that will harm their ability to afford their programs.

This shift from federal to private loans will do incredible damage to financial transparency in higher education. **The private student loan market is infamous for being a black box within consumer finance.** Other financial products, including mortgages, credit cards, and even federal student loans, have relatively clear data transparency, yet private student loans are not subject to the same federal data reporting requirements as other loans, leading us to know little about the actual size of the market, lending patterns, default rates and outcomes for borrowers across demographic groups, geographies, and age, and the very terms and conditions of the loans themselves.⁷⁹

⁷⁷ Zhang, J. (2025, May 6). Deep dive: House reconciliation bill makes paying for college more expensive and risky for students and working families. Student Borrower Protection Center. <https://protectborrowers.org/resource/deep-dive-house-reconciliation-bill-makes-paying-for-college-more-expensive-risky/>

⁷⁸ Cohn, J. (2025, July 24). *How new federal student loan limits could affect borrowers*. Urban Institute. <https://www.urban.org/urban-wire/how-new-federal-student-loan-limits-could-affect-borrowers>

⁷⁹ Student Borrower Protection Center. (2020, April 24). *Private Student Lending*. https://protectborrowers.org/wp-content/uploads/2020/04/PSL-Report_042020.pdf

What we do know is troubling: despite making up roughly 8 percent of the entire student loan market, private student loan companies make up an outsized portion of student loan complaints submitted to state and federal regulators, including thousands of complaints from cosigners who are unable to receive accurate information or access documentation on their cosigned loan.⁸⁰ Private student loans do not come with the same consumer protections as federal student loans, and are difficult to discharge in bankruptcy.⁸¹ Borrowers are often not eligible for affordable payment options, cancellation in the case of total and permanent disability, nor are they often able to modify their payments during periods of financial hardship, as federal borrowers currently can.⁸² When private student loan borrowers are defrauded by their schools, they are often stymied by arbitration clauses and other provisions in contracts that limit their ability to take lenders to court.

Private student loans also function totally differently than federal loans, which are intended as an access program. Lenders are likely to avoid lending to students from low-income and low-wealth households altogether, or lend on such onerous terms that students pay far more than they ever would have or are forced to abandon their dreams of higher education altogether.⁸³ Alternatively, low-income students—unable to access private financing from traditional private student lenders—might be forced to navigate the maze of even higher-cost, higher-risk products that have proliferated within the private market over recent years.⁸⁴

Other provisions within OBBBA are likely to increase overall costs for students as well. Specifically, the law increases administrative costs on states in the SNAP program (from 50 percent to 75 percent of administrative costs) and also requires that states fund a portion of SNAP benefits based on their state’s payment error rates.⁸⁵ This will force states into a situation where they will be forced to cut essential spending, including higher education. One analysis found that in 16 states, the new proposed SNAP cost share is the equivalent of over 10% of annual higher education funding,⁸⁶ a similar shock that they would otherwise only experience in a deep recession. And SNAP costs are not the only new fiscal pressure on states; tax revenue

⁸⁰ Bañez, A. C. (2024, September 17). *Testimony of Aissa Canchola Bañez before the U.S. Senate Committee on Banking, Housing, and Urban Affairs, Subcommittee on Financial Institutions and Consumer Protections, “Back to School: Shedding Light on Risks and Harm in the Private Student Lending and Servicing Market.”* Student Borrower Protection Center. https://www.banking.senate.gov/imo/media/doc/canchola_testimony_9-17-24.pdf

⁸¹ 11 U.S.C § 523.

⁸² Consumer Financial Protection Bureau (2017, October). *Annual Report of the CFPB Student Loan Ombudsman, Consumer Fin. Prot. Bureau.* https://files.consumerfinance.gov/f/documents/cfpb_annual-report_student-loan-ombudsman_2017.pdf

⁸³ Granville, P. (2025, July 21). *The FICO Factor: GOP Megabill Will Limit Who Gets to Access College.* The Century Foundation. <https://tcf.org/content/report/the-fico-factor-gop-megabill-will-limit-who-gets-to-access-college/>

⁸⁴ Student Borrower Protection Center. (2020, July) *Shadow Student Debt.* <https://protectborrowers.org/wp-content/uploads/2020/12/Shadow-Student-Debt.pdf>

⁸⁵ P.L. 119-21

⁸⁶ Roberson, E. (2025, August 7). *SNAP cuts set to endanger basic needs and state higher education budgets.* The Institute for College Access & Success. <https://ticas.org/anti-poverty/reconciliation-2025-snap-cost-shift/>

declined in 40 states last year as well,⁸⁷ and states are now constrained from raising revenue from Medicaid provider taxes, leaving them with far fewer resources to help families weather higher costs of living, healthcare, food, and education, and putting substantial pressure on state leaders to increase tuition to fill the gap.

We Must Rebuild Higher Education as a Public Good

When someone wants to attend postsecondary education, whether that be a four-year degree, workforce certification, associate degree or PhD, they should not only have a clear sense of the costs and outcomes they can expect, they should also know that the federal government is committed to reducing any and all barriers that stand in their way. Not coincidentally, at a time when the current Administration has engaged in relentless rhetorical attacks on institutions, cut billions of dollars in vital funds, and proposed the elimination of entire agencies, trust in the American higher education system has dipped.⁸⁸ Rebuilding this trust and addressing the damage currently being done to American students, institutions, and families means returning to the promise of public higher education as a public good.

We hear from students each day that they are working tirelessly to meet a series of costs that they cannot predict or control but pile up nonetheless. As one student in Texas summed up, *“it’s challenging to be a student with good grades when you’re just focused on surviving, worrying about how you’ll pay rent and bills and food; working to ensure you have the basic needs instead of focusing on homework and studying for your classes.”*⁸⁹ Another in Minnesota told our researchers that *“I’m trying to break generational curses and be the first college graduate in my family, and it seems I’m swimming upstream, and I know I can do this with the right amount of knowledge, resources, and support.”*⁹⁰

These are students that make up the very essence of the American dream, and they deserve far more than a system that too often leaves them confused, indebted, and out of options. I thank this Committee for its bipartisan attention to the challenges facing students and look forward to discussing solutions with you to make their experience affordable, transparent, and transformative.

⁸⁷ Theal, J., & Fall, A. (2025, January 9). *State tax revenue declines again in fiscal 2024 but shows signs of stabilizing*. The Pew Charitable Trusts. <https://www.pew.org/en/research-and-analysis/articles/2025/01/09/state-tax-revenue-declines-again-in-fiscal-2024-but-shows-signs-of-stabilizing>

⁸⁸ Jones, J. M. (2025, July 16). “U.S. public trust in higher ed rises from recent low.” Gallup. <https://news.gallup.com/poll/692519/public-trust-higher-rises-recent-low.aspx>

⁸⁹ The Hope Center (2025), *supra* note 3.

⁹⁰ Ibid.