

## **Open Letter to the U.S. House of Representatives: Support the College Cost Reduction Act**

March 12, 2024

On behalf of the undersigned organizations, representing a range of taxpayer, limited government, and free market advocates, we write to express our strong support for H.R. 6951, the *College Cost Reduction Act*.

This important legislation, led by House Committee on Education and the Workforce Chairwoman Virginia Foxx (R-NC), will help keep college accessible, rein in bureaucratic overreach from the U.S. Department of Education, and protect taxpayers from future, massive student loan bailouts. When H.R. 6951 comes to the House floor for a vote, we strongly urge you to vote “yes” in support of this much needed legislation.

As you know, access to education is a cornerstone of the American dream. But, earning a four-year college degree has become increasingly unaffordable and, for many, undesirable. Today, Americans shoulder a combined federal student loan debt of \$1.6 trillion – despite the fact that real wages for graduates have stagnated for more than two decades. Higher education is in urgent need of a major course correction and the status quo is simply untenable.

Thankfully, H.R. 6951 represents a serious, thoughtful, and responsible approach to addressing these challenges. It includes key provisions related to price transparency, prohibits future taxpayer bailouts, simplifies the student loan repayment process, and reverses misguided rules from the Department of Education that harm students. If enacted, the *College Cost Reduction Act* will greatly benefit students, families, America’s economy and workforce pool, and, ultimately, put pressure on institutions to keep costs in check.

We also support the inclusion of the *Protecting Taxpayers from Student Loan Bailouts Act* to ensure taxpayers are insulated from future unlawful schemes to eliminate student loan debts. Shifting the cost of student loans to taxpayers who have either paid off their loans already or chosen life paths outside of the higher education system is outrageously unfair. It would be prudent for Congress to make clear that acts to simply wipe away debt exceed the authority granted to the Department of Education.

H.R. 6951 also includes additional provisions to rein in the Department of Education, specifically overturning several misguided rules: Gainful Employment, 90/10, and changes to the Third Party Servicer guidance.

Gainful Employment and 90/10 are part of an effort by ideological bureaucrats to completely shutter career colleges – institutions of higher education that prepare students with certified and credentialed training before they enter the workforce. Career colleges help equip students with hands-on experience in fields such as public safety, medical and nursing, teaching, cosmetology, senior-care, and much more.

Similarly, the Department of Education’s suggested changes to the bundled services exception of Third-Party Servicer guidance would reverse 13 years of precedent established by President Obama, impairing the ability of colleges to partner with education technology companies to offer online classes. Students attending smaller institutions without online expertise or large endowments would be impacted the most.

Students will be better served by reversing these three heavy-handed regulations.

We are pleased that the House Committee on Education and the Workforce has swiftly passed this legislation through markup, where it was noted that “students and families deserve better than the current dysfunctional postsecondary system.” Rather than roll out miles of red tape, the federal government should instead be actively encouraging educational choice and accountability. To ensure students have more options available to them, it is crucial that lawmakers expeditiously pass the *College Cost Reduction Act* and deliver results to Americans.

Sincerely,

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