



January 13, 2017

U.S. Senator Lamar Alexander
Chairman
U.S. Senate Health, Education, Labor, & Pensions Committee
428 Senate Dirksen Office Building
Washington D.C. 20510

U.S. Senator Patty Murray
Ranking Member
U.S. Senate Health, Education, Labor, & Pensions Committee
428 Senate Dirksen Office Building
Washington D.C. 20510

Dear Chairman Alexander and Ranking Member Murray,

Demos, a national non-partisan public policy organization working for an America where we all have an equal say in our democracy and an equal chance in our economy, writes to express serious concerns regarding the nomination of Betsy DeVos to be the next U.S. Secretary of Education.

Among its priorities, the U.S. Department of Education plays a critical role in ensuring our public institutions for higher learning are accessible and affordable for all, regardless of race, gender, or class. It also is directly responsible for the programs that provide financing necessary to attend college, and the contractors charged with servicing over \$1 trillion in federal student loans. We are concerned that given Ms. DeVos' track record to privatize public education and her lack of a clear position concerning the affordability crisis in higher education, the committee cannot properly assess whether Ms. DeVos is fit to run the U.S. Department of Education. We ask that you clarify her positions on this important topic prior to moving forward with the scheduled confirmation hearing, and ask for specific proposals on how the Department of Education should work to reduce the burden of student loan debt, and ensure that students face fewer financial barriers in attending and completing college.

As you are aware, too many students do not attend college, or complete a degree program, precisely due to the high cost and need to borrow. As late as the 1990s, most students did not borrow to attend college. Now college costs and student debt are both soaring. Driven by a retreat of states from their traditional commitment to funding public colleges and universities, tuition and borrowing have soared over the past several decades. With financial aid not keeping pace, our most vulnerable communities, including veterans, undocumented students, student-parents, and students of color, have thrown themselves into once-unimaginable debt to attend college. In an era of stagnant incomes for all but the most well-off households, low-income students borrow at higher rates, and must borrow more for the same degree as



their wealthier counterparts, even at public colleges and universities.¹ Many families of color have been shut off from a vital avenue to the “American Dream.”

Betsy DeVos’ home state of Michigan provides an instructive example of these destructive trends. Just a generation ago, in 1990, tuition made up less than 40% of revenue at public colleges and universities in Michigan. Today, it makes up nearly 70%, far higher than the national average, according to the State Higher Education Executive Officers Association.² Per-student funding, adjusted for inflation, has dropped by over \$2,000 per student. In other words, what used to be paid for by the public is now funded by individuals and families. Meanwhile, median household income in Michigan has declined over the past 25 years, leaving families less able to pay for rising college prices.

Rather than use her family’s considerable financial and political clout to shed light on this crisis in her home state, Ms. DeVos’ silence on college affordability and attainment, and her lack of commitment to public education at all levels, leaves us with deep reservations. This lack of focus and public record is striking, considering public colleges and universities educate three-in-four American college students. Rather than champion successful, transformative programs that guarantee affordable college – including the Kalamazoo Promise in her home state, to name one example – Ms. DeVos has instead funded and advocated for private, often for-profit, entities with little track record of improving student aspirations or student outcomes.

In an era when college aspirations have never been higher, we believe that it is more, not less, important to keep a watchful regulatory eye on for-profit actors – whether institutions of higher education, lenders, or other providers – who have continuously exploited the ambitions of low-income students, veterans, and students of color while often providing questionable value at very high cost. We believe that the next Secretary should commit to enforcing the Obama Administration’s Gainful Employment regulations, as well as committing that each student defrauded by a for-profit college or university – including all Corinthian and ITT Tech campuses – will be made whole and have their debt obligations completely forgiven.

In short, we believe that Ms. DeVos should commit to ensuring that defrauded students receive all of the relief to which they are entitled, and that the federal government should not continue to subsidize career education programs that leave students with unpayable debt and no value in the job market. To our knowledge, Ms. DeVos has not stated a position on these rules and the values underlying them. And with the absence of a record or even statement committing to the support of students at public college or universities, we urge the committee to seek detailed responses before proceeding with a hearing or considering her nomination.

¹ Mark Huelsman, *The Debt Divide: The Racial and Class Bias behind the New Normal of Student Borrowing*, <http://www.demos.org/publication/debt-divide-racial-and-class-bias-behind-new-normal-student-borrowing>

² State Higher Education Executive Officers Association, *State Higher Education Finance 2015*, <http://www.sheeo.org/projects/shef-fy15>



The next U.S. Secretary of Education plays a key role in boosting access to higher education in the United States, and has the opportunity to expand protections to students who have done nothing more than attempt to achieve their personal dreams and career ambitions. As college prices continue to squeeze families and student debt continues to hang over a generation of college-goers, we need a Secretary that both comprehends the gravity of the affordability crisis and welcomes solutions that invest and protects the interest of working- and middle-class students, and ensures that they have well-funded, affordable public institutions at which they can achieve their dreams. We ask that you do not proceed with the confirmation hearing until a closer examination of Ms. DeVos is conducted to assess these matters.

Sincerely,

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