

NASFAA's "Off the Cuff" Podcast – Episode 261 Transcript

OTC From the Field: A Conversation on Higher Education Policymaking With Rep. Bobby Scott

Justin Draeger:

Hey, everybody. Welcome to another edition of "Off the Cuff." I'm NASFAA President Justin Draeger. Joining me today is a very special guest. We're very happy to welcome Congressman Bobby Scott, who's represented Virginia's 3rd Congressional District in the US House of Representatives since 1993.

Prior to his service in Congress, Mr. Scott served for 15 years in the Virginia General Assembly.

Pertinent to our members who know Mr. Scott very well, he currently serves as the ranking member of the Committee on Education and the Workforce. This is Mr. Scott's fifth term as the committee's democratic leader.

He has also been the chairman of the House Education Committee. He's championed lots of different bills that we have been supportive of.

He's championed everything from the Pell Grant to increases in all sorts of education spending, championed the causes of the students that we support. We'll get into a lot of that in the next few minutes. Mr. Scott, we're really glad that you're joining us today.

Rep. Bobby Scott:

Justin, it's a pleasure to be with you.

Justin Draeger:

Yeah. To start out, before we get into all the policy and all the different viewpoints that you bring to Capitol Hill, I wonder if you could talk a little bit about your background, where you come from, how that informs your policymaking, some of your thoughts on higher education.

Rep. Bobby Scott:

Well, I grew up in Newport News, Virginia. I attended a segregated elementary school. Because of massive resistance, I ended up at a boarding school in Massachusetts and attended Harvard College, Boston College Law School.

Came right back from law school, to practice law in Newport News and got active in a lot of activities.

After a few years, I ran for the House of Delegates and got elected. Served five years, 10 in the Senate and got elected to Congress in 1992. Since then I've been serving in Congress.

My focus has been those kinds of things that... trying to get evidence-based approaches to problems.

I've found that most of the solutions are rhetoric-based or emotion-based. Trying to focus on evidence has been a challenge over the years.

But having been the beneficiary of a pretty good education, I recognize that if people want to move up in society, education is going to be the key. Higher education is a substantial portion of that. So, I've been supportive of those opportunities.

Justin Draeger:

Can you talk a little bit about the district that you grew up in and now represent? Tell us a little bit about that district and how higher education impacts Newport News.

Rep. Bobby Scott:

Well, we have a lot of colleges in the area within Newport News, like Christopher Newport College, which has become a premier liberal arts college, Hampton University, a historically black college.

Also in the district, we've got Norfolk State University, another historically black college, and Old Dominion University, not far away. We've got William & Mary, Virginia Wesleyan in the Norfolk area.

We've got a lot of colleges in and around the district, a very active community college system. So, there are plenty of educational opportunities. The challenge, of course, is to make sure that these are accessible and affordable.

Justin Draeger:

Yeah. That's one of the issues you've focused a lot on in your time in Congress. Before we get into some of the programs and proposals that you've made and championed over the many years that you've provided leadership on education issues, I'm curious.

You look back, you've had a very long history, both in the Virginia House of Delegates and then in the US House of Representatives. A great education, obviously a hard worker, you've served in the National Guard, in the United States Army Reserve.

You surely could have done quite well in the private sector. I'm curious. What led you to do public service?

Rep. Bobby Scott:

Well, when I was practicing law, as I indicated, I got involved in a lot of civic organizations and found that if you wanted really to get anything done, you could come up with the proposals, but at some time you need politicians to complete the work.

I frankly wasn't satisfied with the representation I had. So, I just ran for the House of Delegates.

I didn't know at the time that I wasn't supposed to win. I wasn't burdened with that wisdom. Without that burden, I was fortunate enough to get elected to the House of Delegates. My state senator was elected to Congress and I succeeded him in the state Senate.

In 1992, Virginia picked up an additional congressional seat and one was drawn in my area, which happened to be heavily Democratic. I was the favorite candidate to win, and I've been representing the 3rd Congressional District since then.

It started out from Hampton Road, Southeast Virginia, up towards Richmond and to the northern neck, Richmond County, Kilmarnock area, Tappahannock. It has been made much more compact and contiguous.

There were 28 different jurisdictions when I started. There are five now, all in Hampton Roads. The outlying areas of the district are no longer there. So it's Newport News, Hampton, Norfolk, Portsmouth and part of Chesapeake.

There's a heavy military presence. We have military bases, particularly navy. We also have a lot of ship building, mostly navy ship building.

So, we have a very serious need for skilled workers and that has focused attention on job training.

Justin Draeger:

You can see that in the policies that you've worked on, both on the labor side and the education side.

Just as a side note, because you're probably too modest to say it, just so folks know, since you've been elected to Congress, you're one of the few folks who when you win... you said you weren't burdened with the knowledge that maybe you shouldn't have won, but you've won and you've won big, you're one of the few members of Congress that...

The House is a grind. You're up for election every two years. You've won with at least 76% of the vote every time you've gone up, except once. That was, you won 70% of the vote.

So, you've represented the district very well, with a big bipartisan percentage of the vote, which means-

Rep. Bobby Scott:

Well, the new district, in the last couple of years has been much more competitive.

Justin Draeger:

Okay.

Rep. Bobby Scott:

I've only won by 30 percentage points in the last couple of elections.

Justin Draeger:

Well, I think a lot of folks in Congress would be envious of those sorts of margins, but I won't quibble with the Congressman.

The Pell Grant program in particular is one that you've spent a lot of time focusing on, both when you were chairman and now as ranking member.

With all of the cantankerousness that can exist between the parties, it seems like there has been in the past some bipartisan agreement about the importance of the Pell Grant program. And specifically with you and Dr. Fox, some agreement, dare I say bipartisanship even, on Pell for short term programs.

I wonder if you could talk a little bit about that and maybe the intersection of job training programs.

Rep. Bobby Scott:

Well, the Pell Grant has been a challenge over the years. In fact, the value of the Pell Grant has eroded over the last several decades.

When the Higher Education Act was first passed, the first few years it covered almost 80% of the cost of going to a college, for many years, 70% of the cost of going to college. And if you worked a summer job and a part-time job during the year, you could work your way through college and come out with no debt.

Now, instead of 70%, it covers less than 30% of the cost of going to a state college. The rest is, you've got to figure out how to pay it.

Most comes out being student loans. That's why this generation has such huge, crushing student loan debt, that other generations just didn't have.

The Pell Grant has been the major government assistance to create access to college. When President Johnson signed the Higher Education Act, he said that it meant that any student in any of the 50 states could apply to any college and not be turned away because the family is poor.

That's the way it was. It covered so much of your... the Pell Grant covered so much. If you needed a little bit of extra, you could get a little student loan, but the assistance was there.

If you could get into a college, there were very few colleges you couldn't afford to go to.

College has been the strategy for upward mobility for generations. If you can get into college, you've improved your lot in life.

That opportunity, if we're going to have a functioning democracy, has to be available to everybody. Frankly, right now, people are making a calculation that a college education just isn't worth it financially, to incur all that debt, be saddled with that debt. It's just not worth it.

That just creates a situation that doesn't have the democratic fairness that the Higher Education Act was designed to have.

So, we've had a more intensive push on increasing the Pell Grant. The higher the Pell Grant is, obviously the less you have to borrow. But increasing the Pell Grant so that you'll have access to take advantage.

Now, there's a debate going on as to whether college is worth it, not only financially, but whether it's worthwhile anyway.

I'm of the belief that access to a four year on-campus liberal arts college experience is transformational.

I mean, you're a different person when you leave college after four years, than you start it.

That is not necessarily something you can monetize. You can't measure it because you have a higher salary. If you got a degree in fine arts or a degree in liberal arts, you may not be able to instantaneously monetize it just on the skills you've learned.

A lot of the transformation takes place out of outside of the classroom. It's just a four-year experience, going to college.

Now, a lot of people think that's a luxury that the government doesn't have any business having to fund. But I think again, if you're going to be in a functioning democracy, that opportunity ought to be available to everybody.

That's not for everybody. Others want skills training that they can translate into higher income. That's fine. That's where you mentioned short-term Pell.

Right now, the Pell Grant can only be used on essentially college courses. The short-term programs, the six week to 15 or 16-week programs, where you get credentials not college degrees, can increase your earning capacity 25, 50 or even a hundred percent, but they cost a little money, a thousand, maybe \$3,000.

You've seen the reports, that a lot of families can't come up with \$400. So, if it costs a thousand or 3,000, it might as well cost a hundred thousand. They can't afford it. They can't get the courses that will allow them to significantly move up economically.

If we can use the Pell Grant, not only can you pay the tuition, you can probably have a little living expenses, so you can actually afford to take time off of work to take these courses.

I know Virginia, the community college system has a lot of them that have been very successful in improving someone's economic situation. But some of them, you need the voucher from the Workforce Council to get in. Others you might have to pay. So, they're just not available.

If we can use the Pell Grant for these kinds of programs, then everybody can go. I think that's an opportunity that we ought not miss.

Now, one of the challenges we have in the regular Pell Grant program, we had a lot of problems with for-profit colleges and some others that were not providing a meaningful educational experience.

The last thing that we want in short-term Pell is for somebody to open up a little storefront operation, deal out worthless certificates and take all the Pell money.

So, we want to make sure that the programs that people are signing up for, they're good programs that will actually translate, since they're job training. That's the purpose of them, that you can actually be trained for decent jobs. Trying to differentiate the good from the bad is a challenge.

I think there are enough options on the table that we ought to be able to come up with screens that screen out the bad programs and allow people to get decent job skills that can move them up.

You've got significant support in the House. We've passed it a couple of times last year, in the last congress. The Senate has, Senator Tim Kaine from Virginia has been working hard. He's got a coalition, bipartisan coalition where the votes, he believes are there to pass it in the Senate.

It passed the House and didn't pass overall because the Republicans killed it and now come up with legislation as if it was their idea. Well, fine. If it's their idea, whatever. Let's just get it passed.

The key will be to try to get all on one page, to make sure that the bad programs can't get in and waste everybody's time and money.

I believe that there are enough options on the table, that we can come up with strategies to screen out the bad programs and allow people to get the job training they need and move up.

It won't be what everybody wanted, but I think there are enough options on the table, that we should be able to pass a bill in the House and then work with the Senate and coordinate and have one bill that can pass both the House and the Senate.

I hope people don't get too dug in, my way or the highway. As I said, all that does... if it's my way or the highway, all you've done is created a traffic jam on the highway.

I think we can get this done. It will revolutionize job training because it means that everybody will then be able to afford meaningful job training in the skills.

In our area, in ship building, you can't walk off the street and into a shipyard and get a job. You need some training.

Healthcare, there are many vacancies and good jobs. You need some training. High tech, I mean there are a lot of things... It doesn't take a lot, but you need that training.

The short-term Pell, being able to use the Pell Grant for the short-term programs will provide the funding.

There are a lot of jobs going unfilled. There are a lot of businesses that can't expand because we don't have the skilled workforce. The short-term Pell can actually solve that problem.

Justin Draeger:

I think I'm hearing you say that we preserve and strengthen Pell for traditional higher ed. You certainly have spearheaded plenty of those efforts. Under unified Democratic control, you increase the Pell Grant by \$900 over two years and supported President Biden's goal to work towards doubling the Pell Grant program. I'm hearing you say that-

Rep. Bobby Scott:

That will go a long way to reducing the need for these massive loans, if we can significantly increase the Pell Grant, double the Pell Grant from what it was.

We're on the way. We're not far from that. One challenge, of course, is the Republican efforts under the debt ceiling threat, to cut everything, instead of...

If you could look at some of their proposals that would result not in an increase in Pell but actually decrease in Pell.

So, when you talk about all these cuts in the abstract, 22% across the board, well, when you translate that into actually programmatic spending, Pell Grants would go backwards, rather than doubling.

Justin Draeger:

Pretty scary, in that respect.

Rep. Bobby Scott:

That's going to be a challenge, fitting significant increases in Pell into a budget without tax increases.

Justin Draeger:

I want to circle back around to the spending issues. The second thing you mentioned was, instead of trying to navigate really complex bureaucracy, we could use the Pell Grant program as a way to accelerate the job training programs, as long as we can do it with quality in mind, making sure we have some gatekeeping around what types of programs we're doing. You talked about setting-

Rep. Bobby Scott:

It would also facilitate the bureaucracy we have. We have Workforce Councils all over the country. Their job is to ascertain what jobs are needed to be filled and what skills people looking for jobs have and what skills they need, match the two so they can provide the job training for the jobs that exist.

One problem they have is that some of the job training, it costs money. They can provide vouchers, but they don't have that much money. They can provide a few. Then about end of January, they're probably broke.

If people had access to Pell Grants, they could identify the job training that's needed and the people can afford their own. They can just apply for the Pell Grant.

People looking for jobs obviously will qualify for Pell Grants. So, the money is there. They can have the training identified and they can go pay for it. So that, this will be more money into job training than we've ever put there before.

Justin Draeger:

Do you foresee these sorts of programs being done primarily through traditional colleges or community colleges or do you see different providers cropping up?

Again, assuming we can get our arms around quality, do you see all sorts of providers offering these job training programs, using Pell for short-term programs?

Rep. Bobby Scott:

The present higher education system includes the traditional colleges, for-profit and mostly non-profit, but some for-profit, the community colleges and the for-profit job training situations. We have a little bit of everything.

I would expect a little bit of everything to be able to be funded through the Pell Grants. If you have a quality program that you can attend and end up with a good job, we ought to be able to facilitate that.

Now, one of the things that we're considering is a special accreditation. Not just a normal accreditation, but a special accreditation for the short-term Pell, to make sure that somebody's looking specifically on things like quality. Are people making more money? Are they charging too much?

That's one of the problems I have with the present accreditation. They don't look at the value for the dollar. I mean, some of these programs, 18-month program, that's on one, they're charging \$50,000. Well, I mean, come on.

The reasonableness of the tuition, I think ought to be a factor in accreditation. If you're just ripping people off because you can, that ought to be a factor in whether you get accredited.

So, staying on the accreditors would be one thing that will help us figure out who can qualify for the use of the short-term Pell. If the accreditors do their jobs, we'll be in good shape.

Justin Draeger:

The value proposition of what colleges is offering has to be one of the factors. Maybe it's not the only factor.

If we're going to spend more, more taxpayer money, more federal dollars... We talked about the shrinking value of the Pell Grant if we don't spend more, but we should probably expect more out of colleges and universities.

If you share that viewpoint, where can colleges and universities be doing more? What can schools be doing more of, in your opinion? Where can we show up?

Rep. Bobby Scott:

Well, one of the things you have to look at is, what are you trying to accomplish? If your job is a liberal arts education, obviously the technical skills won't be the focus of educational experience.

If you're a job training operation, then the purpose of the education is to qualify for a specific job.

There are a lot of calculations that we can make. There are a lot on the table. I don't want to get into say, we have to have this one or that one.

If you screen out the bad ones, I'm esoteric about how you did it. Just make sure you got some sufficient screens. But calculations on, how much more money did you make? Was the job placement rate high or low?

I mean, there are a lot of calculations you can make to ascertain quality. We need to make sure that there are enough of them that if you go to a school on a short-term Pell, that you ought to be able to be pretty sure that you're going to get a nice job at the end of it.

Justin Draeger:

Congressman, I want to be cognizant of the time that you have to spend with us. I know there are more votes that you have this afternoon.

If you were to just talk about big picture, some of the things that are most concerning to you right now, happening either on Capitol Hill or in higher education over the next year or two, what would those things be? The things that are keeping you up at night, as they pertain to higher education or student financial aid or funding?

Rep. Bobby Scott:

Well, the one priority we have now is what we call the Loan Act, which will help people afford college. The package includes doubling the Pell Grant, so you have to borrow less.

It also includes making more generous the discharge programs, like the Public Service Loan Forgiveness plan, where if you work for a public service operation for 10 years, right now, you can have your student loan discharged.

Most of the military agreements, it's usually about two to one. So, if you get a four-year degree it should only be about eight years. Make it a little more generous.

The president has already improved the income-based just by executive action, the income-based proposals, where you pay a smaller portion of your income going forward.

So, those programs, to make it easier to pay off the loan. But there's one important factor and that is, reduce the interest rate.

Some of these people are paying six and eight percent interest. In particular, if they're on an income based, they may look up and... they make all these payments and look up and still owe more than they started off with because they weren't even covering the interest.

Justin Draeger:

That's right.

Rep. Bobby Scott:

Interest rates have crept up in the last year or so, but for a long time the Fed rate was 1% or less.

If we could get the rate down, the Fed rate, and then the Loan Act is no more than 5%, but we wanted a lot...

Hopefully, in most cases it'll be a lot lower than that. Then, most of your payments will actually be going to pay off the loan and not to interest.

Right now, on most loans, the federal government is making a profit. I'm not sure if it's an overall program, but on each loan they're making more on an individual.

We ought to be subsidizing these loans, making more opportunities available. So, the passage of the Loan Act or parts of it, I think would go a long way in making college accessible.

I think the opportunity to go to college, the opportunity to get a higher education or job skills are essential if we're going to have a functioning democracy where people have opportunities to benefit from society.

Justin Draeger:

There are lots of things in the Loan Act that would resonate with our members. You talked about a lot of them.

One thing I just want to point out to our graduate and professional community is, it would also expand and restore subsidized student loans to our graduate populations, who lost it several years ago in some of the budget battles of the last decade. So, all of the things you talked about and restore those subsidized loans.

At the beginning of the podcast, Mr. Scott, you mentioned evidence-based research. I wonder if you could provide advice to the many people who are advocating on behalf of their students on campus.

Those students and families are in the thick of it. They're focused on their educations, but financial aid administrators are thinking about, how do I get my representatives to pay attention to these student aid issues and vote and support in legislation that you're introducing or championing?

How do they bring that evidence to their representatives? How do they advocate in an effective way?

Rep. Bobby Scott:

The first thing they need to do is vote. The fact that younger people don't vote explains how some decisions are made.

As I said, the value of the Pell Grant had eroded to the point where student loans had picked up.

When we passed President Trump's tax cut of \$1.5 trillion, the student loan aggregate debt was \$1.5 trillion.

So what we did was, by changing the burden of going to college from the states paying two thirds of the costs, the government paying two thirds of the costs of the state college to less than one third now, to the Pell Grant covering not 70%, but less than 30%, shifting the burden to the student.

All of a sudden we've got \$1.5 trillion that we should've paid for higher education, available for a tax cut. 80% of the benefits went to the top 1% of the corporations.

Now, just think if we had either gradually paid what we should have paid so people wouldn't have had to incur the loans or through a Loan Act, reducing interest and making it easier to pay off the loans, use the \$1.5 trillion to help students pay off their loans rather than a big fat tax cut, 80% of the benefits scheduled to go to the top 1% in corporations.

How did we make that choice? Because the people getting the tax cuts vote. The people who get the student loans don't vote.

I'm sure that a lot of people have colleges in their districts. If on Election Day we saw people streaming to the polls from their dormitories, we might take a different attitude towards loading up people with student debt.

We might get back to where the Pell Grant could cover 70% of the cost of going to a college, but that's not going to happen until members of Congress suspect that the people are voting.

As long as people sleep through the process, you're going to have decisions made like, okay, we got a choice, we can fund education or we can fund tax cuts, where 80%, top 1% in corporations. That's where the money was scheduled to go.

So, the first thing they need to do is vote. Second, they can advocate through the normal processes, writing letters, joining organizations that are advocating.

It's a lot more effective to strengthen organizations that are advocating than trying to do it one at a time.

So, you can do things that coordinate the activities. You can find out when the bill is coming up.

I mean, if you read about it in the paper, you're probably reading that the bill passed or failed. So, it's too late to do anything about it.

If your organization is involved in advocating, you know when it's going to come up. Through social media, you can get people to make their comments in a timely fashion.

So, join the organizations that are working on it, but the first thing students need to do is vote.

Justin Draeger:

That's really helpful. For financial aid administrators, when you're meeting and talking with those who are in your district, it's helpful when they come with evidence, what's working, when they come with real numbers of programs that are having an impact?

Rep. Bobby Scott:

Yes. You find out things, like a significant number of people didn't go to college because of the complexity of the FAFSA form. Well, that shouldn't be.

A lot of the calculations are so far under the line that, I mean if you're Medicaid eligible, why do you have to fill out the next 25 pages?

I think we've simplified it so that you've got more presumed eligibility. Rather than have to find every little bit, you're just categorically eligible. That solves a lot of problems.

But the idea that a substantial number of people... and the administrators can tell you that is a major problem, people just can't get through the form.

Justin Draeger:

One of the things, obviously our community is very concerned about is the rollout of the new FAFSA this year. It's the thing that they think a lot about.

We've appreciated congressional support and working with the Department of Education to make sure this goes very smoothly.

The department has been responsive, especially in the last month, with a lot of questions from us.

We know that Congress is sending them questions, with a roadmap that hopefully gets us to a smooth rollout by December of the new FAFSA.

How concerned are you about funding for the Department of Education and FSA in particular? They're trying to do a lot of things, from debt forgiveness to onboarding millions of borrowers into repayment, to rolling out a new FAFSA. Are we concerned about their capacity to do all these things and all these things well?

Rep. Bobby Scott:

Yes. Obviously when you vote for a bill, you like it to be implemented tomorrow afternoon. Some of these things, as you've indicated, we passed the FAFSA Simplification Act several years ago. We're still getting it together. But that just goes with the territory.

Hopefully it will come out and do well, but there's a lot that needs to be done in terms of FAFSA.

You talked about funding the Department of Education. You go back to the vote that was taken yesterday. The Department of Education will have less money to administer these programs than they would have. So, it depends on what's going to happen.

I would like to see better servicing of the loans. A lot of information doesn't get to the student borrowers. I mean the Public Service Loan Forgiveness availability, people don't know about it. A lot of Parent PLUS borrowers don't have a clueless as to what they're eligible for.

The servicers have the names. They know what category they're in. They ought to be talking to them directly.

I don't know how the reimbursement, do you get... there's a lot of time it takes to do it right.

Do you get extra money for taking that time? Do you get extra money for people that are qualified? I don't know.

But too many people, I believe are qualified, particularly for things like the Public Service Loan Forgiveness window that was open for about a year. There are a lot of people who were eligible that did not take advantage of that. A lot of parents not taking advantage of opportunities in Parent PLUS.

The Department of Education and the loan servicers need to do more and that costs more and that those resources won't be there if we're cutting the administration budget.

Justin Draeger:

Well, Congressman, you've been very generous with your time today. We really appreciate you coming on, talking about your priorities, some of your concerns and what we as colleges, universities and schools can also be doing to support some of the work, the important work that you and your colleagues have done to bolster student financial aid, the Pell Grant.

Some of the legislation you're working on, including Pell for short-term programs and the Loan Act, we'll be hoping that we see some compromise on a lot of the things that you've been talking about and championing. Thanks very much.

Rep. Bobby Scott:

Okay. Thank you.

Justin Draeger:

All right. Thanks everybody for joining us for this special edition of "Off the Cuff." Remember everybody to subscribe.

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