

**EMBARGOED UNTIL 2/18/20 AT 9:00 A.M. ET.**

# Mike Bloomberg's Higher Education Policy

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At its best, higher education serves as an engine of economic mobility and a pathway to the middle class. Our system is not fulfilling that promise. [Fewer than half](#) of Americans have a college degree.<sup>1</sup> Students from the wealthiest quartile of families attain [50%](#) of all college degrees – with only 10% of degrees earned by students in the lowest quartile.<sup>2</sup> Undergraduate debt levels are [more than double](#) what they were a decade ago.<sup>3</sup> And our higher education system isn't giving enough students the skills needed to keep up in a rapidly changing economy.<sup>4</sup>

**Mike's higher education plan ensures cost is not a barrier to a quality post-secondary education.** It provides students with credentials to equip them for middle-income jobs; gives talented low-income students the opportunities they deserve; and reforms the student-loan system so no one pays more than they can afford. His plan will make college fairer and more affordable— and it will make college count.

## Mike's investments in higher education will:

- **Make two-year public college tuition-free for all** and debt-free for the lowest-income students.
- **Make four-year public college tuition- and debt-free for the lowest-income students and affordable for all students**, including by doubling Pell grants.
- **Reduce federal undergraduate student-loan payments** through automatic income-based repayment and capping monthly rates at 5% of discretionary income — down from 10% today.
- **Help two-thirds of Americans complete degrees or quality credentials**, up from less than half today, and equip them with skills needed for good-paying jobs.

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## 1. Make college affordable.

Mike believes no one should be denied a chance to get ahead because they can't afford college. His plan will make two-year public college tuition-free for all. For the lowest-income students, tuition plus the real cost of attending college — including food, books and transportation — will be covered.

The plan will do the same at four-year colleges for the lowest-income students and make the cost of a four-year degree more affordable for the middle class. It will automatically enroll student-loan borrowers in income-based repayment plans and cut in half the cap on monthly undergraduate student-loan payments. Mike will do this through the following initiatives:

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<sup>1</sup> <https://nces.ed.gov/fastfacts/display.asp?id=27>

<sup>2</sup> <http://www.pellinstitute.org/downloads/publications-Indicators of Higher Education Equity in the US 2016 Historical Trend Report.pdf>

<sup>3</sup> <https://www.pewresearch.org/fact-tank/2019/08/13/facts-about-student-loans/>

<sup>4</sup> <https://www.shrm.org/resourcesandtools/hr-topics/employee-relations/pages/employers-say-college-grads-lack-hard-skills-too.aspx>

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- **Expand Pell grants to help students cover the full cost of college.** Mike's plan will double the maximum Pell grant to \$12,690. This expands access for low- and moderate-income students to the public or private college of their choice.
  - Help more students qualify for Pell grants by simplifying FAFSA and notifying families of Pell eligibility as part of the income-tax return process.
  - Pilot a program to provide extra Pell funds for institutions that enroll and graduate large shares of Pell-eligible students. Expand over time to institutions that demonstrate strong rates of economic mobility.
  - Extend Pell eligibility to incarcerated students and Dreamers.
- **Launch a federal-state funding partnership to boost states' investments in higher education.** This 2:1 federal-state program will reverse a decade of state disinvestments in higher education. In order to qualify to be eligible for full federal and state support, states and institutions would commit to limit tuition hikes, reverse disinvestments and meet maintenance of effort requirements and keep the full cost of attendance from rising faster than inflation.
  - To receive funding, two-year colleges would invest in evidence-based strategies to increase completion rates. Eligibility would be limited to programs focused on transfer to four-year degrees or those that lead directly to careers.
  - Create an innovation fund to encourage states and colleges to evaluate and scale strategies to reduce costs while increasing access to instructional quality and student supports. These include "2+2" models where students complete strong community college programs and credits are fully transferred into third-year status in four-year colleges.
  - Invest directly in private colleges and universities serving a large share of Pell-eligible graduates, providing grants to expand evidence-based college completion strategies.
  - Enable the lowest-income students to fund the full, real cost of community or technical college beyond tuition and fees — including books, meals, transportation and child care — through expanded Pell grants, increased state funding and wages from 10 hours of work per week.
  - Double funding for the Open Textbook pilot program to reduce the cost of textbooks and instructional materials.
- **Reform the federal student loan system so no one pays more than they can afford.** Mike's plan will enroll new and existing undergraduate student-loan borrowers automatically in income-driven repayment (IDR) programs, with repayment capped at 5% of discretionary income, down from the current 10%. Borrowers will be able to choose to repay through the paycheck withholding system used to collect payroll and income taxes. Borrowers could still opt out and enroll in another federal program.
  - For borrowers in IDR plans, forgive undergrad loans up to \$57,000 tax-free after 20 years, if borrowers are making reasonable progress on their loans.

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- Cancel unpaid balances carried by borrowers who went to failed or predatory for-profit colleges. Ban wage and Social Security garnishment and confiscation of tax refunds for defaulted borrowers.
- Relieve low and middle-income borrowers of collection fees.
- Fix the Public Service Loan Forgiveness program, extending debt relief to all qualifying public servants who've applied for forgiveness in good faith under the current policy. More generous terms will be piloted for students going into professions that fill targeted labor-market needs.

## **2. Make college fair.**

The opportunities that come from a high-quality college education remain largely inaccessible to low and moderate-income students. Too often, the college-admissions process elevates privilege and family connections over merit. Meanwhile, institutions that enroll large numbers of low-income students and students of color — such as historically black colleges and universities — are underfunded, despite producing an outsize number of graduates in high-demand fields.

As a private citizen, Mike has invested more than any American in opening up elite institutions to deserving students. He donated \$1.8 billion to his alma mater, Johns Hopkins University, to enable the university to permanently offer need-blind admissions and offer scholarships to every admitted low-income student. His foundation, Bloomberg Philanthropies, has been a leader in promoting inclusivity — through the American Talent Initiative, a consortium of 129 colleges and universities committed to recruiting low-income students, and CollegePoint, which provides free, peer-driven advising to high-achieving students from lower-income backgrounds as they navigate the college application process.

As president, Mike will:

- **End legacy preferences and restore fairness to the college-admissions process.** [80 percent](#) of highly-selective private colleges and universities use legacy preferences as a factor in admissions. Only [7 percent](#) of the students at highly competitive colleges and universities are low-income. Mike will call for an end to giving children of alumni advantages in the college admissions process, to level the playing field for all students.
  - Support legislation to require all institutions receiving federal aid to make public their comparative rates of admission for legacy and non-legacy candidates, as well as enrollment and completion rates broken out by race, income and legacy status.
  - Consider stronger measures if progress isn't made toward ending legacy preferences, including limiting schools' access to federal funds.
- **Increase completion rates for low- and middle-income students by helping more of them attend selective colleges with high graduation rates.** Ninety percent of students from low-income families who attend selective institutions complete their degrees — but

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thousands of low and moderate-income students don't even apply to colleges they're qualified to attend. Mike will expand federal support for advising and retention programs, informed by College Point and others, to help guide low-income students through the college-admissions and financial-aid application process.

- Reward selective schools that increase low-income and middle-class enrollment — and publicize the best and worst performers.
  - Pass legislation to expand quality early-college programs and allow Pell grants to cover enrollment for high school students in early college programs who are identified as college-ready.
- **Expand investments in institutions serving students from low-income backgrounds and underrepresented groups.** America's historically black colleges and universities (HBCUs) play a vital role in promoting economic mobility. Mike's plan will triple direct federal Title III funding to HBCUs, as well as Hispanic Serving Institutions (HSIs) and other minority serving institutions. Use of funds will include need-based financial-aid and evidence-based strategies to raise graduation rates.
  - Support efforts to build on traditional HBCU strengths, including preparing graduates for careers in STEM fields and teaching.
  - Help build, restore and modernize HBCU facilities, particularly those used for STEM education and training. Mike will create new HBCU infrastructure grants, in partnership with private sector employers.
  - Fully fund and grow the HBCU capital financing program and provide one-time forgiveness of capital-finance debt for struggling institutions.
  - Boost funding to HBCU medical schools to increase the number of physicians of color.
  - Establish an office in the executive branch to improve minority-serving institutions' access to research funds and other federal grant opportunities.

### **3. Make college count.**

[Two-thirds](#) of U.S. jobs today require some form of post-secondary education, and the U.S. has a shortage of 5 million college-educated workers to fill today's jobs.<sup>5</sup> Mike's plan will help 70% of Americans complete a post-secondary degree or credential by 2030 and equip them with the skills needed to earn a family wage.

Mike will invest in powerful, data-backed strategies to help more students get to the finish line. He's already shown how to do it: as Mayor of New York, he funded the City University of New York's pioneering CUNY ASAP program, which provided targeted advising and

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<sup>5</sup> [https://1gyhoq479ufd3yna29x7ubjn-wpengine.netdna-ssl.com/wp-content/uploads/2014/11/Recovery2020.ES\\_.Web\\_.pdf](https://1gyhoq479ufd3yna29x7ubjn-wpengine.netdna-ssl.com/wp-content/uploads/2014/11/Recovery2020.ES_.Web_.pdf)

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financial supports to help at-risk students complete their degrees. [CUNY ASAP](#) doubled the three-year graduation rate and reduced the overall cost to the public by [\\$6,500 per graduate](#).<sup>6</sup>

As an entrepreneur and mayor, Mike created hundreds of thousands of jobs, diversified the city's economy and maintained its technological leadership. He's launched innovative programs to connect people with training, good jobs and careers that became models for other cities and the whole country.

Building on this record, Mike's plan will:

- **Invest in proven strategies and student supports to boost college completion rates.** Raising completion rates at two- and four-year colleges over the next decade would boost GDP by as much as [10%](#) within 20 to 30 years.<sup>7</sup> Mike's plan will provide incentives to states to adopt goals to increase the completion of degrees that equip graduates with skills needed for good-paying jobs. States will publicly report their strategies and progress toward meeting those goals.
  - Use the federal-state partnership outlined above to fund evidence-based programs to boost completion and close completion gaps among low-income students, minorities and students with disabilities. Drawing on CUNY ASAP and others, these programs involve advising, course scheduling, tutoring, child care services, transportation, and emergency financial assistance.
  - Pilot micro-completion grants for at-risk students close to graduation.
  - Ensure credit for prior learning, so that community college degrees qualify students for third-year status in public four-year colleges.
  - Combat food insecurity by covering meals for our lowest-income students at public institutions through expanded Pell grants and federal and state funding.
  - Notify students of their eligibility for SNAP benefits during the federal-aid application process.
- **Help working adults enroll in strong programs and get better jobs.** An estimated 36 million American adults have some college education but no credential to show for it.<sup>8</sup> Mike's plan will encourage programs to re-enroll and graduate adults who have some college but no degree.
  - Provide grants to scale programs designed for adult learners.
  - Pilot a system of Career Security Accounts in 10 regions to help part-time learners and working adults pay for training programs to move into in-demand jobs.

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<sup>6</sup> [http://www1.cuny.edu/sites/asap/wp-content/uploads/sites/8/2017/03/ASAP\\_Program\\_Overview\\_Web.pdf](http://www1.cuny.edu/sites/asap/wp-content/uploads/sites/8/2017/03/ASAP_Program_Overview_Web.pdf)

<sup>7</sup> [https://www.amacad.org/sites/default/files/publication/downloads/CFUE\\_Economic-Impact.pdf](https://www.amacad.org/sites/default/files/publication/downloads/CFUE_Economic-Impact.pdf)

<sup>8</sup> [https://nscresearchcenter.org/wp-content/uploads/SCND\\_Report\\_2019.pdf](https://nscresearchcenter.org/wp-content/uploads/SCND_Report_2019.pdf)

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- Pilot expanding Pell grant eligibility for quality, short-term training programs demonstrating strong outcomes. The program will also explore extending lifetime Pell eligibility to support workers who have used their full allotment.
- **Strengthen career-training programs so all students have the skills required for good-paying jobs.** The U.S. invests 0.1% of GDP in workforce development, less than any industrialized country except Mexico.<sup>9</sup> Mike will restore workforce development investments and partner with states to upgrade facilities at community and technical colleges to prepare students for in-demand careers.
  - Modernize community colleges to ensure all high-demand career programs are fully accessible to students with disabilities.
  - Support innovative collaborations among employers, industry associations and educational providers to develop valued credentials.
  - Set a goal to enroll 1 million students in work-based degree and credential programs by 2030.
  - Work with states to introduce “Apprenticeship Degrees” for in-demand careers.
  - Support the creation of employer-endorsed credentials, through national and regional collaborations among industry groups, educational providers and labor groups. Incentivize states to open competitive funds for credential-granting programs that match classroom instruction with local industries’ needs.
  - Double funding for the Perkins and WIOA Acts to support career readiness.
  - Reform the Federal Work-Study program. This includes tripling funding for “work college” programs where students work 10-15 hours weekly with support and development. Eligible institutions would be required to increase slots for career-boosting work, including private-sector jobs, and ensure more benefits go to low and moderate-income students. Employers would be required to contribute a greater share of student wages.
- **Promote transparency by focusing the higher education system on student outcomes.** The federal government spends [\\$120 billion](#) a year on student aid for higher education, but access to and allocation of those resources are not aligned with labor-market outcomes.<sup>10</sup> Mike will work to pass the College Transparency Act to better collect data on student outcomes and use it to measure institutions’ improvements. Benchmarks would include earnings 3-5 years after graduation; improved economic mobility rates over time; loan-repayment rates; and enrollment and completion rates for Pell-eligible students and students of color. The government would take into account the background and academic preparation of student populations, to avoid unfairly singling out institutions serving low-income communities.

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<sup>9</sup> <https://nationalskillscoalition.org/federal-policy/body/CIAW-Invest-in-AW.pdf>

<sup>10</sup> <https://www2.ed.gov/about/reports/annual/2019report/fsa-report.pdf>

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- Restore the Obama-era Gainful Employment regulations to hold predatory for-profit institutions accountable.
- Identify low-quality programs with extremely poor student earnings, using fairly measured comparisons incorporating all relevant student factors including income, gender, race/ethnicity, and academic preparedness — as well as taking into account access to resources. Funding would be available for improvement plans and external support.