

The U.S. Department of Education Under Secretary James Kvaal

Oakley: Hi, this is Eloy Ortiz Oakley chancellor of the California community colleges. And you're listening to another episode of the California community college's chancellor's office podcast. Today have the great pleasure to be talking with Under Secretary James Kvaal of the U.S. Department of Education. As many of you know, California is the largest system of higher education in the country or community colleges coupled with the California state university system, university of California and all of our private nonprofit partners. So the actions of the us Department of Education and of president's administration are critical to our future here in California. And we've been fortunate since Joe Biden game president, that the us Department of Education has taken and gone to extreme lengths to focus time and attention on institutions that serve the majority of Americans institutions like the California community colleges, like our public regional universities, like Hispanic serving institutions and HBCUs. So we're were very grateful for the time and attention. There has been frustration along the way with the actions Congress has taken, and we'll get in to a little bit of that, but there's also a lot of hope in the proposals that the president has laid out. And I know having spent a little bit of time working in the Department of Education and working with secretary Miguel Cardona, I do think that there is a lot of hope and a lot of positive energy headed our way in the California community colleges and community colleges throughout the country. Because I think we have an administration, certainly a first lady who appreciates the community colleges. So as I mentioned today, my guest is James Kvaal. Under Secretary Kvaal was confirmed by the U.S Senate as Under Secretary on September 14th, 2021. James Kvaal was formally president of the Institute of college access and success.

Oakley: TICAS I know many of, you know, TICAS, they do research and advocacy dedicated to affordability and equity and higher education. And they're recognized for their research and policy efforts around student debt. Kvaal also served in the Obama administration as deputy domestic policy advisor, the white house, and deputy Under Secretary at the U.S. Department of Education. So he is very familiar with the work that the department is leading very familiar with the California community colleges. We were very grateful under the Obama administration, how much light was shined on the community colleges. And I know he carries that forward into his recent job. So with that, let me give a very special and warm welcome to Under Secretary James qu. Thanks for joining us, James,

Kvaal: Thanks so much for having me Eloy. It's a privilege. I'm so glad to have this time with you. We miss you here. We still have your name on the

door. So, anytime you want to come back to the department, we have your spot. Well,

Oakley: I, I appreciate that. You know, he never say never. So I may show up one of these days. So let's talk a little bit about what's been going on, James. I hope you don't mind if I call you James.

Kvaal: No, of course.

Oakley: So a lot has been happening, not just since you were confirmed, but since President Biden took office, we have been working through a global pandemic. That pandemic has disrupted higher education. It's disrupted the lives of members of our communities, particularly low income communities and communities of color. And the administration has provided a lot of direct support for our communities a year ago. The American rescue plan authorize the higher education relief fund, otherwise known as HEERF to support higher education. So can you take a little bit of time to tell us about HEERF, how the U.S. Department has seen the results of this funding and other elements of the American rescue plan that you think are important to remind our listeners?

Kvaal: Yeah, of course. So, you know, obviously for more than two years now, we've been working our way through this pandemic and it just turned everything upside down for us personally and professionally, and same is true for the students that we've served. One thing that I think is really important is for the first time ever in an economic crisis, Congress provided direct assistance to colleges and universities. Of course, we know colleges are devastated by economic downturns every time the economic cycle comes around and that funding doesn't get put back when the good times come back mm-hmm and that's been a major factor in driving up tuition at the colleges that serve the large majority of students. So merely the fact that Congress has recognized the damage that economic disruptions can have on colleges and on college students, I think is really an important moment. And it's incumbent on all of us to make sure that people understand the benefits that this funding has had for colleges and for students.

Kvaal: And from what we see Eloy, you may be a little closer to the ground, but you know, what we see when we talk to college presidents and surveys say overwhelmingly, the American rescue plan has helped students make their way through this pandemic, through all the economic disruptions and lost jobs, it's helped them stay enrolled. It's held, helped colleges, keep faculty and staff employed in some cases has even helped them keep the doors open mm-hmm and it's given colleges the resources. They need to slow the spread of the pandemic and adapt to rapidly changing public health needs. So, you know, in my view, it's been an incredibly worthwhile and successful investment.

Oakley: Well, I certainly agree from our point of view here in the California community colleges, the resources that have been put into motion, put into our colleges, into our communities, I think has really helped our students continue to remain engaged and helped our colleges purchase the technology that they needed to stay engaged with students, to help with faculty professional development. We all pivoted to go online or, and in the normal year, that would be difficult over a two week period at the beginning of pandemic, it was quite a feat. So we really appreciate the resources that have been made available. Now, one of the things that we've been talking about a lot in California, and I'm sure this is happening across the country and the department has been very instrumental, helping us think this through is the use of those HEERF dollars to help our students, particularly with local debts that have accumulated that cause holds on their transcripts or cause them to otherwise not be able to re-enroll. What are your thoughts about the importance of colleges and universities using no funds to direct support students as they reengage in colleges and universities?

Kvaal: Oh, it's very important. It's one of the best ways that we've seen colleges use those funding. In fact, secretary Cardona has called on college presidents to consider doing more. And, you know, one thing that we see in the current situation, we've seen, you know, challenges for a lot of students to stay enrolled. We've seen adult students, you know, facing the same challenges that adult workers do with concerns about spread of the disease, needing to take care of their families and protect their families. And we need to make it as easy as possible for adult students to come back now. And one piece of this we see is, you know, a lot of times colleges have we even relatively amounts of money in library fines or parking fees that can keep students from re-enrolling from accessing their transcripts transferring. And so it's a really, you know, kind of a penny wise pound foolish policy. Mm-hmm to have those kinds of obstacles standing in the way of students re-enrolling and reaching their degrees. So I think really wonderful colleges have been able to use the American rescue plan to try and remove that obstacle for so many students.

Oakley: Yeah, no, I certainly want to echo that. And for all the college leaders who might be listening to this podcast, you heard it straight from the Under Secretary that we want colleges and universities to do everything they can to allow students to re-enroll and re-engage, and having those as minor debts on the books, I think doesn't help us in the recovery. So thank you for that, James. So let me ask you this. When I was at the department, I know that there was a lot of work happening around the build back better agenda and the build back better budget act. I think it was one of the most generous, most impactful budget proposals I've ever seen, particularly for community colleges and for Hispanic serving institutions, HPCUs really focused resources on helping our students be as successful as possible. It's \$111 billion investment that's been

proposed over the cost of education. what do you think are some of the most important elements of that plan, which is now stalled in the us Senate and what, if anything, can we do to help get that to the president's desk?

Kvaal: Well, you know, you're absolutely right about the importance of that proposal to the president. And I think for him, the question was not just how do we get through this time, but how do we emerge better than we were before? How do we take advantage of the need to restart and rebuild to come back with a system that is more equitable, more prosperous, stronger economic growth than what we had before for the president? You know, a big part of the solution is colleges and universities. There are few, if any institutions our country has, that does as much as colleges and universities can do for upward mobility for equitable opportunity for driving higher living standards. Mm-hmm <affirmative>. And so you saw that belief for in the president's plant and he's called for doubling the Pell grant he's called for working with states to make community colleges tuition free. Mm-hmm <affirmative>, he's called for very large investments to help all kinds of colleges and universities raise graduation rates. He's called for special investments and historically black colleges and universities, Hispanic serving institutions and other minority serving institutions as well as money to help community colleges work with industry to create new jobs. So it's really a comprehensive vision about how do we put resources into higher education to help many more students to reach their goals and make the powerful force for upward mobility that our country really needs

Oakley: Well. And I will say a few things that you may not be able to say. I think it is a critical piece for higher education, and I hope that we can come together and do everything possible to help the Senate understand the importance of this to every day, Americans working, struggling to get the ski that they need on the ground. So I remain hopeful, but, uh, understand the frustration. Many of us feel over this very important budget proposal, being stuck in the Senate. Let's talk about one of the pieces. That's very important to us in California, as well as I know many community colleges throughout the country, whether it's called the free community college proposal or the America's college promise proposal. You know, a lot of this work began when you were in the Obama administration. A lot of work was done to lay groundwork and certainly president Biden has been interested in pushing this forward. Certainly our first lady has been a big advocate of the America's college promise. Where do you see that today? And is there still a commitment to supporting America's community colleges?

Kvaal: Yeah, absolutely. There is. And for president Biden for the first lady, they have a real understanding of how important community colleges are to our country. They're really incredibly American institutions in

that they serve everyone and they give people a great amount of choices and opportunities, no matter what their destination is and something that is, you know, really important about free community college is it says, you know, for the economy we're in that additional two years of education really should be so something that's available to everyone, that everyone considers an option. And, you know, a hundred years ago when we were making high school free and universal, it wasn't a given that high school would be free. There were people who thought high schools ought to charge tuition, but we decided it was smart to bet on the education of our young people. And that helped drive much higher high school attainment rates in our country than in Europe or other places in the world, which was really a driving factor in our country's prosperity over the last to a hundred years.

Kvaal: So now it's time to take the next step and realize other countries have passed us by, but education still remains one of the best investments we can make in our future. Now how we're going to get that done. Of course, the system we have, it does depend upon Congress. And so we will continue. We are not going to take a break. We're not going to arrest. We're going to continue working with Congress to talk about why we think those investments are so important, but you know, really a strength of this movement, just like the free high school movement has been a grassroots movement from across the country. And right when this idea first emerged, it was happening in Tennessee with Republican governor there, it was happening in Chicago with a democratic. And that has continued now across the country, including in California, including in New Mexico, there's a debate happening in Maine now. So I think the power of the idea does not depend solely on the votes of a couple of senators. This is something that we can accomplish as a country.

Oakley: Well, again, we remain hopeful and we agree that this is a tremendous opportunity for the country. Let me ask you this question. I know during the debate of Build Back Better, there was this concern raise about Pell versus college promise. And I always saw the administration as being supportive of both and both being important to the future of, of higher education. How would you answer that question when, when people raise it, you know, are we pitting one proposal against the other?

Kvaal: Yeah, well certainly our view is we really need both. They're both very important and for Pell of course that helps students at all kinds of colleges. The purchasing power has declined substantially in recent decades, right? And it's really the found day of making college affordable for everyone and providing that equitable opportunity. Free community college is something that the federal government would do alongside states. So it's a place for federal and state dollars to invest together in accomplishing something that's really important. Mm-hmm and it would provide, you know, a clear signal to high school students that this is something that's possible for them. It's even something

that's recommended or expected from them. And we see the power of that kind of signal in influencing students, decision making in Tennessee and other places that this has been tried. And by the way, you know, the president also is making very large investments in student loans and trying to student loans easier to repay, right? And each of these proposals may be more important at one institution or another, but if you look at them together, it is a very ambitious set of investments in higher education as a whole. And one that all types of colleges and universities would benefit from. And I hope would support.

Oakley: I agree with that. And certainly from my experience, when I had the pleasure of working in the community of long beach and we had the long beach college promise, I think the biggest impact was on those students in elementary school, in high school, it was one less barrier that they needed to think about. They didn't need to think about the tuition. And there was a partnership that developed in communities like long beach and across states like Tennessee. So I do think it's a powerful, powerful framework, and I hope that we can get it done. Now, the president recently released its fiscal year 2023 budget proposal. There are things like increases to Pell. So tell us a little bit about the budget proposal, why you think it's important particularly to higher education and what are some of the things the department is really excited about?

Kvaal: Yeah, so the budget includes a very substantial increase in Pell grants proposal is an increase of \$2,175 over two years. And maybe just as exciting expels out of very concrete path to get to double into Pell grant by the end of this administration. So I think that's really important when you see those dollars there mapped out in future years of target for us to hit and a way to show that it is realistic to fit within an overall realistic budget framework to double Pell grant. So I think that's very, very important. The budget includes new investments in historically black colleges and universities, Hispanic serving institutions, other minority serving institutions, really important to put some extra resources into those colleges and universities that have been often underfunded historically, but play a really critical role in making opportunity equitable. And then there's also a new fund to help colleges and universities raise graduation rates. And I know that's been a big focus of yours Eloy, right? And it's really exciting from where I sit. We see colleges across the country really grabbing onto this challenge and moving the needle. Our national graduation rate was up eight percentage points over a decade. Now it may take a hit here in the pandemic, but there is something really real that's happening where colleges and universities are taking responsibility for their student success and welcoming them and really trying to change the culture use data and it is paying off well.

Oakley: And we really appreciate the alignment, the department and the administration budget is having with our own strategic vision here in California, our vision for success and at the heart of that vision is equity. So I really appreciate, we all really appreciate the way that you all in the department are driving equity as a key to the budget framework. Now

Kvaal: I would turn that around you. I think you're the one driving equity and you know, we're trying to of support it however we can, but you know, we recognize you and the colleges you lead are the ones that are on the front lines of changing people's lives.

Oakley: Well, we appreciate that and we appreciate the support. Now you mentioned student debt, you mentioned the support that you've been given student borrowers recently, you announced that the department will be making some changes to those student borrowers that have been in default. Can you explain what you're thinking about doing and how that would impact the lives of students?

Kvaal: Sure. So President Biden two weeks ago announced that for the roughly eight million borrowers who've been in default, while student loans have been paused, those people are going to be restored back to good standing when student loan repayments begin just like everyone else is going to start on day one, borrowers who were a couple weeks behind get the same benefit. But for borrowers who are defaulted, it's just a tremendous change for how their loans are going to be treated. And for the pandemic, we had a million borrowers a year defaulting on their student loans. These are people who are overwhelmingly first generation college Pell recipients facing broader economic distress. And when their loans default, they become immediately due fees, get added wages, get garnished, comes hard to get mortgage, a credit report. We can capture other federal benefits. So it's really an incredibly painful situation for borrowers to be in. And on top of that, you lose eligibility for other kinds of financial aid. So it becomes very difficult for you to finish your degree if you didn't complete before. So, you know, I think it's really important for all of us to pay attention. You know, in many ways student loans make college possible, but there also are people who are left worse off than if they hadn't gone to college at all. And we need to make sure that we can tell people that college is not only one of the best investments you can make, but also a safe invest. And part of that is making the student loan repayment system work.

Oakley: Well, I know we could probably have a podcast just on student debt and maybe we'll come back to that at some point.

Kvaal: Let's do it.

Oakley: But just to give you some context, which you may or may not know because of the recent actions, the public policy Institute of California, just published some information on the impact of the action that you're taking on California borrowers prior to the pandemic, 17% of California borrowers were in default or delinquency. That's 200,000 Californians. So the impact of this one policy change will be tremendous for Californian. So we really appreciate the work that you're doing and the emphasis on giving students an opportunity to reengage in the economy, because they had such a deleterious effect on their credit.

Kvaal: Thank you. I wasn't aware of that fact and that's,

Oakley: We'll make sure and get the report over to you so you can share it widely in the department.

Kvaal: Yeah. Can I mention too, you know, we're doing everything that we can to try and build a better student loan system permanently. And one thing that we learned when we got here was that most people who are eligible to have their loans forgiven under one of the existing programs actually don't get the benefit. So for example, we had 350,000 people who were totally disabled. We knew that based upon social security records, we've now discharged those loans. When the president arrived in office only 8,000 people had ever gotten public service loan forgiveness. Mm-hmm were now up close to 150,000. There was a huge backlog of borrowers who were cheated by their colleges. We've discharge hundreds of thousands of those loans as well. So we really are working very hard to make sure that we are strengthening these programs for borrowers, where the loans don't pay off.

Oakley: Well, I think that's an important message. I think some of that work that you're doing has gone under the radar, given everything else that's going on in the world, but it's hugely important work, particularly for the, the public service loan forgiveness. We have, you know, 70,000 plus public employees in our system, faculty staff who have been working hard, took out loans who felt at some point the public student loan forgiveness program really wasn't going to support them in any way. So I think there's renewed hope. I'm sure you've got a lot of applications now for public service loan forgiveness. So on behalf of all of our faculty and staff, we appreciate the work of the department in this issue.

Kvaal: We have gotten more, but, but not enough. We know there's a lot more people out there. So whatever you all can do to spread the word, because it is a very important program.

Oakley: Well, absolutely. And any public employee in our system or any system who's been making payments for the last years, we hope that you do. If you just Google public student loan forgiveness, I'm sure there'll be a

lot of information there as well as the Department of Education website. So I know we're coming up on time. So let me just touch on a few other topics. I know that a lot has been going on in the department. You've got a lot of work happening around negotiated rulemaking. A lot of efforts around student debt, increased cost of education accreditation, all sorts of issues. And part of that mix is the challenges that a lot of our adult working learners face, many of them have some college, no degree. Some of them never went to college, but are in the workforce. Now, how is the department thinking about adult at working learners and what should we be thinking about on the ground to better serve Americans who need access to the skills that they need in order to get into the workforce?

Kvaal: Well, it's a really important challenge and our economy was already changing very, very rapidly. And now when we look out at an economy, in some ways it's been transformed and we see a big increase in demand for manufacturing here. In fact, factory jobs are up by hundreds of thousands. We see increasing demand for reliable supply chain, transportation, warehousing mm-hmm <affirmative>. The bipartisan infrastructure law will create a million and a half jobs a year for the next 10 years. We see a big demand and increase and clean energy and healthcare. So there's been a shift in the types of jobs that are out there, but there are a lot of jobs that require some education after high school and that are sustainable middle class jobs. So I think it's really important that we put adequate resources into our community colleges. Oftentimes these programs are technical that require instructors with expertise that require advanced equipment.

Kvaal: And we need to make sure that we have the resources to offer these programs and adapt to changing labor force needs. We've seen employer buy-in is really, really important to motivating students and helping making sure that curriculum leads actually to a job. So a big emphasis here on apprenticeships, on the job training work study. And then the last thing I'd mention is just to keep in mind that, you know, adults are different from full-time traditional age students, and we need to make sure that we're offering flexible schedules. Asynchronous learning is something that is very useful to many adults. We need to have quick payoff and help them get credentials quickly and get jobs quickly. So those are some of the things that we're encouraging. And is that similar to what you're seeing in California? Eloy?

Oakley: Absolutely. I mean, we are sort of in a moment of urgency here, California, to help a lot of struggling workers who either are walking away from their job because the frustrations that they felt or taking jobs because they're open right now, but they don't have the skills that they need in order to really align themselves with their career opportunities in these industries. Plus we have a decline in K12 enrollment happening in California, and I'm sure that demographic is

happening across the country. So we need to ensure that we are paying a lot of attention to the needs of adult working learners, particularly since they've been hit hard by the pandemic, their many times working parents whose kids have been home during the pandemic. So the answer is yes, and we are looking forward to working with the department to try and either improve or ease regulations that make it harder for us to do it or to promulgate new regulations that allow us to do it better as well as long way protect our students from predatory practices of the, for profit industry. When these times come up and well, I'll give a plug to your former colleague Ajita Talwalker Menon, who now leads Calbright College. And Cal bright was designed with this particular audience in mind, working learners who need skills and competencies in order to get to the workforce. So that was a long answer, but yes, we are seeing the same thing and we hope to work with you and your team to improve the, our ability to serve students where they're

Kvaal: At. That's a big job for Ajita. I thought she had a big job when she was leading higher education in the white house, but this one may be even more important.

Oakley: Oh yes, no, we are definitely challenging her. So let me wrap up here and put one more question in your lap. Tell us about the challenges and the opportunities that you see coming down the road for Department of Education. Is there anything that we can do to support you and your team?

Kvaal: Yeah. One thing that we haven't touched on is just an effort that secretary Cardona has asked us to make, to really change what higher education values. And I wrote this down before you left Eloy culture is the silver bullet and too often a relatively small number of institutions get disproportionate attention. And they're noted by the number of students. They turn away by the wealth that they have accumulated. And those places is, you know, our excellent institutions. Our country is lucky to have them, but that is not the only picture of what it means to be an excellent college or an excellent university, right? And for a lot of places, you know, they're inclusive, they're serving their communities, they're affordable, they're promoting upward mobility. That's what their community you really need. And we need to make sure that those types of institutions are recognized for the excellent job that they are doing.

Kvaal: And don't feel tempted to chase higher rankings at the cost of starting to turn or raise students of trying to build more expensive facilities. And some of the other tradeoffs, you know, that maybe our culture would say is the most prestigious pursuit for colleges and universities, but really not necessarily the mission that is most needed for a particular community or a state. So, you know, that's one thing that I think California is maybe a little bit further ahead of the rest of us on, I think California does understand the importance of, and community

colleges and public universities and trying to make sure that that system is open and is committed to upward mobility. And that's really important. I think we should all be talking more about what works there in California.

Oakley: Well, we couldn't agree more on your last point. We want to make sure that we change the value system in America, that we value institutions that create the greatest economic mobility and that create value in communities up and down states and the country. We're proud to say that we accept the top a hundred percent of students in the California community colleges. And we love to remind you and your colleagues in Congress, that we are the largest system of higher education in the country. So we hope that we can continue to push that message, please, as you get a chance there in DC, please give our invitation to the first lady to the secretary, to you and your colleagues to come visit us in California. I know it's the left coast, but come on over. We'll be happy to welcome you here. We're happy to welcome the secretary not too long ago, and just know that we very much appreciate the work that you all are doing there in Washington, DC. We know how hard it is, and we want to continue to help support you and your push to shine a light on community colleges throughout the nation. So thanks for being with us, James.

Kvaal: Thanks.

Oakley: So you've been listening to another episode of the California community colleges, chancellor's office podcast. I've been joined by Under Secretary James Kvaal, the, the U.S. Department of Education. And I will take a minute to remind everybody that his last name is Kvaal, not Kaval. I hear that all the time and he is too kind to remind folks, but really appreciate having him on the show really appreciate the work that he and his team are doing. And I want to thank all of our listeners for tuning in, again, listening to Under Secretary James Kvaal, and we will be back with you again soon. Thanks for joining us.

Speaker 3: Be sure to join us for the next California community colleges podcast. This has been a, a California community college's presentation.