

THE ELITE UNIVERSITIES CARTEL:  
A HISTORY OF ANTICOMPETITIVE COLLUSION  
INFLATING THE COST OF HIGHER EDUCATION

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HEARING

BEFORE THE

SUBCOMMITTEE ON THE ADMINISTRATIVE STATE,  
REGULATORY REFORM, AND ANTITRUST

COMMITTEE ON THE JUDICIARY

U.S. HOUSE OF REPRESENTATIVES

ONE HUNDRED NINETEENTH CONGRESS

FIRST SESSION

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WEDNESDAY, JUNE 4, 2025

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# THE ELITE UNIVERSITIES CARTEL: A HISTORY OF ANTICOMPETITIVE COLLUSION INFLATING THE COST OF HIGHER EDUCATION

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Wednesday, June 4, 2025

HOUSE OF REPRESENTATIVES

SUBCOMMITTEE ON THE ADMINISTRATIVE STATE,  
REGULATORY REFORM, AND ANTITRUST

COMMITTEE ON THE JUDICIARY

*Washington, DC*

The Committee met, pursuant to notice, at 10 a.m., in Room 2141, Rayburn House Office Building, the Hon. Scott Fitzgerald [Chair of the Subcommittee] presiding.

*Members present:* Representatives Fitzgerald, Jordan, Issa, Cline, Gooden, Hagedorn, Harris, Baumgartner, Nadler, Raskin, Correa, Balint, Garcia, and Johnson.

*Also present:* Representative Nehls.

Mr. FITZGERALD. Without objection, the Chair is authorized to declare a recess at any time.

I want to welcome everyone to today's hearing on collusion in higher education.

Without objection, I ask unanimous consent for Mr. Nehls to be permitted to participate in this hearing, question the witnesses if a Member yields him time for that purpose, of which I will yield to him five minutes.

I will now recognize myself for an opening statement.

According to the National Center for Education Statistics, U.S. colleges and universities are \$700 billion, a \$700 billion industry. The Harvard endowment alone, which stood North of 50 million as of 2023, is larger than the GDP of 120 Nations. Six of the eight Ivy League schools have endowments exceeding \$10 billion.

Ivy League schools should be competing to offer the best products at the best possible price. Instead, they collude to raise prices and spend their inflated cartel earnings on administrative bloat.

According to the Bureau of Labor Statistics, while products like cars, clothing, and TVs have become more affordable as businesses reduce costs to attract buyers, the cost of college tuition and textbooks has risen by more than 180 percent and, respectively, con-

tinues to go higher. Today, the cost to attend an Ivy League school can exceed \$100,000 per school year.

Ever since the Ivy League was established in the 1950s, these schools have been focused on exclusivity, maximizing profits, and artificially inflated prestige rather than expanding access to education and serving students.

In 1950, Harvard charged \$600 a year for tuition. Today that number is nearly \$60,000. Not only has tuition skyrocketed, but these schools are also deliberately keeping class sizes small to maintain exclusivity and inflate their perceived prestige. Between 1978–2023, while the U.S. population grew by just 50 percent, and the number of applicants increased by 450 percent, Harvard reduced its class sizes by 258 seats.

Across all Ivy League schools demand has steadily increased, yet admissions remain flat. As you can see from the graph displayed, although each Ivy League school on average receives more than 50,000 applications, it accepts less than 2,000 students per year.

These price increases and shrinking class sizes are not coincidental. Ivy League schools have a history of coordinating pricing practices to avoid competing on costs. In 1958, MIT and the eight Ivy League schools formed what is widely known as the “Ivy Overlap Group,” a cartel to fix prices. These schools agreed to use a shared formula for calculating financial aid, ensuring students admitted to multiple schools would pay the same price no matter where they went.

In 1989, the Department of Justice began investigating these practices and, ultimately, filed an antitrust lawsuit. By 1993, all nine schools had settled.

In response, Congress adopted Section 568 of the Improving America’s Schools Act of 1994, granting colleges an antitrust exemption provided they did not consider a student’s ability to pay while making admissions decisions.

In 1999, elite schools formed a new cartel, the 568 Presidents’ Working Group. The goal was the same: To create a shared financial aid formula and not compete for students based on price.

Even with a legal exemption, these elite schools still chose profit and prestige over access and fairness. In 2022, former students sued many of the Ivy League schools for colluding with financial aid formulas that favored wealthy applicants.

In one internal document uncovered through discovery a college administrator complained about not being able to find enough qualified students with well-off parents to pay the high sticker prices. She said, “Sure hope the wealthy next year raise a few more smart kids.”

Ivy League schools can maximize the price paid by each student using detailed financial data collected through the College Scholarship Services Profile, or the CSS Profile. It is a comprehensive financial aid form that most colleges do not require.

The CSS Profile gives these schools access to sensitive information, including family home ownership, savings, retirement accounts, and more. With that information, they can determine how much a prospective student’s family can apparently afford to pay and then charge them that amount.

Despite valuing their degrees at nearly \$400,000, having multi-billion dollar endowments, and receiving billions more in taxpayer funding, these schools don't prioritize accessibility or quality of education, they prioritize profit and prestige.

Even though the Ivy League schools no longer have an antitrust exemption to coordinate on pricing, tuition continues to skyrocket. By setting the industry standard for tuition, the Ivy League creates an umbrella effect that allows other colleges to charge more than they could in a competitive market.

Today we are starting an overdue conversation about how the Ivy League's anticompetitive practices may harm students, taxpayers, and, ultimately, our country's future.

I want to thank the witnesses again for appearing before us today. I look forward to your input.

I will now recognize the Ranking Member Mr. Nadler for his opening statement.

Mr. NADLER. Mr. Chair, before I start my opening statement let me mention a personal stake in this.

I am the first member of my family to go to college. We didn't have much money. My father worked at a gas station. I was offered full scholarships by two Ivy League colleges: Yale and Columbia. I chose Columbia. I never had to pay a cent.

Mr. Chair, this hearing, like so much else that we have done in this Committee under Republican control, takes a serious issue and uses it as little more than an excuse to launch a decidedly unserious so-called investigation.

Let's be clear, the cost of tuition at many colleges and universities, not just Ivy League institutions, is too high and is unaffordable for too many families. The same Republicans who today claim to be concerned about the ability of students and their families to afford college tuition proudly cast their votes two weeks ago for a Budget Reconciliation Bill that would take direct aim at student loan programs and other vital student aid.

If they really cared about consumer prices, they would not undermine the ability of all students, especially low-income students, to access and afford higher education.

They would not make cuts to Pell Grants that would reduce or eliminate access for up to four million students. They would not cut student loan subsidies, raising costs for an average borrower by up to \$200 a month. They would not make student loan repayments even more difficult and push more students into the predatory private loan market. They would not include devastating cuts to Medicaid which would deprive roughly 3.4 million low-income students of much-needed healthcare.

Republicans showed us very clearly that their priority is tax cuts for billionaires, not affordable higher education. So, it's a little difficult to take their concerns seriously today.

This hearing also comes in the context of the Trump Administration's all-out assault on education and research at colleges and universities across the country, and particularly at Ivy League and other elite universities. The administration slashed billions of dollars in research grants to universities which will set back technological innovation and medical advances by decades, not to mention harming our economic growth.

At the same time, they are revoking student visas and sending an unmistakable message to prospective students around the globe that they are not welcome. The result is that the brightest minds in the world, who once flocked to this country, will now move to bring their brains and talents elsewhere.

This attack on higher education has an even more sinister purpose. Its real target is academic freedom. Taking a page from the authoritarian playbook, the Trump Administration is using every tool at its disposal in a pressure campaign to impose its ideologies on independent academic institutions, and to bend them into submission.

Unfortunately, they have a willing partner in the Republicans on the Judiciary Committee. Instead of using their power as legislators to make education cheaper, more accessible, and easier to pay off for all Americans, Republicans are using the power of this Committee to aid and abet President Trump's ideological war against the very narrow slice of higher ed institutions.

How absurdly narrow is their focus? They are targeting eight schools out of about 4,000 in the United States. That amounts to a focus on less than one-half of one percent of the American undergraduate population.

While President Trump threatens individual schools with cuts for not adhering to his ideology, they are using the power and resources of this Committee to pursue yet another empty antitrust theory so that they can bully their political targets. Sadly, this follows a familiar pattern.

Last Congress, this Subcommittee unleashed baseless antitrust investigations designed to undermine the free speech rights of advertisers and investors that held views disfavored by the Majority. When advertisers made the reasonable determination that they did not want their brands associated with extremist views and hate speech on social media platforms, Republicans used a flawed antitrust theory to justify a campaign to threaten and intimidate them into abandoning their efforts as responsible advertisers.

When investors threatened the profits of big oil and gas companies by considering the risks that climate change posed to our economic future, the Committee rushed to the defense of their corporate allies with another hollow antitrust investigation.

Now, today, they return to the same tired playbook, using the power of this Committee to support the Trump Administration's efforts to target academic institutions. After having launched an overbroad fishing expedition against Ivy League universities, they are now holding a hearing today to justify these efforts at harassment and intimidation.

As I noted at the outset, there are real concerns when it comes to the cost of tuition at colleges and universities. If there is indeed collusion among the Ivy League schools, enforcement by our antitrust agencies, the Federal Trade Commission and the Department of Justice, is the answer, not a partisan probe that merely serves as another broadside against education in America under President Trump.

There is much we could do together to bring down the cost of tuition and broaden access to education. Unfortunately, Republicans would rather slash student loans to pay for tax cuts for billionaires,

while threatening universities that do not bend to Donald Trump's will.

Unfortunately, there is one clear loser in the Republican war on science and education, it is the students they claim to support and, I should add, the public that benefits from scientific and medical discoveries that will not now happen in the United States.

I appreciate our witnesses for appearing today. I look forward to hearing from them.

I yield back the balance of my time.

Mr. FITZGERALD. The gentleman yields back.

I now recognize the Chair of the Full Committee Mr. Jordan for his opening statement.

Chair JORDAN. Thank you, Mr. Chair.

First, they set the same general price. Second, they demand large amounts of information from the students and their families for each student. Then, they squeeze every dime they can out of that family for tuition. Third, they limit class size.

So, they agree on price, they perfect-price discriminate, and they limit output. That is about as anticompetitive behavior as you can get.

Then, with this windfall of money they get, perfect-price discrimination, collusion on the price, limiting the class sizes at the institution, there is a windfall of money they get from students and their families, and the Government, the taxpayers, they hire an unbelievable amount of administrators. Mr. Shay has pointed that out. Such a deal. Such a deal for taxpayers and families.

That is what is going on. Thank goodness the Chair is having a hearing on this. It is ridiculous, and everyone knows it.

Not to mention all the crazy things we saw and witnessed at these institutions over the last few years: All kinds of crazy protests, taking over buildings, and antisemitic behavior. Not to mention all that, that is what is going on. The Ranking Member of the Subcommittee says we are wasting our time? You have got to be kidding me. The taxpayers appreciate that their tax money actually is used in the right way, not like it is being used at these institutions.

So, again I want to thank the Chair for this hearing. I look forward to our witnesses and thank them for being present today and testifying.

With that, I yield back.

Mr. FITZGERALD. The gentleman yields back.

I now recognize the Ranking Member of the Full Committee, Mr. Raskin, for his opening statement.

Mr. RASKIN. Thank you very much, Mr. Chair. Thanks to our witnesses for joining us today.

Republicans convened us in the middle of the night a couple weeks ago to pass their billionaire tax break bill, which even Elon Musk, their great hero, now calls "a disgusting abomination," another class war tax scam that will not only throw 14 million Americans off of their Medicaid, but increase the national debt by \$3 trillion.

In case our friends missed it, Elon Musk, who you have been praising since this administration began, has a message for you

today: Shame on you. "Shame on those who voted for it: You know you did wrong," says Elon Musk.

So, I was pleasantly surprised to see we were going to have a hearing on antitrust because there used to be Republicans like progressive trust-buster Teddy Roosevelt who actually believed in protecting the American people against price fixing conspiracies, monopolies, and run-away corporate power.

I thought perhaps, Mr. Chair, we could get together to protect our personal data, to investigate alleged monopolization of live events tickets, and lower prices on everything from eggs and other groceries to credit card junk fees which have been soaring under the Trump Administration, despite his promise that he would lower the price of eggs and everything else on day one.

Silly me. Like everything else, antitrust in the hands of our friends is just one more chance to attack America's colleges and universities that refuse to surrender control to that luminous academic scholar Donald Trump who wants the Federal Government to take over faculty hiring, student admissions, and academic affairs at every university in America.

I don't even know why Donald Trump is so mad at Harvard. They let in his son-in-law Jared Kushner after the Kushner family donated \$500,000 to get him in. Just like Trump pardoned Kushner's father Charles, a major Trump donor who is our new Ambassador to France, for his multiple convictions for tax evasion and witness tampering.

Now, that would be a worthwhile hearing, Mr. Chair: How wealthy people like the Kushners and the Trumps buy their way into America's elite institutions, as Donald Trump calls them.

Antitrust is now just a weapon of political attack, not economic analysis. When businesses advocate sustainable investing, House Republicans accuse them of violating antitrust.

When consumers want to exercise the right to boycott, Republicans accuse them of violating antitrust.

Gee, if you don't support their monstrous, ugly tax break bill for billionaires they will accuse you of violating antitrust. We will probably be having a hearing on how Elon Musk is now violating antitrust since he has turned against Donald Trump and their appalling bill.

So, today they are accusing eight universities who represent less than half percent of undergraduate students in the entire market across America of engaging in some completely vague and massive antitrust conspiracy. Republicans actually trotted out this pathetically weak theory in the first Trump Administration. Of course, no antitrust scholars took it seriously. Even their own Department of Justice didn't do anything with it.

They control the Antitrust Division again. Why do they need another hearing from this Committee? Why don't they just bring their case, if there is a case? They have got the power. That is what they have been talking about.

Look, this is pure power politics. President Trump's attacks on higher education reflect a standard move by authoritarians like Vladimir Putin in Russia, and Viktor Orban in Hungary. This is right out of the dictator's playbook: Subdue and control any institution that could provide a check on your lying and your corruption;

prevent any possibility of opposition and dissent from forming against the autocrat and his regime; clear a path for the agents of propaganda and disinformation; and destroy the institutions that have given us great advances in scientific discovery and intellectual inquiry, as Mr. Nadler points out.

J.D. Vance gave the whole game away, by the way, when he repeatedly quoted Richard Nixon to say, “the professors are the enemy.” Nixon said, “The professors are the enemy. Write that on the blackboard 100 times and never forget it.”

The Department of Education Secretary Linda McMahon ominously warned if schools want to continue to do research, they must fall in line with the administration and its goals. They must be “in sync … with the administration and what the administration is trying to accomplish.”

That is a Federal Government takeover of every private and public university and college in America.

Now, Harvard has stood up to the administration’s attempted hostile takeover, rejecting its blatantly unconstitutional demands to control its governance, its curriculum, and the ideology of its faculty and students.

In response, the administration has come after the university’s research contracts and grants and, more recently, even its ability to enroll foreign students, only to be shut down by the courts, and not Left-wing rogue Democrat judges, but Republican judges, too, for violating the university’s First Amendment rights.

We have got academic freedom in America under the First Amendment. Now, the Trump Administration ridiculously threatens to come after the university’s tax-exempt status. They want to revoke Harvard’s tax-exempt status, and they have asked all Federal agencies to cancel all the contracts they have with Harvard to get the work of the American people done, contracted work.

Trump is losing in court every day. Harvard is winning as it stands up for academic freedom and its right to make scientific and academic progress. Hundreds of colleges and universities across the country are standing with Harvard.

DHS said, Kristi Noem has said that the actions against Harvard should serve as a warning to all universities and all academic institutions. After Trump canceled more than 1.5 billion in research grants, we know that State universities and community colleges have been hit hard. At smaller schools’ researchers are going to lose their jobs, labs will close, and important work will go undone.

Our Republican colleagues have no interest in making higher ed more acceptable and more affordable. In their big, beautiful bill they are cutting programs that help students pay for college, all to fund their tax cuts for the wealthiest Americans.

Those cuts to higher education in America include severe limits on Pell eligibility, the end to subsidized loans, and a host of other disruptive changes that will push colleges way out of reach for hundreds of thousands of Americans.

The administration also proposed nearly an 80 percent reduction in Federal work-study funding, and eliminating support for child care for students who are parents.

What world are these people living in? This is breathtaking duplicity to claim that the Ivy League schools are conspiring against

their students to make unaffordable when House Republicans are complicit in the largest setback in access to higher education for working class Americans in decades.

Not content to undermine American students through these direct cuts to education, they are also proposing cutting \$880 billion from Medicaid and \$300 billion from SNAP, the Nation's primary antihunger program.

Do you know what happens to millions of low-income students who don't have healthcare and don't have enough food to eat? Most of them are going to drop out of school.

Today's hearing just regurgitates the MAGA agenda: Persecute and punish anyone who refuses to submit to Donald Trump's Right-wing ideological agenda or gets in the way of their plan to fund tax cuts for the wealthiest Americans on the backs of everybody else. It is a cruel, dangerous program, and it has got nothing to do with antitrust law.

I yield back.

Mr. FITZGERALD. The gentleman yields back. Without objection, all other opening statements will be included in the record.

Mr. FITZGERALD. I will now introduce the witnesses.

Dr. Preston Cooper. Dr. Cooper is a Senior Fellow at the American Enterprise Institute where his work focuses on higher education, student loans, and higher education reform.

He previously served as a Senior Fellow in Higher Education Policy at the Foundation for Research on Equal Opportunity, a Research Analyst at AEI, and as a Policy Analyst at The Manhattan Institute for Policy Research.

Next, Mr. Alex Shieh. Mr. Shieh is a rising junior at Brown University where he studies computer science and economics. He is also a journalist, serving as a contributing opinion writer for *The Boston Globe*, and as the publisher of *The Brown Spectator*.

Mr. Scott Martin. Mr. Martin is Partner and Co-Chair of the Antitrust Practice Group at Hausfeld LLP. He has spent more than 25 years in civil litigation. His practice specializes in pricing distribution and other competition issues.

Ms. Julie Margetta Morgan. Ms. Morgan is the President of The Century Foundation, a progressive think tank. She previously served as the Associate Director of Research, Monitoring, and Regulations at the Consumer Financial Protection Bureau.

We welcome our witnesses and thank them for appearing today. We will begin by swearing you in.

Would you please rise and raise your right hand.

Do you swear or affirm under penalty of perjury that the testimony you are about to give is true and correct to the best of your knowledge, information, and belief, so help you God?

[Affirmative replies.]

Mr. FITZGERALD. Let the record reflect that the witnesses have answered in the affirmative.

Thank you. You can be seated.

Please know that your written testimony will be entered into the record in its entirety. Accordingly, we ask that you summarize your testimony in five minutes.

Dr. Cooper, you may begin.

### STATEMENT OF MR. PRESTON COOPER

Mr. COOPER. Good morning, Chair Fitzgerald, Chair Jordan, Ranking Member Raskin, Ranking Member Nadler, and distinguished Members of the Subcommittee. Thank you for the opportunity to testify today on the enrollments and pricing practices of Ivy League universities. My name is Preston Cooper, and I am a Senior Fellow focusing on the economics of higher education at the American Enterprise Institute.

The eight institutions of the Ivy League show many hallmarks of anticompetitive behavior. Most Ivy League institutions severely limit undergraduate admissions, turning away thousands of qualified applicants. The schools charge among the highest tuition prices in the country and are less likely to provide financial aid than other private institutions.

At the same time, Ivy League universities enjoy a significant surplus that funds high levels of institutional expenditures, administrative bloat, and seven-figure salaries for some college presidents.

Some Ivy League universities recently enjoyed an exemption from antitrust law, provided they admitted students on a need-blind basis. In 2022, a group of students filed a class-action lawsuit against 17 elite universities, including several Ivies, alleging that admissions are not actually need-blind.

Most of these schools eventually settled the lawsuit for a collective \$320 million.

Another lawsuit was filed in 2024, alleging that elite universities have continued to coordinate their pricing decisions even after the antitrust exemption expired.

My testimony does not take a position on whether Ivy League universities are coordinating their pricing decisions, or whether they are in violation of Federal antitrust law. The enrollment, pricing, and spending practices of the Ivy League raise some red flags.

Classic cartels limit supply to drive up prices and profits. We observe a version of this happening among Ivy League schools.

Let's start with restrictions on supply, a fundamental aspect of cartel behavior.

Harvard College admitted about 2,200 students to join the Class of 1982. Due to population increases and higher rates of overall college attendance, one might expect that number to grow. Instead, Harvard admitted just over 1,900 students to join its Class of 2028.

Unlike most other private colleges, Ivy League universities have mostly not increased admissions to match rising demands. Instead, the schools have opted to become more selective, with the average Ivy League admissions rate falling from 15 percent in 2002 to just five percent in 2022.

As student demand rises, but Ivy League institutions keep admissions relatively flat, the obvious result is an upward pressure on prices. The annual price of tuition and fees at Ivy League universities ranged between \$59,000–\$69,000 in the previous academic year. That is between 56–82 percent higher than the average for private colleges.

Ivy League students are also less likely to receive financial aid. While 84 percent of students at non-Ivy colleges enjoy a discount off the sticker price, the share of Ivy League students receiving institutional financial aid is just 52 percent.

In a traditional cartel, restricted supply and higher prices enable monopoly like profits. While nonprofit universities don't earn profits in the traditional sense, they still enjoy surplus revenues. Ivy League universities spend an average of \$126,000 per full-time equivalent student, compared to just \$35,000 for the average private college. These high levels of spending fuel a vast administrative bureaucracy.

The average Ivy League institution employs one noninstructional staffer for every two students, compared to one staffer for every six students at other private colleges.

All this matters because Ivy League institutions have an outsize impact on the future of America. Ivy League graduates are vastly over-represented among elites in business, politics, and media. A group of institutions which limit enrollments and charges excessive prices denies opportunity to thousands of students, particularly middle-class students with strong academic qualifications, who face an unfairly low likelihood of admission today.

The surplus revenues that Ivy League institutions currently enjoy fuel administrative bloat, but they could instead be used to create more seats for qualified applicants.

The market for elite education bears many of the telltale signs of anticompetitive behavior. Whether it meets the legal definition of a cartel is an open question, but it unambiguously leaves students and society worse off.

Thank you for your attention. I look forward to your questions.  
[The prepared statement of Mr. Cooper follows:]



Statement before the US House Committee on the Judiciary, Subcommittee on the  
Administrative State, Regulatory Reform, and Antitrust  
On The Elite Universities Cartel: A History of Anticompetitive Collusion Inflating the  
Cost of Higher Education

## Competitors or Cartel?

The Anticompetitive Characteristics of Elite Higher Education

**Preston Cooper**

Senior Fellow, American Enterprise Institute

June 4, 2025

The American Enterprise Institute (AEI) is a nonpartisan, nonprofit, 501(c)(3) educational organization and does not take institutional positions on any issues. The views expressed in this testimony are those of the author.

Good morning, Chairman Fitzgerald, Ranking Member Nadler, and distinguished members of the Committee. Thank you for the opportunity to testify on the pricing and spending practices of Ivy League universities. My name is Preston Cooper, and I am a senior fellow focusing on the economics of higher education at the American Enterprise Institute (AEI), a nonprofit, nonpartisan public policy research organization based here in Washington, DC. My comments today are my own and do not reflect the views of AEI, which does not take institutional positions.

The eight institutions of the Ivy League show many of the hallmarks of anticompetitive behavior. Most Ivy League institutions severely limit undergraduate admissions, turning away thousands of qualified applicants. The schools charge among the highest tuition prices in the country and are less likely to provide financial aid than other private institutions. At the same time, Ivy League universities enjoy a significant surplus that funds high levels of institutional expenditures, administrative bloat, and seven-figure salaries for some college presidents. With Ivy League graduates overrepresented in the top echelons of government and business, greater scrutiny of these institutions' pricing and enrollment practices is overdue.

#### **Overview of elite colleges and antitrust law**

The Sherman Act normally forbids “every contract, combination, or conspiracy in restraint of trade,” such as collusion between firms to restrict output and raise prices.<sup>i</sup> This would normally prohibit most coordination between colleges and universities to set tuition rates. However, between 1994 and 2022, some elite universities enjoyed an exemption from antitrust laws: so long as they admitted all students on a “need-blind” basis, these schools

could use “common principles of analysis” to determine financial aid packages.<sup>ii</sup> Because most private colleges engage in price discrimination through the financial aid system to set tuition rates for individual students, using such “common principles of analysis” could be viewed as coordination of tuition prices.

In 2022, a group of students filed a class-action lawsuit against 17 elite universities, including several members of the Ivy League, that had availed themselves of this exemption. The plaintiffs alleged that these elite institutions did not actually practice need-blind admissions, and therefore their coordination of financial aid methodologies was illegal.<sup>iii</sup> As former Brown University President Gordon Gee said in 2019, elite college presidents under “truth serum” would admit that donor connections can affect admissions.<sup>iv</sup> Most of the colleges named in the lawsuit, including Brown University, Columbia University, Dartmouth College, and Yale University, eventually agreed to a collective \$320 million settlement.<sup>v</sup> After the antitrust exemption expired in 2022, another lawsuit was filed alleging that 40 elite universities—including several Ivy League institutions—had continued to coordinate their pricing decisions.<sup>vi</sup>

#### **The market for elite higher education**

My testimony does not take a position on whether Ivy League universities are coordinating their pricing decisions, or whether they are in violation of federal antitrust law. However, we can examine whether the market for elite higher education bears the characteristics that we would expect to see under a collusive arrangement. Under a cartel, according to economic theory, suppliers of a good or service may agree to restrict output. This enables each supplier to charge higher prices than they would in a competitive market

and results in monopoly-like profits for the cartel's members.<sup>vii</sup> These three conditions—restricted supply, high prices, and the equivalent of excessive profits—are present to some degree among the eight Ivy League schools.

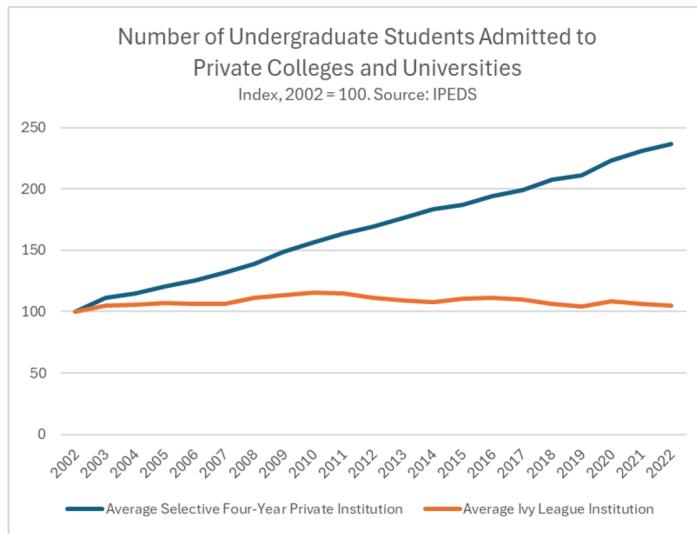
*Restricted supply*

Harvard College admitted 2,195 students to join the Class of 1982.<sup>viii</sup> Due to population increases and higher rates of overall college attendance, one might expect that number to grow. Instead, Harvard admitted just 1,937 students to join its Class of 2028.<sup>ix</sup>

Demand for higher education has increased substantially over the past several decades. Between 1986 and 2023, undergraduate enrollment in four-year colleges grew at an average annual rate of 1.6 percent. But the eight Ivy League institutions—Brown University, Columbia University, Cornell University, Dartmouth College, Harvard University, Princeton University, the University of Pennsylvania, and Yale University—grew their undergraduate enrollments at an annual rate of just 0.7 percent, less than half the average. Some Ivy League schools, including Harvard and Penn, reduced their undergraduate enrollment across this period.<sup>x</sup>

For the most part, as demand for higher education has grown, colleges have admitted more students. The average selective private four-year college admits more than twice as many students to its incoming undergraduate class today as it did in 2002. But Ivy League institutions have not increased admissions to match rising demand, with these eight schools admitting roughly the same number of students today as they did two decades ago. Instead, the schools have opted to become more selective, with the average Ivy League admissions rate falling from 15 percent in 2002 to just 5 percent in 2022.<sup>xi</sup> This is not for

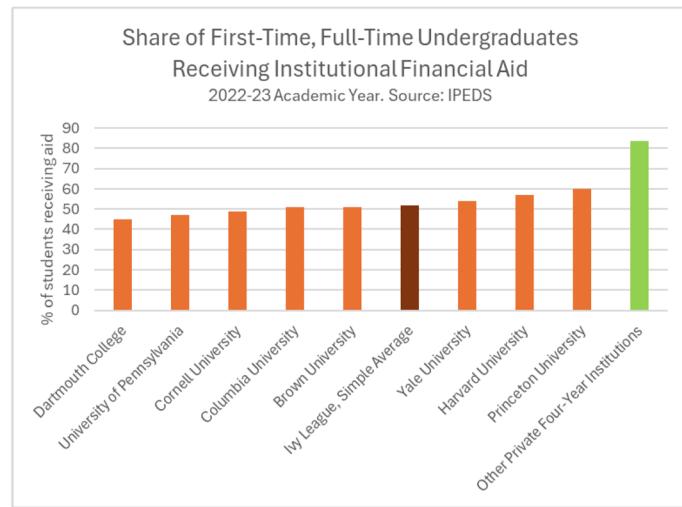
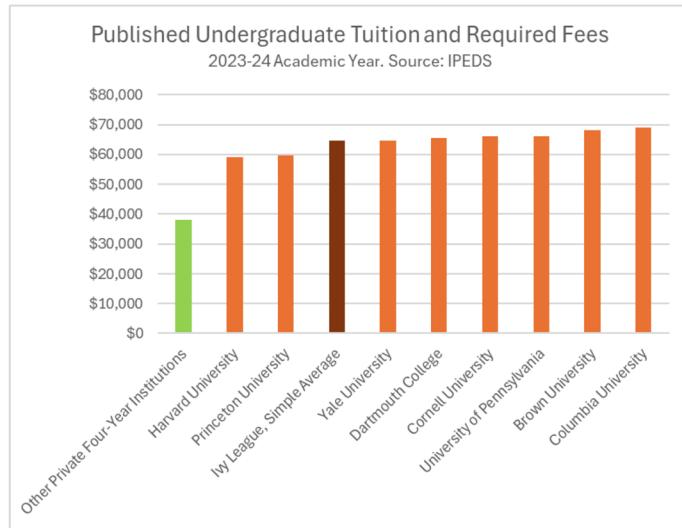
lack of qualified applicants: Ivy League institutions reject many students with strong SAT and ACT scores, especially those from middle-income families.<sup>xii</sup>



#### *Higher prices*

As student demand rises, but Ivy League institutions keep admissions relatively flat, the obvious result is upward pressure on prices. In the 2023-24 academic year, the average four-year private college charged a sticker price (including tuition and required fees) of \$37,942. Published prices at Ivy League universities, meanwhile, ranged from \$59,076 to \$69,045—between 56 percent and 82 percent higher than the average.<sup>xiii</sup> Ivy League schools will insist that financial aid brings down the cost of tuition, but these institutions are far stingier with institutional financial aid than other private colleges. While 84 percent of first-time, full-time undergraduates at non-Ivy League private colleges receive a discount

off the sticker price, the share of Ivy League students receiving institutional aid is just 52 percent.<sup>xiv</sup>



Moreover, the opaque financial aid system arguably enables colleges to charge higher prices than they could in a competitive market. A billion-dollar consulting industry helps colleges determine exactly how much each student (and their family) is willing to pay, allowing the schools to calibrate financial aid packages accordingly.<sup>xv</sup> Students must typically apply—and be accepted—to a college in order to learn how much they will pay in tuition after financial aid. This leaves little room to negotiate on prices, because by the time the student receives a financial aid offer, she may have few fallback options.<sup>xvi</sup> This gives the institution considerable pricing power, which is compounded by the often-confusing nature of financial aid offer letters<sup>xvii</sup> and reductions in financial aid for upperclassmen.<sup>xviii</sup>

These high prices contribute to elite higher education's stratification by class.

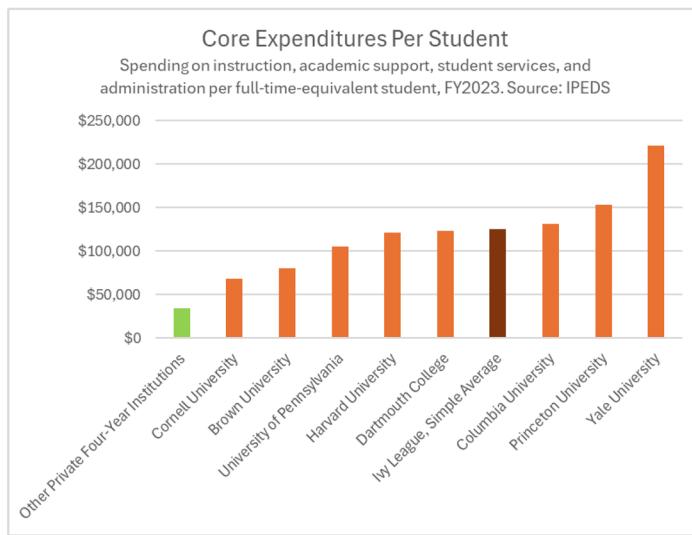
Among highly-qualified students (those with an SAT or ACT score at the 99<sup>th</sup> percentile), those who grow up in the richest 0.1 percent of households are four times as likely to attend an Ivy-caliber institution as those with comparable standardized test scores who grow up in a middle-class family.<sup>xix</sup> Five of the eight Ivy League universities enroll more students from the top 1 percent than the bottom 60 percent.<sup>xx</sup> Limiting admissions means that Ivy League institutions have their pick of the applicant pool—and it should come as no surprise that they often pick the wealthiest students.

#### *Higher "profits"*

In a traditional cartel, restricted supply and higher prices enable monopoly profits. While nonprofit universities don't earn "profits" in the traditional sense, they still enjoy surplus revenues. As economist Howard Bowen first posited decades ago, colleges and

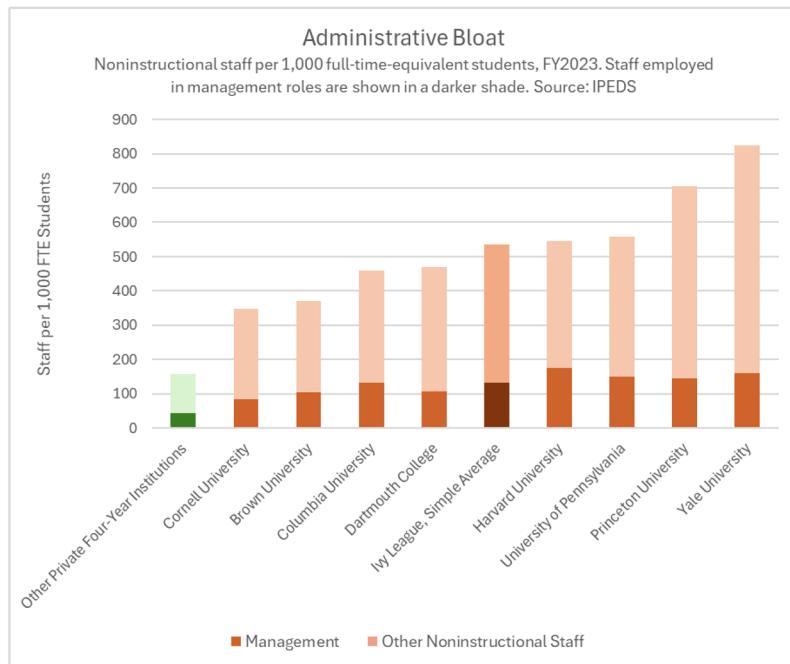
universities seek to maximize revenues—and increase their expenditures to soak up whatever revenues they are able to raise.<sup>xxi</sup>

Ivy League institutions have far higher expenditures per student than other private colleges. Even if we limit our analysis to core expenditures—spending on instruction, student services, and administration (excluding noneducational enterprises such as research, dormitories, dining halls, and hospitals)—Ivy League spending is off the charts. While the typical private institution has core expenditures of \$35,000 per student, core expenditures at Ivy League universities average \$126,000 per student.<sup>xxii</sup>



This additional spending often fuels administrative bloat. The average Ivy League institution employs one noninstructional staff member for every two students, and one administrator (a noninstructional staffer employed in a management role) for every eight students. On average, other private colleges have about one-third as many administrators

and noninstructional staff per student, demonstrating that it's possible to run a university with far less bureaucracy.<sup>xxiii</sup> Some elite college administrators pull in seven-figure salaries: the president of Columbia University enjoyed a \$5 million pay and benefits package in 2022.<sup>xxiv</sup>



### Why it matters

While Ivy League institutions enroll less than one percent of the college-going population, they have an outsize impact on the future of America. A recent study in *Nature* examined a group of 26,000 “extraordinary achievers”—including Fortune 500 CEOs, billionaires, Nobel and Pulitzer Prize winners, federal judges, bestselling authors, New York Times and Wall Street Journal writers, and members of Congress. This is a group that has

enormous influence in business, politics, and media. The authors of the *Nature* study found that one-third of this group holds a degree from one of the eight Ivy League institutions.<sup>xxv</sup>

Ivy League schools have the demonstrated ability to set their students on meteoric career trajectories. For this reason, their admissions and pricing decisions have an importance that far exceeds their small sizes. A group of institutions which limits enrollment and charges excessive prices denies opportunity to thousands of students, particularly middle-class students with strong academic qualifications. The surplus revenues that Ivy League institutions enjoy currently fuel administrative bloat, but they could be used instead to create more seats for qualified applicants. The market for elite education bears many of the telltale signs of anticompetitive behavior. Whether it meets the legal definition of a cartel is an open question, but it unambiguously leaves students and society worse off.

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<sup>i</sup> Federal Trade Commission, "The Antitrust Laws," <https://www.ftc.gov/advice-guidance/competition-guidance/guide-antitrust-laws/antitrust-laws>.

<sup>ii</sup> National Association of Independent Colleges and Universities, "SEC. 568 – Application of the Anti-Trust Laws to Awarding of Need-Based Educational Aid," <https://www.naicu.edu/media/uqdjby0s/sec-568-antitrust-legislation.pdf>.

<sup>iii</sup> Henry et al. v. Brown University et al., No. 1:22-cv-00125 (N.D. Ill. filed Jan. 9, 2022). <https://l2z8rh0lcdn.imgur.com/wp-content/uploads/DE-001-2022.01.09-Complaint-1-1.pdf>

<sup>iv</sup> Jack Stripling, "It's an Aristocracy: What the Admissions-Bribery Scandal Has Exposed About Class on Campus," *The Chronicle of Higher Education*, April 17, 2019, <https://www.chronicle.com/article/its-an-aristocracy-what-the-admissions-bribery-scandal-has-exposed-about-class-on-campus/>.

<sup>v</sup> Mark J. Drodowski, "How to Get Your Money From the '568 Cartel' Lawsuit," BestColleges, April 4, 2025, <https://www.bestcolleges.com/news/how-to-get-your-money-in-568-cartel-case/>.

<sup>vi</sup> Mike Scarcella, "Top US Colleges Hit With New Antitrust Lawsuit Over Financial Aid," *Reuters*, October 8, 2024, <https://www.reuters.com/legal/litigation/top-us-colleges-hit-with-new-antitrust-lawsuit-over-financial-aid-2024-10-08/>.

<sup>vii</sup> The Editors of *Encyclopaedia Britannica*, "Cartel," Britannica Money, <https://www.britannica.com/money/cartel>.

<sup>viii</sup> Jaleh Poorooshasp, "Congratulations, You're In," *The Harvard Crimson*, April 15, 1978, <https://www.thecrimson.com/article/1978/4/15/congratulations-youre-in-pto-jaded-harvard/>

<sup>ix</sup> Elyse C. Goncalves and Matan H. Josephy, "Harvard Accepts 3.59% of Applicants to Class of 2028," *The Harvard Crimson*, March 29, 2024, <https://www.thecrimson.com/article/2024/3/29/harvard-class-of-2028-regular-decision/>

<sup>x</sup> U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS), 1980-2023, Fall Enrollment, Gender, attendance status, and level of student, <https://nces.ed.gov/ipeds/datacenter>.

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<sup>xi</sup> IPEDS, 2002-2023, Admissions and Test Scores, Number of applications, admissions, and enrollees.

<sup>xii</sup> Raj Chetty, David J. Deming, and John N. Friedman, "Diversifying Society's Leaders? The Determinants and Causal Effects of Admission to Highly Selective Private Colleges," Opportunity Insights, October 2023, [https://opportunityinsights.org/wp-content/uploads/2023/07/CollegeAdmissions\\_Paper.pdf](https://opportunityinsights.org/wp-content/uploads/2023/07/CollegeAdmissions_Paper.pdf).

<sup>xiii</sup> IPEDS, Provisional Release Data, 2023-2024, Student Charges, Cost of attendance for full-time, first-time, undergraduate students.

<sup>xiv</sup> IPEDS, Provisional Release Data, 2023-2024, Student Financial Aid and Net Price, Student financial aid, Financial aid to full-time, first-time degree seeking/certificate-seeking undergraduate students.

<sup>xv</sup> Ron Lieber, *The Price You Pay for College: An Entirely New Road Map for the Biggest Financial Decision Your Family Will Ever Make*, New York: Harper, 2021.

<sup>xvi</sup> Preston Cooper, "Why College Is Too Expensive—And How Competition Can Fix It," Foundation for Research on Equal Opportunity, March 5, 2021, <https://freopp.org/whitepapers/why-college-is-too-expensive-and-how-competition-can-fix-it/>.

<sup>xvii</sup> U.S. Government Accountability Office, "Financial Aid Offers: Action Needed to Improve Information on College Costs and Student Aid," GAO-23-104708, November 1, 2022, <https://www.gao.gov/products/gao-23-104708>.

<sup>xviii</sup> Mark Kantrowitz, "Part 3: Answer to Readers' Questions on Financial Aid," The Choice (New York Times blog), April 25, 2012, <https://archive.nytimes.com/thechoice.blogs.nytimes.com/2012/04/25/kantrowitz-finaid-offers-part-3/>.

<sup>xix</sup> Chetty, Deming, and Friedman, "Diversifying Society's Leaders? The Determinants and Causal Effects of Admission to Highly Selective Private Colleges".

<sup>xx</sup> Gregg Easterbrook and Josh Keller, "Some Colleges Have More Students From the Top 1 Percent Than the Bottom 60. Find Yours," *The New York Times*, January 18, 2017, <https://www.nytimes.com/interactive/2017/01/18/upshot/some-colleges-have-more-students-from-the-top-1-percent-than-the-bottom-60.html>.

<sup>xxi</sup> Howard R. Bowen, "The Costs of Higher Education: How Much Do Colleges and Universities Spend per Student and How Much Should They Spend?" Carnegie Council on Policy Studies in Higher Education, 1980, <https://eric.ed.gov/?id=ED207368>.

<sup>xxii</sup> IPEDS, 2022-2023, Finance, Private not-for-profit institutions or Public institutions using FASB, Expenses and salaries and wages by function and total expenses by natural classification: Fiscal years 2016 to current year.

<sup>xxiii</sup> IPEDS, 2022-2023, Human Resources, Number of full- and part-time staff and graduate assistants, by primary occupational category.

<sup>xxiv</sup> *The Chronicle of Higher Education*, "How Much Are Private-College Presidents Paid?" February 15, 2024, <https://www.chronicle.com/article/president-pay-private-colleges>.

<sup>xxv</sup> Jonathan Wai, Sheree M. Anderson, Kaja Perina, and Heiner Rindermann, "The most successful and influential Americans come from a surprisingly narrow range of 'elite' educational backgrounds," *Humanities and Social Sciences Communications* 11, article 1129 (2024), <https://www.nature.com/articles/s41599-024-03547-8>.

Mr. FITZGERALD. Thank you, Dr. Cooper.  
 We will now recognize Mr. Martin for five minutes.

**STATEMENT OF SCOTT MARTIN**

Mr. MARTIN. Thank you. Chair Jordan, Ranking Member Raskin, Chair Fitzgerald, Ranking Member Nadler, and distinguished Members of the Subcommittee, thank you for extending an invitation to testify today.

My name is Scott Martin. I am an attorney whose work has been focused on antitrust litigation for more than 30 years. That includes more than two decades primarily spent on defense work, and the past 10 years principally litigating on behalf of plaintiffs. I am also an author and co-editor of a multi-volume antitrust treatise. I care deeply about the benefits of competition and free markets, which is a truly bipartisan goal, as well as active but fair enforcement of our Nation's antitrust laws.

As the Members of the Subcommittee know, the antitrust laws address both unilateral conduct—anticompetitive acts undertaken by a single actor with market power—and concerted conduct, particularly when the latter involves direct, or “horizontal,” competitors. Most of my remarks will be directed to the latter as an area of concern regarding higher education historically—principally, the potential for cartel activity which the U.S. Supreme Court has labeled “the supreme evil of antitrust.”

In testifying today, I make no pre-judgment about any current conduct, nor has my law firm represented a party in the cases I will discuss. Indeed, the hope of antitrust lawyers is always that free markets are operating properly and that unlawful conduct is not interfering with that. There are several reasons here for heightened vigilance to protect and encourage robust competition in higher education.

First, as Members of the Subcommittee, as well as many American students and parents know, the price of higher education, specifically for private schools, has outpaced the rate of inflation. Since I was in college, the consumer price index has inflated the dollar by a factor of three, but tuition prices at the most selective institutions, in particular, have gone up on the order of seven-fold.

Meanwhile, output in terms of class size has not kept pace with population growth. This is true despite increased demand and increasing multibillion-dollar endowments. Commonsense begs the question whether such a market is working properly.

Second, the somewhat cloistered nature of these institutions, their nonprofit status, not to be confused with their massive endowments, and a belief, of which I am not questioning the sincerity, that they are engaged in noble work for the advancement of knowledge, may create an atmosphere suggesting that relaxation of rules of competition would be appropriate for this industry. Not so.

Most legal scholars will tell you not only that antitrust exemptions are rare, and rightly so, but also that special sectoral rules and regulations have at best a mixed track record in our Nation. In a different higher educational, my law firm brought the *O'Bannon* case that challenged NCAA restraints on college applicants. That marketplace has flourished, and the sky has not fallen.

Third, there are numerous markers here, familiar to antitrust practitioners, that this is a market ripe for distortion by collusion. Among other things, this is a somewhat concentrated industry with relatively few highly selective institutions as participants. There are numerous opportunities for those entities to collude—whether directly, such as at meetings of university presidents, or facilitated through intermediaries such as the College Board. There are, of course, exceptionally high barriers to entry into the market.

As I mentioned, by way of context, this industry has been the subject of investigations and litigation raising competition concerns in the past, on issues ranging from no-poach agreements concerning graduate school faculty members to monopolization of markets for college bookstore sales, and local housing.

A “Common Application” used by over 1,000 colleges and universities throughout the United States also has been the subject of a private antitrust action, ultimately settled.

Perhaps most pertinent to the Subcommittee here, in 1989, as you have heard, the DOJ filed a civil antitrust case against a group of universities alleged to have employed the same analysis to compute family contributions toward the costs of attendance, for purposes of collectively determining financial assistance offered to commonly admitted students.

That case resulted in a 10-year consent decree in 1991, under which those universities committed not to agree on student financial aid. It subsequently led to congressional passage of the so-called “568 Exemption” permitting colleges to formulate common approaches to awarding financial aid, provided they strictly adhered to need-blind admissions.

The 568 Exemptions expired on September 30, 2022, and was not renewed. However, as you know, current and former college students allege, in a class action filed in 2022, that members of the “568 Presidents Group” of 17 top private colleges and universities have conspired to eliminate competition among them for financial aid. To date, 12 of those 17 schools have resolved the lawsuit in settlements totaling approximately \$320 million.

I thank you again for your attention and your vigilance in this regard.

[The prepared statement of Mr. Martin follows:]

UNITED STATES HOUSE OF REPRESENTATIVES

**SUBCOMMITTEE ON THE ADMINISTRATIVE STATE,  
REGULATORY REFORM, AND ANTITRUST  
OF THE COMMITTEE ON THE JUDICIARY**

**2141 Rayburn House Office Building  
June 4, 2025**

**Hearing on “The Elite Universities Cartel: A History of Anticompetitive  
Collusion Inflating the Cost of Higher Education”**

**Written Statement of Scott Martin  
Partner, Hausfeld LLP**

Chair Fitzgerald, Ranking Member Nadler, and distinguished members of the Subcommittee, thank you for extending an invitation to testify today.

My name is Scott Martin, and I am here as an attorney whose work has focused on antitrust litigation for more than 30 years. That includes more than two decades primarily spent on defense work and the past 10 years principally litigating on behalf of plaintiffs. I am also an author and the co-editor of a multi-volume antitrust treatise. I care deeply about the benefits of competition and free markets – a truly bipartisan goal – as well as active but fair enforcement of our nation’s antitrust laws.

As the members of the Subcommittee know, the antitrust laws address both unilateral conduct – anticompetitive acts undertaken by a single actor with market power – and concerted conduct, particularly when the latter involves direct, or “horizontal,” competitors. Most of my remarks will be directed to the latter as an area of concern regarding higher education historically – including the potential for cartel activity, which the United States Supreme Court has labeled “the supreme evil of antitrust.”<sup>1</sup>

In testifying today, I am making no prejudgment about any current conduct, nor has my law firm represented a party in the cases I will discuss. Indeed, the hope of antitrust lawyers is always that free markets are operating properly and that unlawful conduct is not interfering with that. But there are several reasons here for heightened vigilance to protect and encourage robust competition in education.

*First*, as members of the Subcommittee as well as many American students and parents know, the price of higher education, specifically for private schools, has outpaced the rate of inflation. Since I was in college, the consumer price index has inflated the dollar by a factor of

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<sup>1</sup> *Verizon Comm’ns Inc. v. Law Offices of Curtis V. Trinko, LLP*, 540 U.S. 398, 408 (2004).

three, but tuition prices at the most selective institutions in particular have gone up on the order of seven-fold. Meanwhile, output (in terms of class size) has not kept pace with population growth. And this is true despite increased demand and increasing multi-billion-dollar endowments. Common sense begs the question whether such a market is working properly.

*Second*, the somewhat cloistered nature of these institutions, their “non-profit” status (not to be confused with their massive endowments) and a belief, of which I am not questioning the sincerity, that they are engaged in noble work of the advancement of knowledge, *may* create an atmosphere suggesting that relaxation of rules of fair competition would be appropriate for this industry. Not so. And most legal scholars will tell you not only that antitrust exemptions are rare, and rightly so, but also that special sectoral rules and regulation have at best a mixed track record in our nation. In a different higher-education context, my firm brought the *O'Bannon* case that challenged NCAA restraints on college athletes. The marketplace has flourished, and the sky has not fallen.

And *third*, there are numerous markers here, familiar to antitrust practitioners, that this is a market ripe for distortion by collusion. Among other things, this is a somewhat concentrated industry with relatively few highly selective institutions as participants. There are numerous opportunities for those entities to collude – whether directly, such as at meetings of university presidents, or facilitated through intermediaries such as the College Board. And there are, of course, exceptionally high barriers to entry into the market.

As I mentioned, by way of context, this industry has been the subject of investigations and litigation raising competition concerns in the past, on issues ranging from no-poach agreements concerning graduate school faculty members to monopolization of markets for college bookstore sales and local housing. The “Common Application” used by over 1,000 colleges and universities throughout the United States also has been the subject of a private antitrust action, which was ultimately settled. The Department of Justice has investigated the National Association for College Admission Counseling concerning provisions that, among other things, prohibited members from offering incentives to students who applied for early admission, an investigation that was resolved in a consent settlement.

And perhaps most pertinent to the Subcommittee here, in 1989, the DOJ filed a civil antitrust case against a group of universities alleged to have employed the same analysis to compute family contributions toward the costs of attendance, for purposes of collectively determining financial assistance offered to commonly admitted students. That case resulted in a 10-year consent decree in 1991, under which those universities committed not to agree on student financial aid – and it subsequently led to Congressional passage of the so-called “568 Exemption” permitting colleges to formulate common *approaches* to awarding financial aid provided they strictly adhered to need-blind admissions.

The 568 Exemption expired on September 30, 2022 and was not renewed by Congress. However, current and former college students allege, in a class action filed in 2022, that members of a “568 Presidents Group” of 17 top private colleges and universities have conspired to eliminate competition among them for financial aid – that is, effectively fixing the price of

college attendance among them.<sup>2</sup> To date, 12 of those 17 schools have resolved the lawsuit in settlements totaling approximately \$320 million.

Again, I offer that brief history only for context. I stress, however, that antitrust enforcement in our nation involves both public (on several levels) and private actions because it protects competition that is the backbone of our economy. Accordingly, I thank you for your attention and your vigilance in this regard.

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<sup>2</sup>See *Henry v. Brown University*, No. 1:22-cv-00125 (N.D. Ill.).

Mr. FITZGERALD. Thank you, Mr. Martin.  
Mr. Shieh, you may begin.

#### STATEMENT OF ALEX SHIEH

Mr. SHIEH. Chair Fitzgerald, Ranking Member Nadler, Chair Jordan, Ranking Member Raskin, thank you for inviting to appear before you today.

My name is Alex Shieh, and I am a rising junior at Brown University, one of the most exclusive institutions in the world. I am not here to glorify the Ivy League. I am here to warn you the promise of American higher education, of opportunity to a meritocracy is under attack.

I am a legacy student at Brown. I went to a prep school that feeds to the Ivy League. My parents are doctors who can afford the \$93,000 a year sticker price. In other words, I am exactly who the Ivy League was built for.

What about the kids who weren't born on third base?

Statistically speaking, for a smart kid from a poor family an Ivy League degree can power their ascent to the upper income brackets better than anything else. That is the American dream. Today, that dream is now a luxury good.

According to *The New York Times*, at Brown the median student's family makes over \$200,000 a year. Half of the student body comes from the top five percent of earners. Research by Brown's own Professor John Friedman shows that even equally qualified low-income students are vastly under-represented.

At this very moment the American people are tightening their belts. Brown is raising tuition to be beyond \$90,000 a year. Even while charging students the price of a luxury car, Brown is on track to run a \$46 million deficit this year.

Where is all the money going?

I will tell you where it is going. It is going into an empire of administrative bloat and bureaucracy. Brown employs 3,805 full-time noninstructional staff for just 7,229 undergrads. That is one administrator for every two students. This isn't education, this is bloat paid for on the backs of students and families who are mortgaging their futures for a shot at a better life.

Meanwhile, Grace Calhoun, Brown's athletic director, earns over \$1 million. A household assistant on payroll tends to University President Christina Paxson. When budget cuts are made, these expenses stay while the student experience deteriorates.

My dorm floods when it rains. The burger patties in our dining hall have been replaced by an unappetizing beef-mushroom blend.

The idea that Brown's administration can be streamlined isn't conjecture. We didn't use to have this many administrators. Across the Nation the number of university administrators has risen by 162 percent in recent decades. It is no coincidence that, correspondingly, the cost of education has risen 181 percent in inflation-adjusted dollars since the Nineties.

Across the pond, a world class education at Oxford or Cambridge can cost about half as much as an Ivy League degree, in part due to a much lower administrative burden.

The status quo has a real human cost. I recently learned of a brilliant young man from Pensacola, Florida, who got into Brown

but was forced to walk away because the financial aid wasn't enough.

Brown says it meets 100 percent of demonstrated need. Brown gets to decide what that need is. Middle class students in particular suffer from these policies, earning too much to qualify for generous scholarships, but not enough to go to Brown without straddling themselves with significant amounts of debt.

Let's not forget that Brown is one of several Ivy League schools that settled a Federal antitrust lawsuit last year for allegedly colluding to suppress financial offers.

I am a reporter for *The Brown Spectator*. To document this problem I created a website called "Bloat at Brown" that used AI to assist whether each administrative role was actually necessary. I sent each administrative employee a DOGE-style email to ask them, "What do you do all day?"

Instead of answering, Brown's response was retaliation. My Social Security number was leaked. Our website was hacked. Associate Dean Kirsten Wolfe launched a disciplinary investigation into a litany of baseless charges such as emotional harm.

When they couldn't get me, they charged every single board member of *The Brown Spectator*, an unprecedented attack on student journalism. We refused to back down and we won our hearings. There was no misconduct, only exposure. That is what Brown feared the most.

This Committee has a responsibility not just to investigate Ivy League antitrust violations, but to reclaim the American dream from those who have twisted it into a racket. I call on you today to subpoena Brown's President Christina Paxson and ask her why Brown costs \$93,000 a year.

The American dream isn't just for the legacies, the coastal elites, or the children of privilege, it belongs to the kid in rural Kansas with a 4.0 GPA, the first gen student working a night shift, and the families who did everything right and still got priced out. They deserve a seat at the table. They deserve a shot at making it big. Their American dreams matter, too.

I thank you for the opportunity to testify, and I welcome your questions.

[The prepared statement of Mr. Shieh follows:]

### Testimony of Alex Shieh

Submitted to the House Judiciary Subcommittee on the Administrative State, Regulatory Reform, and Antitrust

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#### I. Introduction

My name is Alex Shieh. I am a rising junior at Brown University, a contributing opinion writer for *The Boston Globe*, the publisher of *The Brown Spectator*, and the creator of Trialhouse.com. This written testimony supplements my oral statement delivered before the Subcommittee. It provides a factual narrative, institutional data, and background relevant to potential antitrust violations, administrative bloat, and the retaliatory culture at Brown University.

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#### II. Executive Summary

- Brown University charges students \$93,064 per year in total cost of attendance, one of the highest in the country.<sup>1</sup>
- Despite this, the university operates with a projected \$46 million budget deficit for the 2025 fiscal year.<sup>2</sup>
- Employee salaries, wages and benefits are the largest category of university expenses, with a budget of \$818 million, 43% of Brown's total budget.<sup>3</sup>
- Brown employs 3,805 full-time non-instructional staff<sup>4</sup> to support 7,229 undergraduates<sup>5</sup> — a ratio of approximately one administrator for every two students.
- A federal lawsuit Brown settled in 2024, *Henry v. Brown University*, alleges collusion among Ivy League institutions in financial aid practices.<sup>6</sup>
- Ivy League schools can drastically improve outcomes for low and middle income students. Yet, low and middle-income students are significantly underrepresented at

<sup>1</sup> "Cost of Attendance," Brown University, accessed June 2, 2025, <https://finaid.brown.edu/estimate-cost-aid/cost>.

<sup>2</sup> "News from the Corporation Meeting," Brown University, accessed June 2, 2025, <https://today.brown.edu/announcements/196191>.

<sup>3</sup> "News from," Brown University.

<sup>4</sup> "Employees Factbook," Brown University, accessed June 2, 2025, <https://oir.brown.edu/institutional-data/factbooks/employees>.

<sup>5</sup> "Employees Factbook," Brown University, accessed June 2, 2025, <https://oir.brown.edu/institutional-data/factbooks/employees>.

<sup>6</sup> Owen Dahlkamp, "Brown Settles Antitrust Admissions Lawsuit for \$19.5 Million," *Brown Daily Herald*, accessed June 2, 2025, <https://www.browndailyherald.com/article/2024/01/brown-settles-antitrust-admissions-lawsuit-for-19-5-million>.

selective schools, even after controlling for academic qualifications.<sup>7</sup>

- My investigation into administrative bloat at Brown led to university retaliation, including disciplinary charges against me and the entire board of directors of *The Brown Spectator*.
- I urge the Subcommittee to subpoena University President Christina Paxson and investigate anticompetitive behavior and institutional retaliation.

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### III. Institutional Background and Financial Overview

Brown University, like many of its Ivy League peers, presents itself as a selective meritocratic institution. But according to *The New York Times* data, the median family income of Brown students is over \$200,000 — the highest among Ivy League universities. 47% of the student body comes from the top 5% of earners in the U.S.<sup>8</sup> A study by Brown University economist John Friedman confirms that low and middle-income students remain significantly underrepresented at selective colleges including Brown, even after controlling for academic qualifications.<sup>9</sup>

Tuition and fees at Brown have surpassed \$90,000 annually. At the same time, Brown is projected to run a \$46 million deficit for the current fiscal year, raising concerns about financial stewardship. In contrast, Oxford and Cambridge universities offer comparable or superior education at roughly half the cost, even to American students who do not receive U.K. government subsidies, due to less administrative overhead.<sup>10</sup>

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### IV. Administrative Structure and Spending

According to Brown's own disclosures, the university employs 3,805 full-time non-instructional staff.<sup>11</sup> With 7,229 undergraduate students, this translates to one non-teaching staff member for every 1.9 undergraduates.<sup>12</sup> These staff do not include faculty members, but rather administrators, consultants, and support staff, many in roles of unclear necessity.

<sup>7</sup> "How Can We Amplify Education as an Engine of Mobility?," Opportunity Insights, accessed June 2, 2025, <https://opportunityinsights.org/education/>.

<sup>8</sup> "Economic Diversity and Student Outcomes at Brown University," *The New York Times*, accessed June 2, 2025, <https://www.nytimes.com/interactive/projects/college-mobility/brown-university>.

<sup>9</sup> "How Can We Amplify?," Opportunity Insights.

<sup>10</sup> M.J. Koch, "Brown University Student Who Caused Uproar by Sending DOGE-Style Emails to School's Bureaucrats Is Due To Testify in Congress About Alleged Bloat in Ivy League," *The New York Sun*, accessed June 2, 2025, <https://www.nysun.com/article/brown-university-student-who-caused-uproar-by-sending-doge-style-emails-to-schools-bureaucrats-to-testify-in-congress-about-ivy-league-corruption>.

<sup>11</sup> "Employees Factbook," Brown University.

<sup>12</sup> "Enrollment Factbook," Brown University.

One academic study has shown that at colleges across the country between 1976 and 2018, while student enrollment increased by 78% and faculty headcount by 92%, administrative staff increased by 162%. Those categorized as “other professionals” increased by 452%.<sup>13</sup> Correspondingly, since 1990, the price of education has risen 181% in inflation-adjusted dollars.<sup>14</sup> One particularly problematic administrative sector is diversity, equity, and inclusion — a political and ideological apparatus that half of Americans oppose,<sup>15</sup> and has jeopardized \$510 million of Brown’s federal funding.<sup>16</sup>

Notably, Brown has nearly 50 employees categorized by AI as in DEI-focused roles. Brown also pays its athletic director, Grace Calhoun, over \$1 million annually.<sup>17</sup> The Brown Alumni Magazine has seven employees, two of whom are dedicated to advertising.<sup>18</sup> The university president, Christina Paxson, employs a personal household assistant, Maria Raposo.<sup>19</sup> Meanwhile, the student experience continues to deteriorate with dorms flooding during rainstorms and cuts to dining programs, including the replacement of all-beef burger patties with a beef-mushroom blend.

## **V. Collusion Allegations and Financial Aid Practices**

Brown has been named as a defendant in *Henry v. Brown University*, a federal class action alleging collusion among members of the 568 Presidents Group to coordinate financial aid formulas in ways that suppress price competition. Although Brown claims to meet 100% of demonstrated need, it retains the discretion to define what "need" means. These practices disproportionately exclude students from low-income and middle-income families. Brown settled this lawsuit in January 2024.<sup>20</sup>

## VI. Retaliation and Journalistic Suppression

<sup>13</sup> Michael Delucchi et al., "What's That Smell? Bullshit Jobs in Higher Education," *Review of Social Economy* 82, no. 1 (2021), <https://doi.org/10.1080/00346764.2021.1940255>.

<sup>14</sup> Melanie Hanson, "Average Cost of College by Year," Education Data Initiative, accessed June 2, 2025, <https://educationdata.org/average-cost-of-college-by-year>.

<sup>16</sup> Cate Latimer, "Trump Admin to Review U. DEI Policies, Response to Antisemitism as Part of Federal Funding Freeze, White House Official Confirms," *Brown Daily Herald*, accessed June 2, 2025, <https://www.browndailyherald.com/article/2025/04/16/trump-admin-to-review-u-dei-policies-response-to-antisemitism-as-part-of-federal-funding-freeze-white-house-official-confirms>.

<sup>17</sup> "Brown University of Providence," ProPublica, accessed June 2, 2025, <https://projects.propublica.org/nonprofits/organizations/50258809/202401319349305030/full>.

<sup>18</sup> "About the BAM," *Brown Alumni Magazine*, accessed June 2, 2025, <https://www.brownalumnimagazine.com/about-the-bam>.

<sup>19</sup> "Maria Raposo," Brown University, accessed June 2, 2025, <https://directory.brown.edu/uuid/d7d15ae1-4ea7-40c6-a774-8772d31c570a>

<sup>20</sup> Dahlkamp, "Brown Settles."

As an investigative reporter for *The Brown Spectator*, I launched Bloat@Brown, a website that used AI to analyze administrative staff roles and necessity, and Trialhouse.com, a website that performed similar analysis on Columbia University, Cornell University, and the University of Pennsylvania. I emailed each administrator at Brown with a request for comment.

Only 20 responded. One, Jose Mendoza, replied with "Fuck off." Soon after, the university instructed employees not to respond, and the site was hacked. My social security number was leaked. Associate Dean Kirsten Wolfe initiated a disciplinary process against me, first under charges of "emotional/psychological harm," "misrepresentation," "invasion of privacy," and later for alleged technology policy and alleged trademark policy violations.

Wolfe escalated retaliation by charging the entire board of directors of *The Brown Spectator*. Brown's actions drew widespread condemnation from figures including Elon Musk,<sup>21</sup> Rep. Troy Nehls,<sup>22</sup> and the Foundation for Individual Rights and Expression.<sup>23</sup> After a formal review, no violations were found and we were cleared.

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#### VII. Recommendations for Congressional Action

1. **Subpoena President Christina Paxson** for testimony and documents related to administrative growth, financial aid coordination, and retaliation.
2. **Investigate the 568 Presidents Group** and the financial aid methodology used by Ivy League schools.
3. **Mandate transparency** in administrative-to-student staffing ratios and compensation for nonprofit universities receiving federal funds.
4. **Protect student journalists and whistleblowers** from institutional retaliation.
5. **Audit nonprofit higher education institutions** with significant administrative spending and tuition increases.

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Thank you for your attention to these matters. I respectfully urge this Subcommittee to act in defense of students, families, and the American Dream.

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<sup>21</sup> Elon Musk (elonmusk), "Unreal," X, April 23, 2025, <https://x.com/elonmusk/status/1915201907506958842>.

<sup>22</sup> Elizabeth Elkind, "Brown University in GOP Crosshairs after Student's DOGE-Like Email Kicks off Frenzy," Fox News, last modified May 2, 2025, accessed June 2, 2025, <https://www.foxnews.com/politics/brown-university-gop-crosshairs-after-students-doge-like-email-kicks-off-frenzy>.

<sup>23</sup> Dominic Coletti, "Brown University Targets Student Journalist for Sending DOGE-Like Emails," Foundation for Individual Rights and Expression, last modified March 27, 2025, accessed June 2, 2025, <https://www.thefire.org/news/brown-university-targets-student-journalist-sending-doge-emails>.

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Mr. FITZGERALD. Thank you, Mr. Shieh.  
Dr. Morgan, you may begin.

**STATEMENT OF JULIE MARGETTA MORGAN**

Ms. MARGETTA MORGAN. Good morning, Chair Fitzgerald, Ranking Member Nadler, and the Members of the Subcommittee. Thank you for the opportunity to testify at this hearing.

The rising cost of college beyond high school in this country is a major concern for many American families. Whether they are looking at an associate's degree in nursing, a vocational certificate to become an HVAC technician, or a four-year degree in business, Americans looking to get ahead in the job market are facing high tuition bills. Most students are forced to cope by taking on student loan debt that becomes a life-long burden.

I applaud the Committee's interest in costs of higher education. However, the focus of this inquiry is misplaced. Ivy League institutions claim less than 0.4 percent of undergraduate students in this country, whereas the vast majority of students attend public community colleges and open-access city colleges.

Ivy League admissions and tuition practices have no effect on the schools that most Americans attend. Looking for a solution to college costs in the Ivy League is like looking for a needle in a haystack while the rest of the haystack is on fire.

Here's the latest source of that fire: Legislation approved by the House of Representatives to pay for tax cuts for the richest Americans by increasing the price of college for low- and middle-income students, including taking away Pell Grants from 1.4 million Americans and reducing them for another three million.

The deep cuts to Medicaid and SNAP in that bill will also likely increase public school tuition by squeezing the State budget, as higher education will be at the top of the chopping block to cover State budget shortfalls.

Antitrust at elite colleges is deeply inadequate for solving the problem of high prices at college in America. Attempting to leverage antitrust as a global fix to college pricing and admissions while simultaneously slashing Federal support for higher education could very well result in less access to college for low- and middle-income families, not more.

Congress has powerful tools at hand that could really change the price of college and improve the value of the Government's investment that are outside of this Committee's jurisdiction.

For example, the Federal Government could use its muscular role in higher education finance to the advantage of millions of American families by negotiating the price of college tuition. There is a strong bipartisan precedent for this in Medicare, where the Federal Government assigns payment rates to healthcare services provided to Medicare beneficiaries.

While Ivy League practices don't trickle down to open-access schools, the predatory practices of for-profit colleges are definitely trickling up. Community colleges must contend with for-profit schools that siphon off students through aggressive marketing and then leave them with high debt and low earnings potential. As Congress looks to roll back regulation of for-profit colleges, these conditions will only worsen.

Last, today's focus on Ivy League colleges comes after a string of actions by Government leaders aimed at gaining unprecedented levels of control over the minutia of administration at certain elite colleges. Instead of simply enforcing the law, Federal officials are openly looking for any punitive measures that they can apply to bend a handful of wealthy elite colleges to their will.

Federal officials have put forward a variety of diffuse reasons for its obsession with the Ivies, but I think this plan of attack taken as a whole is most reasonably viewed as an attempt to turn back the clock and restore the role of the Harvards and Yales of the world as finishing schools for the children of wealthy and well-connected, rather than knowledge centers to completely evaluate the challenge social and political trends.

This attack on Ivy League schools has worrisome parallels to the actions of an authoritarian regime. Regardless of our views on elite higher education, it should be of concern because it is a sharp departure from the law and from our norms and democratic values.

A strong higher education system is critical to the country's economic strength, to the strength of our democracy, and to creating more broadly shared prosperity. We need to be working together to ensure that we are building a system that meets all our Communities' needs.

Thank you. I look forward to your questions.

[The prepared statement of Margaretta Morgan follows:]



**Written Testimony of Julie Margetta Morgan**

President of The Century Foundation

Before the Committee on the Judiciary Subcommittee on  
the Administrative State, Regulatory Reform, and Antitrust  
United States House of Representatives

Wednesday, June 4, 2025

My name is Julie Margetta Morgan, and I am the President of The Century Foundation, a nonprofit public policy organization that conducts research and analysis on a number of issues, including higher education. I am also a former senior official at the U.S. Department of Education and at the Consumer Financial Protection Bureau.

I'd like to focus my testimony on three main points. First, I'll discuss how the issue raised by this hearing—tuition pricing at Ivy League institutions—fits into the larger context of a higher education system that is increasingly unaffordable for average families. Second, I will discuss the tuition discounting practices at the heart of this committee's inquiry and offer suggestions to address them. Finally, I will discuss the consequences of the focus by this committee and the Trump administration on elite higher education institutions.

**Proposed cuts to federal financial aid will raise prices at the schools most Americans attend**

First, I'd like to put the committee's inquiry into context. The rising cost of education beyond high school in this country is a major concern for many families in the United States. Whether they are looking for an associate's degree in nursing, a vocational certificate to become an HVAC technician, or a four year degree in business, Americans looking to get ahead in the job market are facing tuition bills in the thousands and tens of thousands of dollars.

For most of the twentieth century, families were typically able to pay for college with a mix of grants and their monthly earnings. In many cases, a part-time job was all it took to work your way through school, and generations of Americans were able to become teachers, nurses, and social workers debt-free. Now, most families must cope with the high cost of college by taking on student loan debt that becomes a lifelong burden: average federal student loan debt now stands at just under \$40,000.<sup>1</sup>

I applaud the committee's interest in the cost of higher education. However, the focus of this inquiry is misplaced. Ivy League institutions train less than 0.4 percent of undergraduate students in this country, and just 0.2 percent of Pell Grant recipients, whereas the vast majority of students

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<sup>1</sup> Derived from Federal Student Aid Data Center, "Federal Student Aid Portfolio Summary." Average reflects federal student loan portfolio as March 31, 2025.

attend public community colleges and open access state colleges.<sup>2</sup> Looking for a solution to college costs in the Ivy League is like looking for a needle in a haystack while the rest of the haystack is on fire. And this very week, here in Congress, decisions are being made that will raise the cost of post-high school training considerably for average American families.

I fear that focusing your attention on this tiny slice of institutions that, by all accounts, largely educates the children of those with the greatest social and wealth advantages, will at best give the impression that Congress is deeply out of touch with what higher education looks like for most Americans, and at worst, force the conclusion that you are focused on solving problems for the richest and most advantaged among us while allowing the colleges that serve working class families to be gutted.

Adding to the impression that Congress is working on behalf of the wealthy, the House of Representatives recently approved legislation that pays for tax cuts for the richest Americans with provisions that will directly or indirectly increase the cost of education and training for everyone else. The budget reconciliation bill would take federal grants away from 1.4 million students and reduce grants for another 3 million people.<sup>3</sup> It would also make student loans more costly for borrowers by eliminating interest subsidies and programs that limit borrowers' monthly payments. These cuts will have devastating effects, and they are far more likely to be felt at Ivy Tech Community College in Indiana, where 40 percent of students receive Pell Grants, than in the Ivy League, where less than 20 percent receive Pell.<sup>4</sup>

Other provisions of the bill are likely to drive up the cost of community colleges and other public schools too, by putting increasing burden on state budgets. For example, the bill is projected to cut Medicaid coverage for 10.3 million people, causing 7.6 million of them to become uninsured. The Congressional Budget Office assumes that states would replace roughly half of the federal cuts with state resources, and if the past is any indication, cutting state support for higher education will be the primary method state legislators will use to cover the gap.<sup>5</sup> In the past,

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<sup>2</sup> Ivy League percentage derived from Integrated Postsecondary Education Data System. Share reflects total undergraduate enrollment in 2022–23. Pell Grant percentage derived from Federal Student Aid Data Center, "Title IV Program Volume By School: Grant Programs." Share reflects Pell Grant recipients in 2023–24 Award Year.

<sup>3</sup> Sara Partridge, "Congressional Republicans' Proposed Budget Reconciliation Bill Imperils 4.4 Million Pell Grant Recipients," Center for American Progress, May 13, 2025, <https://www.americanprogress.org/article/congressional-republicans-proposed-budget-reconciliation-bill-imperils-4-4-million-pell-grant-recipients/>.

<sup>4</sup> Derived from College Scorecard, accessed June 2025, <https://collegescorecard.ed.gov/>.

<sup>5</sup> Rhiannon Euhus, Elizabeth Williams, Alice Burns, and Robin Rudowitz, "Allocating CBO's Estimates of Federal Medicaid Spending Reductions and Enrollment Loss Across the States," Kaiser Family Foundation, May 30, 2025, <https://www.kff.org/medicaid/issue-brief/allocating-cbos-estimates-of-federal-medicaid-spending-reductions-and-enrollment-loss-across-the-states/>.

economists have shown a direct relationship between higher health care costs and declines in state support for public higher education.<sup>6</sup>

The committee's inquiry suggests that there may be a trickle-down effect where Ivy League tuition practices radiate out into the rest of higher education. But the open access institutions that educate most Americans—and that have maintained low costs over time—don't take their tuition cues from Harvard and Yale. They take them from state and federal policymakers whose decisions determine their major sources of revenue. However, if you wanted to make more schools take their cues from Harvard and Yale, setting tuition high and seeking out maximum revenue from parents, you'd do exactly what the House of Representatives is trying to do right now in the pending tax bill: slash federal funds and suppress state aid.

#### **Lowering college costs requires more federal investment, not less**

Next, I'd like to dive deeper into why a focus on antitrust at elite colleges is deeply inadequate for solving the problem of high college prices in America. As discussed above, actions focused on the Ivy League will have no effect on the prices paid by the vast majority of American college students. Additionally, the problem with focusing on antitrust enforcement as a solution is that it can only force changes to parts of a system; it can't change the broken system itself. In fact, attempting to leverage antitrust law as a global fix to college pricing and admissions, while simultaneously slashing federal support for higher education, could very well result in reduced access to college for lower- and middle-income families, not more.

While the Committee's inquiry is aimed at the Ivy League, it targets a set of practices that are not restricted to this handful of universities, but rather part of a business model that sets high tuition prices and uses discounts (the amount of which is not transparent prior to acceptance) to attract families who cannot afford the full price, seeking to maximize both revenue and enrollment yield. This practice is widespread among non-profit colleges and even highly selective state universities.<sup>7</sup> This tuition discounting model creates a host of negative outcomes, including inhibiting competition based on price by obscuring the true cost, creating incentives for collusion,

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<sup>6</sup> Peter R. Orszag and Thomas J. Kane, "Higher Education Spending: The Role of Medicaid and the Business Cycle," The Brookings Institution, September 19, 2003, <https://www.brookings.edu/articles/higher-education-spending-the-role-of-medicaid-and-the-business-cycle/>

<sup>7</sup> Steve Burd, "New Data Analysis Shows How Financial Aid Leveraging Is Harming Low-Income Students at Public Universities," New America, September 24, 2024, <https://www.newamerica.org/education-policy/edcentral/philip-levine-data-analysis/>.

and even incentivizing digital espionage aimed at collecting as much information as possible about students and families to determine their likelihood of enrollment and ability to pay.<sup>8</sup>

The practice of tuition discounting has necessitated massive public policy efforts to convince students to “ignore the sticker price,” including building net price calculators that approximate a family’s likely contribution to college tuition.<sup>9</sup> It has also given rise to a lucrative industry of enrollment management, where private equity-owned companies collect as much private data as possible about prospective students and feed it into proprietary algorithms to determine who to target and how much financial aid to offer. A senior official at a major enrollment management company referred to these practices as “arbitrage . . . like working in the financial markets.”<sup>10</sup>

Some might argue that a tuition discounting model maximizes the revenue that colleges can extract from the sources available to it, including students’ pockets, while also ensuring that colleges can remain accessible to students from a wide range of financial backgrounds. However, the data suggest that this simply is not true. Institutions in the Ivy League continue to enroll a relatively small share of the 6.8 million students that are Pell Grant-eligible (less than one-fifth of Ivy League undergraduates are Pell recipients), while legacy preferences remain largely intact and students from the top 1 percent of wealth in the United States enjoy an admissions preference and overrepresentation in Ivy League schools and other elite institutions.<sup>11</sup> At selective public universities, the share of students from low-income families has been steadily falling over time, often driven by a pursuit of out-of-state students who command higher tuition.<sup>12</sup>

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<sup>8</sup> In this testimony, I refer to the practice of setting high tuition prices and marking down those prices on an opaque, student-by-student basis as “tuition discounting.” There are, of course, other models of pricing that discount tuition based on broad and transparent categories (for example, in-state vs. out-of-state residency) that do not necessarily have the same downsides I describe here.

<sup>9</sup> “What is a Net Price Calculator for calculating college costs?,” Office of Federal Student Aid, accessed June 2025, <https://studentaid.gov/help-center/answers/article/what-is-net-price-calculator-for-college-costs>.

<sup>10</sup> Ron Lieber, “Colleges Know How Much You’re Willing to Pay. Here’s How,” *New York Times*, May 1, 2025, <https://www.nytimes.com/2025/05/01/business/college-tuition-price-consultants.html>.

<sup>11</sup> Pell recipients total derived from Federal Student Aid Data Center, “Aid Recipients Summary,” accessed June 2025. Ivy League Pell shares of enrollment derived from College Scorecard. Overall Pell share of enrollment derived from Integrated Postsecondary Education Data System, “Financial Aid: What is the percent of undergraduate students awarded Pell grants?” <https://nces.ed.gov/ipeds/trendgenerator/app/build-table/8/35?cid=5/>

Raj Chetty, David J. Deming, and John N. Friedman, “Diversifying Society’s Leaders? The Determinants and Causal Effects of Admission to Highly Selective Private Colleges,” National Bureau of Economic Research, October 2023, [https://opportunityinsights.org/wp-content/uploads/2023/07/CollegeAdmissions\\_Paper.pdf](https://opportunityinsights.org/wp-content/uploads/2023/07/CollegeAdmissions_Paper.pdf).

<sup>12</sup> Raj Chetty, John N. Friedman, Emmanuel Saez, Nicholas Turner, and Danny Yagan, “Income Segregation and Intergenerational Mobility Across Colleges in the United States,” *The Quarterly Journal of Economics*, 135 (3), August 2020, <https://academic.oup.com/qje/article/135/3/1567/5741707?login=false>.

Aaron Klein, “The Great Student Swap,” The Brookings Institution, September 2022, [https://www.brookings.edu/wp-content/uploads/2022/08/Final-GreatStudentSwap\\_9-6-22.pdf](https://www.brookings.edu/wp-content/uploads/2022/08/Final-GreatStudentSwap_9-6-22.pdf).

When we think about what our country needs from its higher education system—a system that produces cutting-edge research that powers economic competitiveness, a system that provides training that serves to boost upward mobility and prepares individuals to earn a favorable income and weather changing workforce needs, a system that reinforces democratic values and provides broader societal benefits—it's pretty clear that a business model based on revenue maximization that replicates current power structures is woefully inadequate. And this matters greatly, because the federal government is subsidizing this system by providing both grants and loans to support enrollment.

Luckily, Congress has powerful tools at hand that could end the tuition discounting model as we know it and bring much more transparency to both the price of college and the value of the federal government's significant investments. While it is outside of the jurisdiction of this committee, it is worth noting that the federal government could use its muscular role in higher education finance to the advantage of millions of American families by negotiating the price of college tuition.<sup>13</sup> There is a strong, bipartisan precedent for this in Medicare, where the federal government assigns payment rates for health care services provided to Medicare beneficiaries. In the higher education context, the most expansive version of this would look like free college tuition, paid for by a mix of federal and state resources, but one could imagine options that include an out-of-pocket component for families as well.

**The broader assault on higher education endangers our economy and our society**

Lastly, I want to touch on the cumulative effect that inquiries like this one, combined with the sustained series of attacks that the Trump administration has waged on certain elite colleges, has on this country.

What we are seeing at this moment is an attempt at an unprecedented level of government control over the minutiae of university policies and practices, from hiring and promotion to curriculum, to the enforcement of plagiarism policies. Federal officials are openly looking for any punitive measure they can apply to increase the likelihood that universities will comply. There are worrisome parallels between the actions we are seeing today from our country's leaders and those in authoritarian regimes. The Secretary of Education, Linda McMahon, has declared publicly that universities may only do research if they are "in sync" with the administration's goals.<sup>14</sup> This is a deeply dangerous assertion, an encroachment into the academic freedom that

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<sup>13</sup> Robert Shireman and Carolyn Fast, "A college tuition cap could be the bipartisan solution we've been seeking," *The Hill*, July 2023, <https://thehill.com/opinion/education/4118160-a-college-tuition-cap-could-be-the-bipartisan-solution-weve-been-seeking/>.

<sup>14</sup> Dan Gooding and Gabe Whisnant, "Linda McMahon Says Colleges Must Be 'In Sync' with Trump Administration," *Newsweek*, May 28, 2025, <https://www.newsweek.com/linda-mcmahon-says-colleges-must-sync-trump-administration-2078065>.

has made American universities the envy of the world, and a departure from the laws and democratic values that have allowed American higher education to flourish and to produce research that improves our lives and our country's economic competitiveness.

The recent attempts at a government takeover of higher education seem to be largely aimed at weeding out any practices at elite institutions that might increase the admission of non-elite, non-wealthy students, who are already so underrepresented in their ranks.<sup>15</sup> I think it is most reasonably viewed as an attempt to turn back the clock and restore the role of the Harvards and Yales of the world as finishing schools for the children of the wealthy and well-connected rather than knowledge centers that can evaluate and challenge social and political trends.

As I mentioned earlier, these events serve as a distraction from the very real threats to higher education being carried out through the budget reconciliation process, not to mention through DOGE's efforts at the Department of Education. In addition, the steady drumbeat of missives and penalties doled out to a small number of wealthy colleges gives the impression that our country's leaders are not focused on cutting the deeply painful costs American families face every day or using higher education as an engine of economic growth, but rather on bending this handful of wealthy and elite colleges to their will.

That is extraordinarily worrisome, not only because of its effect on these institutions, but also because of its effect on the rest of us. Our higher education system is critical to the country's economic strength, to the strength of our democracy, and to creating more broadly shared prosperity. We need a plan to invest in research that shapes our future and ensure federal dollars yield public benefits. Instead, we see our government wielding research dollars as a cudgel in a power struggle with a few universities. We need a plan to make it easier and cheaper for every American to get the training they need for the job they want—and a plan to make sure those jobs provide the returns our workers deserve. Instead, we see our leaders further hollowing out the funding model for higher education to pay for tax cuts that benefit only the wealthiest Americans. These short-sighted actions will have long-term consequences that are felt not only in colleges and universities, but in the communities they serve across the country.

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<sup>15</sup> Peter Granville, Denise A. Smith, and Stefan Redding Lallinger, "College Admissions Are Rigged for the Rich. Trump's Officials Say, 'Keep It That Way,'" The Century Foundation, March 13, 2025, <https://tcf.org/content/commentary/college-admissions-are-rigged-for-the-rich-trumps-officials-say-keep-it-that-way/>.

Mr. FITZGERALD. The gentlewoman yields back.

Mr. NADLER. Mr. Chair.

Mr. FITZGERALD. The gentleman is recognized.

Mr. NADLER. I have a unanimous consent request.

Mr. FITZGERALD. Without objection.

Mr. NADLER. Mr. Chair, I ask unanimous consent to enter “China Really Wants to Attract Talented Scientists. Trump Just Helped,” from today’s *The New York Times*.

Mr. FITZGERALD. Without objection.

Mr. NADLER. Thank you. I yield back.

Mr. FITZGERALD. Thank you, Dr. Morgan.

We will now proceed under the five-minute rule with questions. The gentleman from California is recognized, Mr. Issa.

Mr. ISSA. Thank you. Dr. Morgan, you went to Boston College, also known as one of the New Ivies; right?

Ms. MORGAN. I did go to Boston College for law school. I have no idea whether it is called the New Ivy.

Mr. ISSA. Google says it is. Who else can we ask?

The bottom line is undergraduate is now over \$67,000, over \$88,000 all-inclusive. Is that one of the elite schools that you would be referring to beyond the original eight Ivy Leagues?

Ms. MORGAN. Absolutely. I do think that colleges like—

Mr. ISSA. Good. Let me ask you a question.

Since you made such a point that Boston College, or other colleges, the basic eight, and we will just add the New Ivies that charge similar amounts, they should be exempt from antitrust because they have a small market share and cater to the ultra-rich?

Ms. MORGAN. My testimony offers no opinion—

Mr. ISSA. No, no, no. You made a point as an antitrust point that because they had such a small market share they had little or no effect.

Ms. MORGAN. I am sorry. Can I answer the question?

Mr. ISSA. No. I want you to answer that question.

Ms. MORGAN. OK. So, the point I am making about the—

Mr. ISSA. I don’t want to know the point you are making. You can say yes or no. Did you say that?

Ms. MORGAN. Can you restate the question, please? What did I say?

Mr. ISSA. You said, and I will paraphrase—thank you very much—you said that we shouldn’t be concentrating on them because they had such a small market share. Is market share a factor in the antitrust activity of multiple companies working together in collusion?

Ms. MORGAN. I believe we should be focusing on—

Mr. ISSA. Now, thank you for not answering that. You make it easy on me, Doctor.

Mr. Martin, is collusion, even without large market share, if it makes prices unreasonably high, if it has an effect, is that antitrust behavior?

Mr. MARTIN. It is per se unlawful.

Mr. ISSA. OK. So, you have per se unlawful behavior alleged. Yet, the Democrat’s witness for some strange reason wants to say, oh, don’t look at that shiny object, instead, what we heard today was

give us more funding for the bloated State universities that also are raising their prices.

Mr. Shieh, you described yourself as sort of part of the wealthy and entitled, which is unusual in this body for anyone. Everyone else seems to want to be Horatio Alger.

Your family was able to pay what needed to be paid at an Ivy League school, correct?

Mr. SHIEH. Right. Most Americans can't afford this, \$93,000 a year. That is 150 percent of the median American income.

Mr. ISSA. OK. The evidence that is being presented today is that the effect is not just Ivy League schools, but if you take away the subsidies being paid by other taxpayers, all universities are rising at very high rates because of these practices, including what you talked about, this massive amount of overhead, if you will, inefficient overhead by administrators?

Mr. SHIEH. Absolutely. Administrative overhead is growing not just at the Ivy League, but at State universities all across the country. It has risen dramatically in recent years.

Mr. ISSA. Dr. Cooper, is it fair to say that one of the things you see among cartels, antitrust activity and so on, is you see higher prices and less efficient, higher overhead? Isn't that kind of a hallmark when you give antitrust exemption?

Mr. COOPER. That is correct. We often see higher prices and higher profits.

Mr. ISSA. So, for our witnesses, is it fair to say that if, in fact, we bring back real competition at all levels, at all universities, and as a result we then would be able to drive down prices, drive up efficiency, we could, in fact, allow more people to be able to leave college without burdensome debt?

Mr. COOPER. I think that is correct. We need more competition in higher education.

Mr. ISSA. OK. So, today's hearing is really about antitrust behavior by the most esteemed universities.

Mr. Shieh, I am going to ask you a question. Is it your understanding as a rising junior, if I am correct, that if you go to one of these great universities the rest of your life your career income is on average greater, isn't it?

Mr. COOPER. This is empirically true that going to an Ivy League school can definitely raise your potential earnings, especially if you are from a low-income family.

Mr. ISSA. So, Mr. Martin, the tendency by the universities that will deliver the highest lifetime earning to restrict, to reduce and, as a result, to deny to the people who otherwise would have that opportunity, isn't that one of the real detriments of this antitrust behavior?

Mr. MARTIN. It should trouble us as antitrust lawyers.

Mr. ISSA. Thank you. I yield back.

Mr. FITZGERALD. The gentleman yields back. I now recognize the Ranking Member for five minutes.

Mr. NADLER. Thank you, Mr. Chair. Dr. Morgan, before I begin my questions can you please give your answer to Mr. Issa's question on market size?

Ms. MORGAN. Yes. I believe that market size is relevant here to the question of where we should be focusing our attention. The vast

majority of students in America do not attend Ivy League colleges. They don't attend colleges who are affected by the competitive forces that the Committee is discussing here today.

We need to be focused on open-access colleges and community colleges who take their cues from the State legislators and Federal legislators who provide sufficient resources for their budget.

Mr. NADLER. Thank you. For many, college is a good investment that ensures greater earnings over a lifetime and an opening to the middle class. However, the cost situation at many schools is too high, closing the door to families who cannot afford the high sticker price.

Despite this affordability problem and the growing disparity between the richest few and the many who are seeing rising prices in all parts of the market, the Republicans' reconciliation bill takes direct aim at student loan programs and other critical student aid program.

The Trump Administration has also taken aim at students and universities while pulling critical research funding and kidnapping students and academics off the street.

Dr. Morgan, how does the Republican budget impact low-income students and the public's access to higher education going forward?

Ms. MORGAN. The Republican budget is going to have drastic negative impact on the cost of higher education for most students in this country. As I said in my testimony, "it is going to cut programs for millions of students, making them foot the bill for more of college." It is going to make student loans more expensive to repay on the backend.

It caps the amount of Federal student loans that people can take on but not the amount of tuition, meaning that more people are going to have to take on private student loans to cover that gap.

Mr. NADLER. How does higher education support the country and our economy generally?

Ms. MORGAN. Higher education is incredibly important to our economy, and it serves a number of focuses.

First, those open-access schools and community colleges that I referred to are educating people to become doctors—sorry, to become nurses, nurse practitioners, HVAC repair people, electricians, and the people who serve our communities every day and make our economy robust.

Our educational institutions also provide funding for—or receive funding to do research that provides innovations that are incredibly important to our society. They make us safer, they make us healthier, and they make our country more competitive.

Mr. NADLER. Well, following up on that, how does the gutting of Federal research programs at the National Institutes of Health, the Centers for Disease Control and Prevention, and the National Science Foundation impact not just the institutions but society and even humanity?

Ms. MORGAN. I think we are all going to feel the impacts of these cuts for a long time. We are not going to be developing the drugs that make us safer and healthier in this country. We are not going to be developing the innovations to help keep us competitive and power manufacturing within our country.

It is going to have a really big impact on us as a whole. I also think it is going to move more innovation to the private sector, which means that we are really only going to be developing the innovations that are profitable, and not necessarily the ones that are best for the public as a whole.

Mr. NADLER. Most of our drugs are not initially profitable without Federal research.

Dr. Morgan, the United States has been the beneficiary of foreign students coming here, being educated here, the best and the brightest. Staying here is one of the reasons for our scientific supremacy.

What is the effect of the Trump Administration's hostility to foreign students, and denials of visas, and even the revocations of visas, what will be the effect on our economy and on our scientific supremacy?

Ms. MORGAN. Yes. First, we have to view this attack on foreign students at American colleges as part of a larger punitive effort to bend certain colleges to the administration's will.

So, this is really part of an effort to turn the screws into any place that the administration can, to bring colleges around to a—

Mr. NADLER. Well, what would be the result?

Ms. MORGAN. Oh, sure. The result of this change to admission for international students is going to have an effect on our country's ability to bring in minds from across the world and benefit from their academic excellence to provide an opportunity for those students to take part in our democracy and learn our values.

Mr. NADLER. In short, it promises to shift scientific primacy from the United States to China. Would you agree with that?

Ms. MORGAN. I totally agree with that.

Mr. NADLER. Thank you. I yield back.

Mr. FITZGERALD. The gentleman yields back. I now recognize the gentleman from Washington for five minutes.

Mr. BAUMGARTNER. Well, thank you, Mr. Chair, for holding this important hearing. There is zero doubt that the Ivy League institutions behave in an anticompetitive manner.

In fact, if you look at their pricing and value marketing model, it looks very similar to some famous jewel companies and how they control supply of diamonds and inflate what is a commodity into a precious item of limited scarcity.

I do believe that American higher education is a gem of American society. What it does for research, social mobility, and overall aid to our economy is extremely important.

Unfortunately, it is a gem that has been thrust into the mud, largely by Democratic leadership. Democrats are great if you are a college administrator and want to see your salary increase, or your job supply increase. They are terrible if you are a college student and you don't want to see your debt levels increase.

The right price for college should be the price at which a student can get through with zero debt. College should be priced at the level you can work a part-time job or a summer job. The problem with an 18-year-old is they don't know the difference between \$6,000 in debt or \$60,000 in debt if they have never had a job and had to pay it back.

What this body should be doing is how do we create an environment where a student, all students can get through school with no debt.

When I was in our State Senate, as Republicans when we took control in the State Senate, we actually dropped the price of college tuition 20 percent in Washington State under Republican leadership because we were working for the middle class.

I have had the experience of going to a big State school, Washington State University, where my father was a professor. I spent a year as a teacher at university, Catholic University of Mozambique teaching war refugees. I was a teaching fellow at Harvard when I did my Master's there. I was on, short-term on the faculty at Sciences Po University in Paris, which is kind of the Harvard of France.

Across all those experiences what I saw is that the amount of growth in administrators in American universities is simply out of control. When you go to Sciences Po there is no diversity dean, student housing dean, and student welfare dean. There is simply this reliance on college students to behave as adults and figure stuff out for themselves. In doing that, they are able to provide college at a much, much lower level.

What this body needs to do is to figure out ways to get out all the B.S. out of higher education, get back to basics, and create mechanisms to bring costs down.

I do want to touch on this issue of the Ivy Leagues, and Harvard specifically, which does have some real problems.

When I went to Harvard there was a lack of viewpoint diversity. We used to call the Republican Club the Phone Booth Club because there were so few of us that we could fit in a phone booth. Now, I make that joke and a lot of students don't even know what a phone booth is.

In any event, the solution to this is just to make these universities reflective of American society. It is like Noah's Ark, increase in access and viewpoint diversity. This shouldn't be hard except the fact the far Left does not want to give up its stranglehold on America's most elite universities. This is going to happen.

Second, there is a problem with the Chinese Government and foreign institutions utilizing America's most elite universities.

When I went to Harvard there was sort of a small-scale scandal. They refused to fly the flag of Taiwan at that time. In fact, we have some important legislation here in this body in the Deterrent Act which we passed out of the House that would illuminate how much foreign influence is going on the college campuses from places like China. Even today, Harvard resists implementing that bill.

I would like to enter for the record this column, this newspaper article that "Harvard Has Trained So Many Chinese Communist Officials, They Call It Their "Party School." There very much is a problem of China at these universities.

If I could enter this in the record.

Mr. FITZGERALD. Without objection.

Mr. BAUMGARTNER. Thank you, Mr. Chair.

Finally, I just want to thank all the panelists for fighting this antitrust issue. As we think about these issues, we all need to real-

ize that college enrollment is about to go off a cliff due to demographic changes in America.

We have a silver tsunami of older Americans. We have a dwindling rapid supply of college students because of demographic factors in terms of birth rates, and also the cost.

This anticompetitive behavior will likely become worse in the coming years as the total market for college students will reduce.

With that, I yield back.

Mr. FITZGERALD. The gentleman yields back. Mr. Nadler is recognized for a unanimous consent request.

Mr. NADLER. Mr. Chair, I ask unanimous consent to enter into the record an article from *New America* titled, “The House Reconciliation Bill Makes College Less Affordable, All to Pay for Tax Cuts for Millionaires and Billionaires,” and argues low income to moderate students will “borrow more, but with worse terms.”

I also seek unanimous consent to enter into the record, two articles: One entitled “The Number of 18 Year Olds is About to Drop Sharply,” as the gentleman said.

Another entitled “Declining Enrollment is Leading to School Closures.”

Mr. FITZGERALD. Without Objection.

Mr. FITZGERALD. The Ranking Member of the Full Committee, Mr. Raskin, is now recognized for five minutes.

Mr. RASKIN. Thank you, Mr. Chair. Mr. Shieh, so you describe yourself as a son of wealth and privilege. I think you described yourself as a legacy student.

Does that mean your parents or your grandparents went to Brown?

Mr. SHIEH. Yes. My father went to Brown.

Mr. RASKIN. Other than having some complaints like the beef mushroom blend, you are really speaking not so much for yourself, but for other kids. You say the kids who are not born on third base, is that right?

Mr. SHIEH. Absolutely. The value of an Ivy League degree used to mean that you were smart, that you are brilliant. It is being diminished.

Mr. RASKIN. As you know, the vast majority of young people who want to go to college are not going to be able to go to Brown, even if you increase the class sizes, you have advocated, by a couple hundred kids. The vast majority are going to end up going to, if they can afford it, State universities, community colleges, and so on.

My question for you is, will you use your platform here today to oppose the major cuts in Pell Grants, which have allowed an avenue for upward mobility in education for young people that are built into the current tax bill?

The 1.4 million Americans would be thrown off. I just wonder if you would oppose the cuts to Pell Grants, the cuts to student loans, and the 80 percent cuts to college work study, which you know allows people to work their way through college?

Mr. SHIEH. Well, I think something that we have observed economically is that—

Mr. RASKIN. No, I am going to—like my friend, I am going to ask you to answer the question. Do you oppose all those cuts, or do you support them?

Mr. SHIEH. I guess, I believe that subsidizing education only increases the cost, because they do.

Mr. RASKIN. You favor those cuts. You would just get rid of the Pell Grant program, is that right?

Mr. SHIEH. I am not an expert on the Pell Grant program. I know that generally—

Mr. RASKIN. You seem to be an expert. You don't favor Federal student aid to kids who want to go to college, for Pell Grants or college work study. You are opposed to that?

Mr. SHIEH. I think that when students don't pay the cost of going to college, then we have seen prices rise.

Mr. RASKIN. You have made yourself clear. Thank you for coming in for your testimony.

Look, a point was made before that collusion is *per se* illegal, which of course is true as a matter of antitrust law. *Per se* collusion is only legal if there is actually *per se* collusion.

Now, this reminds me of a hearing that we did over in the Oversight Committee with Chair Comer about impeachment where the Republicans lined up all these witnesses about impeachment of Joe Biden and then all of them said that they did not see evidence, they were not aware of evidence that would justify impeachment.

So, the two expert witnesses here, Dr. Cooper and Mr. Martin, as I am reading your testimony, are saying that they don't have evidence of price fixing.

Mr. Martin says, I think you just stated it, I am making no judgment about any current conduct. You are not making a statement.

Dr. Cooper, you said, "My testimony does not take a position on whether Ivy Leagues area coordinating their pricing decisions or whether they are in violation of Federal antitrust law."

Again, this is much ado about nothing. This is an attempt just to create a propaganda smokescreen to attack the Ivy League schools.

Your expert witnesses are saying that they don't have evidence that there are antitrust violations going on. Of course, they are correct, because if there were, the Trump Department of Justice would actually be engaged in prosecution or an investigation of them.

So, we have one champion of the working class at Brown University, who is opposed to Pell Grants and other means for kids to actually go to college in America where most kids do go to college, and two expert witnesses who don't see price fixing taking place by the Ivy League institutions.

There is a real problem in America: Only 10 percent of college students go to for-profit colleges, but they are responsible for 50 percent of all student loan defaults.

I am going to ask for unanimous consent to enter a campaign statement by Marco Rubio entitled, "Trump University is an Absolute Scam: Get the Facts About Pending Litigation," if we could, Mr. Chair.

Mr. FITZGERALD. Without objection.

Mr. RASKIN. Dr. Morgan, let me go to you. How does the Republican attack on regulatory protections against for-profit colleges and

universities affect the fraud against students taking place in the education market generally?

Because they are dismantling the regulations that were put in place to protect students against for-profit university fraud.

Dr. MORGAN. Yes. We are seeing action both here in Congress and at the Department of Education that are dismantling or laying the groundwork to dismantle all the protections that have been put in place for for-profit schools.

What we have seen cyclically over time, is when those rules are pulled back, we have increased enrollment in for-profit colleges. We have increased debt that people can't pay off, and we have increased allegations of fraud.

Mr. RASKIN. OK. What about their move to abolish the Department of Education and to gut the Consumer Financial Protection Bureau, will that exacerbate the difficulties that young people are having paying for college?

Dr. MORGAN. We are taking the cops off the beat who can actually identify that fraud and stop it and put money back into people's pockets.

Mr. FITZGERALD. The gentleman's time has expired. I ask unanimous consent to enter into the record the following, an article from *Ivy Coach* titled, "Ivy League Tuition and Fees for 2024-2025," comparing tuition rates among the eight Ivy League schools.

Also, an article from *Ivy Coach* titled, "Ivy League Admission Statistics," comparing the acceptance rates among the eight Ivy League schools.

Mr. FITZGERALD. I now recognize the gentleman from Virginia.

Mr. CLINE. Thank you, Mr. Chair. I appreciate the hearing, and I appreciate the comments of the Ranking Member.

Let's define what collusion is. Let's actually look at Cornell Law School's definition. An Ivy League definition of collusion in antitrust law. Horizontal collusion exists where competitors at the same market level agree to fix or control the prices they will charge for their respective goods or services.

For instance, two parties may collude by limiting or restricting supply, sharing insider information, or dividing the market. It is very clear that the eight Ivy League member institutions have a long history of colluding with each other and other elite higher education institutions.

Back in 1958, they formed a cartel called the Ivy Overlap Group that created a common formula for calculating financial aid packages to ensure that a student admitted to one or more of the Overlap Group institutions would pay the same maximum price to attend, regardless of the institution that they chose.

The Overlap Group would accomplish this by sharing information and determining the maximum price that admitted students' families could afford to pay.

Later, operating under a now expired antitrust exemption, many of the Ivy League institutions and other elite higher education institutions formed the 568 Presidents' Working Group, which likewise created a common formula to ensure 568 PWG schools would not compete on price.

This behavior led to lawsuits and settlements against many of the Ivy League institutions. Dr. Cooper, does this cartel of elite

higher education institutions have the ability to raise the cost for students and their families who are attempting to pay for college?

Mr. COOPER. Absolutely Congressman. I believe the opaque financial aid system enables Ivy League colleges to charge much higher prices than they would be able to in a competitive market.

There is a billion-dollar consulting industry that helps Ivy League institutions figure out exactly how much each family is able to pay and then charge that amount.

Mr. CLINE. We have seen collusion on pricing before enactment of the Section 568 exemption, and while the exemption was in effect. Now, we are concerned it persists today, even though the exemption has expired.

What gaps in enforcement have allowed Ivy League institutions to effectively operate as a pricing cartel?

Mr. COOPER. The prices that colleges charge are very opaque right now. You have to apply and be admitted to figure out how much you are going to pay.

At that point, the college sort of has you captive. It is going to be very difficult for you to comparison shop at that point, go to a different school. You kind of have to accept the price that the school is charging you or else maybe not go to college.

Mr. CLINE. A similar question to Mr. Martin. These institutions through the Overlap Group and the 568 Presidential Working Group used this common financial aid formula for decades to make sure that they weren't competing on price.

Do you think that these institutions could still be using that same revenue maximizing formula to calculate financial aid awards that they used while the exemption was in place?

Mr. MARTIN. Well, that is the subject of ongoing litigation in the Northern District of Illinois. To put a finer point, I make no pre-judgment as to what the outcome of that litigation would be.

I only note that 12 of the 17 member institutions have settled it for a total of \$320 million. It survived a motion to dismiss. It has gone on through discovery.

Quite candidly, some of the documents in that case will be challenging for the remaining defendants.

Mr. CLINE. If they are shown to be using the same formula, could that present significant antitrust issues?

Mr. MARTIN. It could. There is substantial damages alleged in the case.

Mr. MARTIN. Mr. Shieh, Brown's estimated cost of attendance during the 2025–2026 academic year is \$97,284 per year. That means Brown values a degree from its institution at almost \$400,000.

Do you think a degree from Brown is worth nearly \$400,000?

Mr. SHIEH. That is a very good question. I think that is that empirically it is just barely worth it. That for the kids who it could help the most, that is too much for them to pay upfront.

Mr. CLINE. I appreciate that. I would argue that it does not, the worth is not four times the worth of an in-State school or six or eight times that of a community college education.

With that, I would yield back.

Mr. FITZGERALD. The gentleman, yields back.

Ms. BALINT. Mr. Chair, I have a UC.

Mr. FITZGERALD. The Member is recognized.

Ms. BALINT. I ask unanimous consent to enter into the record *ABC News* article, "Judge Finalizes \$25 Million Settlement for Victims of Donald Trump's Fraudulent University," and a *USA today*, "Trump University settlement finalized by judge at \$25 million."

Mr. FITZGERALD. Without objection. The gentleman from California is now recognized for five minutes.

Mr. CORREA. Thank you, Mr. Chair. I appreciate you and the Ranking Member. Thank you for holding this hearing today.

I am sure here in Washington, DC, discussing Brown, discussing Harvard, and discussing private elite universities, is very important somehow, somewhere, but not to my district or blue-collar middle class.

My dad wasn't a doctor. He was a union worker making cardboard boxes. My mom used to clean hotel rooms at a \$1.50 an hour and we managed to survive.

My neighbors, myself, we were all in the same boat. We never thought about Harvard because we weren't going to have the grades, we weren't going to have the money, and we had to survive, pay the rent, pay the bills on a day-to-day basis.

I appreciate holding this hearing today, talking about these elite institutions. I can assure you back home, nobody gives a darn about this stuff.

What they care about is how to survive on a day-to-day basis. Public policy, government subsidization of public education, what is that old saying, "if it ain't broke, don't fix it."

The GI Bill, World War II over, the greatest generation comes back to the U.S. We decided to pay for their college education.

We educated a generation, the greatest generation that built the greatest country in the world on the government dime. My generation.

I did go to Harvard of the West Coast, Cal State Fullerton, and a second-rate school. Not at UC, but at Cal State. That was right for this kid from the hood.

By the way, my tuition then was zero, Pell Grant. Pell Grant paid for everything, and I skipped a few meals to make it happen.

Here we are today discussing Harvard and Brown. I am going to have to go back and tell my constituents that the two or three hours you spent here today is going to make a big difference in their life.

I will tell you what they are looking at. Pell Grants, Cal Grants, cutting of Pell Grants, and school loans. They want to know how they can also get the opportunity to go to college.

By the way, subsidization of education, I thought we were all taxpayers. Do we not have the opportunity as taxpayers to say where our tax dollars are going to go? Don't those taxpayers go to our children? The greatest gift God gives us, our children to educate them.

What is wrong with a subsidized loan that they will have to pay back? What is against public policy here? Again, "if it ain't broke, don't fix it."

Let's go a little bit further, current administration, public policy, research grants, California, and immigrants. The chart behind me shows all the AI companies that have been recently started up by

immigrants in this country. I thought we were supposed to win the AI competition.

I bring this up in the context of, “if it ain’t broke,” why are we changing education, public policy, investing in research and development, investing and making sure the best and the brightest from around the world come to help us come up with new inventions in this country, keep us ahead of the rest of the world.

Again, what is it that is broke that we are trying to fix?

Mr. RASKIN. Would the gentleman yield for a question?

Mr. CORREA. Go ahead.

Mr. RASKIN. Mr. Correa, thank you for your very passionate and eloquent remarks. What would have happened to you if you had not had access to Pell Grants and Cal Grants and public money to go to school?

What would happen to your working-class constituents today?

Mr. CORREA. Well, you are asking me to delve into a personal confession. The gift that my father gave me when I graduated from high school was he said,

I can't give you a watch. Can't give you something nice, but I can free you. You don't have to help us pay rent or pay the bills. You focus on studying, and that is where that financial aid came into being.

This kid from the hood, who wasn't quite ready for college, was able to make it with that financial aid.

Mr. FITZGERALD. The gentleman's time has expired. I now recognize Mr. Gooden from Texas for five minutes.

Mr. GOODEN. Thank you, Mr. Chair. One of the points Mr. Shieh was trying to make was that these universities shouldn't be so expensive in the first place.

None of us want to take away Pell Grants and loan support, et cetera, financial aid for anyone that needs it. Our point is, it shouldn't cost this much in the first place to the point that we need \$400,000, whether it is subsidized or not, to pay for these degrees.

I am curious, Mr. Shieh, when you started asking all these questions and making noise at Brown University, what was their response to you?

Mr. SHIEH. They were not very happy. The Brown administration told people not to respond to our emails. Then, they hit us with a disciplinary investigation, charging me personally for bizarre things such as emotional/psychological harm.

Apparently, that is a real student code of conduct violation. I was found not responsible for anything. They also dragged in the entire Board of the *The Brown Spectator* and charged all of us. Luckily, we were cleared. That shows that there is rot and they are trying to cover it up.

Mr. GOODEN. Isn't that interesting that they had a problem with your free speech and the work you were doing, but they did not have a problem with the pro-Palestinian encampments and all the antisemitism?

Isn't that just wildly ironic that they would go after little old you, just a student that is banging the drum, kicking, and screaming, about high costs?

That pissed them off so much that they started an investigation and came after you. They didn't have a problem with the antisemitism all over their campus.

Mr. SHIEH. This is certainly a double standard. In 2023, we saw that a large group of protestors were actually arrested for trespassing.

They invaded one of the buildings and they were asked to leave. They didn't leave. They were arrested, and Brown told the prosecutor to drop the charges. They weren't disciplined at all. I think there is a clear double standard here.

Mr. GOODEN. Well, I hope you will keep after it. The fact that the Democrats on this Committee are going after you, not hard, I will give them credit but trying to nail you down on a Pell Grant question that it really doesn't have anything to do with the point we are trying to make here.

The point is, if college was not so expensive, we would not even need all this financial aid because it would not cost a fortune to go to college. It should not cost \$400,000. Kids that cannot afford it would not need the aid that they get, because they would have aid, but we would not need \$400,000 of it.

I hope that every child and every student in America can go to whatever college they want. They are not going to as long as class sizes are limited and the price tags keep going up.

Another interesting tidbit that I have found in all this, are all these endowments. One of my colleagues on the other side said, "taxpayer money was meant to go toward funding this."

If an Ivy League institution has billions of dollars in their endowments—

Mr. MR. Correa. Will the gentleman yield?

Mr. GOODEN. Then, I am wondering how much needs to be given to this university with extra taxpayer dollars? Dr. Cooper, will you comment on that?

Mr. COOPER. Absolutely. Some of these Ivy League universities have endowments in the tens of billions. Harvard has an endowment North of \$50 billion.

These institutions actually are less likely to provide institutional financial aid than other private colleges with fewer resources.

Mr. GOODEN. Yet, my colleague over here seems to just be outraged that we would want Harvard, Brown, or name your university, to use their endowment billions to educate the masses rather than to use taxpayer dollars to further their cost escalations and their price increases.

Am I missing something, Dr. Cooper?

Mr. COOPER. I think you are right. Harvard and other Ivy League institutions could certainly be doing a lot more with the tremendous resources they have available to make college more affordable for their students, and to expand to more talented students.

Mr. GOODEN. Well, I praise your work. I am sorry on behalf of my colleagues on the Left that seem to be so angry with your exposing of the corruption, the collusion, and the exorbitant cost increases of Ivy League educations.

I can't hear one peep out of them with respect to the anti-semitism in these same Ivy League institutions. They are all mad at President Trump for actually standing up against this anti-semitism that we are seeing.

They are mad at President Trump for trying to bring down the cost. Saying to these Ivy League institutions, we are not going to keep sending you money of U.S. taxpayer dollars as long as you are helping to propagate this antisemitism.

They are doing nothing about this. Democrats are so mad at the President for standing up for the students, and for standing up for the taxpayers that they instead are wasting your time going after you.

Keep it up, Mr. Shieh. Dr. Cooper and Mr. Martin, I appreciate your work. I encourage you to keep the pressure on Brown, especially Mr. Shieh.

Don't be discouraged and know that the American people, the vast majority of the American people support your efforts, and we stand with you, and we share your views. Thank you.

Mr. FITZGERALD. The gentleman yields back. We have a couple of unanimous consent requests. Mr. Correa first.

Mr. CORREA. Thank you, Mr. Chair. I have a unanimous consent for including the following items in our record:

- (1) "Trump is Crushing America's AI Leadership, We Still Have Time to Fix It." April 23, 2025.
- (2) "JD Vance Wanted to Aggressively Attack American Universities." June 3, 2025.
- (3) "Cost of Federally Sponsored Research."
- (4) Infographic on the Associate of American University's website, 2022.
- (5) "Benefitting Society and the Economy American Technology Transfer for 2023."
- (6) "Federal R&D Cuts Would be Another Unforced Policy Error."
- (7) "America's R&D Rethink Threatens Its Innovation Supremacy."
- (8) "New American Fortune 500 in 2024, American Immigration Council."
- (9) "U.S. Scientists Warned that Trump's Cuts Will Set Off Rain Drain."
- (10) "These are the U.S. Universities More Dependent on International Students."
- (11) "Losing International Students Could Devastate Many Colleges."

Thank you, Mr. Chair.

Mr. FITZGERALD. Without objection. I will ask unanimous consent to enter into the record the following:

A *Washington Post* article titled, "Students Overpaid Elite Colleges \$685 Million Price Fixing Suit."

A Press Release from *Berger Montague* titled, "Plaintiffs in Elite University Price Fixing Case Settle with Cal Tech and Johns Hopkins."

Also, Plaintiff's Memorandum of Law in support of their Motion for Class Certification in the case of *Horzo v. Brown*.

The gentlewoman from—

Mr. RASKIN. Mr. Chair, I just had one more, if I could.

Mr. FITZGERALD. Go ahead.

Mr. RASKIN. This is just for one article entitled, "Congressional Republicans Budget Reconciliation Bill Imperils 4.4 Million Pell Grant Recipients."

Mr. FITZGERALD. Without objection. The gentlewoman from Vermont is now recognized for five minutes.

Ms. BALINT. Thank you, Mr. Chair. We should be able to work together and find bipartisan solutions to this problem.

I have two teenagers myself. They are starting to look at colleges. I have got sticker shock, as do most parents who go through this process.

I am really worried about all the talented students who don't even apply, not just because of the tuition, or the room and board, but simply the fees to apply. It is out of reach for so many families.

The astronomical costs mean working people do not have a fair shot at higher education. I think that this is why we have been so vocal today about the cuts to the Pell Grant program.

Everyone seems to agree that the high cost of college is a real problem in this country. We can't seem to agree on how it is that we are going to bring down tuition costs.

This is the kind of thing that Americans want us to be working on, to the point that my colleague was making here. They want us to come together and actually dig into the problem of how we solve this so that every student has an opportunity to go to college.

That is not actually why we are here today. It is so clear that this is not what this is actually about. Dr. Morgan, I am so glad that you are here, and I thank you so much for your time.

Can you take us through the crux of what it is that we are supposed to be doing here, which is unpacking all of this?

What are the things that are driving these higher costs in education?

Dr. MORGAN. Yes. Thank you for the question. It differs really by sector. There are a lot of varied factors that go into college costs.

It really differs by the type of institution and the type of business model. So, when we take a look at a for-profit college, they are out to maximize their profit.

The cost of providing the education is actually quite low and doesn't really drive the tuition prices. Their cost of marketing is quite high because they are trying to bring people in the door.

When we think about State institutions and community colleges that are educating the majority of students who go to college in this country, studies have shown that the thing that is really driving their costs or the cost of tuition is State appropriations.

That is why I have been quite focused on what Federal and State aid, and local aid as well, is going to these colleges and how what we do at the Federal level impacts those State budgets. Because we are going to see a squeeze on the State budgets that increase the price of tuition.

What we have seen in the past is it takes a really long time to unwind that, even if we are looking at something that only affects a given year.

Ms. BALINT. What you are saying is true that if we are not investing in the institutions that most of our students go to, we are compounding the problem.

Dr. MORGAN. That is right.

Ms. BALINT. I really appreciate that. When we are talking about the affordability problem, are we talking about all institutions of higher education in the United States? Or is it just the Ivies?

Dr. MORGAN. There is a broad swath of colleges where the tuition is quite high and where they are using these opaque discounting models to get to a net price.

There are a lot of colleges in this country that have held their costs quite low, despite weathering the storms of State budgets and cuts to Federal aid, and are really doing their best to provide an education at a transparent price to people where they can come out with as little debt as possible.

I do think one thing to think about with that group of institutions and that group of students is how the costs in the rest of those students' lives have gone up.

Ms. BALINT. That is right.

Dr. MORGAN. For community college students in particular, they are going to be affected by cuts to things like SNAP. They are also affected by the impact of things like the tariffs, and the cost of living increases that this is having for families.

So, for them, the whole package and their indebtedness to achieve an education is going to be higher because of all the rising costs that we are seeing right now.

Ms. BALINT. I really appreciate that. It is a complicated problem. It requires a seriousness of purpose and not some sham hearing.

My Republican colleagues are not here to seriously investigate the problem of college affordability. They are here to advance Donald Trump's culture war against people and institutions that he doesn't like, and to go after anyone who remotely disagrees with him.

He wants to continue to silence the opposition. The reason I know this is because my Republican colleagues, every single one of them across the aisle here voted to eliminate or reduce student aid, increase monthly student loan payments, and drive students to take out predatory private loans.

This hearing once again, which we have seen over and over again in this Committee, is to do the President's dirty work. We have real work that we should be doing to support our students, but we are preoccupied with going after the President's supposed political enemies.

It is a shame, and it is a disservice to our students across this country. I yield back.

Mr. FITZGERALD. The gentlewoman yields back. The gentlewoman from Wyoming is recognized for five minutes.

Ms. HAGEMAN. Thank you. I yield my five minutes to Mr. Nehls from Texas.

Mr. NEHLS. Thank you, Ms. Hageman. Thank you for our witnesses taking the time to be here. As we have already discussed, the tuition rates at self-proclaimed elite universities have ballooned over the years due to longstanding collusion between them, longstanding collusion.

This has allowed these schools to accumulate the kind of severe administrative bloat rarely seen outside of our own Federal Government.

As Dr. Cooper testified, Ivy League Universities average one non-instructional staff per two students. How do you like that ratio?

Yet, the average private university gets by with one third, the administrative staff. Much like we see in the Federal Government at some point bureaucracies, they get so big, fat and bloated that they serve no real purpose other than to justify their own existence.

If these elite universities have one administrative employee for every two students, then what exactly are they employed to do?

Well, one of our witnesses, Mr. Alex Shieh, decided to ask. Great question, Alex. Pursuant to his work as a student journalist, investigating administrative bloat at Brown, Mr. Shieh emailed all 3,805 nonfaculty employees of the university to inquire about what their job entailed. Right?

Rather than simply respond to the inquiry, Brown chose to initiate disciplinary proceedings against Mr. Shieh. I was so appalled when I heard about this that I wrote a letter to Brown urging them to reverse course.

I believe our fearless leader, Chair Jordan in the Committee, they wrote a letter and Brown reversed course. I am glad they did.

It is one thing to create a vast, useless administrative bureaucracy to justify an exorbitant tuition rate of \$93,000. To punish a student journalist for daring to ask a question about it, is unacceptable.

Mr. Shieh, what first prompted you to make the inquiry?

Mr. SHIEH. That is an excellent question. Brown has a \$46 million budget shortfall, even while charging students the price of a luxury car. It doesn't seem like they want to cut any administrators. They have hiring freezes, but they are not willing to cut any jobs.

I thought this was something that needed to be looked into.

Mr. NEHLS. Why do you think the employees that you emailed didn't answer your questions, many of them didn't respond?

Mr. SHIEH. Well, some of them answered. The ones who answered seemed to have pretty useful jobs. I guess we can maybe infer that the ones who didn't have jobs that are not so important.

Mr. NEHLS. The ones that didn't were too embarrassed. They were too embarrassed; they weren't going to respond to you.

Why do you think schools like Brown might be more frugal in administrative spending if they had to pay the same 21 percent tax rate on their endowment profits as corporations?

Mr. SHIEH. Certainly, when you have to pay higher taxes, there is less money floating around, and you got to tighten the budget.

Mr. NEHLS. Now, that is beautiful. We put it in reconciliation now for these universities. It was 1.4, now it is going to go to 21 percent. Twenty-one percent, I am so excited that this legislation was in our reconciliation.

How about you, Dr. Cooper, what do you think?

Mr. COOPER. I think that the 21 percent tax on endowments will probably induce some belt tightening among these Ivy League institutions.

I would also note that the taxes are structured such that if you expand your enrollment, you face a lower tax rate. That might be

an inducement that some of these colleges need to actually admit more qualified students from middle income backgrounds.

Mr. NEHLS. Well, let me be clear, we are not actually taxing the endowment itself. It is the net profits, the earnings on their investments. We are expecting \$7–\$10 billion annually, \$7–\$10 billion is a big deal.

Mr. Cooper, the average four-year private university costs around \$35,000 per student, while the Ivy Leagues average \$126,000. To what degree is administrative bloat attributed to this?

Mr. COOPER. I can't imagine that most of that extra \$126,000 in spending per student is really going to benefit students. What we see is much higher administrator to student ratios at Ivy League institutions than other private colleges.

Mr. NEHLS. Thank you. Thank you, Ms. Hageman. Mr. Chair, I yield back.

Mr. FITZGERALD. The gentleman yields back and the gentlewoman from Wyoming's time is yielded back. I now recognize the gentleman from Illinois for five minutes.

Mr. GARCIA. Thank you, Mr. Chair. This hearing highlights a real problem, the crisis of affordability in higher education.

Instead of focusing on systemic issues and solutions, Republicans have chosen a narrow and misleading target, the Ivy League, which enrolls less than one percent, half of one percent of all undergraduate students.

It has been stated before, rising costs are not unique to the Ivy League. Over the last two decades, tuition and fees at private and public universities have increased by over 100 percent.

This problem isn't limited to antitrust violations by the Ivy League. It is a problem that affects working families, regardless of which school students attend.

This problem is rooted in the commodification of education. Many schools have become real estate trust and hedge funds that treat education as an afterthought.

They gained the ranking system by jacking up tuition, offering discounts in the form of financial aid, knowing that they can exploit the student loan program and load their students with debt. This model has been a disaster for students and for our economy.

Higher education is becoming more essential and more unaffordable. Over 40 million people hold nearly \$2 trillion in debt. The Black and Latino students, immigrant students, and first-generation students in particular, are being priced out of opportunity.

In addition to antitrust enforcement, Congress must act, and we should consider policy options like tuition free public college, caps on tuition increases, increased need-based aid reforms to the student loan system, and support for trade and vocational schools. Not everyone needs to go to college.

If Republicans were serious about affordability, we would see policy solutions. We don't see that. Instead, we see culture wars. Let's talk about what they actually do.

Ms. Morgan, thank you for being here. Let me ask you a simple yes or no question. Does gutting the Department of Education lower tuition costs?

Dr. MORGAN. It does not.

Mr. GARCIA. Thank you. Does cutting research funding for universities lower tuition costs?

Dr. MORGAN. It does not.

Mr. GARCIA. Does funding financial aid, does cutting financial aid programs and student debt relief lower tuition costs?

Dr. MORGAN. It definitely does not.

Mr. GARCIA. Does suppressing free speech and enforcing a Trump approved ideology lower tuition costs?

Dr. MORGAN. It does not.

Mr. GARCIA. Thank you. As usual, Republicans are pretending to be firefighters when they are actually arsonists. We need to address the cost of higher education. Nothing in their cruel Reconciliation Bill does that.

This hearing is just a hypocritical distraction. Republicans fight culture wars, they manufacture outrage, and funnel taxpayer dollars to billionaires and to ICE, while defunding higher education, programs that help working class students, those that I represent in Congress, and other vital resources for our communities.

Working families and our communities deserve better. Thank you, and I yield back.

Mr. FITZGERALD. The gentleman yields back. The gentleman from North Carolina is now recognized for five minutes.

Mr. HARRIS. Thank you, Mr. Chair. Thank you to all of you that are on the panel today for your testimony. I have been in and out of other Committee meetings, but I did have the privilege of reading your written testimonies in advance.

I do want to just ask you a couple of questions. For decades, elite universities were protected by the antitrust exemption under the understanding that they were going to provide this need blind financial aid, which they arguably are not.

Mr. Martin, I want to go to you first. In your view, did the exemption do anything meaningful to bring down colleges' costs to make or make colleges expense more accessible?

Mr. MARTIN. I have not studied that Congressman. I am aware of nothing.

Mr. HARRIS. OK. We really have seen what 30 years of colluding about the financial aid formulas did to college affordability and accessibility. The exemption expired in 2022.

So, my question again, Mr. Martin, would be to you, if we want students to be offered the best college experience at the lowest possible price, should Congress enact another antitrust exemption like Section 568, or force the schools to compete against one another?

Mr. MARTIN. As an antitrust lawyer, Congressman, the free market is generally the best tool for solving problems of prices.

Mr. HARRIS. Well, and I too, I believe that competition would play a role in bringing down college costs. We have data from the last 30 years that the antitrust exemption only succeeded in making our elite institutions more elite and further removed the needs of everyday Americans. Thank you. Thank you for your response.

I want to go to Mr. Shieh. Mr. Shieh, you caused quite a stir with your email to Brown's employees. Your efforts to shine a light on Brown University's excess mirror our fight in Congress to cut wasteful spending as we are dealing with it day in and day out.

Can you, I want to give you a chance to explain your motivation for shining a light on what you describe as administrative bloat.

Mr. SHIEH. Exactly. Well, I think the root of the problem is that Brown is just so darn unaffordable for our students across the country. That is why Brown has the richest median income of all the Ivy League schools.

Like I said, half of the Brown student body is from the top five percent of Americans. I just think that is wrong. I think that is morally wrong, because the Ivy League is supposed to be a ladder to the American dream.

We are pulling up the ladder so that only rich kids can access it. I think that is wrong.

Mr. HARRIS. I noticed in your written testimony that you pointed out there is roughly a ratio of one administrator for every two students. I have got to ask you, is this necessary for Brown students to obtain a degree?

Mr. SHIEH. Certainly not. We have seen that in the past, Brown didn't have this ratio, and it has functioned fine for hundreds of years.

Across the pond, Oxford and Cambridge don't have that many administrators and they function fine. Certainly, all these administrators are not necessary.

Mr. HARRIS. I would say, does this number of administrators meaningfully impact on the overall experience of Brown students?

Mr. SHIEH. Certainly not. They might even detract from it, because when budget cuts need to be made, the enormous administrative bloat means that, and their unwillingness to reduce it means that the costs have to be cut somewhere else.

Mr. HARRIS. Right. So, which leads, you almost answered my other question, is how could cutting some of the bloat benefit the consumer that is looking to come to Brown?

Mr. SHIEH. Well, absolutely. Like dorms flood, the food is unappetizingly bad, and the quality just keeps getting worse.

They are reducing red meat from all the dining halls. They say it is about the environment, but it is really about the cost. By reducing administrative bloat, we definitely could see some improvements in the student experience.

Mr. HARRIS. Thank you. Dr. Cooper, let me ask you, you said in your written testimony that,

The surplus revenues that Ivy League institutions currently enjoy fuel administrative bloat, but they could instead be used to create more seats for qualified applicants.

Can you explain the benefits for our entire Nation that could come from increased enrollment at these elite institutions?

Mr. COOPER. Absolutely. Right now, if you look at elite institutions' graduates, they are vastly over-represented in the elites of business, politics, and media.

If we were to expand Ivy League undergraduate colleges to more students that would enable more students to get their foot in the door for this pipeline, and enable a greater diversity of folks in those elite positions.

I would love to see Ivy League institutions use their endowments and use all the money they are currently spending on administration to expand and create opportunities for more of those students.

Mr. HARRIS. Well, thank you. Thank you to all of you for shining the light that you are shining today. Mr. Chair, with that, I yield back.

Mr. FITZGERALD. The gentleman yields back. Without objection, I ask unanimous consents to enter into the record the following: A press release from the *Department of Justice* titled, “Consent Decree Settles Charge of Conspiracy to Restrain Price Competition on Financial Aid Against Major Universities.”

An article by Sahaj Sharda titled, “How to Crush the Ivy League Cartel.”

Finally, document Number 753–18, filed in the case of *Henry v. Brown University*, on December 16, 2024.

Mr. FITZGERALD. We now recognize the gentleman from Georgia for five minutes.

Mr. JOHNSON. Thank you, Mr. Chair. Let’s be clear, everybody, there is no 568 antitrust exemption thanks to the Biden Administration.

As far as Mr. Shieh’s testimony is concerned, it is, Brown did not discipline Mr. Shieh, contrary to his report. Also, Mr. Shieh’s numbers in terms of administration staff for Brown University are incorrect.

I am surprised that you would pull up the ladder for students who are going to regular universities and colleges to prevent them from getting financial aid. That is crazy.

At any rate, Donald Trump and his MAGA Republican supporters in Congress are attacking our elite institutions of higher learning, because these institutions and others produce the critical thinkers who stand opposed to the global trend toward authoritarianism and dictatorship, which Donald Trump and MAGA represent.

They say this hearing is about eight Ivy League institutions and the cost of higher education, but that is just a facade. This is really about Trump’s war on facts, debate, and truth.

This is Trump’s attack on academia, which comes straight out of the authoritarian playbook. Universities are full of smart, young, engaged people, and the institutions are committed to freedom of inquiry and diversity of thought.

Universities provide independent sources of information and accountability. Indeed, individuals with higher levels of education are less likely to be tricked by authoritarian appeals.

Any autocrat or dictator who wants to exercise limitless, arbitrary power, sees independent institutions of higher education as a threat. After all, Donald Trump can’t replace our democracy with a dictatorial regime if the people are smart enough to recognize that he is a threat to freedom, liberty, and justice, which are democracy guarantees.

Dr. Morgan, I believe that academia and it is inextricably tied to our democracy and to our liberty. Can you talk about why higher education is important for the protection of freedom and democracy?

Dr. MORGAN. Absolutely. First, our institutions of higher learning are places where people come together and learn, and have to be in the same place as people with different opinions.

It really promotes democratic values from the start. To your point, universities can also be a place of free inquiry that can result in information that can oppose or point out flaws in larger societal trends or political trends.

They can be really important voices in our societies. They are also places that produce research that can help us better understand what is happening in the world around us, including what is happening, the kind of effects of the negative changes that a Presidential administration might be putting in place.

They are incredibly important to our democracy and to our society.

Mr. JOHNSON. Thank you. As a lawyer, I have watched with horror as a number of law firms bent a knee and succumbed to Donald Trump's unlawful pressure campaign.

I am proud of the brave firms that chose to stand up for the rule of law. Now, as Trump goes after the universities, I am equally concerned.

In March, Columbia University caved to Trump's demands when the administration threatened to yank away \$400 million in Federal funding. Yet, more recently, Harvard is showing backbone and rejecting Trump's demands.

Dr. Morgan, why is it important that universities stand up against the administration's attacks and conversely, what would happen if universities succumbed and started towing the line for this administration?

Dr. MORGAN. Yes. I think it is incredibly important that universities follow the law, but do not submit to demands that have nothing to do with their legal requirements.

You can see in the attacks on Harvard, and the kind of proposed solutions from the Trump Administration that they are looking to really control the minutia of the decisions at those colleges. That is not an appropriate role for the Federal Government to take.

The other thing that is important to understand here, is that other universities are going to take their cues from what these much better resourced institutions are able to do in terms of standing up to the administration.

It is really important those universities that have the resources to do so to take a stand.

Mr. JOHNSON. So, attacking elite institutions is a canary in the coal mine.

Dr. MORGAN. That is right.

Mr. JOHNSON. All institutions of higher learning are under attack.

Dr. MORGAN. That is right.

Mr. JOHNSON. Thank you. With that, I yield back.

Mr. FITZGERALD. The gentleman yields back. I now recognize the Chair of the Full Committee, Mr. Jordan for five minutes.

Chair JORDAN. Thank you, Mr. Chair. Mr. Shieh, what did you say tuition was again at Brown, annual tuition?

Mr. SHIEH. It is \$93,064 in direct costs.

Chair JORDAN. The \$93,000 doesn't count the room and board, books, and everything. That is just tuition, right?

Mr. SHIEH. No. That is including room and board.

Chair JORDAN. That is everything? OK, \$93,000. How many students do you say again, was at Brown, over 7,000 you said?

Mr. SHIEH. Seven thousand.

Chair JORDAN. Yes. That is a lot of money coming in. It could be some grants; it could be some loans or whatever.

The \$93,000  $\times$  7, it is like \$700 million coming into Brown every year. You asked the fundamental question, sort of a simple question. You asked the question, where the heck is all the money going, right?

You said, "Maybe I will check the administrators. How many administrators are they having?" You said, I think the number you said was 3,805, is that right?

Mr. SHIEH. Yes.

Chair JORDAN. Then, you sent a letter to these guys asking another fundamental question, what do you do all day?

What was the response you said? Most of them didn't get back with you?

Mr. SHIEH. Most of them didn't respond. We were hit with disciplinary charges.

Chair JORDAN. The administrators couldn't respond to a simple question, you are taking in \$700 million a year. What the heck are you 3,800 administrators doing every day?

The administrators didn't respond, but the administration came after you. Is that right?

Mr. SHIEH. That is right. When you investigate the administration, it turns out they investigated you back.

Chair JORDAN. Yes. It was interesting to me, because the Ranking Member of the Full Committee and the Ranking Member of the Subcommittee talked about academic freedom and the First Amendment.

You were asking these questions on behalf of a student news publication, right?

Mr. SHIEH. Right.

Chair JORDAN. Was it Brown, what is the name of your paper, *The Brown Spectator*?

Mr. SHIEH. Yes.

Chair JORDAN. They come after you. Why do you think they did that? Why did they come after—well, first, what did they come after you about? What did you allegedly do wrong?

Mr. SHIEH. Well, first it was emotional and psychological harm, invasion of privacy, and misrepresentation. Then, they decided to charge me with violating the technology policy.

Chair JORDAN. You are asking someone how they spend your money is emotional harm? That is what they alleged?

Mr. SHIEH. Apparently.

Chair JORDAN. Then, what happened in the investigation?

Mr. SHIEH. Well, then they escalated it. They then charged the entire Board of Directors of *The Brown Spectator* for violating Brown's trademark, because our publication is named *The Brown Spectator*, which is just a completely bogus claim.

Chair JORDAN. Are there other newspapers at Brown that use Brown in the name of their paper?

Mr. SHIEH. Yes. Our other newspaper is the *Brown Daily Herald*.

Chair JORDAN. Probably in the entire history of the university, there has been some kind of Brown publication, right?

Mr. SHIEH. Certainly.

Chair JORDAN. Yes. That is just ridiculous. Why do you really think they did it? Why did they really come after you?

Mr. SHIEH. I think that they were upset that we unveiled the rot that was going on, all these administrators with pretty useless jobs.

Chair JORDAN. That is certainly one reason they were mad at you. It is probably more, I think they were trying to make sure no one else would do it in the future.

Mr. SHIEH. Yes.

Chair JORDAN. That is always the way it works. The Left comes after people, they want to chill speech so it doesn't happen again. Do you think that was part of their motivation?

Mr. SHIEH. I think that certainly was true. It backfired terribly.

Chair JORDAN. It sure did. It sure did, because you are brave enough to keep talking. You can come here and testify. So, God bless you for doing that.

Now, you can have, I will direct this to you, Mr. Martin, you can have a bloated bureaucracy when you are colluding on price and making sure you are not competing on price with other similarly situated institutions.

Is that right, Mr. Martin?

Mr. MARTIN. Yes.

Chair JORDAN. You are not supposed to do that, are you, according to the law? Is that right Mr. Martin?

Mr. MARTIN. To collude on price? It is per se unlawful.

Chair JORDAN. It is per se unlawful. You can also have bloated bureaucracy when you collude on price and you limit output, you limit class size.

Is that right, Mr. Martin?

Mr. MARTIN. That is correct.

Chair JORDAN. Do you think that is going on at these—oh, there is a third one.

You can also do all this if you engage in perfect price discrimination, where you get all this information on the student and their families, what they make, where it goes, what they owe, what their retirement is, all this information, and you can say that student can pay this amount and you will take it right to the edge where they can pay and get perfect price discrimination.

So, when you do those three things, you can afford to have 3,805 administrators for 7,000 students. Is that right Mr. Martin?

Mr. MARTIN. You make an excellent point. The more perfect the information, the more perfect the collusion can be, algorithmically or otherwise.

Chair JORDAN. Of course, That is exactly what is going on. Is that right, Dr. Cooper?

Mr. COOPER. The evidence is certainly consistent with that, yes.

Chair JORDAN. That is what the evidence shows. Yet, the other side says, oh, how dare Mr. Fitzgerald have this hearing. You got to be kidding me.

They tried to chill the speech of a news publication at the university, for a student they are supposed to be serving, asking a simple

and fundamental question. They want to chill that because they don't want anyone to look under the covers and see that they are colluding on price, they are limiting output, and they are doing perfect price discrimination.

Imagine that. Imagine that. We are not supposed to have a hearing. Holy cow. I want to thank the Chair for doing the hearing.

I want to thank all of you for testifying. Mr. Shieh, thank you for stepping forward and letting the country know what is going on at these elite universities.

Mr. RASKIN. Would the gentleman yield for a quick question?

Chair JORDAN. I yield back to the Chair. I will yield. You have got a few.

Mr. RASKIN. Well, I just wonder if your feelings are the same about the attacks on a private student publication called the *Harvard Law Review* taking place by the Trump Administration right now?

Chair JORDAN. Well, I think the Chair—or the Ranking Member knows that you and I have been strong defenders of the press. We have co-sponsored together the PRESS Act, defending the press. I will continue to do that.

Mr. RASKIN. Very good.

Chair JORDAN. I am focused on the situation in front of us today and Mr. Shieh at Brown University.

Mr. RASKIN. I am with you. Hold the thought. More power to the free press at Brown and at Harvard.

Chair JORDAN. God bless America.

Mr. FITZGERALD. The gentleman's time has expired. That concludes today's hearing. We want to thank our witnesses.

Mr. NADLER. Mr. Chair, I have a unanimous consent request.

Mr. FITZGERALD. Mr. Nadler has a UC request.

Mr. NADLER. Thank you, Mr. Chair. I ask for unanimous consent to enter into the record an article entitled, "Ivy League School's Financial Aid," from the *Ivy Coach Daily*. It says, moreover, while the sticker price at the Ivy League schools is high, about \$90,000 per year, roughly half of the students receive financial aid with average awards covering two-thirds or more of the cost.

The vast majority of students from Ivy League schools graduate with no loans. Half of the Ivy League schools offer a completely free education to families whose income is \$75,000 or less.

Mr. FITZGERALD. That is the title or the whole article?

Mr. NADLER. That is the whole article.

Mr. FITZGERALD. Yes. Without objection.

Mr. NADLER. I have a second unanimous consent request that is shorter. I ask unanimous consent to enter into the record and article from *Chicago Booth Review* titled, "Who's at Fault For Student Loan Defaults," that argues that this article reviews, researches, and analyzes student loan defaults and finds that for-profit colleges, half of the student loan defaults are from programs that only enroll 10 percent of U.S. students. Furthermore, the review argues that default rates are not being driven by tuition costs.

Mr. FITZGERALD. Without objection.

Mr. NADLER. Thank you.

Mr. FITZGERALD. That concludes today's hearing. I want to thank the witnesses for appearing before the Committee today.

Without objection, all the Members will have five legislative days to submit additional written questions for the witnesses and additional materials for the record. Without objection, the hearing is adjourned.

[Whereupon, at 11:58 a.m., the Subcommittee was adjourned.]

All materials submitted for the record by Members of the Subcommittee on the Administrative State, Regulatory Reform, and Antitrust can be found at: <https://docs.house.gov/Committee/Calendar/ByEvent.aspx?EventID=118342>.

