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Leadership and Advocacy

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Rep. Virginia Foxx
Chairwoman
Committee on Education
and the Workforce
United States House of Representatives
2176 Rayburn House Office Building
Washington, DC 20515

Rep. Bobby Scott
Ranking Member
Committee on Education
and the Workforce
United States House of Representatives
2101 Rayburn House Office Building
Washington, DC 20515

Rep. Brett Guthrie
Chairman
Committee on Education
and the Workforce
Subcommittee on Higher Education
and Workforce Development
United States House of Representatives
2434 Rayburn House Office Building
Washington, DC 20515

Rep. Susan A. Davis
Ranking Member
Committee on Education
and the Workforce
Subcommittee on Higher Education
and Workforce Development
United States House of Representatives
1214 Longworth House Office Building
Washington, DC 20515

Dear Chairs Foxx and Guthrie and Ranking Members Scott and Davis:

On behalf of the undersigned associations, we write to express our deep concern with H.R. 4508, the *Promoting Real Opportunity, Success, and Prosperity through Education Reform Act* (PROSPER), the legislation to reauthorize the Higher Education Act scheduled to be marked up by the committee Dec. 12. Most importantly, this bill would make higher education more expensive for millions of students and families. In addition, it would make significant changes in federal higher education policy without a clear understanding of the likely consequences.

While we do have significant reservations about the bill, there are elements of it we support. We appreciate the fact that the legislation incorporates several recommendations from the report of the bipartisan Task Force on Federal Regulation of Higher Education. These steps will simplify and streamline federal mandates and help campuses reduce administrative costs and better serve students. The legislation also incorporates a number of recommendations with significant support in the higher education community, including providing a bonus to Pell Grant recipients to incentivize completion, simplifying the process of applying for federal aid, eliminating origination fees on student loans, providing statutory authority to accreditors to use risk-based or differentiated accreditation procedures, and providing institutions the authority to limit borrowing, among others.

This legislation would expand Title IV aid eligibility to short-term programs. Community colleges strongly support this step. Other sectors have concerns about such a shift. Additional proposals, such as the cap on total principal and interest regardless of repayment plan, the streamlining of loan repayment options, efforts to better align competency-based education programs with the Title IV aid programs, and establishing accountability measures at the programmatic level also merit careful exploration.

Unfortunately, it is impossible to provide truly informed feedback on any of these points given the timeframe. Despite the fact that reauthorization is already several years behind schedule, this bill is suddenly being rushed through committee. This expedited timeframe limits the ability to analyze the bill and consult with affected parties, leaving the committee in the position of asking its members and the public to support legislation before knowing its full impact. We urge you to delay marking up the bill to allow for more input.

Barring additional time to review this legislation, it is necessary to confine our comments to the most pressing issues we have identified thus far.

The primary goal of any reauthorization should be improving federal programs that support students. However, by any metric, this bill is worse for students. If enacted, students would need to borrow more, pay more to borrow and pay still more to repay their loans. Through the elimination of the in-school interest subsidy for undergraduate students, the elimination of the 1.5 million grants to students made through the Supplemental Educational Opportunity Grant program, and the elimination of loan forgiveness and other benefits currently available in the student loan programs, this bill would immediately increase the cost of college. Coinciding with the House's passage of H.R. 1, this marks the second time in less than a month that the House of Representatives has moved to significantly increase the cost of higher education for low- and middle-income Americans.

Such proposals will have a meaningful impact on the affordability of college for low-income students. A preliminary analysis of just the proposal to eliminate subsidized interest for undergraduate students with financial need, even when coupled with the elimination of the origination fees, demonstrates that it would substantially add to the cost of borrowing. An undergraduate student who borrows $19,000 over four years and makes all payments on time would see a 44 percent increase in the cost of the loan. A student who attends for five years and borrows $23,000 would see a 56 percent increase.

Graduate students are hit particularly hard by the changes in this bill. They share the increased cost of undergraduate education but also lose Federal Work-Study eligibility and have their federal graduate loans limited, forcing them to borrow at a higher cost and with fewer protections in the private market. At a time of mounting public concern over the cost of college, making federal student loans more expensive does not make sense.

The bill also includes numerous eliminations or reductions. Eliminating the Title III-A Strengthening Institutions Program and Teacher Quality Partnership Grants and reducing funding for the TRIO program by $50 million will harm institutions and the low-income students who participate. Similarly, reducing and freezing authorization levels at current appropriations levels (as this bill does in virtually every case) while simultaneously providing a massive expansion in the number of academic programs and students eligible for federal aid will diminish the value for all recipients.

While the bill strives to reduce unnecessary or duplicative regulations on students and institutions, these worthwhile proposals are offset by other changes that would add burden and complexity. As just one example, requiring weekly or monthly disbursements of student aid would complicate the management of student aid and necessitate that institutions move from two to as many as 50 disbursements in a year. It is puzzling (and inconsistent with other provisions of the bill) that instead of simply providing institutions with the authority to do this, allowing them to best meet the individual needs of their campuses, this bill instead imposes this change as a federal mandate.

Compounding these problems, this bill would weaken the federal government's ability to prevent fraud and abuse in the federal aid system. Rather than provide meaningful oversight through targeted, risk-based accountability measures, this bill undermines the limited protections currently available to students while demanding a higher level of scrutiny for minority-serving institutions. At the same time, the bill expands the availability of aid to the institutions where the greatest abuses have occurred, imposing a one-size-fits-all definition of diverse institutions even as it claims to be limiting the federal role.

Along the same lines, the proposal to revise the return of Title IV funds will likely have the opposite effect of what is intended. Institutions operating in good faith and investing in their students will see additional costs imposed on their operations and new pressure to restrict admissions to only those students with the greatest likelihood of success. Conversely, institutions that spend the least on education and upfront costs to support students will be able to minimize costs and maneuver around the penalties imposed. While this provision seeks to impose accountability on institutions, it will negatively impact students. Under this bill, a student who left after attending almost an entire quarter of a payment period would not be able to keep any of their aid, even though they would have incurred associated costs during this time. Rather than promoting accountability, such a proposal would instead incentivize the worst practices and harm students.

We are deeply concerned with the lack of safeguards in the provisions of the bill which open up federal aid programs to non-Title IV providers who partner with eligible institutions. This could create a backdoor route to eligibility for non-education entities with insufficient protections for students and taxpayers. It may also allow bad actors among Title IV participants to monetize their eligibility by offering access to federal funds to low-quality or fraudulent providers. Furthermore, the impact on the expenditures for the Title IV programs is unknown. Finally, there is insufficient understanding of the change's likely impact on the broader higher education system.

While we appreciate the effort that went into preparing this bill, we urge you to reconsider the approach it represents. We believe this bill falls short of even current law, and its impact on students and federal policy would prove to be seriously damaging. More than a missed opportunity, this bill is a step backward that would further undermine access and quality at a time when the nation needs more of both.

Our members are eager to work with you on ways to reduce cost, increase accountability, and promote innovation. These are goals that we share with the members of your committee and which we believe can be achieved. Instead of moving this legislation forward on an accelerated track, it is our hope that you will put the interests of students first and revise this bill accordingly. We stand ready to assist you in that effort.

Sincerely,

Ted Mitchell
President

On behalf of:

ACPA-College Student Educators International
American Association of Colleges for Teacher Education
American Association of Colleges of Nursing
American Association of Colleges of Osteopathic Medicine
American Association of Collegiate Registrars and Admissions Officers
American Association of Community Colleges
American Association of State Colleges and Universities
American Association of University Professors
American Council on Education
American Indian Higher Education Consortium
Association of American Colleges and Universities
Association of American Law Schools
Association of American Universities
Association of Catholic Colleges and Universities
Association of Community College Trustees
Association of Governing Boards of Universities and Colleges
Association of Jesuit Colleges and Universities
Association of Public and Land-grant Universities
Association of Research Libraries
Consortium of Universities of the Washington Metropolitan Area
Council for Advancement and Support of Education
Council for Opportunity in Education
Council of Graduate Schools
Council of Independent Colleges
EDUCAUSE
Hispanic Association of Colleges and Universities (HACU)
NAFSA: Association of International Educators
NASPA - Student Affairs Administrators in Higher Education
National Association for College Admission Counseling

National Association for Equal Opportunity in Higher Education
National Association of College and University Business Officers
National Association of Independent Colleges and Universities
National Association of Student Financial Aid Administrators
The Common Application
The Phi Beta Kappa Society
UNCF
UPCEA