Graduate Students and the “PROSPER Act”

The Higher Education Act (HEA), was originally created in 1965 to “strengthen the educational resources of our colleges and universities and to provide financial assistance for students in postsecondary and higher education” (Pub L. No. 89-329). This act governs federal higher education programs that affect affordability, accreditation, oversight, and federal regulations. This act is reauthorized every few years, most recently in 2008, and is currently due for reauthorization.

On December 13th, 2017 the House Committee on Education and the Workforce approved HR 4508, the Promoting Real Opportunity, Success, and Prosperity through Education (PROSPER) Act, along party lines. The proposed legislation includes changes to federal financial aid for graduate students. In an attempt to improve and simplify student aid, it changes or eliminates many of the programs that graduate students use to finance their education. On behalf of current and future graduate students across the country, the Student Advocates for Graduate Education (SAGE) Coalition has serious concerns about the impacts of this proposal.

HR 4508 eliminates the Public Service Loan Forgiveness (PSLF) Program for future borrowers. PSLF is a program that many current and former graduate students rely on if planning for careers in public service. The professions that qualify for PSLF comprise an estimated 25 percent of the work force and often require a graduate degree including social work, education, public defense, librarianship, urban planning, and more.¹ While these fields have alternative career paths in the private sector, many students seek comparatively lower-wage careers in the public sector. For example, the PSLF program has been used medical students to serve in public clinics in rural areas. As of Q3, 2017, FedLoan Servicing reported a cumulative 739,719 self-identified PSLF borrowers.²

HR 4508 eliminates the grad PLUS / parent PLUS loan program and adds student loan borrowing limits. Under the proposed act, the maximum federal loan would be $28,500 annually and $150,000 over the lifetime of a student (including undergraduate loans; health professions will have higher limits). Graduate students would no longer be able to borrow up to cost of attendance with grad PLUS loans. Proposed limits will require graduate students in expensive programs to take out private loans, which may require payments while in school, have variable rates, depend on credit record, and interest will not be tax deductible. Additionally, the proposed simplification radically reduces the number of repayment methods

from seven to only two; a standard ten year plan and an income-based repayment (IBR) plan. This income-based plan has no option for loan forgiveness, unlike previous IBR plans.

**HR 4508 eliminates graduate student eligibility for Federal Work Study.** The Federal Work Study program benefits many graduate and professional students by funding part of their graduate education. Additionally, HR 4508 reduces funding support for the Graduate Assistance in Areas of National Need program (GAANN) by 20%. Past grantees of these two programs maintained high academic standing, demonstrated financial need, and pursued terminal degrees in fields such as engineering, chemistry, and physics. These programs provide dedicated students with a pathway to lessen the financial burden of graduate studies.

**HR 4508 reduces reporting of sexual assault incidents in campus crime statistics, and allows universities to avoid publishing campus survey results and delay investigations.** Currently, the PROSPER Act eliminates procedures created by the Clery Act requiring sexual assault counselors to report incidents for campus crime statistics. This change could lead to inaccurate reporting of campus incidents. Additionally, while the act would require universities to conduct surveys on sexual assault incidents, there are no publication requirements for these surveys, which could result in reduced transparency of campus climate issues. Lastly, the act allows universities to delay or suspend investigations if a local law enforcement investigation is ongoing. This could leave victims of sexual assault unprotected on their campuses.

**HR 4508 does contain positive elements that SAGE hopes to see in a final HEA reauthorization:**
- The elimination of the loan origination fee for student loans
- The cap on total interest accrued on student loans regardless the method of repayment
- Simplifying the process for applying for federal aid

**If you would like to share your thoughts about the PROSPER Act, consider reaching out to the Senate members on the HELP committee and/or House leaders.**

The Senate Health, Education, Labor and Pensions (HELP) committee is currently in the early stages of the HEA reauthorization process. The HELP committee has provided an email address, **HigherEducation2018@help.senate.gov**, for comments and suggestions about HEA reauthorization, the committee will accept input until Friday, February 23rd.

The office of the Ranking Member, Senator Patty Murray, is currently soliciting input from current, former, future students, and their families about what higher education topics congress should focus on. Participants can submit stories and opinions with their first name and hometowns to **HigherEdStories2018@help.senate.gov** by Friday, February 23rd.
Relevant Legislators

Senate HELP Committee

Chairman: Senator Lamar Alexander (Republican - TN)
Ranking Member: Senator Patty Murray (Democratic - WA)

Republicans (Majority)
- Senator Michael B. Enzi (Republican - WY)
- Senator Richard Burr (Republican - NC)
- Senator Johnny Isakson (Republican - GA)
- Senator Rand Paul (Republican - KY)
- Senator Susan Collins (Republican - ME)
- Senator Bill Cassidy, M.D. (Republican - LA)
- Senator Todd Young (Republican - IN)
- Senator Orrin Hatch (Republican - UT)
- Senator Pat Roberts (Republican - KS)
- Senator Lisa Murkowski (Republican - AK)
- Senator Tim Scott (Republican - SC)

Democratic (Minority)
- Senator Bernie Sanders (Democratic - VT)
- Senator Robert P. Casey, Jr (Democratic - PA)
- Senator Michael F. Bennet (Democratic - CO)
- Senator Tammy Baldwin (Democratic - WI)
- Senator Christopher S. Murphy (Democratic - CT)
- Senator Elizabeth Warren (Democratic - MA)
- Senator Tim Kaine (Democratic - VA)
- Senator Maggie Hassan (Democratic - NH)
- Senator Tina Smith (Democratic - MN)
- Senator Doug Jones (Democratic - AL)

Leadership and Relevant Legislators

House of Representatives

Speaker of the House - Representative Paul Ryan (Republican - WI)
House Minority Leader - Representative Nancy Pelosi (Democrat - CA)

Senate

Senate Majority Leader - Senator Mitch McConnell (Republican - KY)
Senate Minority Leader - Senator Chuck Schumer (Democrat - NY)