CONTACT YOUR REPRESENTATIVE ABOUT THE PROSPER ACT

ACCT ASSOCIATION OF COMMUNITY COLLEGE TRUSTEES

In the coming weeks the U.S. House of Representatives may vote on H.R. 4508, the Promoting Real Opportunity, Success, and Prosperity Through Education Reform (PROSPER) Act. This comprehensive bill to reauthorize the Higher Education Act has significant financial implications for community colleges and students.

We encourage community college leaders to write their representatives to oppose the PROSPER Act. Letters should be emailed directly to the representatives' education staffers, along with an email offering to serve as a resource to provide more information on the bill. A list of House education staffers may be found here: education staffer list.

SAMPLE EMAIL

My name is _____, and I am a trustee from ______. [Reference any prior meeting with the staffer, or further elaborate on your college and your role at the college].

In June, the full-House may consider a bill to reauthorize the Higher Education Act. The bill, known as the PROSPER Act (H.R. 4508) has significant financial implications for community colleges and students. I know that Congressman/woman ____ has been a strong supporter of our institution. Hence, I wanted to make sure you were aware of the impact of the bill on our college.

There are several complex elements in the bill, including the addition of financial risk sharing penalties. Please let me know if you have any questions about various aspect of the bill. Our college is here to be a resource.

Attached you will find a letter outlining opposition to the PROSPER Act as written. We hope that these issues can be addressed before the bill in considered by the full-House.

SAMPLE LETTER

Dear Congressman/woman ______

In the coming weeks the House may consider H.R. 4508, the Promoting Real Opportunity, Success, and Prosperity Through Education Reform (PROSPER) Act. H.R. 4508 contains some positive features for community colleges. However, several policies would negatively impact our institution and students. Consequently, we oppose this legislation as currently proposed.

Our college supports the expansion of Pell Grant eligibility for short-term training programs, as well as the increased flexibility for financial aid administrators to limit borrowing in defined circumstances. These changes represent important steps in helping students manage the cost of college.

We strongly oppose the bill's new risk sharing provisions. These provisions would create substantial institutional liabilities for the many instances in which students do not complete their period of enrollment. As a sector, community colleges would owe tens of millions of dollars annually to the federal government under the PROSPER Act's risk sharing plan.

Community colleges are thinly resourced open-access institutions serving students that often face significant barriers in the academic pursuits. The average annual tuition and fees at a community college is $3,570 per student. Community colleges offer an open pathway to postsecondary attainment at a fraction of the cost of other sectors of higher education. Risk sharing penalties under the PROSPER Act would be punitive to community colleges given our sector's student population and inability to absorb large financial penalties. These additional liabilities would create tremendous budgetary difficulty for our institution, and students may ultimately pay the price through higher tuition or reduced services.

Additionally, the PROSPER Act would make college more expensive for many students through a net reduction in student aid. The bill eliminates subsidized loans for low-income students resulting in increased interest debt for low-income borrowers. The PROSPER Act also eliminates the Supplemental Educational Opportunity Grant program, impacting over 1.5 million students. Additionally, less generous terms for federal student loan repayment would cost students $40 billion over 10 years.

The PROSPER Act utilizes a significant portion of the savings from student aid cuts to pay for costs associated with stripping away student protections at proprietary institutions. These changes - including the elimination of the rule that requires proprietary institutions to receive at least 10 percent of revenue from non-Title IV aid sources – would cost billions of dollars.

We also have strong reservations about the PROSPER Act's use of programmatic repayment rates as an accountability metric. The institutional data collection burden would be significant, and not necessarily represent the economic value of an academic program. It is also unclear if the Department of Education could accurately process millions of records, a concern recently expressed by the Department's own Inspector General.

We request that you oppose the PROSPER Act in its current form, and work with congressional leadership to address the concerns outlined above. Thank you for your consideration, and we look forward to working with you as Congress reauthorizes the Higher Education Act.