The Problem with PROSPER
The House’s proposed reauthorization of the Higher Education Act has some pros for community colleges, but the cons greatly outweigh them.

By Jee Hang Lee

SINCE THE PROMOTING REAL Opportunity, Success, and Prosperity through Education Reform (PROSPER) Act passed out of the House Education and Workforce Committee, House leadership has worked to garner the necessary support to pass the bill, the most recent effort to reauthorize the Higher Education Act (HEA). The time estimates on when the bill would be considered, however, have been pushed back. At the time of publication, it is unclear when — or if — the House will bring the bill to the floor for consideration. The upcoming Congressional midterm elections will curtail Congressional floor time and limit the number of days Congress will be in session.

PROSPER Pluses
The PROSPER Act contains a number of provisions that community colleges support, including:
• Allowing Pell Grant eligibility for short-term programs
• Allowing institutional discretion on borrowing limits on student loans
• Restoration of the six-credit-hour qualification under Ability to Benefit
• A new 300 percent graduation timeframe
• Elimination of loan origination fees
• A new apprenticeship grant program
• A new effort to promote early financial aid awareness, and
• Simplification of the loan repayment system.

Risk Sharing, Administrative Burdens
Even with these potentially beneficial provisions, the PROSPER Act’s inclusion of a risk-sharing scheme based upon Return of Title IV (R2T4) provisions would increase institutions’ financial liability. Based upon analysis of data provided by colleges, the proposed changes to R2T4 — which would shift the repayment burden to the institution and allow full retention of Title IV aid only when students complete 100 percent of the enrollment period — could result in a doubling or tripling of the R2T4 funds which colleges would be required to return to the federal government each semester.

Given the mission of community colleges as open-access institutions, risk sharing in the form of R2T4 would financially harm under-resourced community colleges. The proposed new programmatic loan-repayment rates also are of concern. Additional analysis is needed to completely understand the full impact of shifting
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Burdening the Most Burdened
The proposed elimination of the Strengthening Institutions Grants (Title III-A) in the PROSPER Act would mean the loss of a critically important program aimed at vulnerable students. The insertion of a new performance-based funding provision for minority-serving institutions also is misplaced. The bill would eliminate other key provisions important to our students, including the Supplemental Education Opportunity Grant program, subsidized loans, and loan forgiveness.

Senate Action Unlikely in 2018
While the House may move the PROSPER Act, the likelihood of Senate action slips with each passing day in the 115th Congress. Senate Health, Education, Labor, and Pensions (HELP) Committee Chairman Lamar Alexander (R-Tenn.) and Ranking Member Patty Murray (D-Wash.) have expressed a desire to develop comprehensive and bipartisan legislation. To assist the HELP Committee in its consideration of a bill, the committee requested comments on higher education priorities and accountability within higher education. ACCT and the American Association of Community Colleges (AACC) submitted comments to the committee in February. However, it is becoming clearer in the waning days of this Congress that a bipartisan Senate bill will not be forthcoming.

Take Action to Protect Students
While the PROSPER Act does include some elements that would benefit community colleges and our students, ACCT opposes the proposed legislation because its risk-sharing proposal would place great financial burdens on institutions. Other aspects of the bill are contrary to the open-access mission of community colleges and could inhibit students’ academic access, persistence, and completion. We ask all college representatives to communicate your concerns about the bill with your Congressional delegations. The July and August recesses provide an important time period to educate lawmakers about these critical elements in the bill. As you prepare for meetings and develop written correspondence with your federal representatives, visit www.acct.org/page/other-advocacy-resources to get up-to-date fact sheets, letters, and legislative priorities.

Beyond the PROSPER Act, it is important that trustees and college leaders continue to advocate community college legislative priorities throughout the year. The 2018 priorities, issued during February’s Community College National Legislative Summit (NLS), include:

• Supporting Pell Grants
• Opposing risk-sharing proposals
• Linking loan limits to enrollment intensity and degree program type
• Creating a national student unit record data system to track college completion
• Investing in education and workforce development
• Supporting Dreamers, and
• Reauthorizing the Perkins Career and Technical Education Act.

For background information on these issues, go to www.acct.org/page/legislative-priorities.

Make your voice heard by visiting your member of Congress and talking about these key issues. To stay up to date on key legislative items, sign up for the Latest Action in Washington alerts at publicpolicy@acct.org.

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