



UNIVERSITY of WASHINGTON

Ana Mari Cauce
Professor of Psychology
PRESIDENT

February 21, 2018

The Honorable Patty Murray
U.S. Senate
154 Russell Senate Building
Washington, DC 20510

Dear Senator Murray,

Education is the bedrock of innovation in our economy and a pillar of the American Dream. It creates boundless opportunity, for both individuals and our nation as a whole. In continued support of that principle, the University of Washington (UW) supports efforts by the House and Senate to examine and reauthorize the Higher Education Act (HEA) and strongly urges Congress to do so in a robust, thoughtful and comprehensive way, with engaged and diverse stakeholder participation and dialogue.

Education is our country's great equalizer because it provides the surest path to opportunity and social mobility, while fostering long-term economic success for our nation. The objective of the original 1965 Higher Education Act was to make and keep higher education of all types both affordable and accessible. This commitment to keep higher education affordable is part of UW's core mission to create a diverse community, one that is inclusive, equitable, and welcoming for all.

Fundamentally, we believe that higher or post-secondary education is not necessarily synonymous with pursuing a four-year bachelor's, graduate, or professional degree. That said, many high-demand jobs—both presently and in our nation's economic future—will require a minimum of a bachelor's degree. This is already the case, keenly felt, in the state of Washington, which is one of the largest importers of college graduates for existing jobs. Simply put, all of the state's institutes of higher education combined cannot produce enough graduates to fill the jobs currently available in our nation's high-demand fields.

Late last year, the House Education and Workforce Committee introduced and marked up *H.R. 4508, the Promoting Real Opportunity, Success, and Prosperity through Education Reform Act (PROSPER Act)*. While the UW applauds the House beginning this critical conversation and initial effort, and does support several provisions included in the

measure, we have serious concerns about many provisions included in the draft, and **strongly urge significant changes prior to final passage by the House**. We believe that many of the bill's provisions would make the pursuit of a higher education more challenging and costly. A list of elements we support and those we would like to see amended is attached.

As a public institution, our mission is to educate and serve Washington state and we believe that financial circumstances should not prevent a student from earning a degree. We believe that past reauthorizations of the HEA have created critical programs while also creating sometimes complicated and onerous regulations and processes. We absolutely support the efforts to streamline and simplify existing processes but not at the sacrifice of access or quality. In addition, the UW believes any HEA reauthorization should include:

- Robust and increased mandatory funding for Pell Grant awards, as well as strong investment in the Federal Supplemental Educational Opportunity Grant and Federal Work-Study, which provide financial aid in addition to the Federal Pell Grant, making higher education a more viable possibility for financially disadvantaged students;
- Improved consumer-centric changes for student and family borrowers, such as eliminating student loan origination fees, providing greater annual borrowing limits at the undergraduate level, and developing a payroll deduction system to help borrowers repay their loans;
- Simplified federal repayment options to provide a standard payment plan and a single federal income-based repayment program to encourage students from a host of educational endeavors (law, medicine, business or art) to pursue careers in public service while preserving options currently available to students and graduates;
- Robust funding for TRIO and GEAR UP programs to increase pathways for underrepresented students in degree seeking programs;
- Reinvestment in and strengthening of Title VI and Fulbright-Hays, as they are the federal government's most comprehensive international education programs – graduates of these programs are essential to our diplomatic, defense, commercial and educational interests, among many other areas of society; and
- A framework to help institutions protect students from virtual and physical attacks, assaults and bullying by examining existing federal laws that address campus safety in the Clery Act and Title IX and strengthening related resources and protections, as needed.

Higher education and research are essential for our economic vitality and the future of the nation. The UW continues to prepare the next generation of leaders, thinkers, and doers by developing collaborative and innovative educational opportunities that address the complexities of challenges facing our nation and world. This is our passion, and we look to continue to strengthen our partnership with the federal government in fulfilling our mission.

Sincerely,

A handwritten signature in black ink that reads "Ana Mari Cauce". The signature is written in a cursive, flowing style.

Ana Mari Cauce, Ph.D.
President
Professor of Psychology
University of Washington

Impacts on the University of Washington
of
H.R. 4508, the Promoting Real Opportunity, Success, and Prosperity through Education Reform Act (PROSPER Act)
as passed by
the House Committee on Education and Workforce

Items we support in the House PROSPER act:

- ***Regulatory Relief.*** Regulatory relief to streamline federal mandates and help campuses reduce administrative costs and better serve students is a welcome recommendation. Specifically, we are interested in regulatory relief in the areas of: credit hour, state authorization of distance education programs, and gainful employment. We support the implementation of the [recommendations](#) issued by the Task Force on Federal Regulation of Higher Education.
- ***Pell Grant Bonus.*** The House measure would encourage on-time completion with an additional \$300 Pell Grant in the academic year (divided among two semesters) for students who take workloads above full-time that would lead to at least 30 credit hours through the first two semesters. This approach encourages students to enroll in additional coursework, if capable, but does not punish students who may be unable to take a 15 credit or more course load in a semester.
- ***Eliminating student loan origination fees.*** Loan fees mask both the true cost of a loan and the effective interest rate. After considering loan fees, the annual percentage rate on federal loans is higher than the advertised interest rate. The elimination of fees also simplifies the loan process, as student borrowers are often confused by the fees.
- ***FAFSA simplification.*** The measure simplifies the process for applying for federal aid. Specifically, the bill would improve the financial aid process for students by codifying the use of prior-prior year (PPY) income data for the FAFSA, as well as support earlier notification of financial aid eligibility to students by moving up the Pell Grant payment schedule release and reinforces and expands the use of the IRS Data Retrieval Tool, requires consumer testing of the FAFSA, and develops a mobile FAFSA application.
- ***Risk-based Review.*** Establishes in law that an accrediting agency can use risk-based review processes for institutions that have demonstrated exceptional past performance. A risk-adjusted approach will allow accreditors to focus on institutions that present the greatest potential risk, which serves the interests of students because the accreditors will be addressing and ameliorating real risks to education quality.

Items of Concern in the House PROSPER act:

- ***Undergraduate Access Concerns:***
 - The proposed ***elimination of subsidized undergraduate loans*** would mean that nearly 9,700 UW undergraduates, who received a subsidized Stafford or Perkins loan in the 2017-2018 school year, would have to begin paying interest on any loan immediately, affectively making their education more

expensive. This year alone, UW undergraduate students were offered nearly \$43 million in subsidized federal loans., would immediately have to begin paying interest on any loans taken, making their education more expensive.

- The proposed ***elimination of the Supplemental Educational Opportunity Grant (SEOG) program***, which goes to the neediest of the needy students, would impact 7,500 UW undergraduates receiving SEOG who were offered \$3 million towards their education.
- *Graduate Student impacts:*
 - The proposed ***elimination of PLUS loan eligibility for graduate students*** would impact over 3,000 UW graduate students. PLUS loans are awarded after students have accepted the maximum unsubsidized Stafford loans (\$20,050 per year) or they have reached the maximum lifetime Stafford limits (\$138,500). Graduate Stafford loans are no longer subsidized.
 - The proposal would authorize the Graduate Assistance in Areas of National Need (GAANN) at reduced amount (\$28 compared to \$35 million).
 - The proposed ***elimination of Federal Work Study eligibility for graduate students***, which would directly impact hundreds of graduate and professional students (246 in 2016-2017 from earning \$1.3 million) to pay for their education.
- *Other Concerns*
 - *Elimination of the Public Service Loan Forgiveness (PSLF) program.* The PSLF program is an important incentive for students to pursue vital public service careers, such as educators, firefighters, nurses, military service, and public defenders. Its elimination will likely disproportionately impact rural, urban, and tribal communities that are underserved.
 - *Eliminating the “90/10 Rule.”* Current law limits the portion of revenues that for-profit institutions can generate from federal financial aid in the HEA’s Title IV to 90 percent. It is worth noting that GI Bill benefits and DOD-provided tuition assistance benefits do not count as part of the 90 percent limit, but instead are counted as part of the other 10 percent, or the “nonfederal” portion. Unscrupulous actors in the for profit higher education marketplace have historically targeted, and continue to target, students from under-represented groups and veterans. Eliminating these existing safeguards would allow for-profit institutions to receive 100% of their revenues from federal financial aid and would empower proprietary schools to expand their current business models.
 - *Creating a single definition of “institution of higher education.”* Consolidating the federally legislative definition of what is an “institution of higher education” has the potential of impacting a myriad of other federal statutes and regulations beyond the HEA, which rely on the current and long-established definition in the HEA.
 - *International Education.* Reauthorizing international education programs in the HEA (Title VI) at lower than currently appropriated levels. Our global economy necessitates cultural competency which is the crux of Title VI. International education must be fully reauthorized. The UW is proud to have

more Title VI centers, 10 in total, than any other university, which help educate and train high-level understanding and competency of nearly every nation, region and continent in our globe.

- Free Speech Zones. The legislation includes a sense of Congress that free speech zones and restrictive speech codes are at odds with concept of freedom of speech. There is a provision that no public institution receiving Title IV funds will be allowed to restrict free speech through such zones or codes, and institutions must annually disclose to current and prospective students any policies related to protected speech on campus, including where and when such speech may occur.