

December 11, 2017

Honorable Virginia Foxx
Chairwoman
Committee on Education and the
Workforce
United States House of
Representatives
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Washington, D.C. 20515

Honorable Bobby Scott
Ranking Member
Committee on Education and the
Workforce
United States House of
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Dear Chairwoman Foxx and Ranking Member Scott:

On behalf of the Association of Governing Boards of Universities and Colleges (AGB), I write to comment on H.R. 4508, the Promoting Real Opportunity, Success, and Prosperity through Education Reform Act (PROSPER)—a bill that would reauthorize the Higher Education Act of 1965.

AGB is the premier organization centered on governance in higher education, serving over 1,300 member boards representing 1,900 colleges, universities, and institutionally related foundations that are comprised of over 40,000 board members and senior administrators. Governing board members serve as institutional fiduciaries, entrusted with the legal authority to establish and oversee all major policies, including oversight of institutional mission, academic quality, and financial health. This means that boards have responsibilities for the stewardship and protection of their institutions' human, physical, and financial assets, and hold these assets in trust for both current and future generations.

Governing board members, as institutional fiduciaries of their institutions, will be pleased that H.R. 4508 contains several recommendations that will simplify and streamline federal mandates and regulations. Based on recommendations from the Task Force on Federal Regulation of Higher Education, the bill will lower administrative costs that can be passed on to students by reducing unnecessary and duplicative regulations. Our members will also be pleased with provisions that incentivize Pell recipients to complete their degrees in a timely manner, that simplify the federal aid application process, eliminate origination fees on student loans, and that authorize institutions to limit student borrowing.

Based on our initial reading, however, several sections of the bill will give institutional fiduciaries pause. We are deeply concerned to see a proposed end to the in-school interest subsidy, which could add considerably to student debt; elimination of the Supplemental Educational Opportunity Grant program; and

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elimination of the public service loan forgiveness program. These changes will have a substantial negative impact on low-income students. In addition, graduate students would face new loan limits, cutting off access by low-income students to high-earning areas of study, and lose eligibility for the work-study program.

The bill would also 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.

As noted above, there is much to applaud in H.R. 4508, but there are also several major policy changes in the bill that require sufficient debate and discussion. Our association is concerned that the stated timeframe for consideration of the bill does not provide adequate opportunity for affected constituents to understand, react to, and offer their advice and input. Long overdue, reauthorization should proceed in a timely yet deliberate manner, especially since it has been nearly 10 years since the Higher Education Act was last reauthorized.

As we continue to study the bill, we may provide further comments on its many provisions. AGB stands ready to work with you and the Committee to ensure that H.R. 4508 achieves what is necessary for the benefit of our nation's students and to help sustain the vital federal role in our nation's system of postsecondary education.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard D. Legon", followed by a horizontal line extending to the right.

Richard D. Legon
AGB President