



American Association of Collegiate Registrars and Admissions Officers
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May 24, 2018

Representative Paul Ryan
Speaker of the House
United States House of Representatives
H-305, The Capitol
Washington, DC 20515

Representative Nancy Pelosi
Minority Leader
United States House of Representatives
Room H-204, The Capitol
Washington, DC 20515

Representative Virginia Foxx
Chair
House Committee on Education and the
Workforce
United States House of Representatives
2262 Rayburn House Office Building
Washington, DC 20515

Representative Robert C. Scott
Ranking Member
House Committee on Education and the
Workforce
United States House of Representatives
1201 Longworth House Office Building
Washington, DC 20515

Representative Brett Guthrie
Chair
House Subcommittee on Higher
Education and Workforce Development
United States House of Representatives
2434 Rayburn House Office Building
Washington, DC 20515

Representative Susan A. Davis
Ranking Member
House Subcommittee on Higher
Education and Workforce Development
United States House of Representatives
1214 Longworth House Office Building
Washington, DC 20515

Dear Members of Congress:

On behalf of the American Association of Collegiate Registrars and Admissions Officers (AACRAO), I write to express our deep concern with H.R. 4508, the Promoting Real Opportunity, Success, and Prosperity through Education Reform (PROSPER) Act. We believe that the bill is problematic for students, families, and institutions and we cannot in support it in its current form.

AACRAO is a nonprofit association of more than 11,000 campus enrollment officials who represent approximately 2,600 institutions and agencies in the United States and more than 40 countries worldwide. The vast majority of our individual members are campus officials with direct responsibility for admissions, recruiting, academic records, and registration functions. The campus administrative officials that comprise our membership range from front-line administrative staff to senior administrators with primary responsibility for enrollment planning, records management, administrative computing and other important operations central to the smooth and efficient administration of colleges and universities.

We commend the great care and attention that both parties have taken over the last fifty years to improve the affordability and quality of postsecondary education through federal policy. The

fundamental purpose of any Higher Education Act reauthorization is to enhance the ability of students to enter and complete postsecondary education. Every previous reauthorization has strengthened federal support for low- and middle-income students.

AACRAO is extremely concerned about numerous other provisions that would make higher education more expensive for millions of students and families. According to the Congressional Budget Office, the PROSPER Act would reduce federal aid to students by \$14.6 billion over 10 years. Additionally, the legislation would make significant changes in federal higher education policy without a clear understanding of the likely consequences.

While we do have significant reservations about the bill, there are elements of it we support. AACRAO appreciates the fact that the PROSPER Act incorporates several recommendations from the report of the bipartisan Task Force on Federal Regulation of Higher Education. These steps will simplify and streamline federal mandates and help campuses reduce administrative costs and better serve students. The legislation also includes a number of recommendations with significant support in the higher education community. Unfortunately, those provisions are not enough to overcome the grave concerns that we have with the legislation as a whole.

Financial Aid

AACRAO supports provisions included in the PROSPER Act that would simplify the process of applying for federal aid, eliminate loan origination fees, and provide institutions the authority to limit borrowing.

There is widespread agreement that the current Free Application for Federal Student Aid (FAFSA) is a barrier to college access. Research indicates that FAFSA simplification would increase college attendance rates, as well as the amount of financial aid some students receive during their first year of college. We support efforts to simplify the form by decreasing the number of required questions and codifying the use of prior-prior year (PPY) income data to reduce the complexity of the application for students while still providing institutions with the information required to accurately determine financial need.

AACRAO also supports the elimination of loan origination fees. Student loan origination fees were created to offset risk for private, bank-based lenders. The federal government still charges these fees under the Federal Direct Loan program, though, despite the fact that they are unnecessary and a costly, complex burden on students. Ending origination fees would help to simplify and increase affordability within the federal student aid system. Additionally, we support the provision included in the bill to allow institutions the authority to limit loan amounts and prevent overborrowing in certain situations.

However, AACRAO is concerned about some measures included in the PROSPER Act that would drastically alter financial aid programs, increasing the cost of college and decreasing consumer protections for students. We generally support the simplification of the federal student aid system, but believe that the proposed "one loan, one grant, one work-study" overhaul is too drastic. More specifically, we oppose the termination of the Federal Direct Loan program, as well as the elimination of the in-school subsidy for undergraduates and some Income-Based Repayment plan benefits—including loan forgiveness through income-driven repayment plans and through the Public Service Loan Forgiveness (PSLF) program. Individualized payment

options and benefits provided by these programs help to make loan repayment more manageable for students saddled with high debt relative to their post-graduate earnings.

We have significant reservations regarding the proposal to revise the return of Title IV funds. Rather than promoting accountability, AACRAO is concerned that the proposed changes would impose additional costs and pressure institutions to restrict admissions to students with the greatest likelihood of success.

Student Assistance

AACRAO supports a number of provisions in the PROSPER Act regarding the Pell Grant and Federal Work-Study programs. Federal funding plays a key role in increasing access to higher education, especially for students from underrepresented populations and families with low and moderate income, where a college degree is seen as unattainable. Recent cutbacks in federal funding programs pose an even greater threat to equal access, especially as the number of high school graduates without the resources to finance further education is set to increase dramatically during the next decade.

Pell Grants, in particular, are essential to college access and affordability for low- and moderate-income students. Research has shown that the grant aid increases college enrollment and completion rates for these students, making college possible for more than nine million Americans. However, today the share of higher education costs covered by the maximum Pell Grant is approximately half of what it was three decades ago and by 2019 it is estimated that the maximum grant will cover the smallest share of college costs in the history of the program.

AACRAO strongly urges maintenance of the current maximum Pell Grant Award and supports the improvement of gatekeeping for the Pell Grant program so that every dollar of federal support actually reaches students in need. Further, we endorse indexing the maximum Pell Grant Award with inflation to help ensure that the value of the grant increases when inflation increases, or at least that the possibility for that would exist. AACRAO supports the PROSPER Act's proposal to provide a bonus to Pell Grant recipients enrolled in more than 12 credits to incentivize completion. However, we have reservations about provisions included in the bill that would cut off Pell eligibility after three payment periods with no credits earned and mandate annual student loan and Pell Grant counseling without providing appropriate resources and support to institutions.

The association is in favor of increased federal funding for campus-based Title IV aid programs that help to improve student access by reducing the overall cost of college, including the Federal Work-Study (FWS), Federal Supplemental Educational Opportunity Grant (FSEOG), and Federal Perkins Loan programs. The Federal Work-Study program expands opportunities for student access as well as workforce development, but its current formula for eligibility should be reviewed to better align with better serve low-income students. We support provisions in the PROSPER Act that would double recent appropriations to the program and remove the community service requirement and private sector employment cap. However, AACRAO opposes the elimination of FWS eligibility for graduate students under the bill. Additionally, despite the proposed increase in appropriations to the program, we are concerned that funding at the institutional level under the new formula would actually decrease significantly for many colleges and universities.

AACRAO also opposes the elimination of the Federal Supplemental Educational Opportunity Grant (FSEOG) and Perkins Loan programs. These programs provide grants and loans to students with the greatest demonstrated financial need. Without the assistance provided by these programs, low-income students could be forced to take out private loans, which lack many of the protections for borrowers of federal student loans, in order to cover remaining gaps in the cost of attendance after a student is awarded federal aid.

Program Integrity

AACRAO feels strongly about the need to maintain the integrity and accountability of the Higher Education Act's gatekeeping system of federal recognition, accreditation and state licensure policies. AACRAO members play a central role in protecting and maintaining the academic integrity of their institutions as admissions gatekeepers and as codifiers and custodians of the institutional academic policies that govern the awarding of credits and credentials. They also have a systemic interest in academic integrity across the spectrum of educational institutions, since they must make decisions based upon credits and credentials granted by high schools and previously attended colleges and universities. As key stakeholders in promoting the integrity of all collegiate institutions, AACRAO members are particularly reliable partners in the committee's efforts to review and improve accountability measures for Title IV federal student aid programs.

AACRAO supports efforts to strengthen the regulation and enforcement of accountability measures for all institutions of higher education eligible for participation in Title IV federal student aid programs. We are in favor of measures in the PROSPER Act that would provide statutory authority to accreditors to use risk-based or differentiated accreditation procedures and maintain the requirement that schools be authorized by each state in which the school has a physical location.

However, we are concerned about a provision in the bill that would strike ten accreditation standards current law and replace them with one standard on student outcomes. Additionally, we oppose a proposal included in the legislation to repeal the 2010 and 2016 regulations governing state authorization, which include rules that require institutions that provide distance education to be authorized in each state that has student enrollment. We believe the regulations expand much-needed protections for students enrolled in distance education programs and correspondence courses. The requirement is overly burdensome, though, and often results in increased costs for institutions. We generally support efforts to extend minimum standards of state authorization for participation in Title IV programs to distance education programs and correspondence courses with the recognition of participation in reciprocity agreements to fulfill the proposed requirement. The inclusion of state authorization reciprocity agreements helps to minimize the burden on well-intentioned institutions that provide distance education in multiple states.

AACRAO strongly opposes the PROSPER Act's elimination of the federal 90/10 rule, which we believe serves to ensure the market viability of Title IV-eligible institutions by restricting inappropriate reliance on federal funding by schools. In fact, we support proposals, made by a number of key policymakers, that would alter the current 90/10 rule by limiting the total amount of federal funds received through Title IV, U.S. Department of Veterans Affairs educational benefits, and the Department of Defense tuition assistance program to no more than 85 percent of each institution's total revenues for any given year. Additionally, we believe that the rule should

prevent the current gaming of the system by excluding all institutional aid, including any private-label loans that have been made or are held by an entity that has had an origination relationship or any business arrangement with the school. Such a change would help to ensure that no institution becomes exclusively dependent on federal funds.

The current gainful employment rule, as an accountability metric, is flawed and its shortcomings should be addressed. Additionally, the regulation's reporting requirements are overly burdensome for well-intentioned institutions. However, AACRAO believes that the gainful employment rule provides critical incentives for colleges to offer quality, affordable programs, to protect students from burdensome debts, and to reduce the costs of student loans for taxpayers. We do not support the outright elimination of the regulation, but believe that a careful review of the rule is necessary to achieve a balance between ensuring that vocational educational programs produce valuable student outcomes, while not saddling institutions with imposing costs and reporting requirements.

Reverse Transfer

AACRAO strongly supports the inclusion of language to advance the Reverse Transfer Efficiency Act of 2017 (H.R. 3774). The bipartisan measure, which was included by unanimous consent in the House Education Committee mark-up of the PROSPER Act, would assist institutions in identifying students who have earned enough credits to be awarded an associate's degree through "reverse transfer." Currently, there are no processes or guidelines for sharing student credit information from four-year to two-year year institutions for the possible award of degrees or certificates from a two-year institution. The bill would create a new exemption under FERPA to facilitate the disclosure of students' postsecondary coursework and credit information to an institution the student was previously enrolled at for the purpose of applying such coursework and credits toward completion of a recognized postsecondary credential.

The association would like to thank you for your consideration of our views regarding the PROSPER Act. We are pleased that the proposed legislation incorporates several recommendations with significant support in the higher education community. However, the bill as a whole contains an overwhelming number of provisions that would be detrimental to students and their families. We urge you to strengthen the legislation by addressing the concerns outlined above. We are anxious to work with you on ways to improve this bill by putting the interests of students first and revising the legislation accordingly to reduce cost and increase accountability.

Sincerely,



Michael V. Reilly
Executive Director

CC: House of Representatives