



THE UNIVERSITY OF CALIFORNIA



THE CALIFORNIA STATE UNIVERSITY



CALIFORNIA COMMUNITY COLLEGES

June 11, 2018

CALIFORNIA HOUSE DELEGATION

Dear Members of Congress:

On behalf of the University of California (UC), the California State University (CSU) and the California Community Colleges (CCC), as well as the more than 2.8 million students these institutions serve, we write to express our opposition to the PROSPER Act (HR 4508) – the Higher Education Act (HEA) reauthorization bill currently under consideration by the House of Representatives.

Our public institutions of higher education are committed to providing affordable, accessible, and equitable pathways to success for our students and increasing the well-being of all Californians. HEA reauthorization provides an opportunity to develop federal education policies that promote these goals. Unfortunately, we have significant concerns with many of the changes proposed in the PROSPER Act, which we believe would undermine our efforts and increase college costs for California's students and families.

Our institutions have particular concerns with the following provisions of the PROSPER Act:

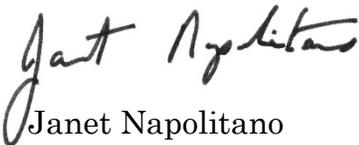
- **Elimination of federal student aid programs and federal loan subsidies:** With the elimination of the Federal Supplemental Educational Opportunity Grant (SEOG) program, over a hundred thousand California students would lose access to funding that is disbursed only to low-income students, often after a serious financial setback that affects their ability to continue their education. Eliminating the in-school interest subsidy for students with financial need who utilize Federal Stafford loans would raise borrowing costs for California undergraduates by millions of dollars per year.
- **Elimination of Public Service Loan Forgiveness (PSLF):** Every public higher education institution in California educates future public servants, including firefighters, police officers, physicians, nurses and educators, as well

as nonprofit employees. The PROSPER Act's elimination of PSLF threatens a vital pipeline of committed public servants who might not otherwise be able to dedicate their careers to service, simply because of the loan burden they must carry through repayment.

- **Reduced oversight and consumer protection:** The PROSPER Act reduces or eliminates many of the consumer protection measures that were created to ensure that higher education institutions are held accountable to students and to the public. The federal government has a responsibility to ensure that federal funds do not flow to low-performing institutions that fail to prepare students for employment opportunities or degree-granting programs that likely will enable them to repay their loans.
- **Dramatically reduced funding to build capacity at minority-serving institutions:** The PROSPER Act fails to renew mandatory funding that expires after FY 2019, resulting in a loss of \$255 million promoting minority-STEM education each year.

We urge you to work with your colleagues to develop legislation that benefits the students studying at California's public higher education institutions. Our institutional experts would be happy to discuss these and other concerns further, and to be a resource in developing a reauthorization bill that will support California and our nation's students.

Yours very truly,



Janet Napolitano
President

University of California



Timothy P. White
Chancellor

California State University



Eloy Ortiz Oakley
Chancellor

California Community Colleges