



National Association of Graduate-Professional Students Statement of Principles on the PROSPER Act and Higher Education Act Reauthorization

The National Association of Graduate-Professional Students (NAGPS) has serious concerns about many of the provisions in the PROSPER Act. If enacted as written, the PROSPER Act would have devastating effects on graduate education and higher education, in general. The PROSPER Act would make receiving any degree more expensive and inaccessible for many, thereby reducing the number of trained professionals in areas of national importance such as educators, health professionals, counselors, social workers, and more. Provisions in the PROSPER Act would also make our campuses less safe.

NAGPS's concerns fall into three broad areas:

- Affordability
- Accessibility
- Campus Safety and Student Support

Affordability

There are a number of provisions in the PROSPER Act that would make graduate education and higher education, in general, less affordable.

Student Loans

Grad Plus loans and Perkins loans: The PROSPER Act would eliminate Grad Plus loans and Perkins loans. Currently, 1.1 million graduate and professional students utilize Grad Plus Loans. Additionally, 2.6 million students utilize the Perkins Loan program which is available to undergraduate, graduate, and professional students with demonstrated exceptional financial need.

Subsidized Stafford Loans: The PROSPER Act would eliminate subsidized Stafford Loans which currently serve approximately 29.4 million undergraduate students. Interest does not accrue on these loans while the student is in school. Eliminating this loan program would result in increased student debt.

Loan Caps: The PROSPER Act places a \$28,500 annual cap on student loans for graduate and professional students where the previous limit was cost of attendance, determined by the university. The aggregate cap would be set at \$150,000 and would be insufficient funding for some degree programs.

Loan Forgiveness

Public Service Loan Forgiveness: The PROSPER Act would eliminate the Public Service Loan Forgiveness (PSLF) program. PSLF incentivizes students to pursue careers in the public service to help our underserved and rural communities, where their skills are needed. Professions that qualify for the PSLF include teachers and principals, doctors, social workers, and mental health professionals.

Student Loan Interest Rates

Graduate Student Interest Rates: In 2013, the Student Loan Certainty Act (HR 1911) set interest rates for graduate students at the highest rate for all student borrowers. The PROSPER Act preserves this provision that discriminates between student loan borrowers solely on the basis of the degree being pursued. The proposed interest rates are as follows:

- Undergraduate loans are set at the 10-year Treasury rate + 2.05% with a maximum rate of 8.25%.
- Graduate loans are set at the 10-year Treasury rate + 3.60% with a maximum rate of 9.50%
- Parent loans are set at the 10-year Treasury rate + 4.60% with a maximum rate of 10.50%



Federal Work Study

Federal Work Study provides part-time jobs for undergraduate and graduate students with demonstrated financial need, allowing them to earn money to help pay education expenses. The program encourages community service work and work related to the recipient's course of study. The PROSPER Act would eliminate federal work study for graduate students, increasing the financial need of students who need it the most.

Loan Repayment

Income Based Repayment (IBR) plans allow a student loan borrower's monthly payments to be set to a percentage of their income. These plans allow flexibility and relief in repayment for the borrower if they find themselves in difficult financial circumstances. The PROSPER Act reduces the number of IBR plans from twelve to two, limiting the options and flexibility student loan borrowers currently have.

Accessibility

Accessibility is directly affected by affordability since students cannot access an education they cannot afford.

Student Loans

Eliminating loan programs and implementing the proposed student loan caps will limit the amount of funding and the number of funding sources currently available to students, resulting in a funding gap. Students will be forced to pursue private loans, which typically carry higher interest rates and are more difficult to obtain, to fill that gap. The students who can afford private loans will be met with increased debt. Meanwhile, students from poorer, low socioeconomic backgrounds, and marginalized communities, who are less likely to have a qualifying credit score, will either have much higher interest rates or will not qualify for a loan at all. This would put pursuing an advanced degree in jeopardy for many.

Loan Forgiveness

PSLF affords many students the opportunity to pursue advanced degrees with the promise that they will "give back" by working in an underserved community. Eliminating PSLF would make advanced degrees unattainable for many because of their inability to afford them in the long term. This would reduce the number of qualified people, who are willing and able, to serve our marginalized and rural communities from entering professions such as teaching, social work, counseling, health professions, and more.

Student Loan Interest Rates

Higher interest rates directly translate to more debt and charging graduate and professional students the highest rates of all student borrowers only serves to disincentivize and discourage students from pursuing advanced degrees.

Campus Safety and Student Support

There are a number of provisions in the PROSPER Act that would make make our campuses less safe.

The Clery Act

The Clery Act requires all colleges and universities that participate in federal financial aid programs to keep and disclose information about crime on and near their respective campuses. Provisions in the PROSPER Act weaken the reporting mandates in Clery. Under the PROSPER Act campuses would now be able to

- Decide which crimes are reported and which are not
- Delay reporting sexual assaults and other crimes
- Indefinitely suspend campus investigations of sexual assault
- Survivor counselors would not need to report Clery Data



Climate Surveys

Climate Surveys enable our campuses to assess their strengths and weaknesses in a broad range of topics: health and wellness, campus safety, student perceptions, diversity, etc. These surveys are an important tool in understanding the university environment so that appropriate adjustments can be made. The PROSPER Act requires climate surveys to be conducted every three years and does not require the results to be distributed to students.

Sexual Assault and Survivor Counselors

Campus Sexual Assault: The PROSPER Act mandates that all universities retain one (1) survivor counselor to serve their students regardless of the campus population size. These counselors are not required to report incidents of sexual assault and are exempt from submitting Clery data.

Free Speech Zones

Free Speech Zones: The PROSPER Act includes “senses of Congress” related to free speech zones and speech codes are at odds with the first amendment. No public institutions receiving Title IV funding will be allowed to use free speech zones or speech codes.

Single Sex Organizations

The PROSPER Act contains a provision allowing for organizations to “require or coerce” organizations to admit people that do not meet the organization’s criteria for single-sex status.

Recommendations

Student Loans

NAGPS supports efforts to make student loan programs more efficient and more transparent to the benefit of the student. We, however, do not support any legislation that would result in overall loss of funding resources and/or loss of opportunity in pursuing an advanced degree. We urge our legislators to craft a bill that expands opportunities for students to afford and pursue graduate education and higher education by:

- Expanding student loan opportunities
- Allowing graduate and professional students to borrow up to the cost of attendance
- Preserving subsidized loans for undergraduate students

Loan Forgiveness

NAGPS supports the PSLF program and supports improvements to the program to make it sustainable. We do not support eliminating PSLF. Doing so would hurt students as well as people in our communities who need the services those entering PSLF will provide.

Income Based Repayment

NAGPS urges the continuation of multiple repayment plans. We also encourage the IBR filing exemption for married couples filing as married but separately.

Federal Work Study

NAGPS urges lawmakers to continue graduate student eligibility for federal work study.

Student Loan Interest Rates

Graduate and professional students borrowers default at a rate three times (3x) lower than the overall default rate. There is no economic justification for charging graduate and professional students the highest rates of all student borrowers. NAGPS urges lawmakers to amend section 465 of the PROSPER Act to equalize student loan interest rates by lowering the graduate rate match the undergraduate rate.



NATIONAL ASSOCIATION OF GRADUATE-PROFESSIONAL STUDENTS

Campus Safety

NAGPS urges the removal of Part F Title 1 sections 161,162,163,164,165 and 166 from the PROSPER Act in their entirety. The National Association of Graduate-Professional Students supports the passing of the Campus Accountability and Safety Act (CASA).

Free Speech

NAGPS urges a bipartisan discussion on free speech zones that allows for protection of the first amendment while continuing to protect students while on campuses.

Single Sex Organizations

NAGPS strongly condemns any form of discrimination based on race, gender, sexuality, religion or ability. The wording of the bill allows for discrimination and opens the door for further restrictive behavior.