

TALKING POINTS ON THE PROSPER ACT

As of 1/5/18

What is the “PROSPER Act”?

The PROSPER Act is a bill to reauthorize the Higher Education Act of 1965. The bill was introduced and primarily crafted by Representative Virginia Foxx, Chair of the House Committee on Education & the Workforce.

What is the full title of the PROSPER Act?

The full title of the bill is the “Promoting Real Opportunity, Success, and Prosperity through Education Reform Act.”

What is the bill number?

The PROSPER Act bill number is H.R. 4508.

Where can someone find a copy of the text of the PROSPER Act?

The text of the PROSPER Act, along with summary sheets and other materials, is available on the Committee website at <https://edworkforce.house.gov/prosper>.

What is the status of the PROSPER Act?

After its introduction on December 1, 2017, the bill was subject to a 14 hour debate by the Education & Workforce Committee. More than 60 amendments were introduced – none of them related to TRIO. The Committee passed the bill by a party line vote of 23 to 17.

Next, the bill will be considered on the floor by the full House of Representatives. The timing of consideration of the bill will depend on several factors, such as whether Republican leadership determines that other priorities take precedent for floor time, potential political gains (or losses) from opening a debate on higher education on the floor, overall likelihood of passage, etc. However, it is very possible (and even likely) that the full House will consider the PROSPER Act during the first half of the year—possibly even during the first quarter of 2018.

Will the PROSPER Act become the final law?

The introduction of the PROSPER Act is just the beginning of a very long reauthorization process that will include consideration of and negotiation with a companion piece of legislation in the Senate. However, there are provisions in the PROSPER Act that could make it into the final reauthorization bill; therefore, the TRIO community must take all of the threats posed by this legislation very seriously.

What are the most troubling proposed changes to TRIO in the PROSPER Act?

Proposal	Why Is This a Problem?
Minimum 10% set-aside for new applicants in each grant competition	<ul style="list-style-type: none"> • Invalidates “prior experience” points for existing, effective, and proven programs • Prior experience (1) provides program accountability for

	<p>successful outcomes, (2) helps create continuity in student services ensuring that effective programs will be remain available at institutions and in local communities, and (3) promotes efficiency by allowing programs to become part of the fabric of their institutions and local communities</p> <ul style="list-style-type: none"> • Congress gives away its authority to the Secretary, who could then reserve the bulk of funds for new applicants • Needlessly addresses a perceived lack of turnover within TRIO. Over the last seven TRIO grant competitions, which were held between FY 2015 and FY 2017, on average 20% of grants were awarded to new applicants.
At least 10% of TRIO appropriation reserved to fund new IMPACT Grants out	In addition to the points above, this provision would result in a loss of direct student services bound by accountability measures already set into place and prescribed by Congress.
Limits grant eligibility if a similar program exists on campus	This provision contradicts the notion of “skin-in-the-game” by penalizing institutions that invest their own resources into college access and success services.
20% matching requirement	Many entities that serve low-income, first-generation students and students with disabilities do not have the capacity to meet a matching requirement. It is precisely for this reason that they rely on TRIO funding to meet the needs of the youth and adult learners that they serve.
Adds GED enrollment as an objective for Upward Bound	Due to the intensive and intrusive nature of the supportive services – as well as the relatively small number of students served by each project – this is not an appropriate objective for Upward Bound.
Requires that Talent Search and EOC programs classify all participants as low-income and/or first-generation (or, in the case of TS, at high academic risk)	<ul style="list-style-type: none"> • Because both programs serve broad groups of participants (e.g., entire classrooms of students, presentations at workforce development centers, homeless shelters, etc.), generally it is not feasible for programs to secure adequate documentation to ensure that all participants meet the criteria in the law; as a result, the current law only requires documentation for 2/3 of program participants. (Note, however, that approximately 95% of participants in both programs are low-income and/or first-generation.) • By requiring documentation for all participants, it may quell program outreach or encourage underreporting by programs.

Outside of TRIO, what are some other provisions in the PROSPER Act that are particularly alarming?

The PROSPER Act includes a number of troubling proposals outside of the TRIO section of the law that could potentially have a very harmful impact on low-income, first-generation students. In particular, the bill proposes to:

- Create a single definition of “institution of higher education” that broadens the type of for-profit institutions that are eligible for Title IV funds
- Eliminates the in-school interest subsidy for undergraduate students
- Eliminates the Supplemental Educational Opportunity Grant program
- Repeals teacher preparation programs
- Eliminates graduate student eligibility for Federal Work-Study (FWS) and increases FWS match to 50%
- Requires weekly/monthly financial aid disbursements under new Federal ONE Loan program (replaces Direct Loans, which will no longer accept borrowers after July 1, 2019 and ends for all borrowers on September 30, 2024)
- Eliminates Public Service Loan Forgiveness and all other Direct Loan repayment options and creates new ONE Loan repayment plan with two options: (1) 10 year standardized amortization or (2) new income-based repayment (15% of discretionary income or \$25)

Outside of TRIO, are there any proposals in the PROSPER Act that might positively impact low-income, first-generation students?

Yes. The PROSPER Act does include some promising proposals that, if implemented, could have a positive impact on the educational attainment of low-income, first-generation students. These proposals include:

- Creation of a “Pell Bonus” that provides an additional \$300 to students for completing 15 credits
- Eliminates origination fees on student loans
- Provides institutions with the authority to limit student borrowing

For additional information about the PROSPER Act and how it might impact the Federal TRIO Programs, please contact Kimberly Jones (kimberly.jones@coenet.org) or Selene Ceja (selene.ceja@coenet.org) by e-mail or phone (202.347.7430).