

# UNIVERSITY OF ILLINOIS SYSTEM

URBANA-CHAMPAIGN • CHICAGO • SPRINGFIELD

Office of the Executive Vice President and  
Vice President for Academic Affairs  
377 Henry Administration Building  
506 South Wright Street  
Urbana, IL 61801

**Barbara J. Wilson**

*Executive Vice President and Vice President for Academic Affairs*

February 1, 2018

To Whom It May Concern,

I am writing to share with you the University of Illinois' strong concerns regarding H.R. 4508, the *Promoting Real Opportunity, Success, and Prosperity through Education Reform* (PROSPER) Act, which was reported out by the House Education and Workforce Committee in December. Although we support efforts to reauthorize the Higher Education Act (HEA), the PROSPER Act would make higher education less accessible and less affordable.

The University of Illinois System, through its three universities at Urbana-Champaign, Chicago, and Springfield, is committed to providing students a world-class education at a reasonable cost. Notwithstanding our state's budget challenges, we just approved our fourth straight year of tuition freezes for in-state students. Across our universities, 22 percent of our undergraduates (roughly one in five) are the first in their family to attend college, and 80 percent (four in five) are Illinois residents. For these reasons, we are proud to call ourselves The Public's University.

The PROSPER Act, however, would undermine our efforts to enhance affordability and access. The legislation does include some positive reforms, including provisions to reduce the regulatory burden on institutions of higher education, allowing them to lower administrative costs and better serve students. Nevertheless, we have significant concerns with other proposals in the bill, particularly the reductions in aid for undergraduate and graduate students, as described below.

#### The PROSPER Act Would Reduce Financial Aid for Undergraduates

With over 56,000 undergraduates, the University of Illinois System supports the simplification of student aid programs, and we are pleased that the bill would eliminate origination fees. Simplification, however, should not be used as an excuse to slash student aid. By eliminating Federal Supplemental Educational Opportunity Grants (SEOG) the PROSPER Act would make it harder for many students to afford higher education. SEOG funding goes to the neediest of students and more than 1.6 million low-income students nationwide benefit from this support. Eliminating SEOG would force low-income students to borrow more, or even to re-consider whether they could afford higher education. A total of 4,458 students across the University of Illinois System received \$2.2 million of these grants in Fiscal Year (FY) 2017.

We also oppose the elimination of Direct Subsidized Loans. Currently, subsidized loans are available to undergraduate students with financial need, and the federal government pays the interest on the loans while the student is in school and during certain grace periods. Undergraduates across the University of Illinois System received over \$80 million in subsidized loans in FY 2017. Eliminating subsidized loans and the accompanying in-school and grace period interest subsidies, as the PROSPER Act proposes, would significantly raise borrowing costs for those students. The American Council on Education (ACE) [estimates](#) that, even accounting for the elimination of origination fees, students who borrow the average amount for their undergraduate degrees, and enter repayment five years after first enrolling, would see a 45 percent increase in their cost of borrowing.

In addition, we oppose the PROSPER Act's drastic changes to the federal work-study (FWS) funding formula. Federal work-study provides part-time jobs for undergraduate and graduate students with financial need, allowing them to earn money to help pay education expenses. In FY 2017, 2,779 students across the University of Illinois System received FWS funds, earning \$5.8 million in wages. ACE estimates that the changes to the FWS formula and elimination of SEOG would slash aid to students across the University of Illinois System by over \$4 million. The bill's caps on annual and aggregate lending under the Parent PLUS loan program would also make it harder for students to afford college. Undergraduates across the University of Illinois System received \$95.2 million in Parent PLUS loans in FY 2017.

#### The PROSPER Act Would Slash Aid for Graduate Students

With over 27,000 graduate and professional students, the University of Illinois is providing the human capital and highly skilled workforce that our state needs, while advancing scientific discoveries, technological advances and practical problem-solving that address the most pressing national and global needs. Accordingly, we are disappointed that the PROSPER Act would make graduate education more expensive for many students. By making graduate students ineligible for federal work-study funds, eliminating Grad PLUS loans, and capping graduate lending, including for medical students, the bill would place a graduate education out of reach for too many. Students across the University of Illinois System received \$77.1 million in Grad PLUS loans in FY 2017.

Elimination of Grad PLUS would have a particularly negative effect on medical students. The U.S. faces a growing shortage of physicians and it is critical that medical school loans remain affordable for students from all backgrounds. According to the [Association of American Medical Colleges](#), 47 percent of medical students currently rely on Grad PLUS to cover the full cost of attendance for medical school. As you may know, the University of Illinois College of Medicine is one of the largest medical schools in the country, with students from a wide variety of economic backgrounds. In FY 2017, 740 students at the College of Medicine received \$19.1 million in Grad PLUS loans.

#### Other Concerns

The Association of Public and Land-grant Universities has [identified](#) a number of other concerns with the PROSPER Act. In particular, we would like to highlight the following:

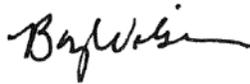
- We are concerned about a mandate in the bill that aid be disbursed in weekly or monthly installments. This requirement would reduce university flexibility, and create new burdens on bursars and student aid officials, without a corresponding benefit for students. Additionally, it

would result in more resources being devoted to compliance—resources that would be better devoted to students.

- We oppose the bill's repeal of programs that provide undergraduate and graduate students with opportunities to study foreign languages and regions of strategic importance to the United States, and that support U.S. research centers abroad.
- By eliminating Title II of the Higher Education Act, the PROSPER Act would get rid of programs that help ensure teachers are available to educate future generations.

As currently written, the PROSPER Act would make higher education more expensive for millions of students and families. Under this bill, students would need to borrow more, and fewer would be able to afford undergraduate or graduate educations. We urge you to oppose the bill, and look forward to serving as a resource as Congress continues its work on higher education.

Sincerely,

A handwritten signature in black ink, appearing to read "Barbara J. Wilson". The signature is fluid and cursive, with a long horizontal stroke at the end.

Barbara J. Wilson

cc: P. Weinberger