

H.R. 4508 – Promoting Real Opportunity, Success, and Prosperity through Education Reform (PROSPER) Act

Concerns from Veterans' Organizations

On March 27, 2018, 35 veteran and education organizations representing the interests of more than 1.1 million student veterans in higher education today signed a letter to House leadership regarding Reauthorization of the Higher Education Act, particularly the Promoting Real Opportunity, Success, and Prosperity through Education Reform (PROSPER) Act. Below are some of the concerns from the letter.

Eliminates critical public service recruitment and force readiness tool



- PROSPER Act eliminates the Public Service Loan Forgiveness Program, a critical recruitment tool for the Department of Defense and agencies serving our nation's veterans (*Department of Defense 2018 Information Paper*)
 - PSLF program makes continued public service a financially viable alternative to the private sector for both service members and officers (*U.S. Navy 2017 Information Paper*)
 - About **6,800 current service members** are participating in and relying on the PSLF program (*U.S. Naval Institute News*)
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Increases cost and inhibits access to higher education



- CBO Report indicated PROSPER Act could lead to students losing \$15 billion in federal student loans during the next 10 years – funding will be redistributed to pay down debt instead of being reinvested in students
 - By making education more expensive and inhibiting access and attainment, the **skills gap between education and the workforce will grow** – The current shortage of 6 million skilled workers will only increase
 - Proposed changes to income-driven repayment loan options would mean that a low-income borrower with \$30,000 in student loan debt would need 138 years to repay their student loans (*National Consumer Law Center*)
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Reduces accountability and recruitment protections: Good bill for bad schools



- Eliminating 90/10 – a rule that prohibits proprietary institutions from receiving more than 90 percent of their revenues from federal financial aid – federalizes private corporate entities offering education programs
- PROSPER Act's elimination of the state-by-state approval requirement for institutions **increases the federal government's role**
 - Does not allow the triad that is composed of the federal government, state governments, and accrediting agencies to function
- PROSPER Act reopens the door for recruiters to be compensated based on the number of students they recruit
 - Documented experiences, including schools sponsoring events on and near military installations, demonstrate a targeting of service-affiliated students for their military education benefits