

March 27, 2018

The Honorable Paul Ryan
Speaker
U.S. House of Representatives
H-232, The Capitol
Washington, DC 20515

The Honorable Nancy Pelosi
Minority Leader
U.S. House of Representatives
H-204, The Capitol
Washington, DC 20515

The Honorable Kevin McCarthy
Majority Leader
U.S. House of Representatives
H-107, The Capitol
Washington, DC 20515

The Honorable Steny Hoyer
Minority Whip
U.S. House of Representatives
H-148, The Capitol
Washington, DC 20515

The Honorable Virginia Foxx
Chairwoman
Committee on Education and the Workforce
U.S. House of Representatives
2181 Rayburn House Office Building
Washington, DC 20515

The Honorable Robert C. "Bobby" Scott
Ranking Member
Committee on Education and the Workforce
U.S. House of Representatives
2101 Rayburn House Office Building
Washington, DC 20515

Dear Speaker Ryan, Majority Leader McCarthy, Minority Leader Pelosi, Minority Whip Hoyer, Chairwoman Foxx, and Ranking Member Scott:

On behalf of the 35 undersigned organizations representing the interests of more than 1.1 million service-affiliated students in higher education, we write to ensure that reauthorization of the Higher Education Act increases college access and improves college completion for our nation's veterans.

While we appreciate the efforts of the majority to move reauthorization forward, H.R. 4508, the Promoting Real Opportunity, Success, and Prosperity through Higher Education Reform (PROSPER) Act, contains numerous provisions that would be detrimental to veterans and their families. Parts of the bill are a step in the right direction, though productive provisions in the legislation are not enough to overcome the significant concerns we have about the bill as a whole. If the bill were brought to the House Floor for a vote in its current form, we would be forced to oppose the legislation in the interest of those we represent.

The proposed legislation fails to protect service-affiliated students harmed by predatory and fraudulent practices most commonly employed by proprietary institutions. H.R. 4508 would enable these institutions to use deceptive recruitment practices that emphasize enrollment numbers rather than positive student outcomes. In addition, the bill proposes eliminating the 90/10 rule—a requirement that proprietary schools receive no more than 90 percent of its revenue from the federal government.

The 90/10 rule stems from protections built into the GI Bill to help assure the financial soundness of colleges and universities. Throughout the decades, this rule in the veterans' assistance programs has been retained because it curbs abuse within these programs. Instead of strengthening the 90/10 rule and closing an existing loophole that schools use to count military benefits in the 10 percent of the formula, H.R. 4508 would eliminate this protection altogether.

Not only does H.R. 4508 fail to curtail targeted recruitment of service-affiliated students (and the federal funds earned by these students), it would also eliminate safeguards intended to protect them and their families from long-term financial distress. H.R. 4508 proposes repealing the gainful employment rule—a critical provision that protects students from poor quality educational programs that are overpriced and lead to low-paying jobs. It would eliminate the existing borrower defense to repayment regulation and put in place new rules that make it more difficult for students defrauded by their educational institution to have their loans discharged.

The bill would also remove the requirement for state-by-state approval of institutions and repeal the definition of credit hour—both of which provide quality checks to make sure students are actually learning and being evaluated. Service-affiliated students deserve protections to ensure they get an education that is valuable throughout their lives, and one that does not place them on a trajectory to financial ruin.

Most concerning is the fact that the bill proposes reducing access to education by increasing the cost of college for service-affiliated students and discouraging them from continued service when they enter the workforce. H.R. 4508 would eliminate the subsidized Stafford Loan, which does not accumulate interest while a borrower is in school. Its elimination negatively affects 6 million students and costs them \$27 billion over the next decade. Repayment also becomes more difficult under H.R. 4508 as borrowers and their families are placed on a more stringent income-driven repayment plan, and for low-income borrowers with average debt loads, makes loan repayment a lifelong burden.

H.R. 4508 would also eliminate Public Service Loan Forgiveness, which incentivizes borrowers to enter public service careers and give back to communities, and ultimately benefits our nation with their commitment to working in areas of high need. The US Naval Institute (USNI) News reports that almost 6,800 active duty military personnel are enrolled in the PSLF program, and the program's elimination will likely have a substantial impact on efforts to recruit veterans into advanced degree programs and continued service in military jobs.

The investments our country makes in educating veterans have a substantial impact on our country. Service-affiliated students are among the most successful students in higher education today, and they are also some of our most deserving. Any reauthorization of the Higher Education Act should continue to protect students, while investing in the future of our country's education future.

Sincerely,

Amy Fairweather
Director of Policy
Swords to Plowshares

Anthony P. Carnevale
Founder and Director
Georgetown University Center on Education and
the Workforce

Anthony Hardie
National Chair & Director
Veterans for Common Sense

Bethany Keirans
Director
VetsFirst, a Program of United Spinal
Association

Bonnie Carroll
President and Founder
Tragedy Assistance Program for Survivors

Carrie Wofford
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National President and CEO
Vietnam Veterans of America

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National Executive Director
AMVETS

Jon Ostrowski
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Non Commissioned Officers Association

Joyce Wessel Raezer
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