



## H.R. 4508, the Promoting Real Opportunity, Success and Prosperity through Education Reform (PROSPER) Act and the Impact to the University of California (UC)

### STUDENT FINANCIAL AID

Over 82,000 students – nearly 40 percent of all UC undergraduates – receive Pell Grants, the highest percentage of Pell Grant recipients of any top research university in the country. Half of UC's graduating undergraduates in 2016 had no student loan debt upon graduation; for the 50 percent of UC students who did borrow, the average cumulative student loan debt at graduation was \$20,600, well below the national average of \$30,100.

UC supports changes to federal student loan programs that enhance student benefits and improve how student loans are administered, disbursed, serviced and repaid.

#### Concerns:

- The in-school interest subsidy is eliminated in the new One Loan program. On average, this would affect 72,000 UC undergraduate students each year, adding an estimated \$70 million in student loan debt for each cohort of new UC bachelor's degree recipients.
- The Federal Supplemental Educational Opportunity Grant (SEOG) is eliminated. This grant program provided \$10.7 million to 14,500 of UC's neediest students during the 2016-17 school year; the average grant made was \$773.
- UC supports the renewal of the Federal Perkins Loan Program, which is not addressed in the PROSPER Act. These loans are low-interest, subsidized federal student loans for undergraduates with exceptional financial need. The program is funded through a combination of federal and matching institutional funding, and loans are issued and serviced by the school. Perkins loans provided \$36.2 million to 21,400 of UC's neediest students during the 2014-15 school year, which was the last year before restrictions were placed on making new Perkins awards. The average loan disbursed was \$1,658. Over the past 15 years, UC has disbursed 156,000 Perkins loans totaling \$385 million. UC has also cancelled Perkins loans for 33,624 borrowers who have completed their public service commitments, totaling \$41 million. If this program were to completely end, UC seeks to ensure that the university is made whole and that it can continue to service and honor outstanding loans disbursed by the program. UC estimates that it would cost an additional \$5.8 million to service the remaining loan portfolio through repayment.
- Disbursing student financial aid like a paycheck – whether weekly or monthly – would be stressful to students as many expenses are not incurred on a regular basis throughout the academic term. While the bill allows for unequal disbursements to account for unequal expenses distributed over the course of a term, students in different living situations will incur expenses at different times. Further, the administrative overhead associated with tailoring

disbursement schedules to students' individual financial needs would be substantial. California's state and institutional financial aid disbursements mirror federal student aid disbursements; realigning state and institutional disbursement schedules to match federal disbursements under the PROSPER Act would impose additional administrative burdens on the state and its campuses.

- Loan forgiveness programs for teachers and those employed in public service jobs are eliminated. Many students choose public service professions such as teaching and social work in order to serve low-income communities, despite knowing their compensation will be lower than other career tracks. Instead of penalizing students for their commitment to public service, any proposed Higher Education Act package should encourage highly educated students to share their talents and help lift the prospects of the next generation of students. While the university does not have access to information on the number of UC students who take advantage of loan forgiveness programs for federally administered loans, the university has forgiven a cumulative total of \$15.9 million in loans for teachers from the university's Perkins loan program.
- Including short-term, unaccredited job training programs as eligible for federal financial aid may put student financial aid programs at risk for fraud, waste and abuse, as evidenced by some for-profit institutions that were found to have defrauded students.

#### **Positive Reform:**

- The addition of a Pell Grant bonus encourages students to finish their degree in an abbreviated time frame. However, UC believes that this bonus should not count against lifetime limits.
- The changes to the work-study program that provide an improved allocation formula/phase-out of base guarantee, and an included set-aside for institutions with high or improving Pell graduation rates are a step in the right direction, but UC remains concerned with the changes around community service and match requirements. Some UC students serve as tutors in after-school programs, which is considered community service; some of these students may eventually choose to enter the teaching profession based on positive experiences in their work-study assignment.
- UC supports the elimination of origination fees in the new One Loan program, but remains concerned about the expense of striking the in-school interest subsidy. Generally, UC supports provisions that will lessen the total cost of loans for our students.

#### **GRADUATE EDUCATION**

**Graduate-level education received a disproportionate share of cuts from previous higher education reform efforts. Graduate students have lost all student loan interest subsidies, as well as significant funding for fellowship programs. Graduate students are the backbone of research and innovation at UC and across the country. They make discoveries across all fields of scholarship and often serve as teaching assistants to undergraduates. Data shows that graduate education increases lifetime earnings, generating additional tax revenue to support local, state and federal initiatives.**

#### **Concerns:**

- The bill eliminates GRAD PLUS loans and adds new student loan borrowing limits for graduate students who will no longer be able to borrow up to cost of attendance. The annual limit of

\$28,500 and an aggregate limit of \$150,000 will be inadequate for many students, particularly for graduate professional degree students. The elimination of the GRAD PLUS loan program and the new caps on loans will likely put graduate and professional studies out of reach for many of the low-income students UC serves at the undergraduate level, or force them to take out private loans that lack the protections and low interest rates provided by federal loan programs.

- Students from low-income families typically finish their bachelor's degrees with some debt. The proposed caps make a graduate professional degree less attainable for students who borrow as an undergraduate. This is true for students who received a bachelor's degree at UC, where the average debt among borrowers at graduation is about \$20,600, which is substantially below the national average.
- Eliminating graduate student participation in the work-study program further harms the neediest portion of the university's graduate student population. In 2016-17, almost 800 UC graduate students earned \$3 million through Federal Work-Study.
- The authorization of Title VI International Education Programs below the Fiscal Year (FY) 2017 appropriated level is a continued disinvestment in graduate students. UC is also concerned that some discretionary grants within Title VI were consolidated, and continuation awards for the second and succeeding years are limited at the discretion of the secretary, which makes it impossible to plan for future years.
- This bill repeals the highly competitive Jacob K. Javits Fellowship Program, which is awarded to doctoral and Master of Fine Arts students in selected fields of arts, humanities and social sciences, and has not accepted applications since 2012. UC students have benefitted from this highly competitive program.

#### **Positive Reform:**

- The cap on total principal and interest for federal student loans, regardless of repayment plan, is a positive approach to limit total debt owed to the government, but this may still push students who have borrowed at their limit into the private loan market with minimal protections.
- The Graduate Assistance in Areas of National Need (GAANN) program is reauthorized. This program provides fellowships to assist high-achieving graduate students with financial need to pursue the highest degree in a field designated as an area of national need. UC students have benefitted from this highly competitive program. Over the past decade, almost 1,500 UC GAANN fellows have received \$29.5 million in assistance.
- The GAANN program authorization was set at the FY 2017 appropriation level, which has been cut in recent years. UC supports increasing the appropriation level to reflect the importance of the program.

#### **TEACHER PREPARATION**

**UC remains committed to preparing the next generation of teachers and providing high-quality professional development for teachers and administrators to meet the needs of California's K-12 students.**

UC administers the California Subject Matter Project (CSMP), a highly-regarded professional development program for the state's new and experienced K-12 teachers. An intersegmental network of nine discipline-specific projects based at 90 UC, California State University and

independent colleges and universities statewide, CSMP has provided comprehensive, content-focused professional development for nearly 40,000 teachers since 1988. With California's adoption of new K-12 standards in recent years (e.g. Common Core, Next Generation Science Standards and English Language Development), CSMP has played a critical role in helping the state prepare educators – particularly those in Title I schools – to successfully implement these new standards and assessments in their classrooms.

Additionally, the CalTeach program, an undergraduate science and mathematics teacher initiative at nine UC campuses, helps to address California's science and mathematics teacher shortage. CalTeach recruits and prepares mathematics and science majors for future teaching careers, offering them specialized coursework, field experiences in K–12 schools and direct pathways to the teaching profession while they complete their undergraduate degrees. Since its inception, more than 12,000 UC undergraduate students have explored careers in teaching math or science through CalTeach. Of these, 1,920 CalTeach participants have gone on to receive math and science credentials and 1,763 CalTeach alumni have pursued teaching in California's public schools.

### **Concerns:**

- The bill eliminates Title II funding. The CSMP receives \$3.4 million in Title II funding through a contract with the California Department of Education. Elimination of this funding would result in a nearly 40 percent reduction of the CSMP total budget, severely restricting its ability to provide essential services to thousands of educators throughout the state.
- The elimination of TEACH grants, which provide grants of up to \$4,000 per year to students who agree to teach for four years at a school or education service agency that serves low-income students. If a student fails to fulfill his/her service requirement, the grant is converted into a Direct Loan. UC has approximately 73 students currently receiving TEACH grants totaling \$257,000.
- The elimination of the Teacher Quality Partnership (TQP) Grant Program, which prepares teachers for high-need disciplines (science, technology, engineering and math (STEM) and special education) in high-need school districts. UCLA received a 5-year TQP grant in 2014 for over \$8 million to prepare 96 new STEM teachers in 18 STEM-focused elementary and secondary schools within high needs schools in the Los Angeles Unified School District.

### **Positive Reform:**

- While apprenticeships involving hands-on learning and training are important to students who enter the workforce, the apprenticeships should not come at the expense of educating the next generation of teachers, especially considering the teacher shortage the U.S. currently faces. The PROSPER Act cuts programs and funding intended for teacher preparation and professional development and creates a new apprenticeship program.

### **MINORITY-SERVING INSTITUTION (MSI) PROGRAMS**

**Five UC campuses (Irvine, Merced, Riverside, Santa Barbara, Santa Cruz) are designated as Hispanic-Serving Institutions (HSIs) and three (Davis, Los Angeles, San Diego) are considered “emerging-HSIs.” Additionally, one UC campus (Irvine) is designated as an Asian American Native American Pacific Islander-Serving Institution (AANAPISI) and three others are considered “eligible” AANAPISIs (Riverside, Santa Barbara, Santa Cruz). Any**

changes to programs affecting institutions with these designations would affect the university's education mission. These programs should be strengthened to reflect the demographic shifts across the country. Below is a breakdown of MSI grants UC has received.

**UC Hispanic Serving Institutions (HSIs) recent grants:**

- UC Merced: \$289,000 Title V HSI Grant awarded in 2011
- UC Riverside: \$249,000 Title V HSI Grant awarded in 2015; \$245,000 Title V HSI Grant awarded in 2013; \$290,000 Title V HSI Grant awarded in 2010; 2-year \$3.4 million Title III HSI STEM Grant awarded in 2008
- UC Santa Barbara: 5-year \$2.6 million Title V Individual Grant awarded in 2015
  - Designed to strengthen the success and retention of undergraduates by focusing on first-year experiences and faculty professional development; the grant supported the establishment of a student success center offering academic support, peer mentoring and faculty interaction for first-generation students.
- UC Santa Cruz: \$1,129,739 Title III HSI STEM Grant awarded in 2016; 5-year \$2.6 million Title V Individual Grant awarded in 2015
  - Designed to motivate and retain Hispanic and other high-need students to complete a degree at a research university. In partnership with San Jose City College, UC Santa Cruz provides tutoring, mentoring, transfer advising and undergraduate research experiences, all with the purpose of increasing the number of students who complete a bachelor's degree on time.

**UC AANAPISI recent grant:**

- UC Irvine was awarded an AANAPISI grant in 2016 in the amount of \$302,242.

**Concerns:**

- The provisions regarding graduation/transfer rates for participation eligibility only apply to institutions that are designated as an HSI, an AANAPISI or a predominantly black institutions (PBI). Tribal colleges and historically black colleges and universities (HBCUs) are excluded from adhering to these graduation/transfer rates in the bill.

**Positive Reform:**

- Requiring a 25 percent graduation/transfer rate within six years to qualify for Title V grants will ensure that institutions are committed to serving a diverse student body with the resources needed to ensure their students complete their course of study.

**PIPELINE PROGRAMS**

**UC provides unique pathways to attend higher education for diverse populations across the state and country. As many as 42 percent of UC undergraduates are the first in their families to attend college; 49 percent of these students are African American, Latino/Chicano or American Indian. UC is dedicated to ensuring that underrepresented populations have access to the university.**

**Concerns:**

- UC believes that authorizing TRIO below the FY 2017 appropriated level is a disinvestment in equity and access for the neediest populations. UC has 31 TRIO-funded programs on seven campuses (Berkeley, Davis, Los Angeles, Merced, Riverside, San Diego, Santa Cruz) that serve approximately 9,400 students.
- UC would like clarification on the implications of the one GEAR UP grant per entity provision and the potential impact on the program. UC is concerned that the proposed changes would adversely impact the total number of students who are served in a state as large as California, and especially its impact on UC students across UC's campuses. UC believes that this change relates exclusively to the state grant portion of the legislation but not to the partnership portion. If that is correct, then UC does support this change. It essentially embodies the manner in which the GEAR UP Program has been administered until this most recent competition. It would be disadvantageous to have more than one state grant in a state both from the standpoint of competition within a state (the governor must designate the entity that can apply for the state grant), and could reduce the number of states in the nation that have GEAR UP grants. Both of those outcomes would be unfortunate.

UC has six GEAR UP funded programs across two campuses (Davis and Santa Cruz) that serve 9,768 students and one state grant that serves approximately 35,000 students throughout California. The UC Office of the President administers the California GEAR UP Program (the state grant).

## **CAMPUS SAFETY**

**The University of California is committed to providing a strong, fair and transparent process to address campus sexual assault and harassment complaints. Any provisions relating to this issue should recognize the scope of the problem of sexual violence on campus, take into consideration the significant investment that UC and other universities have made to appropriately respond to this problem and align with state laws passed since the 2011 Department of Education guidance was issued and subsequently rescinded in 2017.**

### **Concerns:**

- The legislation permits campuses to indefinitely delay administrative investigations at the request of law enforcement. This contradicts UC's existing practices and could leave students who reported a sexual assault feeling unsafe and without recourse on their campus. Moreover, the university has an obligation to keep its campuses safe and should act swiftly to promptly resolve complaints of sexual assault. UC currently coordinates with law enforcement, but does not support encouraging institutions to indefinitely suspend investigations.
- The legislation has a number of purported "due process" requirements that are ill-defined and could interfere with UC's ability to conduct prompt, thorough and fair investigations. For example, the legislation requires providing notice of "all relevant details" of the alleged misconduct not later than two weeks prior to the start of any formal hearing or similar adjudicatory proceeding. The university believes it is appropriate to provide an individual with adequate notice, so they can respond to the allegations against them. However, it is not possible for a written notice to include "all relevant details," and this requirement could significantly delay and impede campus investigations.
- The legislation prohibits the "commingling of administrative or adjudicative roles," which seems to preclude the single investigator model used by many universities. UC has a modified single

investigator model where the Title IX investigator finds facts and makes a recommendation of whether there is a policy violation, and the student conduct officer determines whether to accept or reject the recommendation. The university requires clarity on whether the model UC has in place would be considered illegal should the PROSPER Act become law.

- The provision that the federal government will provide training modules, and that institutions using those modules will be deemed compliant, gives the Department of Education an opportunity to dictate specific procedures and best practices. The reference to “due process experts” developing the training implies that criminal defense attorneys will impose criminal due process requirements on university’s administrative proceedings.

**Positive Reform:**

- Campus sexual assault and harassment are important issues, and UC has committed substantial resources and staff to ensure there is a uniform and fair process in place across the system. The university believes the inclusion of provisions on this issue will allow for a continued robust conversation with a variety of stakeholders, with the hope of striking the appropriate balance on handling this issue.