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February 23, 2018

The Honorable Lamar Alexander
Chairman
U.S. Senate Committee on Health, Education, Labor and Pensions
428 Senate Dirksen Office Building
Washington, D.C. 20510

The Honorable Patty Murray
Ranking Member
U.S. Senate Committee on Health, Education, Labor and Pensions
428 Dirksen Senate Office Building
Washington, D.C. 20510

RE: The University of Wisconsin System's Response to Senator Alexander's Request for Feedback on the Reauthorization of the Higher Education Act

Dear Chairman Alexander and Ranking Member Murray:

Thank you for the opportunity to provide feedback on Congress's ongoing work to reauthorize the Higher Education Act (HEA). The University of Wisconsin System (UW System) appreciates the efforts to modernize the HEA to reflect a 21st century model of higher education and to give more students access to an affordable, quality education.

The UW System is made up of two doctoral universities (UW-Madison and UW-Milwaukee), eleven comprehensive four-year universities, thirteen UW Colleges two-year campuses, and statewide UW-Extension. The UW System is one of the largest systems of public higher education in the country, serving more than 170,000 students each year and employing approximately 39,000 faculty and staff statewide.

Any legislation to reauthorize HEA should simplify the financial aid program, increase access and affordability to quality higher education programs, streamline regulations, encourage innovation, and keep our campuses safe. Therefore, we offer the following comments and recommendations for the reauthorization of HEA in four areas: access and affordability, innovation, regulatory relief, and campus safety.

Access and Affordability

According to the Lumina Foundation, our country will need 60% of the population with some form of college credential by 2025 to remain globally competitive.¹ Wisconsin and the nation need a larger segment of high school graduates to attend and complete college, and more adult or non-traditional students to enter or return to college to complete their degrees. To that end, it is essential that the HEA

¹ <https://www.luminafoundation.org/lumina-goal>

reauthorization address the significant need for financial aid to both allow and increase access to postsecondary education. Unfortunately, the UW System believes that there are too many changes in the PROSPER Act to student aid that will reduce access and affordability for students and that these changes outweigh the positive reforms.

According to the Congressional Budget Office's score of the PROSPER Act, there would be a net loss of approximately \$15 billion dollars spent on student financial aid over the next 10 years.² Further, an analysis completed by the American Council on Education (ACE) determined that an undergraduate student who borrows \$19,000 over four years and makes all payments on time would see a 44 percent increase in the cost of the loan.³

Students and families in Wisconsin often need financial assistance to make obtaining a UW degree a reality. In the 2016-17 academic year, 89,000 UW System students received a student loan. The Pell Grant program provided \$129 million to almost 34,000 Wisconsin resident undergraduates (29 percent of resident undergraduates), with an average grant of \$3,813. Yet, in 2016-17 after tuition had been frozen since 2013-14, Wisconsin resident undergraduates had an average unmet need of \$9,639 after grants and scholarships, an amount that nearly doubled in the last decade, and 73 percent of Wisconsin resident baccalaureate recipients had student loan debt averaging \$30,771.

The UW System is also concerned with the PROSPER Act's negative effect on graduate students, of which there are approximately 20,000 graduate and professional degree seeking students in the UW System.⁴ According to ACE, the changes in this bill will hit graduate students especially hard when combined with their ineligibility for Federal Work-Study, the cap on their annual and lifetime borrowing limits, and the elimination of the federal PLUS loans for graduate students.⁵ The cost of their undergraduate education prior to their graduate program will be more expensive, and even if their loans are in deferment, their unsubsidized undergraduate loans will continue to earn interest for the years they are in graduate school.

The UW System remains concerned about the overall impact of the PROSPER Act on access and affordability even though there are individual provisions that the UW System does support.

Recommendations supported by the UW System:

- Student Loans
 - In general, the concept of simplifying and consolidating the array of financial aid programs.
 - The elimination of loan origination fees.
 - The efforts to simplify the application for financial aid, such as simplifying the needs assessment by raising the adjusted gross income, requiring consumer testing of the forms, making it available on mobile devices, and increasing undergraduate loan limits.
- Federal Work Study (FWS)
 - Increased funding for FWS, but we are concerned that FSEOG funding is being used to accomplish this.
 - Set aside for institutions with high completion rates.
 - The removal of the private sector employment cap and the community service set-aside that will allow institutions to better tailor their programs to their students and community.

² <https://www.cbo.gov/system/files/115th-congress-2017-2018/costestimate/hr4508.pdf>

³ <http://www.acenet.edu/news-room/Documents/Letter-PROSPER-Act-Markup.pdf>

⁴ [https://www.wisconsin.edu/download/publications\(2\)/Fact-Book.pdf](https://www.wisconsin.edu/download/publications(2)/Fact-Book.pdf)

⁵ <http://www.acenet.edu/news-room/Documents/Letter-PROSPER-Act-Markup.pdf>

- The UW System agrees with NASFAA's position that the institutional matching requirement should stay at 25 percent or have a 10-year ramp up of increased institutional matching obligations.⁶
- The UW System agrees with NASFAA's position that when switching formulas an institution's allocation should not increase or decrease by more than 10 percent each year to protect a program from large swings in funding.⁷
- Pell Grants
 - The annual inflation-based increase for the Pell Grant award should be reinstated.
 - If programs are cut or eliminated due to efforts to simplify the financial aid programming, funding should be transferred to the Pell Grant to raise the maximum award amount for students.
 - The UW System supports the bonus to encourage students to graduate in four years. However, low-income students receiving the Pell Grant may need to work to earn an income, which does not allow them to take enough credits to be eligible for the bonus. To ensure these students receive aid, too, the maximum award for the Pell grant should be increased for all students.
 - The PROSPER Act makes a change to disburse the grant to students on a weekly or monthly basis, similar to a paycheck. The UW System requests that this is allowed but not mandated, given the significant administrative burden it could cause institutions.
 - Instead of requiring annual counseling, the UW System supports NASFAA's proposal to provide the authority for institutions to mandate additional loan counseling at the institution's discretion, rather than mandating it at the federal level.⁸

Recommendations opposed by the UW System:

- Student Loans
 - The elimination of subsidized loans.
 - The UW System supports reasonable annual and aggregate loan limits to discourage over borrowing, but we oppose any limits that are too strict and would push students to riskier private loans.
- Federal Supplemental Education Opportunity Grants (FSEOG)
 - The UW System opposes the elimination of FSEOG. In 2014-2015, FSEOG awarded \$14.8 million of grants to 23,894 Wisconsin students.
- Federal Work Study
 - The UW System strongly believes that graduate students should have the opportunity to participate in the Federal Work Study program to work while they are in school and opposes any changes that make them ineligible for this program.
- TRIO
 - TRIO is an important program for maintaining access to quality educational programs for low-income and first-generation students in Wisconsin. While the UW System supports efforts to expand access for the TRIO program to new students, the decrease in funding and institutional match will dilute the effectiveness of the program for current students. Therefore, the UW System does not support the funding cut to the program. The UW System will support a funding level that will accomplish an increase in access without weakening the program for current participants.

⁶ <https://www.nasfaa.org/uploads/documents/NASFAAPROSPERLetter1.pdf>

⁷ <https://www.nasfaa.org/uploads/documents/NASFAAPROSPERLetter1.pdf>

⁸ <https://www.nasfaa.org/uploads/documents/NASFAAPROSPERLetter1.pdf>

- TEACH and TQP
 - The UW System opposes the elimination of these programs and urges Congress to retain funding for TEACH and Teacher Quality Partnership (TQP) grants.

Innovation

The UW System believes that innovation in higher education is critical, and the UW System is leading the way with its Competency-Based Education (CBE) programs, called the UW Flexible Option. In 2014, the UW System became the first public higher educational system to offer CBE. Since its inception, the program offers nine degrees and certificates, and it has served over 1,500 students. In Wisconsin, there is an estimated 700,000 to 1 million residents who have some college credit, but no degree.⁹ Nationally, 16 percent of adults have attended college, but not received a degree or certificate.¹⁰ At a time when the nation is experiencing a worker shortage and the age of college students is expected to increase over the next decade,¹¹ new methods of delivering higher education will have to be adaptable to students who may be working a full time-job or who just need a credential to help them take the next step in their career. The bill defines CBE for the first time in statute, and it creates a pathway to Title IV (student financial aid funding) for CBE programs, including those that charge a flat subscription fee. The UW System was deeply engaged in the development of the language and, thus, strongly supports it

Recommendation:

- The U.S. Senate HELP Committee should adopt and pass language based on the PROSPER Act's provisions.

Regulatory Relief

The UW System believes smart and reasonable regulations play an important role in ensuring institutional accountability and responsible stewardship of taxpayer dollars; however, excessive and burdensome federal regulations directly harm our ability to maximize operational capabilities. We appreciate the work of the Task Force on Federal Regulation of Higher Education to study federal regulation and identify potential improvements. We are hopeful that many of the Task Force's recommendations will see fruition as HEA is reauthorized.

Of concern to the UW System is whether the proposed language in the PROSPER Act will have an impact on states/institutions' ability to remain a part of the State Authorization Reciprocity Agreement (SARA) and avoid further regulation by individual states when it comes to offering distance learning outside of our state. The purpose of SARA was to create a unified and voluntary agreement where states could join and allow their home institutions to participate through standardized and reasonable conditions by offering distance learning to other state members. Then institutions are only subject to the regulatory provisions of SARA and within their home states. If the proposed HEA reauthorization allows individual states to regulate distance learning beyond what SARA provides, then it seems that the purpose and intent of SARA will be lost.

⁹ <http://archive.jsonline.com/news/education/uw-system-unveils-first-flexible-degrees-for-working-adults-o57qs51-181182651.html>

¹⁰ <https://www.chronicle.com/article/DegreesCertificates-Rise/242519>

¹¹ From 2014 to 2025, however, NCES projects the increase for students under age 25 to be 13 percent, compared with 18 percent for students age 25 and over. <https://nces.ed.gov/fastfacts/display.asp?id=98>

Recommendations:

- Please see attached my letter, from February 15, 2018 in response to the Higher Education Accountability white paper, for further comments related to regulatory relief.
- Please ensure states can continue to collaborate and participate in reciprocity agreements, such as SARA, and caution against allowing additional regulations beyond SARA by states or the federal government.

Campus Safety

At universities across the country, significant attention is being paid to campus safety and sexual assault and violence. The UW supports all efforts at the federal level that tangibly address the pervasive, societal problem of sexual assault and violence and provide a clear, collaborative, and proper role for institutions of higher education in confronting these challenges.

The UW has a longstanding and comprehensive policy framework in place to prevent and respond to incidences of sexual misconduct. In 2014, I called for a systemwide task force on sexual violence and harassment to recommend actions to further coordinate policy development and enhance educational efforts to promote awareness of related issues. In 2016, the UW Board of Regents passed a policy to mandate training for all employees and students and create a clear reporting path and requirement. At a recent Board of Regents meeting this year, I highlighted efforts to address sexual assault and committed to working closely with campus stakeholders to identify ways in which the UW might build on previous actions.

Recommendation:

- The UW System believes survivors' rights must be respected and any reported incidents must be thoroughly investigated. We do not support any language that may create an environment where survivors are less willing to come forward.

Thank you again for the opportunity to provide feedback on the HEA reauthorization. The UW System will continue to be a resource as these discussions continue. If you have any questions regarding the comments in this letter, please contact Kris Andrews, Associate Vice President for Federal Relations, by email at kandrews@uwsa.edu, or by phone at 608-263-3362.

Respectfully,



Ray Cross
President

Attachment: Response to the Higher Education White Paper on Accountability