The Honorable Lee Zeldin  
Member of Congress  
1517 Longworth House Office Building  
Washington, DC 20515

Dear Congressman Zeldin:

On behalf of New York University (NYU), I am writing in opposition to the so-called Promoting Real Opportunity, Success, and Prosperity through Higher Education Reform Act that was cleared by the House Education & The Workforce Committee on a partisan party line vote last December.

Any reauthorization of the Higher Education Act (HEA) should prioritize college access/affordability, enhance the ability of parents and students to make informed choices and strengthen the core student aid programs that have successfully provided generations of low-income students with a path to the middle class and beyond. Unfortunately, in addition to making the attainment of a college degree more expensive for millions of students (especially those from New York), the PROSPER Act also proposes to make significant changes in federal higher education policy without a clear understanding of the likely consequences.

NYU is a national leader in metrics related to attracting low-income students, graduation/completion rates, as well as employment rates and has been making strides in addressing the overall affordability of a higher education. Here are some key facts and successes related to these efforts:

- 85 percent of NYU first year students graduate within six years.
- 96 percent of the Class of 2016 were employed or in graduate school within six months of graduation.
- 23 percent of NYU first-year students were eligible for a Pell Grant in AY 2017-18.
- In AY 2016-17, NYU allocated over $600 million of its own funds to student financial aid.
- Through the efforts of our Affordability Steering Committee, NYU has made significant strides with 2016-17 being the lowest year-to-year increase in cost of attendance in over 20 years, including a freeze in housing and meal plan costs at the previous year’s rate.

The following provisions included in the PROSPER Act will increase college costs and lead to rising student debt levels, primarily targeting students attending institutions that have done the best job maintaining high graduation and completion rates.

**Supplemental Educational Opportunity Grants (SEOG):** The PROSPER Act eliminates SEOG, a program first created in 1972, which provides additional grants to the neediest Pell Grant-eligible students, requiring colleges to match federal dollars. Loss of this program would have a profound effect on the over 900 low-income NYU students who receive an average SEOG of approximately $4,000 each.
Federal Work Study (FWS): The PROSPER Act makes significant changes to the current Federal Work Study (FWS) formula by phasing out the base and moving to a new formula designed to redistribute funding from traditional colleges to for-profit colleges and from urban areas to rural areas. The legislation also makes graduate students ineligible for FWS. NYU currently operates one of the largest FWS programs in the country providing part-time jobs for undergraduate and graduate students with financial need, allowing them to earn money to help pay for education expenses. Under the proposed new formula, over half of our FWS students working on community service-based jobs benefiting underserved populations would lose critical funding used to finance their college education.

Public Service Loan Forgiveness (PSLF) Program: The PROSPER Act eliminates the PSLF program and scales back the number of repayment options available to students. The PSLF program provides an incentive for students to pursue vital public service careers, such as educators, nurses, law enforcement officers, social workers and public defenders. The elimination of this program would disproportionately impact underserved communities in both urban and rural areas.

In-School Interest Subsidy: The PROSPER Act eliminates the in-school interest subsidy for undergraduate students, meaning that interest on all federal loans would begin to accrue as soon as a student takes out a loan, substantially increasing overall college costs. Under current law, interest begins to accrue six months after a student leaves school. Should the PROSPER Act become law, 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.

Federal Loan Limits: The PROSPER Act would establish federal loan limits for both undergraduate and graduate students, including the elimination of the Graduate Plus Program, both of which would lead to more student borrowing from private lenders at higher interest rates, increasing the overall cost of a college degree.

As Congress continues to consider proposals to reduce college costs, improve accessibility and increase completion rates, I urge you to consider past federal efforts that have proven successful. The first Higher Education Act in 1965 – and subsequent reauthorizations in the 1970s – successfully created and improved on the core federal student aid programs that have allowed millions of low-income and first-generation students to attain a college education, a gateway to the middle-class and economic stability. Unfortunately, in recent years, Congress and state governments nationwide have embarked on a gradual defunding of higher education programs, directly leading to increased college costs and rising debt levels.

For the reasons outlined above, I respectfully request that you reject the PROSPER Act in its current form and urge Members of the House of Representatives to embark on a bipartisan, inclusive legislative approach – similar to the process currently taking place in the United States Senate – that will both strengthen student aid programs and better serve students seeking an affordable higher education.

As the U.S. House continues to debate the reauthorization of the HEA, please feel free to reach out to me should you have questions about the impact of these provisions on students or institutions. Thank you for your consideration.

Sincerely,

President