



Graduate School

UNIVERSITY OF WISCONSIN-MADISON

31 January 2018

Dear graduate students, faculty, staff, and deans,

This message provides information about the Promoting Real Opportunity, Success and Prosperity Through Education Reform ("PROSPER") Act (H.R. 4508), a reauthorization of the Higher Education Act (HEA), the nation's main law governing postsecondary education.

Many changes introduced in the PROSPER Act would be harmful to students and particularly detrimental to current and prospective graduate students. Working with our Office of Federal Relations, we have compiled information from a number of sources and I have listed below the aspects of the proposed bill that you may find most concerning.

The amount graduate students can borrow from federal loan programs would be reduced, leaving more expensive private loans as the alternative. Currently, graduate students can borrow up to the full cost of their attendance. The change would impose an annual cap of \$28,500 and an aggregate limit of \$150,000 under the proposed ONE loan program. If additional funding were needed, graduate students' remaining lending option would be private loans, which may require a credit check and cosigner and have higher, variable interest rates, without options for deferment or forbearance.

Loan forgiveness provisions including Public Service Loan Forgiveness (PSLF) would be eliminated. PSLF encourages jobs in public service sectors like non-profit healthcare, law enforcement and public education, by providing loan forgiveness for individuals who have held qualifying employment for 10 years. Elimination of this loan forgiveness program removes an important incentive for students considering careers in sectors that provide vital services to our communities.

Graduate students would be ineligible for Federal Work-Study. On our campus, these are typically student hourly positions, not graduate assistantships, which some students take to supplement other income sources.

Additionally, the following resources provide more information about the proposed changes.

- A December 11, 2017, [Inside Higher Ed article](#) includes concerns about how the bill would limit low-income students' access to advanced degrees, as well as the GOP's rationale for introducing the changes.
- The [American Council on Education](#) describes the proposed legislation. This organization also prepared a document illustrating the [cumulative effect of the proposed changes](#) would have on an individual who is impacted both as an undergraduate and as a graduate student.
- A number of national organizations including the [Association of Public and Land-Grant Universities](#) (APLU) and the [National Association of Student Financial Aid Administrators](#) (NASFAA) have also issued statements on the negative impact of the proposed changes.

Please monitor the [Graduate School's website](#), which will be updated with new information as it becomes available.

Should you choose to engage further on this issue, the UW-Madison Office of Federal Relations has shared a [draft letter to assist graduate students and others to communicate with Congress](#).

Please feel free to contact my office with any questions on this issue.

Sincerely,

William J. Karpus
Dean, Graduate School
Professor, Department of Pathology and Laboratory Medicine