



Claire E. Sterk, PhD

PRESIDENT

February 23, 2018

Chairman Lamar Alexander
Ranking Member Patty Murray
Committee on Health, Education, Labor and Pensions
U.S. Senate
Washington, DC 20510

Chairman Alexander and Ranking Member Murray,

Thank you for the opportunity to share Emory University's thoughts on the upcoming legislation reauthorizing the Higher Education Act that you are drafting. At Emory, we are committed to the idea that students who wish to attend our university should not be denied due to economic circumstances.

As president of Emory University, I write to share with you the impact of the proposed House PROSPER Act and to encourage the Health, Education, Labor and Pensions committee to carefully consider these comments. Emory University is comprised of nine schools: Emory College of Arts and Sciences, Rollins School of Public Health, Candler School of Theology, Nell Hodgson Woodruff School of Nursing, Goizueta Business School, Oxford College, Laney Graduate School, the School of Law, and the School of Medicine. With over 15,000 undergraduate and graduate students attending Emory from across the nation and the world, we urge the committee to improve higher education in a way that makes college more accessible for our next generation.

Emory remains committed to access to a quality university education for all students, with \$302.5 million awarded in Emory grant aid alone in 2017. Under our *Emory Advantage* Program, any *undergraduate* student whose family income is less than \$50,000 per year can graduate debt free. We feel that our *graduate and professional* students, many of whose careers will bring substantial salaries, can and should shoulder a greater burden of the costs for their degrees. As such, those students will be severely limited by the new proposed annual limit of \$28,500 (with an aggregate limit of \$150,000). Emory's graduate and professional students with the highest debt loads (Medicine, Law, Allied Health, MBA) are also the graduates with the lowest default rates (<1.4%) and highest salaries. Put simply, the debt burden of these students is properly aligned with their earningsⁱ— and limiting their access to reliable and affordable federal loans will negatively impact the numbers of MDs and medical technicians at a point when the nation needs them most. And for those graduate and professional students who choose to use their educations for the public good, Emory supports the preservation of the Public Service Loan Forgiveness (PSLF) Program and is very concerned about its elimination in the PROSPER Act.

EMORY UNIVERSITY

OFFICE OF THE PRESIDENT
201 DOWMAN DRIVE
ATLANTA, GEORGIA 30322
TEL 404-727-6013
FAX 404-727-5997
CSTERK@EMORY.EDU

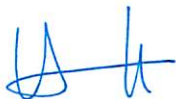
As with all our peers, Emory is pleased with the proposal to eliminate loan origination fees, but also quite concerned about the One Loan program's proposed elimination of subsidized loans. Currently the students with the largest amount of financial need can obtain subsidized loans to reduce their future debt. Elimination of subsidized loans in the House language is worrisome because our neediest students would be shouldering the costs of simplification. With the elimination of subsidized Perkins Loans, the impact will be all the greater.

At Emory, we take great pride in a student body where 20% receive Pell Grants, and we encourage Congress to continue its support of the Pell Program and to protect its future by ensuring that any Pell surplus remains in the program. This would ensure a reliable source of grant aid for the students most in need. We are committed to addressing the growing costs of the Pell Grant program in order to place the program on a more sustainable funding path. Further, Year-Round Pell was eliminated in FY2011 under severe budget constraints. Reinstating this provision will allow students to persist to completion without losing momentum over the summer months. The existing surplus in the Pell Grant program allows for the restoration of the year-round Pell, and we urge you to include this in the HEA reauthorization.

Finally, Emory is concerned about the PROSPER Act's elimination of, or changes to, several financial aid programs that have great value to our students. Emory strongly supports campus-based aid programs and encourages the Committee to reverse the elimination of the Supplemental Educational Opportunity Grants (SEOG) in the PROSPER Act. SEOG allows us to meet the full demonstrated financial need of our undergraduate students by helping to plug the holes for financially needy students, while the federal work study (FWS) program encourages financially disadvantaged students to develop strong work habits.

Thank you for allowing us to express our concerns and ideas for improving the next Higher Education Reauthorization Act. I hope that you will consider Emory a resource as you continue the process of drafting the legislation.

Sincerely,



Claire E. Sterk
President

ⁱ This fits with the findings of Looney and Yannelis in their September 2015 study, "A Crisis in Student Loans? How Changes in the Characteristics of Borrowers and in the Institutions They Attended Contributed to Rising Loan Defaults."