



ALLEN

May 18, 2018

ANDERSON

BENEDICT

The Honorable Joe Wilson

CHARLESTON  
SOUTHERN

House of Representative

CLAFLIN

1436 Longworth House Office Building

COKER

Washington, DC 20515

COLUMBIA

Via Fax: 202-225-2455

COLUMBIA  
INTERNATIONAL

Dear Rep. Wilson:

CONVERSE

ERSKINE

Thank you for your past support of independent higher education, especially for the private non-profit colleges and universities in South Carolina. From our past conversations, I know that you are well aware of how vital a strong higher education system is to the economic well-being of our country as a source of a highly-skilled, values-oriented workforce and engaged community leaders.

FURMAN

LIMESTONE

MORRIS

NEWBERRY

NORTH  
GREENVILLE

The Higher Education Act Reauthorization bill released by the House Education and Workforce Committee will have a profound impact on students in your district, in our state, and around the country. And while it does contain a number of very beneficial elements, there are others for which we have great concern.

PRESBYTERIAN

SOUTHERN  
WESLEYAN

SPARTANBURG  
METHODIST

VOORHEES

Before the bill is brought to the floor, we have summarized our position on certain provisions in the Promoting Real Opportunity, Success, and Prosperity through Education Reform (PROSPER) Act (H.R. 4508) introduced by Chairwoman Foxx (R-NC) and Rep. Brett Guthrie (R-KY).

WOFFORD

### Areas that we Support

- We are very supportive of the provision in the bill that provides for a \$300 Pell bonus for students who take 15 credits per semester. This is a welcome approach that avoids the pitfalls of previous proposals to reduce the Pell Grant for students who are full-time, but taking less than 15 credits.
- We support the elimination of origination fees on student loans.

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- We support many of the deregulatory efforts, including those around credit hour, state authorization, and the federal Financial Responsibility Standards.

#### **Where we have Concerns**

- This bill would eliminate Supplemental Educational Opportunity Grants (SEOG). This grant program is targeted to give the neediest Pell students additional grant aid and requires our colleges to match federal funding. The loss of this program would have a profound effect on the poorest students on our campuses. During the 2017-18 academic year, almost \$9 million in SEOG grants were awarded to over 13,600 students attending one of South Carolina's private or public colleges. More than 4,200 students in your district benefited from close to \$2.75 million in SEOG grants.
- This bill would eliminate the in-school interest subsidy for middle and low-income families. This provision would substantially drive up the cost of student loans for the neediest. The federal government is already making a profit on these loans. There is no need to increase the government's profit.
- This bill would set burdensome new limits on borrowing for graduate students and parents. While some loan limits might be a reasonable step, the proposed limits will make it exceedingly difficult for many of the students we serve to continue to attend our institution.
- This bill would change institutional eligibility for student aid by creating a system in which those who have to borrow to go to college, or who are Pell-eligible, can only major in subjects in which recent graduates are making adequate loan repayments. This will be a bureaucratic nightmare that will add more regulation to higher education than the sum total of all other efforts at deregulation. Further it will stifle innovation by making it unclear how new majors designed to meet evolving societal demands will qualify. This proposal would also make it possible for wealthy students to major in subjects not available to middle- and low-income students.
- This bill would restructure loan repayments without knowing how it would affect students. While the proposal may be innovative, we need time to fully understand the potential impact. Similarly we are concerned that the impact of the proposed elimination of public service loan forgiveness is not clear.

The Honorable Joe Wilson  
May 18, 2018  
Page 3

- This bill would relax the rules on for-profit colleges. While we support some of the areas of deregulation proposed in this bill, we believe the relaxation of the rules on for-profits goes too far. All students will suffer if the integrity of the student aid programs comes into question, or if further cuts are then needed to make up for increased government liability from failed schools.

More than 33,000 students are enrolled in South Carolina private non-profit colleges and universities. Seventy percent of the students are South Carolina residents, 45% of all students are minority, and more than 50% receive need-based federal Pell Grants for low-income students. They are served by 20 very diverse two and four-year institutions of higher learning that include among its membership seventeen faith-based Christian schools, including five historically black colleges and universities, and two women's colleges.

The House Education and Workforce Committee has done some thoughtful work in assembling its bill. However, the legislation needs serious revisions if it is going to be effective in helping, and not hurting, middle and low income students attend and complete college and to reduce and not increase regulatory red tape. In its current form, the bill would drive up the cost of college for students and dramatically increase the regulatory burden on colleges due to the new requirement that each major on campus must go through an annual test to determine if students can use federal loans and grants to major in that field.

The reauthorization of the 1965 Higher Education Act is of critical importance to our members. As the House prepares to consider Chairman Fox's PROSPER Act, we ask that our mutual offices and staff engage in an active dialogue to ensure that the very best interests of the students pursuing post-secondary education in South Carolina are served to the greatest extent possible.

Thank you very much for your time and attention. Please feel free to call me for additional information or clarification.

Yours very truly,



Mike LeFever  
President & CEO

Cc: Drew Kennedy