

December 12, 2017

The Honorable Johnny Isakson
U.S. Senate
131 Russell Senate Office Building
Washington, DC 20510

Dear Senator Isakson:

As president of Spelman College, a historically black college in Atlanta, GA, I am writing to express my deep concerns with the *Promoting Real Opportunity, Success, and Prosperity through Education Reform (PROSPER) Act*, and the speed with which the House Education and the Workforce Committee is rushing this massive bill through the House. I am deeply concerned about the impact of the bill on historically black colleges and universities (HBCUs) and the students we serve. As you know, the vast majority of students attending HBCUs are first-generation, low-income, minority students who rely heavily on federal financial aid. Thus, cutbacks in institutional and student support for low-income and minority students will have a disproportionate impact on my institution and other HBCUs.

In Spelman's case, despite those challenging demographics, we consistently serve our country by producing outstanding results. Spelman is the leading producer of Black Women scientists; the leading producer of Black Women physicians; in the top ten of Black Women tech startups; and the Best graduation rates for Black Women in all categories-private, Public, elite, Historically Black Colleges and Universities and women's colleges. As demographics shift and the Black and Latino populations grow, we are cutting the availability of aid to a rapidly expanding population of students and crippling a College and others like it most effectively serving this population. Spelman along with Clark Atlanta University is in the top ten colleges for social mobility in the state Georgia. This is a time for investing more not less in colleges like ours that are changing the life trajectory for so many of our students.

My key concerns with the bill are:

A Cut to Title III Institutional Support to HBCUs

The bill would cut essential federal support to my institution and other HBCUs. The PROSPER Act cuts the authorized funding levels for the Title III Strengthening HBCUs program from \$375 million to \$245 million and freezes this reduced authorization for six years. A six-year funding freeze is a cut in real terms after inflation and would not enable my institution to keep pace with rapid change in higher education, maximize technology to deliver new modes of learning for students and make strategic investments in industry-relevant educational programs.

Moreover, the discontinuation of \$85 million in Title III Strengthening HBCUs mandatory appropriations after the fiscal year 2019 would terminate vital federal funding, which has helped HBCUs to become leading producers of African Americans with degrees in high-demand science, technology, engineering, and mathematics (STEM) fields. Discontinuing this investment would be a severe blow to my institution,

which receives \$878,887.00 annually and necessitates crippling cutbacks in academic programs. Extending the mandatory funds through the fiscal year 2024 is my top priority for the bill.

Elimination of Supplemental Educational Opportunity Grants (SEOGs) for Low-Income Students

More than 55,000 HBCU students nationwide receive SEOGs, including 165 students at my institution, which would be eliminated in the PROSPER Act. As you know, SEOGs are awarded to Pell students who have the greatest financial need. Despite the proposed Pell Grant Bonus and increased work-study funds, the elimination of SEOGs would cut grant aid for the poorest HBCU students. Many of whom already work. These students are burdened with significant loan debt and should not be forced to incur even more debt to offset the loss of SEOGs.

Elimination of Subsidized Federal Loans for Low-Income Students

This bill would eliminate subsidized education loans for low-income students who most need this college assistance. Approximately 80 percent of students at HBCUs rely on federal loans and the elimination of the interest subsidy while they are enrolled in school will significantly drive up student debt for the neediest students, making it even more difficult for these to repay their loans.

Risk-Sharing Provisions

This bill includes several “risk-sharing” provisions that could have a disproportionately negative impact on HBCUs and other institutions dedicated to serving students who face the greatest challenges to college completion due to academic and financial barriers. This bill would establish new restrictions on education programs based on student loan repayment rates, and would significantly alter return to Title IV provisions, placing the additional financial risk on my institution. These provisions put HBCUs in their crosshairs solely because we educate the most vulnerable populations. I urge that these provisions be scrutinized for their impact on my institution and other HBCUs.

Proposals that I support include:

Pell Grant Bonus

I support the provision in the bill that provides for a \$300 Pell bonus for students who take 30 credits per academic year. This is a welcome approach to help students complete their educational programs in four years. I encourage you to support additional Pell enhancements, particularly continuation of the automatic indexing of Pell awards for inflation.

Student Loans

I support the elimination of origination fees on student loans to reduce student borrowing costs; streamlining the five income-based repayment plans into a single income-based plan to make it easier for students to manage student debt, and continuation of the Parent PLUS Loan program, which helps parents support their children’s college education. These provisions are included in the PROSPER Act and deserve your support. I encourage, however, that the bill be improved to continue loan forgiveness after repayment for 20 years, especially for graduates who enter public service fields such as teaching and other human services fields that attract HBCU students.

HBCUs make strong contributions to the nation. Our institutions overproduce bachelor’s and advanced degrees to African American students in the sciences, engineering, business and management, and the health professions and prepare students to compete on a global scale. In fact, African American students attending HBCUs are more likely to go on to graduate or professional schools than African American students at other institutions, and independent surveys indicate that HBCU students have high levels of satisfaction with the education they receive. In addition, new evidence shows that HBCUs generate \$15

billion annually for the national economy as documented in a new landmark study released by UNCF, [HBCUs Make America Strong: The Positive Economic Impact of Historically Black Colleges and Universities](#). My own institution bolsters our local and regional economies by \$199 million annually.

The PROSPER Act should be amended to help HBCUs grow enrollments, continually improve student completion and post-graduate outcomes, strengthen capacity, and innovate for the future. I hope that you will take these issues into consideration as the Congress continues to work on the HEA reauthorization.

I greatly appreciate your consideration of these concerns, and your continued work on behalf of our institution and students.

Sincerely,

Mary Schmidt Campbell, Ph.D.
President
Spelman College

December 18, 2017

The Honorable David Perdue
U.S. Senate
455 Russell Senate Office Building
Washington, DC 20510

Dear Senator Perdue:

On behalf of Spelman College, our students, faculty, and alumnae, I write to express our views on H.R. 1, the Tax Cuts and Jobs Act. Spelman is a private Historically Black College and University, enrolling more than 2,100 students. Many of our students are from underserved backgrounds, fifty percent (50%) are low income, relying significantly on federal grants, loans, and tax benefits to pursue their postsecondary education. As you know, the vast majority of students attending HBCUs are first-generation, low-income, minority students who rely heavily on federal financial aid. Therefore, tax reform provisions impacting higher education deductions and credits for those who most need assistance to finance a college education are chief concerns for us.

In Spelman's case, despite those challenging demographics, we consistently serve our country by producing outstanding results. Spelman is the leading producer of Black Women scientists; the leading producer of Black Women physicians; in the top ten of Black Women tech startups; and the Best graduation rates for Black Women in all categories-private, public, elite, Historically Black Colleges and Universities and women's colleges. As demographics shift and the Black and Latino populations grow, we are cutting the availability of aid to a rapidly expanding population of students and crippling a College and others like it most effectively serving this population. Spelman along with Clark Atlanta University is in the top ten colleges for social mobility in the state of Georgia. This is a time for investing more not less in colleges like ours that are changing the life trajectory for so many of our students.

If the Tax Cuts and Job Acts is enacted with a significant impact on the deficit, our institution would be detrimentally affected by the budgetary policies that would be triggered due to the Statutory Pay As You Go (SPAYGO) Act. The Title III Strengthening HBCUs Program is one of the direct spending programs subject to SPAYGO and essential mandatory funding of \$170 million to HBCUs would be eliminated if SPAYGO is triggered. This funding supports the training of our students in the high-demand science, technology, engineering and math (STEM) professions. This budget cut would be devastating for our institution, in particular, resulting in a loss of \$878,887 thousand in each of the next two fiscal years. We urge Congress to promptly

enact legislation to waive SPAYGO or exempt HBCU mandatory funding from SPAYGO provisions.

Another consequence of the enactment of H.R. 1 may be a reduction in the economic footprint of our institution in the community, impacting jobs that Spelman College supports both on and off campus, contract services we purchase, and technology we are able to procure. According to the recently released study, [HBCUs Make America Strong: The Positive Economic Impact of Historically Black Colleges and Universities](#), Spelman College provides \$199 million in annual impact to Georgia local and regional economies. In short, reducing the HBCU federal support for our institution could shrink our local economic impact.

In addition, we strongly urge your support for higher education tax provisions that benefit our institution and the students and families that we serve. In particular, we support preserving the student loan interest deduction, strengthening the American Opportunity Tax Credit (AOTC), and sustaining the current tax exemption for tuition waivers for graduate students and college employees. As president of a private, nonprofit institution, I also strongly urge the continuation of tax-exempt bond financing for private colleges, and universities, which is an important tool to finance the campus capital improvements necessary to provide a 21st century education.

In closing, we urge you to protect HBCUs from harmful mandatory budget cuts and reductions in tax incentives that enable low and moderate-income students and families to afford college. Your support will help to preserve the impact we are able to make to the local economy and the nation.

Thank you for your consideration.

Sincerely,

Mary Schmidt Campbell, Ph.D.
President
Spelman College