



Office of Postsecondary Education
(OPE)

U.S. Department of Education (ED)

Negotiated Rulemaking for Higher Education 2011

Transcription of Public Hearing held at Loyola
University, Chicago, Illinois on
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The above-entitled matter commenced pursuant
to notice, Dan Madzellan moderating.

PRESENT:

VANESSA BURTON, Department of Education,
Office of General Counsel
DAN MADZELAN, Department of Education,
Office of Postsecondary Education
GAIL McLARNON, Department of Education,
Office of Postsecondary Education
PHIL HALE, Loyola University

SPEAKERS:

ALAN DAVIS, Empire State College
DEB BARKER-GARCIA, Corinthian Colleges
NANCY HOOVER, NDSL
VICKI SHIPLEY, NCHELP
DAVID TRETTER, Federation of Independent
Illinois Colleges & Universities
TOM BABEL, DeVry, Inc.
EVELYN LEVINO, Franklin University
DAVID HILL, Georgia Professional Standards
Commission

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P R O C E E D I N G S

(9:00 a.m.)

MR. HALE: Thank you all for coming. I am Phil Hale, Vice President for Government Affairs here at Loyola University.

And on behalf of Loyola's President, Father Michael Garanzini, and on behalf of our board of trustees and of our 16,000 students, we're very pleased to have this opportunity to welcome all of you this morning. And I am particularly pleased to welcome back the Office of Postsecondary Education for today's hearing and also for tomorrow's roundtable discussions.

And I hope everyone will forgive me if I just take this opportunity to highlight the critical role that private, not-for-profit colleges and universities do play in America's higher education system. As we examine strategies today and tomorrow among other things that encourage college completion, I would just like to remind us all

1 that 79 percent of undergraduate students who
2 attend private, non-profit colleges and
3 universities do receive their Bachelor's
4 degrees within six years. 79 percent.

5 Additionally, both first
6 generation students and students with multiple
7 risk factors who attend independent
8 institutions are more likely to graduate than
9 their counterparts at public four-year
10 institutions. And in Illinois, private, not-
11 for-profit colleges and universities are
12 actually granting more Bachelor degrees than
13 their public four-year counterparts including
14 55 percent of all minority students who
15 receive a Bachelor's degree in the State of
16 Illinois. And I'd like to thank again the
17 Office of Postsecondary Education for
18 recognizing the importance of private, not-
19 for-profit colleges and universities in higher
20 education by choosing Loyola and coming here
21 to host today's hearing and tomorrow's
22 roundtable.

1 I hope you all have a very
2 wonderful day, a productive discussion, and
3 enjoy yourselves. Thank you.

4 (Whereupon, the following
5 speaker's microphone was not functioning.)

6 MR. MADZELAN: Thank you, Phil.
7 And thank you for hosting us once again. We
8 had done this -- several years ago at the
9 Water Tower meetings in downtown New York.
10 So, we are pleased now to have the opportunity
11 to see the --

12 My name is Dan Madzelan from the
13 Office of Postsecondary Education. I'm
14 Director of the Strategic Planning, Analysis
15 and Innovation Service. And joining me up
16 here today from the Department, to my left is
17 Gail McLarnon from our Office of Postsecondary
18 Education. And to my right, Vanessa Burton
19 from our Office of General Counsel.

20 We are here this morning to hear
21 what you have to say -- oh, is my mic on?
22 We'll just have to get a little closer and

1 talk a little louder. But we are here today
2 to hear from you around what the Department
3 ought to consider in the background of
4 rulemaking -- Just a little bit of background
5 for those who may be a little new to this or
6 maybe have forgotten -- but basically an
7 Agency's -- in a rulemaking process are
8 governed by the Administrative Procedures Act
9 that basically provides for these proposed
10 rules, submitted for public comment, make that
11 public comment whereas -- or publication
12 that's not explained why the --

13 For the Title IV student aid
14 programs, we have an extra step of requiring -
15 - that is where we need a series of meetings
16 with our stakeholders and the parties
17 regularly -- to discuss and to help us
18 formulate proposed rules -- again, once that
19 occurs, we will prepare -- so this is a kind
20 of -- exercise.

21 And a little bit of -- today, we
22 are also required to engage in public meetings

1 on issues that we will take up in a rulemaking
2 negotiating -- session. Now, we did publish a
3 notice in the Federal Register. I'm guessing
4 most of you read that. That's why you're here
5 today -- We also indicated that there are a
6 couple of other topic areas that we are
7 interested in pursuing at this time other than
8 explicitly -- one is the student loan
9 discharge -- we made some changes in
10 rulemaking a year or so ago -- We are
11 also interested in -- because of the all our
12 student loans now are -- through the Direct
13 Loan Program. We are interested in -- we hope
14 they -- to other program areas --

15 So, those are a couple of areas
16 that we're interested in -- what we are not
17 interested in at this time is comments around
18 regulations that are not yet effective -- we
19 are moving forward to this next round. There
20 are other topic areas that we --

21 The format of the day, the format
22 of these hearings is we will transcribe them.

1 We will make the transcripts available from
2 our website. I believe that -- the format is
3 get your name on the list to speak. Everyone
4 is allowed to speak -- And we ask you to
5 limit your comments to 10-15 minutes -- But
6 again we ask that you stay on topic. If you
7 are signed up to speak, we will go down the
8 list. And if you haven't signed up to speak
9 and you would like to speak, again then please
10 sign up -- But we hope when you do come up to
11 the podium please -- state your name, where
12 you're from and who you represent --

13 All right. And with that, we will
14 have our first speaker, and it's Alan Davis.

15 MR. DAVIS: Good morning, thank
16 you. My name is Alan Davis. I am President
17 of Empire State College at the State
18 University of New York. I'm new to this and
19 I'm not sure if this is on topic but it's
20 short.

21 I appreciate the opportunity to
22 address the Department at this hearing as it

1 considers issues for consideration for action
2 by the negotiating committees. For 40 years,
3 SUNY's Empire State College has created
4 alternative, flexible and rigorous approaches
5 to serving those traditionally under-
6 represented in higher education. We do this
7 at 35 locations across New York State, and
8 online to students across the state, and in
9 fact in all 50 states. We comply with all
10 state requirements and are monitored by the
11 state legislature which sets our tuition level
12 and regulates it directly both by the SUNY
13 Board of Trustees and the New York State
14 Education Department.

15 We've been acknowledged as one of
16 the top adult learner, veteran and military
17 learner friendly institutions in the nation,
18 and we've received many awards for our
19 innovation and our commitment to open learning
20 in its many forms. This year, the Department
21 has chosen to enforce the Higher Education Act
22 of 1965 with respect to distance education,

1 requiring all providers such as our college to
2 seek and obtain authorization in each state
3 where we have one or more online learners. As
4 you know, this decision to enforce the Act in
5 this way was a surprise and has received a lot
6 of reaction from all areas of higher
7 education. The intention of the new
8 enforcement mechanism is to encourage each
9 state to review and ensure the program
10 integrity of all distance learning degrees and
11 courses being offered to students in their
12 state by external providers.

13 We agree with this goal. However,
14 there is no real assurance that such a review
15 will take place. New fees may be imposed and
16 detailed documentation submitted, but
17 approvals may be delayed or withheld with
18 little or no explanation. States that already
19 have regulations may change them, adding any
20 number of new submission requirements. And
21 states that do not currently have regulations
22 in this area, such as my home State of New

1 York, may establish them. They may also
2 decide to impose substantially higher
3 registration fees and annual renewal charges
4 which could quickly escalate nationally.

5 We are now being given the
6 opportunity to show good faith in our
7 endeavors to obtain applicable state
8 authorizations by July of this year with
9 complete compliance expected by July 2014. We
10 do of course agree that regulation is
11 seriously needed to ensure quality and
12 protection for learners and to do something
13 about the inappropriate behavior of certain
14 corporations which have made large profits
15 from tax dollars in the form of federal aid,
16 charging high fees for minimal quality in
17 service, and leaving many students with huge
18 loans they are not able to repay.

19 The problem with the approach by
20 the Department is that it will not solve the
21 issue it is trying to address. The process of
22 jumping through all the different and multiple

1 state hoops and paying the associated fees
2 will not ensure quality and value for students
3 and protection for the taxpayer. The Internet
4 has changed our society and our economy in
5 many ways, and this has happened rapidly.
6 There are many examples of where it has
7 created opportunity and transparency,
8 connected people with each other in rich and
9 important ways, and it is fundamentally
10 changing higher education.

11 It has created opportunity and
12 choice for previously under-served learners.
13 It has helped states increase access to
14 affordable education. And it will be
15 essential to any hope of reaching the targets
16 for degree completion across the population;
17 and thus, ensuring economic and social health
18 set by the President, by the Lumina
19 Foundation, and by other authorities.

20 On the other hand, these powerful
21 technologies have created a lot of temptation
22 for quick profits, and in many areas of our

1 society we are struggling to come up with laws
2 and policies that ensure the benefits of
3 emerging communication technologies but which
4 protect us from its abuse. With five million
5 learners and growing, online distance
6 education in the United States is an
7 increasingly important aspect of the higher
8 education system. And given that, I believe
9 the U.S. Department of Education should
10 consider this a great opportunity to take a
11 new approach that leads to the development of
12 a national standard to assess online higher
13 education that will ensure rigor and value for
14 both the learner and the taxpayer.

15 There is a lot of goodwill amongst
16 online providers of all stripes and among each
17 of the state authorizing agencies to engage in
18 such a project. And there are long-
19 established examples of interstate cooperation
20 that can be built upon and emulated. In its
21 recent white paper, for instance, the
22 President's Forum has proposed a common,

1 substantive template of data requirements,
2 standards, criteria and processes that could
3 enable reciprocal compacts between the states
4 that use the template. Thus, authorization
5 would remain with the states but will become
6 consistent, efficient and effective for all
7 concerned across the nation.

8 This is the role that we need the
9 Federal Government and this Department to play
10 in order to help us better serve learners all
11 across the nation, and US citizens serving and
12 working around the world.

13 Respectfully submitted, thank you
14 very much.

15 MR. MADZELAN: Thank you very
16 much. Deb Barker-Garcia?

17 MS. BARKER-GARCIA: Good morning.
18 I'm Deb Barker-Garcia, Vice President of
19 Financial Aid at Corinthian Colleges.
20 Corinthian is one of the largest postsecondary
21 education organizations in North America. We
22 offer diploma and degree programs that prepare

1 students for careers in healthcare, business,
2 criminal justice, transportation technology,
3 construction trades, and information
4 technology. We have 122 Everest, Heald and
5 WyoTech campuses, and also offer a variety of
6 degrees online. We have approximately 105,000
7 students.

8 And my comments today all focus on
9 two subject areas. First, modifications to
10 the income-based repayment plan regulations
11 and, second, other changes to the regulations
12 governing the federal student loan programs to
13 facilitate improvements in loan servicing that
14 will promote student loan repayment.

15 First, income-based repayment.
16 Income-based repayment or IBR is a vitally
17 important option that should be readily
18 available to graduates of postsecondary
19 institutions. It's even more important in a
20 period of economic recession, high
21 unemployment, and low job growth. In the next
22 negotiated rulemaking, the Department should

1 examine how to make it easier for us to
2 establish IBR plans.

3 We have several suggestions.
4 First, enable online IBR applications and
5 processing of those applications. Second,
6 allow electronic transmission of IRS data to
7 support IBR applications. This is already
8 done with the FAFSA and there is no reason why
9 this shouldn't be or couldn't be done for IBR
10 applications. And third, promote consistency
11 among servicers on when IBR plans can be
12 established. Currently, servicers have
13 significantly different requirements. For
14 example, Sallie Mae will allow IBR plans to be
15 set up 30 days prior to the loan going into
16 repayment, Nelnet requirement is 45 days. Fed
17 Loan Servicing is 60 days.

18 In my experience, IBR plans should
19 be permitted as early as possible. Students
20 should have established a repayment plan that
21 they can afford before they even have the risk
22 of becoming delinquent on their loans. We

1 should be able to discuss the IBR option in
2 the grace counseling period and set up an IBR
3 plan as early as possible in that period.

4 Loan servicing improvements. We
5 have considerable concerns about the expansion
6 of loan servicing to over a dozen servicers.
7 We believe that as more services are added,
8 confusion will increase for borrowers and
9 schools. Moreover, we are concerned about the
10 use of the allocation method for distributing
11 servicing responsibilities. Frankly, some of
12 the smaller state servicers' performance with
13 FFEL loans and their lack of infrastructure
14 today raise doubts that they will be able to
15 service loans adequately to the detriment of
16 borrowers and institutions.

17 We believe that the solution is to
18 do away with the allocation method and to
19 permit institutions to choose servicers based
20 upon their performance. In a competitive
21 marketplace, servicers will have an incentive
22 to create and maintain products and services

1 that benefit borrowers. One service that
2 should be available now under the Direct
3 Lending Program that was previously offered
4 under FFELP is the default aversion products
5 and services.

6 We have several additional
7 specific suggestions that would improve
8 servicer performance. First, servicers should
9 provide a portfolio report that provides
10 information on delinquent status in a
11 consistent way and that has consistent fields.

12 This report should achieve what CommonLine
13 accomplished in the FFEL Program. The
14 Department can play a crucial role in the
15 development of these standard file formats.

16 Secondly, NSLDS should provide
17 current delinquency information in the school
18 portfolio report. Finally, we respectfully
19 request that the Department cease instructing
20 servicers to report loan defaults at 270 days.

21 Instead, put loan default data and NSLDS
22 should match information on Direct Loan

1 defaults which occur after 360 days. We
2 believe there to be no statutory requirement
3 for reporting loan defaults at 270 days.

4 On behalf of Corinthian, I
5 appreciate the opportunity to provide our
6 views and suggestions to you. We hope that
7 the forthcoming negotiated rulemaking will
8 rationalize the regulations governing the
9 Federal Student Loan Programs and are ready to
10 contribute to those efforts. Thank you.

11 MR. MADZELAN: Thank you.

12 MS. HOOVER: Good morning. My
13 name is Nancy Hoover. I'm the Director of
14 Financial Aid at Denison University and I'm
15 the current Chair of the National Direct
16 Student Loan Coalition.

17 I speak to you today on behalf of
18 the National Direct Student Loan Coalition, a
19 grassroots organization comprised of schools
20 dedicated to the continuous improvement and
21 strengthening of the Direct Loan Program. Its
22 members are practicing financial aid

1 professionals working at participating
2 institutions. I'd like to thank the Secretary
3 for the opportunity to provide the Department
4 of Education with comments on the Federal
5 Student Loan Programs that may be addressed in
6 the negotiated rulemaking process later this
7 year.

8 First and foremost, the Coalition
9 wants to extend its thanks and congratulations
10 to the staff of the Department of Education,
11 and especially at Federal Student Aid for the
12 tremendous success in moving all 5,000 plus
13 schools to the Direct Lending Program. While
14 some in our industry predicted that this would
15 be an impossible task, the fact is that there
16 has not been a report of even one student who
17 was denied access to Stafford Loan funds this
18 year as a result of the schools making the
19 transition to Direct Lending. This transition
20 could not have been more successful for
21 schools or students.

22 To ensure that the Federal Direct

1 Loan Program continues to be strong and viable
2 source of loan funding for students, we wish
3 to address regulatory issues in four areas:

4 The first area, simplification of
5 origination regulations. The Healthcare and
6 Education Affordability Reconciliation Act of
7 2010, HR4872, requires that all new federal
8 loans beginning with the 2010-11 academic year
9 be originated in the Direct Loan Program. The
10 Direct Loan regulations continue to cross
11 reference regulations for the Federal Family
12 Education Loan (FFEL) which Congress ended
13 with HR4872. With so many new administrators
14 in the Direct Loan Program needing quick,
15 easy-to-read regulatory language to ensure
16 compliance with the origination records for
17 Direct Loans, it is important to simplify the
18 federal loan regulations by negotiating a
19 clear, concise, stand-alone set of Direct Loan
20 regulations that eliminate any cross reference
21 to the FFEL Program.

22 Area number two, servicing. One

1 of the trademarks and richest features of the
2 Direct Lending prior to this year was that all
3 Direct Loans were serviced by the same
4 servicer. Every Direct Loan borrower and
5 school staff member knew exactly where a
6 student's loan was held and knew who to call
7 with questions. The National Direct Student
8 Loan Coalition recognizes that the Department
9 of Education now uses multiple contractors for
10 the servicing of federal student loans, but we
11 encourage new regulatory language to address
12 the following issues that are inherent when
13 multiple servicers compete for servicing
14 contracts.

15 1.A single interface between students and
16 schools and all servicers to avoid
17 confusion that now occurs when schools
18 attempt to counsel students with loans
19 held by multiple servicers.

20 2.Transparency to borrowers and their families
21 about the contractor that is serving
22 their loans in repayment.

1 3.The Department's vigilance in monitoring the
2 servicing contracts to ensure accurate
3 data is provided by the servicer to the
4 Department for the calculation of the
5 cohort default rates.

6 4.Capitalization of interest for borrowers
7 that is consistent with the historical
8 Direct Loan methodology that is
9 transparent to borrowers and that is
10 uniformly practiced by all contracted
11 servicers.

12 5.Exit counseling requirements that ensure the
13 provision of helpful information about
14 consolidation options that benefit
15 borrowers with multiple loan types.

16 Third area, total and permanent
17 disability. The Coalition requests that the
18 Department of Education negotiate rules with a
19 final result that is fair to both permanently
20 disabled borrowers and federal taxpayers.
21 Currently, students are required to submit
22 multiple applications for loan discharge and

1 are monitored for up to three years after
2 being granted the permanent disabled status.
3 We encourage the Department to develop a less
4 intrusive and simplified process that retains
5 the integrity of the current one.

6 The last area is operations.
7 Regulations for the Direct Loan Program
8 encompass both the policy and operational
9 aspects of the program. With all federal
10 loans and grants processed through one system,
11 the Common Origination and Disbursement
12 system, student aid processing and delivery is
13 now focused on the student rather than on each
14 individual program. It is absolutely critical
15 that the Department ensure that regulations
16 address the need for a system concept like
17 COD. Any solution that does not retain the
18 ease in use and understanding of our current
19 COD system will set students and schools back
20 significantly.

21 The standardization of the common
22 record file formatting in such a system is

1 essential for the following reasons.
2 Standardization of the common record format
3 streamline student eligibility, changes for
4 funds, and ensure students receive their funds
5 on time. The standardization of the common
6 record format simplifies and enables quick
7 programming that is required by software
8 vendors to deliver funds for new programs that
9 Congress develops. For each program in COD, a
10 school or third party servicer is assigned the
11 same customer service rep team to facilitate
12 origination and disbursement processing and
13 issue resolution, providing more time for
14 financial aid professionals to counsel
15 students about all aspects of their financial
16 aid.

17 Before the COD system, schools did
18 not have any online capability to make any
19 corrections, changes, process emergency
20 requests, and check processing status to help
21 resolve issues for students quicker and to get
22 their aid disbursed immediately. The COD

1 system provides accountability because the
2 funding for all programs is processed through
3 one system, G5. Monthly and annual
4 reconciliation process decrease fraud and
5 abuse by ensuring that all funds are accounted
6 for on a timely basis. Every disbursement
7 record for a student fund is recorded in the
8 system to ensure accountability for the
9 individual student's records. The COD system
10 now contains information about the servicer to
11 which the student's loans have been assigned.

12 Over multiple academic years and
13 institutional enrollments, a student's record
14 remains in a single record within the COD to
15 ensure greater ease in schools' compliance
16 with federal regulations.

17 In closing, I'd like to thank you
18 again for the opportunity to present this
19 testimony on behalf of the National Direct
20 Student Loan Coalition. Many of our members
21 were the first schools to implement the Direct
22 Loan Program over 15 years and have years of

1 expertise in operational and policy issues as
2 well as compliance with the regulations for
3 the program. The Coalition looks forward to
4 participating in the negotiated rulemaking
5 process that will occur in 2011. I would be
6 happy to answer any questions that you might
7 have.

8 MR. MADZELAN: Thank you very
9 much. Now it works. Thank you. Vicki
10 Shipley?

11 MS. SHIPLEY: Good morning. My
12 name is Vicki Shipley. I'm Senior Adviser
13 with the National Council of Higher Education
14 Loan Programs (NCHELP). NCHELP is a non-
15 profit association of guaranty agencies,
16 secondary markets, lenders, loan servicers,
17 collection agencies, schools and other
18 organizations involved in higher education
19 access and finance.

20 First of all, I'd like to thank
21 the Department for their continued support of
22 negotiated rulemaking and involving the

1 community. We feel, we know that it is a very
2 tedious process but we support it. We think
3 that we definitely come out with better
4 regulations as a result of the community
5 involvement. So, thank you and we definitely
6 are interested in this next round.

7 We will be submitting specific
8 recommendations tomorrow. I have just general
9 comments right now, but you'll get some more
10 specific recommendations tomorrow via your
11 portal. Our general comment though is first
12 related to the items that were on the
13 Department's list.

14 Income-based repayment. We
15 continue to be a supporter of repayment plans
16 that truly provide repayment options, viable
17 repayment options for borrowers, and
18 especially borrowers who are struggling to
19 make repayment plans work. Now that we've had
20 a couple of years of IBR experience under our
21 belt, we do appreciate the Department's
22 continued help in answering our many Q&As.

1 Every time we think we completely understand
2 IBR, we have a series of very detailed
3 operational questions that we find that
4 sometimes we just don't, you know, we don't
5 quite understand and we need to make sure that
6 we're doing the right thing for these
7 borrowers.

8 So, as in past negotiated
9 rulemaking, sometimes we have not had all the
10 time to finish it, so we do look forward to
11 implementing another round that lets us go
12 deeper into these IBR regulations where we can
13 go in and get it right as it relates to, be it
14 consistency or things that hopefully we can do
15 to make it more borrower friendly in the
16 process. And we also, as a result of some of
17 these Q&As, we may have a few more coming your
18 way. And based on your response, we may have
19 some specific recommendations, especially
20 related to the infamous delinquency before
21 repayment and what to do and how to handle
22 those. So, you may have some things coming in

1 over the summer based on those Q&As. So,
2 again, thank you for that.

3 Total and permanent disability
4 discharge. We are also very encouraged to see
5 TPD back on the list. I think we've been
6 working on this one for over a decade now.
7 And even though progress was made in the last
8 round, we do believe there is certainly room
9 for improvement. We know that sometimes they
10 get caught, the borrowers would get caught up
11 in the paper chase and how do we still protect
12 the federal fiscal interest but make sure that
13 eligible borrowers have a true process and one
14 that doesn't leave them hanging.

15 We are encouraged also that we
16 think it's important to make sure that the
17 process still includes borrower advocates such
18 as guaranty agencies and others who continue
19 to help borrowers through this process. So,
20 we believe that that is important in terms of
21 maintaining the role that the borrower
22 advocates play.

1 We understand also that the
2 Department may be coming out with some either
3 guidance or clarification regarding the use of
4 copies of applications rather than having
5 original signatures. I know that's something
6 that we've been pursuing for many, many years
7 be it through the forms process or through
8 negotiated rulemaking. So, we are hopeful
9 that that rumor is true and we are supportive
10 of that. And we look forward to that change
11 to hopefully implement some of these quick and
12 easy ways in terms of addressing some of the
13 inefficiencies and complexities of TPD.

14 Another item, under the category
15 of borrower-centric, transitional efficiencies
16 from FFELP to Direct Lending. This is
17 basically our justification for just in time
18 reinsurance payment. Guaranty agencies
19 continue to be committed to their role as
20 borrower advocates, providing important local
21 services such as delinquency and default
22 aversion services. Given today's transitional

1 period and nature in which guaranty agencies
2 are operating and the fact that default
3 aversion fees are paid out of the agency's
4 federal reserve fund, it's important that the
5 Secretary pay reinsurance on a much more in
6 line with statutory requirements promptly and
7 without administrative delay.

8 We would respectfully request that
9 the Department look at implementing a process
10 that some of the guaranty agencies use under
11 the voluntary flexible agreement process that
12 would basically pay reinsurance within 48
13 hours of the agency's request. We recommend
14 that the Department, if they were able to do
15 this, this would ensure that all guaranty
16 agencies have adequate resources to fulfill
17 their default aversion responsibilities. And
18 we also believe that this probably could be
19 accomplished without regulatory change,
20 knowing that it's already in place for some of
21 the guaranty agencies on the VFA.

22 And then, as the Department

1 further looks to streamline the loan program
2 regulations by repealing unnecessary FFEL
3 Program regulations, we recommend the
4 Secretary consider the applicability of
5 outdated FFELP laws and regulations with
6 regard to the measurement of progress of the
7 loan program, especially when a loan program
8 is no longer making new loans. And
9 specifically, we're talking about current
10 metrics such as loan volume, portfolio size,
11 reinsurance and reserve ratios that really are
12 no longer relevant in terms of how a guaranty
13 agency is doing or performing their activities
14 because of a suspended loan program. So, we
15 welcome the opportunity to work with the
16 Department to develop new metrics, metrics
17 that are meaningful, that truly identify the
18 transitional nature of the FFEL Program as
19 well as other borrower friendly, transitional
20 efficiencies and services that the guaranty
21 agencies continue to provide to these
22 borrowers.

1 Lastly, streamlining the loan
2 program regulations. We continue to look at
3 borrower friendly ways that, and in fact this
4 relates to the regulatory relief initiative
5 that I believe President Obama had put in
6 place earlier this year. We had sent you, I
7 think, 15 recommendations in March. We have
8 now, we've looked at those recommendations
9 again and we have a revised list that will be
10 sent. We tweaked it a little bit, some of the
11 same ones. No, it's still 15, maybe 16.

12 So, the list is still the same.
13 We'll be looking at, still looking at trying
14 to, and Gail, you'll love this one, meaningful
15 disclosures. We still are not convinced that
16 the disclosures are still meaningful in all
17 cases and that they're, you know, getting the
18 right disclosure at the right time. There is
19 also, we believe, some relief that could be
20 provided for borrowers in the military, trying
21 to make it more easy for them to receive the
22 benefits in which they are entitled. And

1 also, equal default aversion activities for
2 all borrowers regardless of what loan program
3 they're in, be it Direct Loan or FFELP. And
4 then there are some guaranty agency items to
5 clarify record retention and also program
6 reviews.

7 So, that list will be coming your way
8 tomorrow also with specific recommendations,
9 reg language, and we look forward to the
10 opportunity to hopefully either see some of
11 those on the list or incentive for a bonus
12 round. Dan, as I mentioned, the three times
13 rule will be on there. We believe that all of
14 these things are very important as it relates
15 to providing borrowers with real repayment
16 options, and some of these things just don't
17 serve a purpose anymore in terms of, you know,
18 when they were put in place. And we've got
19 them almost there in other negotiated rounds,
20 so we're going to try to see it again.

21 Also, through the years, the
22 NCHelp regulations committee has continued to

1 maintain a list of what we affectionately call
2 technical corrections. I think through the
3 years our list is now up to about 190. We
4 realize as you go back and clean up the FFELP
5 regs and align the Direct Loan and stand alone
6 regs, some of those technical corrections may
7 no longer be applicable. But in the spirit of
8 true cleanup, I mean I think we're up to 190
9 technical corrections, we've got about 5 more
10 we'll send you tomorrow. But we're hopeful
11 that those technical corrections can be looked
12 at because we do feel that those are important
13 going forward in terms of making sure the
14 regulations indeed reflect policy operations
15 of what we're doing and what we are going to
16 be doing.

17 So, thank you again for the
18 opportunity and we'll submit the detailed
19 formal recommendations tomorrow. Thank you.

20 MR. MADZELAN: Thank you. David
21 Tretter?

22 MR. TRETTER: Good morning. My

1 name is Dave Tretter. I'm the President of
2 the Federation of Independent Colleges &
3 Universities which is an advocacy organization
4 here in Illinois representing over 60 not-for-
5 profit private colleges and universities
6 including our host, Loyola, here this morning.

7 These institutions currently serve over
8 200,000 students throughout the state. The
9 independent colleges and universities
10 certainly are a vital contributor to the
11 Illinois higher education system both in terms
12 of the capacity and the diversity of the
13 students enrolled. In fact, my members
14 annually graduate over 40 percent of all the
15 baccalaureate degrees here, 55 percent of all
16 the health-related degrees, and a majority of
17 graduate degrees. The quality and diversity
18 of these institutions is important in Illinois
19 and relevant nationally as we work together to
20 meet the educational goals set out by the
21 Secretary and the President of the United
22 States.

1 Because we are on a Jesuit campus,
2 I'll try to be mercifully brief this morning
3 as I was trained, but let me concentrate on
4 two points if I can. And again, thank you for
5 the opportunity to offer some comments here
6 this morning and thank you for making the trip
7 to Chicago.

8 Specifically, we are requesting
9 that the negotiated rulemaking agenda include
10 the rescision of regulations dealing with state
11 authorization and federal definition of credit
12 hour that are scheduled to take effect July 1
13 of this year. Over 70 higher education
14 associations and accrediting organizations
15 have contacted the Secretary to ask that these
16 regulations be rescinded. To my knowledge,
17 the Secretary hasn't responded yet which is of
18 course his prerogative to do. But to the
19 extent that negotiated rulemaking process
20 would be required to take this action, we
21 request that the rescision of these two
22 regulatory provisions be included in any

1 upcoming sessions.

2 On the two topics, with respect to
3 the credit hour issue, we feel that having a
4 federal definition of credit hour puts the
5 federal government square in the middle of an
6 academic decision making process and limits
7 the ability of institutions to respond to new
8 models of higher education. Secondly, the
9 credit hour decisions we feel are
10 appropriately made in an academic, not a
11 regulatory setting. The notion of a credit
12 hour has been remarkably resilient in
13 providing a common understanding on what's
14 required across a huge variety and levels of
15 course work.

16 As many of you know, credit hour
17 decisions are largely made by faculty members
18 and require informed judgments at the local
19 level. By its very nature, we feel a
20 regulatory requirement seeks standardization
21 and conformity, makes sense, but we don't
22 think that that can provide the kind of

1 breadth and adaptability that current
2 practices have provided. We also feel that,
3 we doubt that any amount of clarification by
4 the Department can surmount what we think is
5 the inherent problem of imposing the rigid
6 federal regulations in this area, and really
7 an area or a process that's allowed our system
8 of higher education to grow and improve and
9 respond to changing circumstances.

10 With regard to authorization,
11 Illinois schools have been delivering quality
12 higher education for decades. In fact, many
13 of my members in the city here have been
14 around almost as long as the state has been
15 incorporated. Long-standing arrangements have
16 worked well in the overwhelming majority of
17 cases. We feel it's inappropriate and
18 unnecessary for the federal government to
19 require states to, in this case, second guess
20 the explicit decisions that have already been
21 made about meeting the authorization
22 responsibilities.

1 This isn't necessarily the forum
2 for anecdotal examples, but I can tell you I
3 have a member right down here in the city
4 that's operated here for 125 years. You'd
5 know the name if I said it. Highly respected.

6 The graduates have a great success rate, high
7 graduation rates, low in default rates, et
8 cetera. They do a wonderful job, and yet they
9 could get caught by the net of some of these
10 potential regulations coming, some as soon as
11 July 1, and are very worried that they won't
12 be able to operate next year.

13 We are working with our state
14 coordinating board. We know there's a
15 relationship there between what is going on at
16 the federal level and the state level. But
17 we're not confident that those things are
18 going to come together in a timely enough
19 manner. And so, we have very serious concerns
20 about institutions that are doing a good job
21 that might get caught up in some of these
22 regulations and frankly not be able to

1 operate.

2 The distance education component
3 of the regulation also has been a source of
4 particular confusion and concern to some of
5 our members. Many institutions offering
6 distance education programs remain unsure
7 about what they need to do to be in
8 compliance. And in fact, when I talked to our
9 state coordinating board, they're unsure about
10 how that works and the relationship between
11 the fed and the states on this particular
12 issue.

13 Again, thank you for the time, for
14 making the trip. I will submit my comments
15 through the portal. Thank you.

16 MR. MADZELAN: Thank you. Tom
17 Babel?

18 MR. BABEL: Thanks. It's good to
19 come and talk about something other than
20 gainful employment.

21 So, my name is Tom Babel. I'm the
22 Vice President for Regulatory Affairs at

1 DeVry. And I would like to thank the
2 Department for holding these regional hearings
3 and continuing kind of its history of
4 transparency into the process.

5 My remarks today will address
6 DeVry University's efforts to improve college
7 completion. Our drive for greater rates of
8 college completion are not only crucial to the
9 success of our students, but also essential to
10 meeting the President's 2020 goals and
11 fielding a workforce that can compete in the
12 global economy. The accomplishment of that
13 goal will rest on our collective ability to
14 serve and graduate students historically
15 referred to as nontraditional.

16 DeVry University has been serving
17 nontraditional students since its inception
18 more than 80 years ago when it first began
19 training students in the new and emerging
20 field of electronics. Like the face of all
21 higher education, the face of the
22 nontraditional student has changed in those 80

1 years. And though it continues to be the
2 population we serve, it is now the population
3 served by all of higher education.

4 There are 27 million students
5 enrolled in our nation's colleges and
6 universities today. About 7 million or 25
7 percent of those fit the definition of a
8 traditional student. 20 million are
9 nontraditional students, what we at DeVry have
10 always called our students. They are first
11 generation students, typically over 25 years
12 of age, and often with families of their own
13 to support.

14 These are the students whose
15 college completion rate we must increase if we
16 are to meet the President's call. We as an
17 industry are challenged to do so even though
18 the structure of higher education is still
19 oriented to serving traditional students
20 including who we count, how we measure
21 success, how we determine financial aid, and
22 in the way we regulate institutions.

1 At DeVry, we have come to
2 understand there is no silver bullet, or
3 broad-ranging killer app. to address all the
4 challenges that come with educating this
5 growing population of students. The solutions
6 will be as diverse as the students themselves.

7 The successful institutions will be those
8 with the passion to serve and the perseverance
9 to adapt to the needs of these students.

10 While we have a long history in
11 serving nontraditional students, we do not
12 profess to have it perfected. We have a long
13 way to go until our graduation rate is where
14 we want it to be. But we're making progress.

15 Although we have had as many failures as
16 anyone in developing and implementing
17 solutions to improve the graduation rate, we
18 are seeing progress of several initiatives
19 that I would like to briefly talk about today.

20 The first initiative is the one
21 which I call intrusive engagement and our
22 campuses call student central. It is an

1 initiative recently studied and reported by
2 the Pell Institute for the Study of
3 Opportunities in Higher Education and found to
4 be a promising practice in helping
5 nontraditional students succeed. It starts
6 with a prospective student who is assigned to
7 a student finance advisor and a student
8 success coach as they come in the door. These
9 two people are assigned to the student for the
10 life of his or her enrollment. They will
11 assure that the entering student has a roadmap
12 to attaining their degree and financing their
13 education.

14 One of the characteristics that
15 sets apart nontraditional students from their
16 counterparts is a lack of confidence in their
17 ability to succeed. Their education can be
18 derailed by even the most trivial of
19 obstacles, like missing their train here in
20 Chicago. One of the primary goals of our
21 student central teams is to instill that
22 confidence. They do so by actively monitoring

1 the student's academic performance and their
2 financing. They are tasked and held
3 accountable with talking to the students on a
4 regular basis, sometimes as frequently as each
5 week, in order to identify and resolve any
6 barriers getting in the way of a successful
7 outcome.

8 A second initiative is a
9 commitment to customer service. That notion
10 rankles many in higher education, but we
11 believe that without that commitment and
12 recognition, that our students or consumers
13 who have other life options, many will choose
14 those other options. In addition to typical
15 survey mechanisms, we use a system called the
16 net promoter score. The net promoter score
17 provides a quantitative assessment of how well
18 we are serving our students. Only those
19 students rating our service and instruction a
20 9 or a 10 on a 10-point scale count.

21 We measure the score at the end of
22 every class session, that is, every week.

1 Over the past two years, we have seen a better
2 than 50 percent improvement in our net
3 promoter score. And during that same period,
4 which we believe not coincidentally, we have
5 seen our student persistence also improve
6 almost every session.

7 The third initiative I'd like to
8 highlight is the offering of modalities of
9 education that are designed to help the
10 student succeed. This first started at DeVry
11 University with a shift from the standard 15-
12 week course structure to 8-week courses. We
13 made the shift after several years of running
14 the two options side by side and studying the
15 results across almost every demographic screen
16 we could think of: age, gender, program of
17 study. We found that our students performed
18 better in the 8-week modules than in the 15-
19 week semester courses.

20 Concurrent with this shift, we
21 began developing our online and blended
22 learning environments. These environments

1 require interaction from the student and
2 create many more opportunities for faculty to
3 individually engage with students. Students
4 who previously lacked the confidence to ask
5 questions or offer answers in the classroom
6 are now individually coached by faculty to
7 succeed. Together with the peer onsite
8 offerings, students have a choice to take
9 courses that best fit their learning style and
10 life demands.

11 Students are drawn to DeVry
12 University because of the promise of a
13 rewarding career. In fact, 88 percent of all
14 graduates from 2009 who are active in the job
15 market were employed in their chosen field
16 within six months of graduation. Over the
17 past five years, the top five employers
18 nationwide of DeVry University graduates are
19 all Fortune 100 companies -- AT&T, Verizon
20 Communications, General Electric, Intel and
21 IBM. The average earnings of our graduates in
22 the first year on their job exceeds the

1 average family income for independent
2 students.

3 This is an incredible
4 socioeconomic lift for our students. The
5 promise is clear to them. But what is not for
6 many of our students is the academic rigor and
7 the work that is needed to be successful.

8 With the intrusive engagement
9 model discussed above, by both faculty and
10 staff, we are seeing positive returns and
11 believe we are on the right path. But
12 obstacles remain. More than 70 percent of
13 DeVry students are outside of this nation's
14 measuring system. For some it's because they
15 are returning or transferring students. For
16 others it's because they enroll part-time and
17 so for others they are classified as failures
18 because their individual educational
19 attainment horizon is much longer than six
20 years.

21 They are hindered because the
22 financial aid system is designed to serve the

1 traditional full-time student, or full-time
2 semester/quarter based student attending from
3 September through May. The 8-week session
4 which serves our students so well academically
5 fails to serve them when it comes to financial
6 aid delivery. As a nonstandard term, the
7 student who is most likely to have to drop a
8 course to care for other life needs is most
9 penalized by requirements to succeed in all of
10 those classes. Nontraditional students who
11 typically face many more financial challenges
12 than traditional students have far less in
13 financial assistance resources available to
14 them.

15 We know that these students have a
16 more urgent need to continue their studies
17 uninterrupted. In fact, we know that even
18 planned, short interruptions end up becoming
19 years or permanent. Yet with the elimination
20 of year-round Pell funding and awarding
21 restrictions on FSEOG grants and low-cost
22 Perkins Loans, nontraditional students' only

1 funding alternatives for much of their studies
2 are higher costing Stafford and private loans.

3 We know we have institutional
4 tools to help improve the college completion
5 rate. And with hard work and perseverance, we
6 will be successful in so doing. But to go all
7 the way, we need to modify all of our
8 structures.

9 So, thank you again for listening.
10 I appreciate the opportunity.

11 MR. MADZELAN: Evelyn Levino?

12 MS. LEVINO: Hello. Thank you for
13 this opportunity to provide input into the
14 process for negotiated rulemaking. My name is
15 Evelyn Levino and I'm the Vice President for
16 Institutional Compliance & Government
17 Relations at Franklin University.

18 To provide you some context for my
19 comments, I will provide a profile about
20 Franklin so that you can understand the
21 nontraditional roots that we have and how it
22 plays into the regulations that are based on

1 information from outdated, traditional
2 definitions.

3 We were established in 1902 and
4 accredited by the Higher Learning Commission.

5 We're a private, not-for-profit school. Our
6 main campus is in Columbus, Ohio. We offer
7 Associates, Bachelor's and Master's degrees,
8 and we are open admission. We traditionally
9 serve the adult students. 80 percent of our
10 student body is 25 and above. Our average
11 undergraduate student is 32 years old. 11,000
12 students enroll annually and 90 percent of
13 those transfer into Franklin.

14 Similar to community colleges, we
15 have no dormitories, nor do we have any sports
16 teams. The first online program was offered
17 at Franklin in 1998 and we now offer over 65
18 percent of our credit hours online. We have
19 two programs: one is a virtual program, the
20 other one is a community college alliance
21 program. We have agreements with over 280
22 community colleges to offer this program. The

1 student completes the Associate's degree at
2 the community college, takes additional course
3 work at the community college, and then the
4 last 40 hours are offered online at Franklin
5 for the completion of their Bachelor's degree.

6 Our academic year runs fall,
7 winter, summer. And this is important because
8 only 40 to 45 percent of our students actually
9 start in the fall. We offer accelerated
10 programs. Most of them are in 6-week course
11 formats with 4 credit hours. We also offer
12 centrally designed curriculum with doctoral
13 qualified instructional designers, course
14 content experts and developers. And they're
15 reviewed every two years, or sooner in the
16 case of rapidly evolving knowledge areas such
17 as technology.

18 So, in essence, we were
19 nontraditional when nontraditional wasn't
20 cool. And we were innovative when the
21 learning management systems didn't even exist.

22 I applaud the United States

1 Department of Education on their efforts and
2 focus on student access and success. Both are
3 important. But keeping the goal in mind makes
4 the pathway clearer. Education for Americans
5 is a matter of vital public policy and
6 concern. The college completion toolkit
7 published by the Department is a fantastic
8 example of an effort to not only provide
9 guidance for state strategies but also to
10 encourage collective and collaborative efforts
11 between federal, state and private entities to
12 increase success for students from college
13 readiness and preparedness through college
14 completion. I am pleased to say that Ohio is
15 a member of the Complete College American
16 Alliances of States and other efforts.

17 There are few areas within the
18 strategies outlined that warrant some
19 additional comments. First is the definition
20 of success. As a university administrator, I,
21 too, look for these success measurements with
22 access, retention, and completion. However,

1 we should also consider other milestones or
2 goals the students may have. The goal may not
3 necessarily be a degree completion, but
4 instead it may be educational attainment for
5 employment or promotional opportunities. This
6 is underscored by the number of students who
7 obtain promotions or new positions while
8 pursuing their education. I've seen more than
9 just a few students drop out to focus on a job
10 promotion or other family issues.

11 Another nuance is that, in this
12 scenario, only degree-seeking students are
13 eligible for financial aid. This may inflate
14 the number of degree-seeking students in the
15 statistics. As Sisyphus demonstrated, rolling
16 the rock uphill, there is definitely value in
17 the process.

18 It's already been mentioned that
19 the completion or graduation rate definition
20 that's used for IPEDS has flaws. It does not
21 include part-time students or transfers. I
22 contend that it goes a little further than

1 that. It does not include students who start
2 in any other term besides the fall term. This
3 alone excludes roughly 60 to 65 percent of
4 Franklin's population. Adding all the
5 exclusions together, Franklin's IPED
6 graduation rate is based on a mere 3 to 5
7 percent of our new student population. A
8 better way to consider graduation rate is to
9 measure everyone who enrolls in a given
10 academic year, whether they are transfers,
11 first timers, or if they attend full or part
12 time.

13 When the IPEDS GRS first began
14 around 20 years ago, there were discussions
15 amongst my colleagues and I about how or
16 whether to properly major transfers. The
17 issue was never resolved. Over time of
18 course, colleges and universities have
19 diversified a great deal, and there is a
20 considerable evidence of swirling by students
21 from one to two or more schools. Moreover,
22 the 18-year-old first-time student is no

1 longer the norm, but that's the ideal against
2 which we are still measured. Yet there are
3 few benchmarks to represent the progress for
4 all students.

5 Another alternative may include
6 calculating a ratio of degrees towards FTE
7 enrollment. This approach has several
8 advantages, including that it can already be
9 done using IPEDS data. It's similar to other
10 forms of representing population statistics
11 such as birth rates. So, in considering
12 strategies to increase the success of
13 students, definitions and measurements play a
14 huge role. You have to know what you're
15 measuring, why you're measuring it, and it has
16 to have meaning.

17 Before I conclude, I'd like to
18 take the opportunity to offer an idea for
19 Direct Loans. I propose that this loan
20 program should be awarded to students in a
21 similar manner as to how Pell is awarded. You
22 can think of it as Pell with a prom note.

1 Remove the overlapping loan period rules and
2 base the award amounts on an academic year
3 basis. Pay up to half of the eligibility for
4 each semester in a two-semester academic year,
5 or a third in a quarter for a three-quarter
6 academic year. This would simplify the
7 administrative process while still ensuring
8 appropriate safeguards. In addition, it would
9 remove the requirement to provide students who
10 have eligibility for full academic year's
11 worth of loans in one semester.

12 Our school policy is to present
13 loan eligibility over a full academic year.
14 If a student decides not to attend a semester
15 and they request a full eligibility, we are
16 not permitted to deny them. So, our cost for
17 one semester is approximately \$5,000. The
18 student can receive \$12,500. Excess funds are
19 of course refunded to the student. Under this
20 proposal, a student would only qualify for
21 half of that amount and it would assist the
22 students with controlling their indebtedness.

1 I thank you for your time and for
2 listening to the public in this important
3 process.

4 MR. MADZELAN: Thank you, ma'am.
5 John --

6 PARTICIPANT: I just came to
7 submit my comments.

8 MR. MADZELAN: All right.
9 Everyone who has signed up to speak this
10 morning has spoken. So we will take a recess.

11 And when others come along to speak, sign up
12 to speak, then we'll reconvene. So for right
13 now we'll take a break. Thank you.

14 (Whereupon, the above-entitled
15 matter went off the record at 12:00 p.m. and
16 went back on the record at 1:10 p.m.)

17 MR. MADZELAN: We will reconvene
18 with our first speaker of the afternoon, David
19 Hill.

20 MR. HILL: Thank you. I'm David
21 Hill. I'm the Division Director for Educator
22 Preparation with the Georgia Professional

1 Standards Commission. And the remarks I want
2 to make are aimed mainly at the regulations in
3 Title II, Reporting for Teacher Education.

4 Current regulations and reporting
5 for the most part assume traditional brick and
6 mortar institutions with students and faculty
7 doing what they've done for at least the last
8 half century. We are in a rapidly changing
9 world where our teachers are being produced in
10 alternative preparation programs and also in
11 online institutions, and our regulations need
12 to reflect those kinds of changes. For
13 example, in Title II reporting, the
14 alternative preparation, it's assumed it looks
15 like a traditional university program. But in
16 Georgia our alternative preparation program is
17 not that. There is no student teaching, there
18 is no seat time requirement, there is no
19 granting of credit.

20 In Georgia we have a strong
21 alternative preparation program. One out of
22 every five teachers come out of alternative

1 preparation, and our traditional institutions
2 cannot produce enough teachers. So, as we
3 report, we're not able to report accurately
4 because our alternative program does not look
5 like a traditional program. And of course it
6 shouldn't.

7 The regulations address online
8 learning, but they do not in substantive ways.

9 And a typical online program, and I've
10 reviewed many of these and I'm certainly not
11 suggesting they all look this way, but there
12 is read, chat, write a four-page paper, and
13 occasionally complete a project. And that
14 pattern is repeated week after week for the
15 semester, and often those semesters don't last
16 very long and the students in those programs
17 are able to take a great amount of course work
18 in a very short period of time.

19 Traditional institutions are
20 catching on, and they are moving toward
21 online. But since they are often not-for-
22 profit, they do not have the funding to invest

1 in the development that for-profit
2 institutions have. And consequently, we have
3 traditional institutions developing
4 ineffective online programs.

5 Here are some of the problems.
6 There is a great deal of danger of abuse. One
7 professor in a southeastern state recently
8 bragged that he had 1,200 plus students in his
9 online class. I wondered how the institution
10 was able to charge so little for the online
11 program, but when I heard how many students, I
12 quickly realized that was a Walmart model and
13 it was working well for that institution.
14 Many of the online programs have large numbers
15 of adjunct faculty, and we would question
16 whether or not that many adjunct would be
17 providing a quality experience.

18 Another abuse is the expense of
19 the program. I know of one for-profit
20 institution that is \$60,000, and we were able
21 to head that student off because he was going
22 to be in ed leadership, and in the State of

1 Georgia that program would not have qualified
2 him to be a principal in Georgia. And I don't
3 believe that institution would have refunded
4 that \$60,000.

5 Current regulations are inadequate
6 for moving higher education to more research-
7 based models. And I'm not suggesting that
8 government should necessarily drive change,
9 but someone's got to drive change because it's
10 not happening. We need to move traditional
11 teacher preparation programs to build
12 effective clinical practices that give
13 students as much real work in real places in
14 real time as possible. Those experiences need
15 to begin early in the program. They need to
16 build to a final year where most of the work
17 is field-based with almost no time in a
18 university classroom.

19 We need to expect strong
20 university and P12 partnerships that support
21 meaningful clinical practice but also are
22 designed to solve chronic problems in

1 education. And right now the partnerships we
2 have tend to meet twice a year, include food
3 in the meeting, have an agenda that is
4 offensive to no one, and make one decision and
5 that's when the next meeting will be. It is
6 important that, as we think about
7 partnerships, that in an environment where
8 there are few dollars, that there is a sharing
9 of resources. And so those partnerships need
10 to be structured around shared resources
11 between universities and the P12 arena.

12 It's important to report how the
13 university has changed its reward structure.
14 There are many people in colleges of education
15 who would like to be partnering in the P12
16 arena, but the folks in arts and sciences will
17 not allow them to because the reward structure
18 has not changed. They say it has, but I can't
19 find universities where they say it really is
20 happening.

21 We need to require universities to
22 provide full disclosure. When you complete

1 the program of study, what are you actually
2 qualified to do? Does the program include all
3 of the right pieces? In my job, I have
4 educators who call me often crying, they've
5 completed the program, they've paid tens of
6 thousands of dollars only to find they cannot
7 be certified to teach in Georgia because the
8 program left out important pieces. And of
9 course, I've already mentioned the cost of
10 these programs that may result in the
11 inability to be certified to teach.

12 States need support in regulating
13 online programs. Online programs are offering
14 those programs not only in 50 states but
15 worldwide. And clearly their market is
16 worldwide, and certainly I understand their
17 need to have flexibility in having a worldwide
18 student body, and yet we need for them to
19 produce teachers for Georgia, and it's very
20 difficult for us to control institutions that
21 are not located within our borders.

22 Finally, regulations need to

1 address the university's role in candidate
2 induction. Right now we are assuming that a
3 teacher knows everything they need to know to
4 be effective as a teacher when they graduate
5 from the university. That's an absurd model.

6 There is no way we can teach them everything
7 they need in four years. We have an alarming
8 attrition rate in the first five years of
9 teaching.

10 When you have strong induction
11 programs, the attrition rate drops
12 drastically. That induction program should
13 include the partnership of the university,
14 school districts and state departments of
15 education. The cost of running those programs
16 could be paid for by the savings that would be
17 had if we had lower attrition rates because we
18 know that a very conservative figure is
19 probably about \$10,000 to replace one teacher
20 lost. Thank you very much.

21 MR. MADZELAN: Thank you. Well,
22 as we wait for our second speaker of the

1 afternoon, we'll take a recess.

2 (Whereupon, a recess was taken.)

3 MR. MADZELAN: I want to thank our
4 speakers this morning and this afternoon for
5 coming and sharing their thoughts with us.
6 And with that, we will close the hearing.
7 Thank you.

8 (Whereupon, the above-entitled
9 matter went off the record at 3:45 p.m.)

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