

Gainful Employment Negotiated Rulemaking Committee Meetings

Opening Remarks of
Jeff Appel, Deputy Under Secretary, U.S. Department of Education
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1. Good morning. I'm Jeff Appel, the Deputy Undersecretary at the U.S. Department of Education.
2. Welcome to the Department and to the first of two negotiating sessions focused on developing new regulations that will establish accountability standards and disclosure requirements for programs that prepare students for gainful employment in recognized occupations.
3. As the President recently noted, postsecondary education continues to be the ticket to the middle class.
4. By and large, well-paying jobs require education or training after high school and over the next decade, as many as two-thirds of all new jobs will require it.
5. The education and occupational training provided by programs that will ultimately fall under the gainful employment regulation will play a critical role in helping the nation meet this demand.
6. Indeed, in recent years, enrollments for these programs have grown rapidly, particularly for programs at for-profit institutions.
7. This trend is promising and can support the demand for high quality education and career training, as well as President Obama's goal of leading the world in the percentage of college graduates by 2020.

8. However, while many GE programs are providing high-quality education and training for their students, far too many are failing to do so.
9. Many students are entering the job market with degrees and certificates from programs that have not adequately prepared them to join the workforce and succeed in their careers. Also problematic is the alarming proportion of students who never reach completion.
10. Without the training to achieve adequate earnings, these former students struggle to pay back the debt they took on to pursue their courses of study.
11. As recent data from the Consumer Financial Protection Bureau show, it can be misleading to think about debt burden only in absolute amounts and to focus solely on students with the highest amounts of debt.
12. Context matters. Many Americans with only moderate amounts of total educational debt, often incurred in attending the types of programs that will fall under the regulation, are struggling to repay their loans because of low earnings. The investment in education that these individuals made to improve their lives, and the lives of their families, is not paying off.
13. We must find a way to improve the quality and value of these programs.
14. This is important to meet the demands of the job market, to secure the significant investment in student aid provided by the taxpayer, and, most importantly, to ensure that students—who include some of the most vulnerable and disadvantaged in our society—are well served.
15. Today, we begin working with you to craft rules to help ensure that these programs are in fact preparing students for gainful employment

in a recognized occupation and thereby providing students the opportunity to participate in the nation's economic and social prosperity.

16. This process builds on our previous efforts.
17. In 2011, the Department put in place the first set of regulations that required institutions to disclose and report key information about their GE programs.
18. A second set of regulations that would have set minimum performance standards were scheduled to go into effect on July 1, 2012. In June 2012, however, while acknowledging the Department's authority to regulate in this area, a U.S. District Court invalidated those standards.
19. Earlier this year, the Department held four public hearings and gathered input about potential approaches to distinguish between programs that do--and do not--prepare students for gainful employment.
20. All of this work and feedback has led the Department to establish four goals for the regulations:
 - (1) Define what it means for a program to prepare a student for gainful employment in a recognized occupation;
 - (2) Develop measures to evaluate the extent to which programs meet this requirement and construct an accountability system that distinguishes between programs that do and do not meet it;
 - (3) Protect students and taxpayers by identifying GE programs with poor student outcomes and ending taxpayer support of programs that do not prepare students as required; and

(4) Support students in deciding where to pursue education and training by increasing transparency about the costs and outcomes of GE programs.

21. In the Department's view, accomplishing these goals means having a rule that reflects the following the principles:
 - a. First, institutions with programs having little or no value, and that lead to high indebtedness for students should improve them or risk no longer qualifying for taxpayer support.
 - b. Secondly, institutions should be given time and be motivated to improve those programs that are not among the very worst, but still do not have outcomes that meet minimum acceptable levels of performance.
 - c. And thirdly, programs that produce exceptional results for students should be recognized and emulated. We want to discuss with you ways in which the best programs could be identified and rewarded and how best practices could be highlighted and shared with others.
22. We recognize that the issues we will begin discussing today have been, and remain controversial, and that the views of the various constituencies that are represented in this room may be at odds.
23. Let me acknowledge that we have heard from students and consumer advocates who believe the 2011 rule was too weak.
24. We have also heard from institutions that believe the Department should not regulate, and that we should put rulemaking on hold pending the reauthorization of the HEA.
25. And while we are committed to putting out a proposed rule early next year for public comment, we take seriously your views and our ears

remain open. We welcome a robust and informative debate to help shape the best rule possible for students, institutions and taxpayers. And I want to encourage all of you to provide or share any information you feel can inform this effort.

26. The objective of a negotiated rulemaking committee is to reach consensus on a proposed rule.
27. Regardless of whether we are able to do so, we need your absolute best thinking on these issues.
28. I am hopeful and optimistic that this group will use these negotiations to understand each other's and the Department's policy goals and interests and identify ways we can achieve those goals.
29. So on behalf of Secretary Duncan, and Under Secretary Kanter, I thank you all for dedicating your time and expertise to this very important process. I look forward to a fruitful discourse and appreciate all of your contributions.