UNITED STATES OF AMERICA
DEPARTMENT OF EDUCATION

INTENT TO ESTABLISH
NEGOTIATED RULEMAKING COMMITTEE

PUBLIC MEETING

THURSDAY
SEPTEMBER 13, 2018

The Public Meeting was convened in MET Auditorium at the Gateway Technical College, 2320 Renaissance Boulevard, Sturtevant, Wisconsin at 9:00 a.m.

PRESENT:

AARON WASHINGTON, Facilitator
MICHAEL BRICKMAN, Facilitator
DR. BRYAN ALBRECHT, President/CEO,
Gateway Technical College
P R O C E E D I N G S

(9:00 a.m.)

PRESIDENT ALBRECHT: Good morning. I would like to welcome our guests from the United States Department of Education, Michael and Aaron, they will be facilitating today's hearing. They will have some additional announcements about how the process works. I just wanted to make sure that you knew that this is a great opportunity for all of us in Wisconsin, including Gateway Technical College to be able host this event, where you can share your thoughts and ideas on how we can strengthen education across all sectors in the United States.

And for your safety and comfort of today's session, this building is a high school currently from 9:00 until 1:00, so there are high school students out in the hallway areas, so always be careful of that. They will be taking their regular one-hour classroom breaks so there'll be some energy and activity going on there. At 1:00 p.m. the Governor will be here because we have a
graduation ceremony with our partnership with the Department of Corrections. We have a group of graduates from Ellsworth Correctional Facility. So, if you're here in the afternoon there will be a new level of energy that will result from that.

Our programs, adult programs, begin around 2:00 in the afternoon so you'll see a lot of activity with that as well, and then this evening we're hosting an event. So, the iMET Center will have a busy day today. Restrooms are on each end of the west side of the building so please make yourself comfortable and there's water and coffee that we're putting out on the counter if you would like that as well.

So again, welcome on behalf of the Gateway Technical College. We're very honored and pleased that you're here and we're happy to host the U.S. Department of Education hearing. So, I'll turn it back over to you.

MR. BRICKMAN: Thank you, President Albrecht. I really appreciate the opportunity to be here. I just want to say thank you to Gateway
Technical College and the technical college system. It's really a great opportunity to see the work that you're doing here and, just on a personal note, great to be back in Wisconsin, as I'm a native Wisconsinite.

So, I'll just give a few brief remarks on the plan for the day and some of the topics that we'll be covering and then I'll turn it over to you for five minutes each.

I just want to start by saying, on behalf of Secretary Betsy DeVos, we welcome you. I'm joined here by Aaron Washington, who's in the Office of Postsecondary Education. Again, my name is Mike Brickman. I'm a senior advisor in the Office of the Under Secretary at the U.S. Department of Education.

This is the third of three public hearings that we're holding on negotiated rulemaking to gather input regarding the regulations that govern programs authorized under Title IV of the Higher Education Act of 1965. The first hearing was at our headquarters in...
Washington, DC, and earlier this week we held a similar hearing in Louisiana.

Secretary DeVos has challenged us to rethink higher education. And for us rethink means everyone questions everything to ensure nothing limits students from being prepared for what comes next. In postsecondary education, we have focused largely on breaking down barriers to innovation and reducing regulatory burden, while protecting students and taxpayers from unreasonable risk.

To that end, we are seeking input regarding a number of regulatory provisions, including issues related to recognition of accreditors, distance learning and competency-based education, including the definition of regular and substantive interaction. Direct assessment and prior learning assessment, state authorization, the definition of credit hour, and the rules and responsibilities in institutions and accrediting agencies in the teach-out process.
More specifically, with respect to the accreditors, the administration is interested in improving the recognition, the oversight process, to ensure consistent and equal treatment of all agencies. In this work, we wish to recognize the autonomy and the independence of agencies, support the needs of today's students and honor the missions of various types of institutions.

We'd like to hear from you and your thoughts about how to simplify the Department's process for recognition of accrediting agencies, and how to emphasize the criteria that focus on educational quality rather than administrative minutiae.

We're also interested in revising any accreditation regulations that are ambiguous, repetitious or unnecessarily burdensome, as well as reducing duplication of oversight responsibilities between the Department of Education, states, and accrediting agencies, and ensuring the Department is more accountable and responsive to those it serves.
In addition to the accreditation regulations, we are exploring some specific regulatory provisions that are not directly part of the accreditation regulations, but that impact the work institutions do, and the way that work might be evaluated by accreditors.

These provisions include: the development of a single-job placement definition and a single methodology for calculating job placement rates; the determination of reasonable program length; the clock hour programs that result in certification and licensure; the elimination of barriers to innovation and competition in postsecondary education or to student completion, graduation or employment, including barriers created by unnecessary credential inflation or other practices that are unfair to students; the ability for an institution to contract with other entities to provide percentage of an educational program, including to promote innovation, and enable more rapid responses among career and technical programs to employer and workforce
needs; and the simplification and clarification of program requirements to minimize inadvertent grant to loan conversions for TEACH grant recipients.

Additionally, in light of the recent Supreme Court ruling in Trinity Lutheran, the Department will review provisions in our regulations relating to the eligibility of faith-based entities to participate in Title IV programs, and the eligibility of students to obtain certain benefits under those programs.

We welcome your perspectives as we work on updating our regulations in those areas. We anticipate bringing these issues and any others that might be added, including at the public's suggestion, for negotiated rulemaking that will begin its negotiations in January of 2019.

We also plan to create two subcommittees with one focused on competency-based education, and the other on the eligibility of faith-based entities to participate in Title IV programs. The subcommittee will consist of experts in those areas who will not make decisions,
but will report their recommendations back to the full committee for their deliberation during public negotiations.

In late fall, we'll publish a notice in the Federal Register seeking nominations for negotiators and subcommittee members. We hope that you and your colleagues will consider serving and nominating at that time.

In order to best use the time of the committee, prior to the first meeting we plan to provide draft regulatory language for discussion by the negotiating committee and the subcommittees, rather than issue papers, as we have done in the past.

This will enable the committee to consider concrete proposals before the negotiators and -- before negotiations begin, so more of the essential work can happen during the first session.

With respect for the logistics today, many of you have already signed for a time to speak, and Aaron will call you up to the microphone accordingly. We still have some time slots
available for today, so if you have not signed up
and would like to speak, please see us up at the
table.

Speakers are asked to limit their
remarks to five minutes. If you get to the end of
your five minutes, Aaron will ask you to wrap up.
We ask that you do so within 20 seconds. Please
note that this hearing is being transcribed, and
the transcription will be posted to our website in
the next few weeks.

Although the Department is not
preparing a video or audio recording of this
hearing, this is a public hearing, and it's
possible that a member of the public will choose
to record your remarks.

If you have written comments that you
would like to submit here today, you can give them
to me or to Aaron. We are also accepting them via
regulations.gov through this Friday, September
14th, at 11:59 p.m. eastern daylight time.

We have two scheduled breaks today; one
in the morning from 10:30 until 10:40, and one this
afternoon from 12:00 to 12:15. Those breaks may be extended if we do not have people scheduled to speak. In consideration of others, please silence your cell phones and other devices while you're in this room. You're welcome, though, to make calls out in the lobby.

When you're called to speak, please provide your name and affiliation, and we've been asked that we speak clearly so it can be picked up by the transcription. We look forward to your comments. Thank you for your time and sharing your expertise with us. We look forward to an interesting and productive day.

MR. WASHINGTON: Our first speaker is Chuck Komp. Please come up to the podium and try to speak clearly so that your comments may be accurately accounted for in the transcript.

MR. KOMP: Thank you. I'm Charles Komp, managing director for strategic initiatives at Nicolet College. I'd like to begin by expressing my appreciation for your time today, and for your interest in advancing regulatory and
accreditation models that encourage responsible innovations in higher education.

Nicolet College is a small, public community college that serves a rural area in Northern Wisconsin. We're the only institution of higher education in the region. We serve a large geographic area with a small population.

Residents are primarily working class and community-minded. Most are employed, but often in lower skill, low wage occupations. Relatively few hold college credentials. This, in turn, constrains economic development, as employers are unable to fill higher skilled, higher paying positions.

People know that they can improve their lives through education. But with family, job, and community commitments, traditional college simply does not work for many of them. For example, one of our students is employed full-time in a maintenance position. He has the opportunity to advance his career with a welding technical diploma.
But his irregular work schedule frequently conflicts with classes, preventing him from attending a traditional educational program. He cannot afford to stop working to attend college. This is typical of many of the residents in our district. They're capable of much more. They're seeking to advance their lot in life. But they're unable to access the education necessary to achieve their goals.

Nicolet College is transforming its educational models to better serve working adults. We are the first college in the Wisconsin technical college system offering competency-based education. By focusing on learning, not seat time, we have developed a flexible learning environment that fits the lives of busy adult learners.

Competencies, the things students need to know to succeed, are defined hand in hand with our industry partners. Students progress by demonstrating what they have learned. The flexibility of learning on a schedule that works
around employment demands, and of progressing at a pace that adjusts to accommodate both life and learning, has made it possible for the student I just described to pursue his college degree.

He began his studies this summer, and is well on the track to success. Competency-based post-secondary education holds an exceptional potential to meet the critical workforce needs in predominantly rural regions. Nicolet College provides one example of the unique ability of small, creative, locally connected colleges to realize that potential.

While Nicolet College has managed to navigate regulatory and accountability systems, innovation is slower and more costly than it needs to be because these systems are based on the credit hour, and built for traditional students.

Because students learn at different rates, measuring learning to demonstrate progress simply makes sense. Rulemaking that provides for learning as an alternative measure of progress to the time-based credit hour system opens a path for
innovations that will lead to more efficient use of student and taxpayer funds.

However, this freedom for innovation must be accompanied by protections that assure quality and value. Sensible regulation to assure quality is certainly good for students and taxpayers, but controlling the cost of compliance is also important.

Public community colleges are held to a high level of accountability by their local constituents. District boards and state oversight assure that we meet needs effectively and that we use public funding wisely.

Rulemaking that recognizes the unique mission of the public community college and its existing local and statewide accountability systems will help keep costs low for students and taxpayers, while maintaining quality and value.

Regional accreditors are effective in assuring and advancing the quality of higher education. As membership organizations, they are committed to continuous quality improvement, to
clear accountability, and to respecting different institutional missions and purposes.

   Regional accreditors serve distinct and different roles than government regulators. We believe it is wise to maintain that separation in order to assure quality and support innovation. Thoughtful rulemaking holds the potential to encourage innovation by identifying learning as a measure of progress and by recognizing the value of local and state accountability systems and the regional accreditors in assuring quality and value for students and taxpayers.

   Such rulemaking will improve the ability of public community colleges to provide high-quality, low-cost education that can transform lives, foster economic development, and expand employment opportunities.

   Again, thank you for the opportunity for a small institution from a very rural part of our country to represent the needs of our constituents, our students, and our employers.

   MR. WASHINGTON: Thank you. Tyson
MR. MANKER: Good morning. My name is Tyson Manker. I am a former infantry Marine and combat veteran of Iraq, and now Director of Veterans Engagement with Veterans Education Success. I appreciate the opportunity to share my thoughts and concerns with you regarding the Department's proposed regulatory changes.

VES understands the desire to encourage and improve innovation in higher education, but takes issue with several of the regulatory rollbacks that consequently undermine critical protections for students, while permitting low-quality education providers to waste taxpayer dollars.

Of these numerous proposed changes, today I want to focus on the following two issues; the repeal of the credit hour definition, and competency-based education. First, the credit hour requirement was implemented as a way to ensure bad actor colleges were not misrepresenting the amount of actual instruction given to students.
The Department found in 2010, through its independent Inspector General, that institutions were inflating the value of their college courses with minimum to no oversight from accreditors. The credit hour was a quantitative way of providing a baseline measurement of instruction to protect against bad actor schools.

We support working with colleges to best address how to properly measure meaningful instruction, but outright appeal of the credit hour would hurt students and increase deceptive practices by schools. Since we understand the Department wants to remove the credit hour rule as currently constructed, we encourage the Department to work with key stakeholders, like the American Council of Education and other top tier schools, to find a quantitative metric that would both protect students and veterans from predatory practices.

Second, we support competency-based education and thank the Department for addressing it. It is an important tool for service members,
veterans, and military families who relocate frequently as part of their military service.

We encourage the promotion of competency-based education and recognition of prior learning credits. Prior learning credits account for a student's knowledge, and allows those students to take classes equal with the level of skill they possess, instead of wasting time, resources and taxpayer dollars on duplicative and unnecessary instruction.

In addition, we support a standard definition for competency-based education and prior learning credits, thereby allowing students to be fully informed and understand how their prior training will be applied to the educational programs they pursue.

In conclusion, the Department must be a good steward of taxpayer dollars, and therefore, keep quality standards that protect both students and taxpayers. This is evidenced by the Department's own findings by its independent Inspector General that institutions were inflating
the value of college courses. These schools, along with the recent closings of ITT Tech and Corinthian Colleges amply showed that there are bad actors attempting to defraud students and the government.

The outright removal of the credit hour without an appropriate quantitative replacement would pave the way for similar bad actors to charge excessive fees for pointless education and ultimately hurt those that we represent, service members, veterans, and their families, who use their hard-earned military education benefits to go to school and are often the targets of predatory schools looking to capitalize on those benefits.

Similarly, it is important that competency-based education and prior learning credits are allowed in a manner that facilitates veterans, as well as all students, the ability to utilize their skill and training without unnecessary delay. It is often the case that veterans, many who are first generation, and other under-served student population, believe the
The federal government's stamp of approval for the school to offer Title IV funds means the school is a high quality school.

Unfortunately, we know all too well this is not always the case. Unfortunately, students find out too late that this is not always the case.

MR. WASHINGTON: Twenty seconds left.

MR. MANKER: The Education Department's mission is to promote student achievement and quality education. Weakening or removing current protections would directly contradict that mission. Thank you very much.

MR. WASHINGTON: Thank you. I did notice that we had several people come in after we began. If you wouldn't mind coming forward and signing in at the front table. The sign-in sheet is here. Our next speaker is Gregory W. Jones.

MR. JONES: Thank you. I'm Greg Jones here today on behalf of the Illinois Attorney General's office. My office is Illinois' chief legal officer and primary entity responsible for
enforcing Illinois' consumer protection statutes. In that role, my office investigated schools like Corinthian Colleges, Westwood, and ITT Technical Institute.

Those investigations revealed accreditors such as ACICS overlooking boiler room enrollment practices and fraudulent job placement statistics. Instead of cutting such for-profit schools off from federal aid, ACICS allowed students to continue to take out loans. While ACICS's ultimate fate is currently unclear, we should use its failures as a cautionary tale to strengthen accreditsor oversight, not weaken it.

Accrediting agencies are the first line of defense for students and a watchdog for billions of dollars in student aid provided by the federal government and taxpayers. Now more than ever, it's important that the Department ensures that we have strong, impactful accreditors. The nations and students simply cannot afford the alternative.

First, the Department should ensure that accreditors examine relevant criteria for
exposing institutional fraud. We note with alarm recent efforts to reduce oversight criteria, specifically the PROSPER Act, no longer requiring accreditors to consider such items as recruiting and admissions practices, areas most ripe for institutional misrepresentations, or records of students complaints.

As consumer protection enforcement entities, we know how valuable consumer complaints can be to identifying such fraud. Our offices regularly rely on such complaints to initiate and inform investigations into institutions. The Department should require close review of such criteria.

The Department should also create additional specific criteria which accreditors much consider when accrediting schools. For instance, the Department has recently indicated that it intends to rescind entirely the gainful employment regulations.

While we strongly disagree with the Department's actions in rescinding this
regulation, we call on the Department to require accreditors to determine and consider those same debt-to-earnings ratios of overseen programs, or at a minimum, examine the average debt load of students, as well as median earnings.

Examining such statistics would reveal whether or not students will be able to pay off their loans. By examining these rates, the accreditors can hold institutions accountable for forcing students to take on massive amounts of debt while failing to give them the tools necessary to earn enough to repay their loans by revoking those predatory schools’ recognition.

Second, we encourage the Department to take a hard look at job placement rates. Our experience with predatory for-profits make clear just how vital accurate job placement rates are to students and how easily they are manipulated by predatory schools.

For instance, investigations by my office revealed job placement rate inflation at both Corinthian and Westwood. These schools
counted students as placed when they attended one-day job fairs or obtained minimum wage employment outside their fields of study.

The Department found similar systematic misrepresentations of job rates at certain Corinthian colleges between 2010 and 2014. ACICS, the accreditor for both Corinthian and Westwood, failed to verify job placement statistics, even after findings of fabricated job placement rates were being made public.

Given the importance of these numbers, the Department must take steps to ensure that accreditors are actively policing the job placement rates at accredited institutions. We encourage the Department to adopt a definition of job placement similar to that adopted by 39 states in settlements with EDMC, and to clearly identify the methodology for determining that rate whenever it's used.

The settlement provides that, generally speaking, an individual is deemed employed if they are working in a related field to
their field of study, the position is permanent, the position is paid, the position requires a minimum of 20 work hours per week, and the individual has been in the position for 30 days.

Such a definition would ensure that job placement rates accurately apprise students of their potential to be employed in a real job in their field of study upon graduation.

Third, and finally, we encourage the Department to require accreditor oversight and approval of third parties providing instruction at accredited institutions. The Dream Center, EDMC's successor, recently attempted to have an unaccredited third party for-profit entity, allegedly owned in part by the CEO, teach computer coding classes for the school. Had the Dream Center not abandoned the plan, students would potentially have been unable to transfer credits earned in courses taught by that third party.

MR. WASHINGTON: Twenty seconds left.

MR. JONES: Some accreditors have
issued guidelines for such shared services agreements such as the Higher Learning Commission. To ensure uniformity across accreditors and ensure students are not receiving unaccredited instruction, the Department should require such third-party accreditation, and such oversight should ensure that the third party is providing services at fair market value and there are no conflicts of interest between the third party and the educational institution.

We encourage the Department to consider the items outlined here today. Thank you very much for your time.

MR. WASHINGTON: Thank you. Analiese Eicher.

MS. EICHER: Good morning. My name is Analiese Eicher, and I'm the program director at One Wisconsin Now. We're located in Madison, Wisconsin. Since Secretary DeVos took office, she has made every effort to reverse course on higher education rules meant to protect students and borrowers.
Rules respecting state sovereignty and oversight of distance education have been delayed. Student loan forgiveness for students defrauded by their institutions have been ignored and weakened. And the gainful employment rules protecting students who graduate from certain programs have been gutted.

The DeVos Department of Education has indicated that it intends to weaken additional rules that are vital to the prosperity of students, their families, and getting the most out of our taxpayer dollars. DeVos wants to charge students more, while providing less, by inflating the value of college courses.

DeVos wants to weaken protections and requirements for students who are attending college online by removing a requirement that professors engage and interact with their students on a regular basis. DeVos wants to weaken accreditation standards across institutes of higher education. And finally, DeVos wants to limit the oversight role and function of states in
higher education.

Higher education and job training are a necessity in our changing economy, yet the actions of the DeVos Education Department to repeal and modify regulations jeopardize higher education, our economy, and our people. We need to strengthen, not weaken, federal and state oversight of higher education systems.

Fewer protections for students and spending tax dollars on irresponsible institutions has historically shown to serve students and taxpayers poorly. Rolling back state oversight removes states' ability to oversee programs and protect their citizens. The Department should allow states to do their job to protect their constituents and regulate entities within their borders by keeping this established role.

Online college education is growing and is meant to provide flexible learning experiences for those who want or need it, while not sacrificing the quality of the education they are receiving.

By lessening the requirement for online programs
to provide regular and substantive interaction, the DeVos Department of Education will take online education back to a time when institutions ignored student needs and outsourced instruction to call centers and non-experts.

Accreditation is, and should be, the stamp of approval and key indicator that guarantees quality for students and borrowers. Already weak accreditation laws allow schools to operate and leave students with worthless or no degrees and student loans.

And we know that these schools tend to target and prey on people of color, military veterans and their families, and low income individuals. States play an important role in the oversight of higher education institutions and affiliation organizations and actors that operate within their borders.

They need strong encouragement from the federal government, not regulatory rollbacks that would allow them to not do their job. We've already seen the dangers of that here in Wisconsin.
As part of his 2017 budget, Governor Walker succeeded in eliminating the Educational Approval Board. The EAB was created in 1944 to oversee institutions like for-profit colleges and to protect consumers.

The functions of this formerly independent agency were transferred to the Department of Safety and Professional Services, and experienced staff, including the executive director position, were either eliminated or not retained and were, instead, replaced by staff with no experience with the industry.

Eliminating and lessening state oversight can and will have a drastic and negative impact on borrowers, their families, and taxpayers. The actions by DeVos and Walker put Wisconsin students and Wisconsin student loan borrowers at a unique disadvantage compared to their peers across the country.

Students and borrowers are not asking for much. They are asking to be treated fairly in a system that does not treat them fairly.
Unfortunately, the DeVos Department of Education and the Walker administration are moving to make the problems worse, not better. Thank you.

MR. WASHINGTON: Thank you.

Stephanie Sklba.

MS. SKLBA: Good morning and welcome, again, to Gateway Technical College. I'm Stephanie Sklba. I'm the vice president of community and government relations here at Gateway Technical College. I want to thank you for the opportunity to talk to you today about the important issue of transcripted and dual credit.

Dual credit offers students to begin their college education and career while still in high school, providing a student a chance to earn college early, saving them time and money and providing them a clear pathway early in life to their career. How many of us wish that we would have figured out earlier in life which direction we wanted to take? This gives these students that ability.

Many students in Gateway's district do
engage in transcripted credit. In the 2017-18 academic year, 6,233 students took a total of 14,781 credits, saving them $2.6 million in tuition costs. These courses were taught by 112 transcripted teachers, high school teachers who have earned at least a Bachelor's degree and are certified to teach specific career and technical education courses.

Those 112 teachers teach 70 career and technical education courses. At this point, we are unable to offer general studies courses in the high schools because of a requirement that teachers hold a Master's degree in the content area that they will teach in, or a Master's degree with 18 credit hours in the content area.

For instance, to teach math a teacher must have earned a Master's degree in math or a Master's degree in another program plus 18 credit hours of Master's degree level math courses. High school teachers interested in teaching general studies classes do not have these certifications.

We certainly would like to be able to
provide the same benefits of CTE courses to students through offering them general studies courses. Those benefits of starting their education and career early, saving money, and helping them to decide their post-high school path early.

For students who may feel daunted at the prospect of college or being in a large pit class, being able to take college courses at the high school level can be a confidence booster, too. A confidence booster that would propel them on to college or some post-secondary training.

The pool of high school teachers willing to teach general education courses is there. A recent poll done by staff at Gateway showed that 191 teachers in Gateway's tri-county district said they were interested in teaching dual credit general studies courses, but do not have the Master's degree requirement.

Again, our goal is to be able to provide the education-changing benefits of dual credit to students who want to take those courses through
teachers who would be qualified to do so. Thank you for your time.

MR. WASHINGTON: Thank you. Our next speaker is Laura Kite.

MS. KITE: Good morning. My name is Laura Kite. I'm the assistant dean for student services for the University of Wisconsin-Extension Continuing Education, Outreach and E-Learning. I'm here today to represent UW system president, Ray Cross.

The UW system is one of the largest systems of public higher education in the country, serving more than 170,000 students each year, and employing approximately 39,000 faculty and staff statewide.

The UW system is made up of 13 four-year universities, including two doctoral campuses at UW Madison and UW Milwaukee, and 13 two-year branch campuses affiliated with seven of the four-year institutions.

The UW system contributes $24 billion to Wisconsin's economy each year, with a 23 to 1
economic return on investment. And it is a major source of research and innovation, with more than $1 billion of sponsored research activity each year.

On behalf of the UW system, we are honored you chose our state as a location for only one of three public hearings across the country. I also want to thank our partner, Gateway Technical College, for hosting this hearing.

We support the Department's effort to modernize existing higher education regulations to promote greater access for students to high quality, innovative programs. We're pleased to have this opportunity to discuss specific regulations we believe need to be updated to achieve this goal.

We believe to be successful, we must be innovators. To be innovators, we need our partners, like the U.S. Department of Education, to remove rules and regulatory barriers to innovation. In that spirit, the UW system supports the Department's inclusion of direct
assessment, competency-based education, or CBE, and the proposed agenda for negotiated rulemaking and committing a separate subcommittee to focus on this critical issue.

Similarly, we support the related proposed agenda items, including rethinking the definition of the credit hour and regular and substantive interaction as they pertain to expanding opportunities for direct assessment competency-based education. And finally, examining ways to provide more flexibility to accreditors to support direct assessment CBE.

Our experience in CBE provides us firsthand knowledge of why addressing these specific regulations is critical to the goal of providing students greater access to high quality, innovative programs. In 2014 the UW system began enrolling students in the nation's first public system of higher education's direct assessment CBE program, which we call the UW Flexible Options.

At the time it was created, an estimated 700,000 to 1 million residents, or about one in five
working age adults in Wisconsin, had some college credit but no degree. Wisconsin is also experiencing a workforce shortage, which is why the UW system and our partners at the technical colleges and private universities set a post-secondary attainment goal of 60 percent by 2027 to meet workforce demands.

To achieve this goal, we built programs like the UW Flexible Option to specifically provide access to adults and other returning students who want a quality degree, but their full-time lives make it difficult for them to through the traditional educational system.

Since the Flexible Option's inception just a few years ago, I'm proud to say the program offers nine degrees and certificates, serving almost 1,800 students, with about 300 having already graduated. The UW Flexible Option is transforming the delivery of higher education. Students progress to their degree by mastering competencies rather than accumulating credit hours.
With CBE, self-motivated and self-directed students receive a high quality education at their own pace at a fraction of the cost it takes to pursue a traditional on-campus or traditional online program.

For example, registered nurses who take the UW flex bachelor of science in nursing program are completing their degree at their own pace and often in less than the standard two years of traditional program. UW flex's BSN outcomes are exactly the same as that in face-to-face BSN program and, in fact, the faculty are the exact same college of nursing faculty from UW Milwaukee.

One area in need of reform to expand the delivery of CBE learning is the issue or regular and substantive interaction with an instructor, as it is currently defined. The current definition was rightly developed with the goal of safeguarding taxpayers and students from unscrupulous providers.

But the current definition also leaves out modern instructional roles and uses of adaptive
inter-instructional technologies. Institutions offering well designed and proactively engaging CBE programs --

MR. WASHINGTON: Twenty seconds left.

MS. SKLBA: -- must adhere to current narrow definition of regular and substantive interaction or risk having their direct assessment programs labeled as correspondent study.

We suggest the Department change the regulation to focus it more directly on regular and substantive interactions that directly impact student learning outcomes, while continuing to protect taxpayers and students against fraud. Thank you for your time.

MR. WASHINGTON: Thank you. Monique Currie.

MS. CURRIE: Good morning. My name is Monique Currie. I'm a policy analyst with Wisconsin Technical College system board. The 13-member system board provides guidance and oversight to the 16 colleges that make up Wisconsin's technical college system.
We are Wisconsin's largest higher education system, educating over 300 students annually in over 400 degree programs. Programs range from high quality certificates to one and two-year technical diplomas to Associate degrees in fields from advanced manufacturing to healthcare to IT.

Our colleges are the skill talent pipeline for Wisconsin. Ninety-four percent of graduates surveyed are employed six months after graduation. And 98% of employers surveyed tell us our colleges are important to the success of their businesses.

I'd like to start out by conveying tech college system President Morna Foy's regrets that she wasn't able to be here today. She's asked that I express her thanks to Michael Brickman and Aaron Washington of the Department of Education for their efforts in bringing this public hearing to Wisconsin and, especially, to the campus of one of our technical colleges. We appreciate your work to broaden the dialog and hear from those of us...
outside the beltway.

As the Department plans its 2019 rulemaking agenda, we would ask you to consider the following issues, many of which relate directly to newer paradigms for delivering higher ed. First, the federal rules which define the term regular and substantive interaction were derived many years ago, prior to today's technology, and should be updated.

Further, the definition should be expanded to include other meaningful types of interactions, such as those provided by mentors. Both changes are critical for students in rural communities where traditional in-class educational opportunities are limited or may be located a great distance, as well as the many students who work full-time while attending school and whose demanding schedules leave little time for 8:00 to 5:00, Monday through Friday classroom instruction.

Second, the public and individual disclosure requirements found in the distance
education regulations are unrealistic and burdensome for our colleges. They should be eliminated or, at the very least, severely minimized.

Third, we also ask the Department of Education to reconsider the credit hour standard, and provide flexibility on this issue. Current Department rules over rely on the credit hour as the basis of awarding academic credit. Again, it's difficult to apply this standard to new and growing paradigms of educational delivery, including online competency-based and prior learning assessment models.

Lastly, as you heard from my colleague from Gateway Technical college, while we do support the current regional accreditation system, we would ask you to reconsider the negative impact that the higher learning commission's new requirement that high school teachers who teach dual enrollment courses must have a Master's degree or 18 graduate credits in the subject areas they teach.
What do we mean by dual enrollment?

Dual enrollment, and specifically, this case transcribed credit, allows high school students to earn college credit by attending courses at their local area high school as taught by their local high school teachers, who are teaching our college level curriculum.

Dual enrollment allows high school students to reduce the time it takes to earn a post-secondary degree or credential and, overall, reduce the cost of higher education. Many high school teachers do not have advanced degrees beyond a bachelor's in the subject areas they teach, and will have to refrain from teaching dual enrollment classes with this new requirement.

The education requirements from the higher learning commission will reduce the availability of qualified teachers, as mentioned by Stephanie Sklba, and therefore limit the opportunities of high school students to earn college credit not only in Wisconsin, but in many other states.
Our technical colleges will work hard to ensure that high school faculty teach our college level courses with the same content and rigor as those taught by the faculty on our campuses. No advanced degree can guarantee that. Thank you for the opportunity to share our concerns. Addressing these issues will give our colleges the flexibility they need to serve our students and meet our state's growing workforce needs.

MR. WASHINGTON: Thank you. Monique Currie was our last speaker before our scheduled break at 10:30. Is Dr. Barbara Gellman-Danley, okay, you can come up.

DR. GELLMAN-DANLEY: Good morning. I'm Barbara Gellman-Danley, president of the Higher Learning Commission and chair of the Council of Regional Accrediting Commissions. Thank you for this opportunity. C-RAC already submitted a separate letter, so today I have a singular issue on which I want to focus; innovation.

I believe you'll be excited about the
work at our agency to promote innovation and find ways to build an accreditation system responsive to the dynamic changes in higher education. In 2016, the Higher Learning Commission launched its strategic plan entitled beyond the horizon, aptly named to be forward looking and visionary.

With generous support from the Lumina Foundation, initiatives were established to support two parts of the plan, innovation and student success. In light of the plan, I want to tell you about that works and the critically important need to introduce flexibility and vision into negotiated rulemaking discussions.

Our project participants are in the process of presenting us unprecedented ideas for high education. And without a shift in the regulations, some will likely never see the light of day. Why does this matter? Accreditors are strong influencers and opinion leaders in higher education, and we want to remove the anchors that keep new ideas and innovation tethered to the shores of the past.
For one initiative, HLC established a think tank of nationally recognized leaders; we call it the partners for transformation. It includes leaders such as Michael Crow, president of Arizona State University, a national leader in higher education innovation or, as he calls himself, a knowledge enterprise architect.

We also have representation from alternative providers and several types of colleges and universities, as well as Arthur Levine from the Woodrow Wilson Foundation who often reminds us that we are operating with a very old model from an agrarian society in higher education, despite living in a technological world.

In addition to the partners, we are receiving incredible recommendations from an innovation zone initiative and two on student success, all made up of some of the greatest thinkers in this country. What are they telling us? Keep regional accreditation, but make it stronger. Remove the shackles of old regulations that we are responsible for enforcing, even if we
know they have little to do with our main mission, quality assurance.

Re-examine the credit hour. Allow us to try experimental pilot programs without going through arduous approvals at the federal and state level, while also protecting our consumers. Let us move forward in new ways to serve these students, while also assuring that if something fails treat that as a learning experience without fear of punishment from either the accreditors, the Department of Education or the Office of the Inspector General.

Do not sit on the sidelines as other groups are formed to look at quality assurance and add complexity. Clarify opaque definitions and processes, such as regular and substantive faculty interaction. Pilot regional accreditation innovation projects that include alternative providers, new forms of credentialing and recognition of differences among institutions.

Our goal is singular; allow regional accreditors to be positioned to assure that this
country strengthens its already remarkable fleet of institutions that serve our learners of all ages and backgrounds.

My ask today is simple. As negotiated rulemaking proceeds, involve us in the discussions. Do not place too much in one group; create appropriate sub-groups such as innovation. Be courageous. Create an environment where innovation can take place for the sake of our students and the future economic and intellectual growth in this country and globally.

See beyond the horizon, looking forward to new ways we can increase educational attainment. I encourage policymakers to listen to us, accreditors, as experienced educators and leaders who are committed to creating the most functional regional accrediting system for the 21st century.

And I implore you to take the recommendations of our HLC innovators into consideration, and we will be glad to share them at the appropriate time. Let's use this opportunity to work as two parts of the triad; the
states, the Federal Government and regional accreditors.

The Higher Learning Commission has a long and proud history of working very closely with the state. We invite the Federal Government to join us. Focus on the stakeholders that matter, the students. Step off the shore where we are held by the sands of the past, and move forward. We can be the lighthouses in that journey. Thank you.

MR. WASHINGTON: Thank you. I'm going to keep moving forward. Just in case we have any additional speakers in the afternoon that aren't currently here that would like to be known. Jon Shelton. Dr. David Forstein, Nicholas Kent, Michael Rosen, Nicholas Fleisher, Greta Neubauer, Jeffrey Sommers, and Luz Sosa.

Okay, it looks like we have no additional speakers until 11:00 a.m. If anybody is here who hasn't spoken that wishes to speak, can come step forward to the podium now. And, if not, we will wait until our next speak arrives to continue the hearing.
(Slight pause.)

MR. WASHINGTON: So, we decided to go ahead and take an official break until 11:00 a.m.

(Off the record.)

MR. WASHINGTON: Our first speaker is Jon Shelton.

MR. SHELTON: Hello there, and thank you for holding these hearings. My name is Jon Shelton, and I am associate professor at the University of Wisconsin Green Bay. My institution is not an elite institution. Most of my students come from working class families, and many of them are first generation college students.

They see public higher education as a promise, and they trust us to make sure that their institution serves their interest by giving them instruction from experts. They trust us to give them instruction that is affordable and will help them find their place as citizens and workers in the modern world. Though it isn't perfect, my university does an excellent job of giving them affordable, high quality instruction.
But there are other institutions out there, as we've learned in recent years, especially for-profit institutions; not always, but that's often the case, that don't have similarly situated students' best interests at heart.

And this new rulemaking process the Department of Education is considering could very well make it easier for these kinds of institutions to prey on them. The United States, going back to the 19th and well over the course of the 20th century, has been a pioneer in facilitating high quality, and then later in the 20th century, affordable higher education.

We know that quality post-secondary public education helps development good citizenship and gives students the capability to think critically and creatively. American graduates of higher education, because of these virtues of the education system, have done much of the work that has made the American economy a world powerhouse.

It's no wonder that so many Americans,
especially young people, seek higher education. Unfortunately, without safeguards, predatory institutions like ITT Tech and Corinthian Colleges exploit their thirst for higher education.

The Education Department already, I understand, has reinstated the accrediting council for independent colleges and schools, which was responsible some several years ago for allowing for-profits to misrepresent the kind of education these students were getting, while raking in federal dollars that students were supposed to pay back.

When students take out loans at an institution that does not provide them a worthwhile education, they suffer twice. First from the waste of time and effort and what economists call the opportunity cost. And second, from the fact that they're now stuck with loans that they can virtually never discharge.

Not being able to pay it back can ruin their lives. And ultimately federal tax dollars go to enrich private corporations. We should be
skeptical of any new rulemaking by an education
department that moved to allow the ACICS to once
again monitor for-profit colleges.

Higher education may not be perfect in
the United States. More students need more access
to high quality universities and technical
colleges. We have to make it more accessible too,
particularly, to minorities who have been
historically excluded. There needs to be much
more public investment to reduce the cost for all
our young people, and older people, who are
engaging in lifelong learning.

And we need to move toward guaranteeing
debt-free college education for everybody. That
needs to be one of our long-term goals in this
country. Compromising what has made higher
education in the U.S. the envy of the world,
however, including as I understand it, these are
things that this rulemaking process could do,
reducing access to expert instruction and
subcontracting out instruction to unaccredited
bodies; these are both things that I think this
process could do, from what I understand.

It's certainly not the way to make higher education more accessible. We need to enhance Americans access to affordable, high quality, post-secondary education. That means strengthening safeguards for students, not weakening critical safeguards that would, once again, open the door to let predatory for-profit colleges exploit working Americans' thirst for higher education. Thank you.

MR. WASHINGTON: Thank you. Dr. David Forstein. Nicholas Kent. Well, what I'm doing right now is, we do not have another speak signed up to speak until 11:30. So, if you are signed up after noon and you wish to speak now, you can step forward to the podium.

Of course, we will honor if you wanted to wait and not speak until the time that you were assigned. So, if we don't have anybody signed up that, if we do have people in attendance that are signed up for after noon and don't wish to speak until their assigned time, we will wait until 11:30
when our next speaker is scheduled to speak.

(Off the record.)

MR. WASHINGTON: Our first speaker is David Forstein.

DR. FORSTEIN: Good morning. My name is Dr. David Forstein, and I am dean of the Touro College of Osteopathic Medicine in New York City. I also serve as the vice chair of the American Osteopathic Association's commission on osteopathic college accreditation, known as the COCA.

This year, the Secretary of Education renewed the COCA's recognition as the only accrediting agency of institutions and programs that award the Doctor of Osteopathic Medicine or DO degree. Thank you for the opportunity to present comments on behalf of the COCA.

We commend the Department of Education for initiating a new negotiated rulemaking process to address some of the shortcomings of the current gainful employment regulations, particularly as they are applied to graduate and professional
As the Department begins to consider its changes to the regulations, we ask that you consider the value of graduate level professional programs, such as osteopathic medical education, to the nation. And we further ask that any revisions of gainful employment rules be done to enhance and increase opportunities to provide such education.

Please allow me to tell you a little about the COCA. This summer, the Secretary again recognized the COCA to accredit institutions and programs that lead to the DO degree. The COCA has enjoyed this recognition since 1952 without interruption.

Accordingly, the COCA serves the public by establishing, maintaining and applying accreditation standards and procedures to ensure the academic quality and continuous quality improvement delivered by the colleges of osteopathic medicine, reflecting the evolving practice of osteopathic medicine.
The scope of COCA's authority and competent accreditation for both non-profit and for-profit colleges of osteopathic medicine, and the COCA is the only accrediting agency to accredit osteopathic medical schools in the United States.

Currently, there are 34 accredited osteopathic medical schools operating on 51 campuses. Between now and 2020, the COCA expects to have a nearly 25 percent increase of campuses, consisting of non-profit and for-profit new schools, new branch campuses and new additional locations.

Graduates of accredited COMs earn a degree of doctor of osteopathic medicine. In the United States, physicians licensed to practice are either DOs or MDs. DOs practice in every medical specialty, applying a patient-centered, whole body philosophy to treat their patients.

DOs are also one of the fastest growing segments of healthcare professionals in the United States. Currently, there are more than 105,000 DOs, some 15 percent of all U.S. physicians in
active medical practice. And one out of every four medical students is in an osteopathic medical school.

With the anticipated growth of osteopathic medical schools, the gap between osteopathic medical students and allopathic or MD medical students will get narrower in just a few short years. With this narrowing gap, the correspond gap between the number of DOs and MDs in the United States will decrease.

While DOs practice in all medical specialties, more than 60 percent of all DOs specialize in primary care. That includes family medicine, general internal medicine, emergency medicine and pediatrics. Osteopathic medical schools and training programs also provide care to rural patient populations for whom gaps in access to care are more pronounced.

The COCA is pleased to support educational opportunities for future physicians in these geographical areas and in the most needed specialties, and to support workforce development
to address healthcare provider shortages.

As the COCA accredits both non-profit and for-profit medical schools, whether a medical school is a non-profit or for-profit institution, the COCA imposes the same accreditation standards. The current rigor of the gainful employment regulations requires more accountability by these medical schools, and will result in improved student outcomes, such as residency placement, higher licensing exam rates, and other measures of success for a medical school that includes lower loan default rates upon graduation.

Such outcomes will provide prospective students with the necessary information to determine which institution would provide the best investment in their future education. In addition to any undergraduate debt, osteopathic medical school graduates can typically expect to graduate with more than $200,000 in student loan debt with large monthly loan payments immediately following graduation, when they are still in training in at least three-year residency programs required for
state medical licenses, and potentially an additional one to three-year fellowship, depending on specialty.

However, as soon as they complete this training, their income will increase exponentially. This increase in income is in stark contrast to other careers which may not incorporate extensive post-graduate training.

MR. WASHINGTON: Twenty seconds left.

DR. FORSTEIN: We appreciate the Department's intent to rescind gainful employment regulations. However, we suggest the Department carefully consider the unique nature of certain programs, such as medical schools, and develop appropriate metrics for each category of programs.

Finally, medical schools are in short supply in many geographic areas in the United States, particularly in rural parts of the country. The Department should consider the impact of rescission on the gainful employment regulations could have on the success on medical school graduates who wish to pursue medical careers in
areas where physician shortage exists.

We urge the Department to reconsider rescinding the gainful --

MR. WASHINGTON: You're now over time.

DR. FORSTEIN: Time's up?

MR. WASHINGTON: Yes.

DR. FORSTEIN: Thank you.

MR. WASHINGTON: Thank you. So, I'm going to go slightly out of order. Nicholas Fleisher.

MR. FLEISHER: Thank you. My name is Nicholas Fleisher. I live in Milwaukee, Wisconsin. I'm an associate professor of linguistics at the University of Wisconsin, Milwaukee, and I'm also here today in my capacity as president of the Wisconsin State Conference of the American Association of University Professors, the AAUP.

AAUP Wisconsin joins faculty and student groups around Wisconsin and across the country in condemning rulemaking changes that would degrade the quality of American higher
education. Under its current leadership, the
Department of Education has worked actively to
loosen constraints on for-profit operators and
rollback protections meant to ensure quality and
value for students.

The current round of negotiated
rulemaking is designed to further this erosion of
standards. We object. One of the changes the
Department of Education seeks is to water down the
definition of regular and substantive interaction
in higher education. This change of the
piece with ongoing efforts to denigrate
de-professionalize teachers at all levels in
American education.

These efforts fly in the face of the
basic truth; teaching and learning go together.
Any innovation that decouples a student's learning
experience from extensive contact with experienced
teachers will harm the quality of that student's
education. We call the Department's attention to
this basic truth about the domain over which it
exercises regulatory authority.
The AAUP advocates for faculty rights and responsibilities in American higher education. It does so in the interest of maintaining the high education quality that can only come from a strong, independent, professional teaching workforce. This redounds to the benefit of students, and it has made the United State the undisputed world leader in higher education.

The Department of Education now seeks to dismantle the regulatory framework that has allowed higher education to flourish in this country. We call on the Department of Education to abandon this destructive path and, instead, to embrace its true mission; to promote and safeguard educational quality at all levels. Thank you.

MR. WASHINGTON: Thank you. Michael Rosen.

MR. ROSEN: My name is Michael Rosen. I recently retired from Milwaukee Area Technical College, where I taught economics for 29 years. MATC is one of the largest two-year colleges in the nation, with more than 40,000 students. The
majority of students are of color and economically disadvantaged.

I'm appearing before you today to urge you to restore the gainful employment rule that ensures that students who attend college with noble academic and employment aspirations are not left unemployed or underemployed with huge debts they have no possibility of paying back.

I became an advocate for gainful employment based on my own experience and that of dozens of former for-profit college students I have met and worked with. I first became acquainted with for-profit colleges when Everest College, affiliated with Corinthian, opened in Milwaukee. Less than two years after it opened, it closed.

As it had in other cities, Everest enticed low-income students with the promise they would find gainful employment after they completed their studies, encouraged and sometimes coerced them to take out huge loans to pay tuition for programs that cost four times what they would have paid for the same courses at Milwaukee Area
Technical College, and had many more students drop out than graduate.

An article in the Milwaukee Journal Sentinel documented this. More than half of the 1,585 students who enrolled when the school opened in 2010 dropped out. Everest only placed 95 students, less than six percent of the enrolled.

By comparison, according to the Wisconsin technical college annual graduate follow-up report, 88 percent of graduates from the technical colleges were employed within six months of graduation. And 71 percent were employed directly in their field.

One of the Everest College students was Michelle Reise whose testimony I supplied to this Department five years ago at a hearing in Minneapolis. Her experience is like many others who have been lured into attending for-profit colleges by the promise of an accelerated academic program that will lead to immediate and gainful employment.

She wrote I graduated with a 4.0 GPA and
was an Everest ambassador. My credentials speak for themselves. I have only had three interviews for offices in my field, all of which I found on my own, with no help from Everest.

They promised me, based on their advertising, a better life, and that they would place me in my desired field of study. Everest was not the start of a better life, but more of a beginning of a long, still unfinished nightmare, leaving me with a large amount of debt, $15,000, and no new start.

Karen Kilpatrick, an Everest grad wrote everything they promised me was a lie. I could talk all day about how my decision to go to this career college ruined my life. But, unfortunately, I don't have enough time in my day because I am working two jobs as a housekeeper and personal aide, and have two children to take care of.

My intentions were to give my children a better future by bettering myself through education. Everest ripped that dream away from
me, and is the reason I am struggling today with $12,000 in debt.

Or listen to Antonia Fuentes. I enrolled in the criminal justice program at Sanford-Brown. My recruiter embellished on the career outlook, promised a brighter future with a favorable career from a salary level of $40,000 annually to success stories plastered on the walls.

It was all an advertisement to recruit vulnerable students to enroll in their bogus programs. The credits I earned were non-transferrable to any four-year program. I found myself stuck with close to $30,000 in debt that I may never be able to pay back. It has been almost four years since I graduated, and I am without a job in the field of study.

These are a sample of the testimonies I submitted five years ago. But all of them indicate that students, many of whom had no experience with higher education, were lured into enrolling in for-profit colleges by aggressive recruiting and marketing techniques, the promise
of accelerated classes and effective job placement services.

Yet, they wind up with their dreams destroyed, credits that do not transfer, huge debts they cannot possible pay back, and no gainful employment. The United States Senate study of for-profit and proprietary colleges came to the very same conclusion.

The reason there are so many dissatisfied students, so many lawsuits by 32 state attorney generals investigating for-profits, and even why the Trump --

MR. WASHINGTON: Twenty seconds left.

MR. ROSEN: -- administration reached a $25 million settlement is that this is a business model, not and education model. I urge you to restore the gainful employment rule.

In my testimony, which I guess I can't give because I've used up my time, but I will provide in written form, I have addressed many of the rule changes, including accreditation, including the relationship between faculty and
students, and many of the other rules changes that you are discussing.

So, I'd like to submit this if it's possible, and I appreciate you taking the time to come through Wisconsin. Welcome, by the way, to Sturtevant and southeastern Wisconsin, and thank you very much. Should I give this to you?

MR. WASHINGTON: Yes, if you can give me a copy.

MR. ROSEN: I only have one copy.

MR. WASHINGTON: If you want to submit it electronically, you can, as well.

MR. ROSEN: Who would I submit that to?

MR. WASHINGTON: So, individuals can submit comments electronically to the Department of Education by tomorrow at 11:59 p.m. You would go to www.regulations.gov. You type in ED-2018-OPE-0076 and you can submit comments. For anybody who needs that information, you can come forward and I will write it down for you.

MR. ROSEN: I would appreciate that.

MR. WASHINGTON: Okay, thank you. You
can take a seat now. I'll bring it to you.

MR. ROSEN: Okay, thank you.

MR. WASHINGTON: We do have several other speakers signed up for the afternoon. If anybody is here, after 12:00 p.m. If anybody's here that's assigned to speak after 12:00 p.m., and wishes to come to the podium now, you may approach. If you do not choose to, we will begin at 12:15.

(Off the record.)

MR. WASHINGTON: Nicholas Kent.

MR. KENT: Good afternoon. My name is Nicholas Kent, Senior Vice President of policy and research at Career Education Colleges and Universities. On behalf of CECU and its members, I want to extend my appreciation to the Department for holding these important public hearings.

We applaud the Department for proposing a comprehensive list of regulatory issues to be considered as part of the negotiations. These topics include, but are not limited to the core functions of accreditation, state authorization, developing a single definition for reporting and
measuring job placement, and the concept of the
term credit hour.

I will briefly address each of these
topics, but to start I'd like to provide feedback
on the upcoming negotiated rulemaking process.
Due to the indisputable need to develop new or
revised regulations in each of the proposed topic
areas, we fully endorse the Department designating
one rulemaking committee with responsibility to
address the list of issues listed in the July 31
Federal Register Notice.

However, due to the variety and
complexity of the proposed topics, we recommend the
Department consider convening additional
subcommittees, beyond the two already planned, to
help inform the rulemaking committee's work.

We believe that this committee
arrangement, i.e., one rulemaking committee and
several subcommittees, along with the Department's
plan to provide draft regulatory language for
discussion prior to the first meeting of the
committee will lead to a more meaningful debate of
the issues with a higher likelihood the rulemaking committee will reach consensus.

The current version of the Higher Education Act was last fully reauthorized in 2008, and so much has changed in the last decade, including student demographics, program offering and delivery models. Thus, we applaud the Department for recognizing the need to update regulations that prevent access to quality programs, stifle innovation and impede on institutional and academic freedoms.

To begin, we must acknowledge the current regulatory triad is broken. Under this checks and balances system, each of three important actors should play a distinct role in protecting students and taxpayers.

For example, the Federal Government historically attended to issues related to financial capacity. State government concentrated on consumer protection. And accreditors focused on academic quality and improvement. Unfortunately, in recent years, the
lines of responsibility between these three actors have become increasingly blurred beyond the notion of shared responsibility.

We advocate for a framework where there are discrete roles and responsibilities for each actor of the triad. One critique we often hear of the current accreditation system is that it restricts innovation, limits colleges' abilities to try new organizational and delivery models, and is costly.

For example, the proprietary sector has been handcuffed by both the demands for new programs and inability to get necessary approvals from accreditors or the Department in a timely fashion. We must find ways for accreditors and the Department to provide low-risk institutions approvals more expeditiously.

Also, any change to the Secretary's recognition criteria must reduce challenges of students transferring college credits. In today's higher education environment, students' pursuit of post-secondary education often includes
transferring from one school to another.

However recent studies, including one published in 2017 by the GAO, suggest the cost that students and taxpayers incurred through the lack of academic credit transfer is significant.

In addition to improve the core functions of accreditation, the process by which accreditors are recognized must also be changed. Notable, no sector has been more impacted by the recent politicization of the NACIQI than the proprietary sector.

We recognize there are limits to the changes the Department can make to NACIQI in this area during the rulemaking process, but there are steps the Department can and must take to ensure future fairness for all accreditors and institutions.

First, NACIQI just recognize its role as advisory, providing impartial advice to the Secretary. Second, the format of NACIQI meetings must be overhauled. And finally, we recommend creating common definitions for all performance
indicators used by committees to review agency effectiveness.

Every student, family and policymaker deserves to know the expected outcomes of programs, and the ability to compare these data to similarly situated programs at other institutions. However, this can only be achieved through consistently defined outcome indicators across all sectors.

The first step is developing easy to understand federal definitions and methodologies for indicators students and families believe are most important in defining academic quality, including placement. We must also recognize technology innovation in our educational and student services delivery models. Yet, we also must recognize the cost of burdensome regulations.

Accordingly, the concept that institutions offering online programs be required, for FSA eligibility purposes, to obtain authorization from each state in which the institution enrolls is a waste of institutional
resources and better directed towards student learning.

We believe reciprocity agreements are just one appropriate mechanism for states to address balancing quality and consumer protection. No sector of higher education is more engaged in experiential learning ours, and the use of the over-limiting definition of a credit hour doesn't fit today's students or today's programs. And dare I say, it is the imposition of a new construction on seat time.

As a result, we propose repealing the federal definition of a credit hour, and re-empowering accreditors with the core academic responsibility of measuring students' work. This administration's call for comments and the ambitious rulemaking agenda proposed reflects the urgent need for us to modernize the delivery of today's post-secondary education system.

We stand ready as a sector, to provide the Department with further input and recommendations as it proceeds with this important
work. Thank you.


MS. SOSA: Hello everyone. My name is Luz Sosa. I'm an instructor of economics at Milwaukee Area Technical College. I am one of the 44 million Americans struggling with student loan debt. When I graduated from college in 2010, I had graduated with $67,000 in debt. Today, after paying for eight years, I owe $84,000.

When I got my loans, I got them at zero to two percent and over time, because of Congress's actions in increasing interest rates and selling our debt to private entities, my interest rates went up to 8.8 percent, which makes it almost impossible to pay off my debt with a $60,000 salary.

Like I said, my story is not unique because I'm one of 44 million Americans who are struggling today with student loan debt, and seven million people have already defaulted.

So, this takes me to the point of why we're here today. The deregulation of the college
system and higher education is going to bring new
problems for students who are graduating from
for-profit universities. Because according to
the Institute for College Access and Success, the
average for-profit college graduate finishes
schools with $49,000 of student loan debt compared
to only $25,000 for the average public college
graduate.

Additionally, the percentage of
students with debt also increases substantially
when comparing for-profit and the public school
students. Eighty-eight percent of for-profit
graduates carry loans where only 66 percent of
their public school counterparts do the same.
Studies also indicate that for-profit students
account for nearly half of all student loan
defaults in the nation.

Also, the Brookings report examined two
cohorts of students, one that entered college in
1996, and one that entered in 2004. The study
found that for-profit borrowers default at twice
the rate of public two-year borrowers. But since
for-profit students are more likely borrower, they
default at four times the rate of public two-year
students, as a whole.

So, the default rate is rising. In the
1996 cohort, 23 out of every 100 for-profit
students defaulted within 12 years of starting
college. For the 2004 cohort, the number jumped
to 43 students out of every 100. And this point
is too often the higher prices for-profits charge
aren't correlated with better educational
outcomes.

Many students don't learn as much as
they had anticipated and they don't complete their
degrees at all making it more difficult to pay back
the loans. The root of the problem is that the
for-profit sector continues to benefit from public
financing despite its relatively poor results,
prompting a severe lack of accountability.

Why does the for-profit sector generate
these terrible outcomes? That is very simple.
Because the terrible outcomes are very profitable
and there are no adverse consequences against these
for-profit colleges that take advantage of both the students and the taxpayers. And yet, continue to be in good standing to victimize people.

These people are usually more likely to be first generation Americans, low-income students who might struggle to pay back loans regardless of the type of institution they attend. The research suggests that for-profit students still see worse outcomes than their peers at public or non-profit private schools.

Even their backgrounds are corrected for. One study found that the certificate seeking students at for-profit schools are less likely to be employed after graduation than their counterparts at any other type of school, and that their earnings are, on average, lower; results that held true for seven of the 10 top fields of study.

We need to advocate for our students, and make sure that the changes that occur are for their well-being. We must advocate for the enforcement and expansions of what is currently known as gainful employment rules, which require
students of for-profit programs to meet a certain debt to earnings ratio to qualify for student aid.

Deregulation is what brought us the great recession in 2008, and I hope that we have learned from our mistakes. We must learn that when we leave the consumers at the mercy of corporations, they will only take advantage of them for the sake of profit.

MR. WASHINGTON: Time.

MS. SOSA: We must continue to regulate this industry and make sure --

MR. WASHINGTON: Your time has expired.

MS. SOSA: Oh, I'm sorry. Just one sentence. And we keep increasing the quality of higher education by protecting students and taxpayers from these for-profit loan predators. Thank you.

MR. WASHINGTON: Thank you. Greta Neubauer? Jeffrey Sommers? Okay, we will break until the last two speakers arrive.

(Off the record.)
MR. WASHINGTON: Greta Neubauer.

MS. NEUBAUER: Thank you. My name is Greta Neubauer and I'm a state representative from Racine, Wisconsin. I am also a millennial, and it's that experience that I'm going to speak to today. I grew up believing that this country stood for opportunity.

Between the Statue of Liberty on my history textbook and what I learned in my classes, I believed that with an understanding of our past, our successes and our failures, we were moving forward, and in my lifetime we would see more and more people achieve the American dream.

I remember feeling a great sense of possibility as I applied to colleges. I could afford to dream big because my choice was not dependent on financial aid. But many of my friends, and most of my peers, are not so lucky, and their decision was determined by the financial aid packages they were offered. They depended on that aid, scholarship and loans, in addition to their summer jobs and work study.
We were told that student debt is good debt, and that this mortgage on our future would lead to a better life. But as America's collective debt burden approaches $1.5 trillion, it is clear that this system has gone terribly wrong.

Burdened by student debt, my generation is making drastically different life decisions than our parents and grandparents. Our career paths are dictated by where we can make the most money or pay our loans off most quickly. Or delay marriage, children and buying homes as we pay hundreds or thousands of dollars each month. Student debt is defining my generation's lives, from how we spend our time, to where we live, to what our families look like.

When my parents went to college, many people could earn their tuition through summer and campus jobs. But the minimum wage has not kept pace with inflation, and tuition has increase at seven percent per year for decades.

The same generation that graduated with little to no debt told us to make up the difference
with ever increasing student loans, saddling my
generation with debt many will carry for the rest
of their lives.

They have allowed predatory lenders and
for-profit colleges to ravage our community,
particularly, poor people and people of color. I
asked members of my community to share their
experiences in higher education with me, and heard
from a number of them.

I heard from a single mom who teaches
at a technical college and works to improve
people's lives in our community. She has multiple
student loans, and has struggled to navigate the
difficult repayment system. She was tricked by a
predatory lender and lost an additional $1,000 as
a result.

I spoke with a teacher who spent 10
years working towards his degree in secondary
education as a non-traditional student. After 27
years of teaching, he's already paid back double
his original loan amount. But due to high interest
rates, he still faces hundreds of thousands of
dollars in student debt.

If people are pursuing higher education to build a better life and better contribute to their community, we have an obligation to make that education accessible. How can families participate in this economy when we mortgage our lives with student loan debt?

Instead of living up to the values that I mentioned at the beginning, Betsy DeVos has drawn back from the Obama administration's progress. Under her watch, the Department of Education is deregulating predatory for-profit institutions and lenders. And she regularly threatens to discontinue loan forgiveness programs for students cheated by predatory and fraudulent institutions and for those who work in public service.

Her policies support high dollar corporate interests over people, effectively auctioning off our chance at the American dream. While I speak as a millennial, we're not the only people who are suffering or will suffer under the burden of student debt. As I mentioned, those who
are going back to school are struggling with the same system.

We are not asking for a handout. We're not asking to take the easy way. We're asking for the same opportunity our parents' generation had at a quality education. We're willing to work hard, but we need a fair shot, and that won't be possible if our own Department of Education's policies are stacked against us from the start.

Thank you.

MR. WASHINGTON: Thank you. Jeffrey Sommers?

(Off the record.)

MR. WASHINGTON: It is now 1:00 o'clock. That concludes our public hearing. Thank you for coming. Have a nice day.

(Whereupon, at 1:00 p.m., the above-mentioned public hearing was concluded.)