

UNITED STATES OF AMERICA
DEPARTMENT OF EDUCATION

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INTENT TO ESTABLISH
NEGOTIATED RULEMAKING COMMITTEE

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PUBLIC MEETING

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THURSDAY
SEPTEMBER 13, 2018

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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

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1 P R O C E E D I N G S

2 (9:00 a.m.)

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

15 And for your safety and comfort of
16 today's session, this building is a high school
17 currently from 9:00 until 1:00, so there are high
18 school students out in the hallway areas, so always
19 be careful of that. They will be taking their
20 regular one-hour classroom breaks so there'll be
21 some energy and activity going on there. At 1:00
22 p.m. the Governor will be here because we have a

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1 graduation ceremony with our partnership with the
2 Department of Corrections. We have a group of
3 graduates from Ellsworth Correctional Facility.
4 So, if you're here in the afternoon there will be
5 a new level of energy that will result from that.

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

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

20 MR. BRICKMAN: Thank you, President
21 Albrecht. I really appreciate the opportunity to
22 be here. I just want to say thank you to Gateway

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1 Technical College and the technical college
2 system. It's really a great opportunity to see the
3 work that you're doing here and, just on a personal
4 note, great to be back in Wisconsin, as I'm a native
5 Wisconsinite.

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

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

17 This is the third of three public
18 hearings that we're holding on negotiated
19 rulemaking to gather input regarding the
20 regulations that govern programs authorized under
21 Title IV of the Higher Education Act of 1965. The
22 first hearing was at our headquarters in

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1 Washington, DC, and earlier this week we held a
2 similar hearing in Louisiana.

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

12 To that end, we are seeking input
13 regarding a number of regulatory provisions,
14 including issues related to recognition of
15 accreditors, distance learning and
16 competency-based education, including the
17 definition of regular and substantive interaction.
18 Direct assessment and prior learning assessment,
19 state authorization, the definition of credit
20 hour, and the rules and responsibilities in
21 institutions and accrediting agencies in the
22 teach-out process.

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1 More specifically, with respect to the
2 accreditors, the administration is interested in
3 improving the recognition, the oversight process,
4 to ensure consistent and equal treatment of all
5 agencies. In this work, we wish to recognize the
6 autonomy and the independence of agencies, support
7 the needs of today's students and honor the
8 missions of various types of institutions.

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

15 We're also interested in revising any
16 accreditation regulations that are ambiguous,
17 repetitious or unnecessarily burdensome, as well
18 as reducing duplication of oversight
19 responsibilities between the Department of
20 Education, states, and accrediting agencies, and
21 ensuring the Department is more accountable and
22 responsive to those it serves.

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1 In addition to the accreditation
2 regulations, we are exploring some specific
3 regulatory provisions that are not directly part
4 of the accreditation regulations, but that impact
5 the work institutions do, and the way that work
6 might be evaluated by accreditors.

7 These provisions include: the
8 development of a single-job placement definition
9 and a single methodology for calculating job
10 placement rates; the determination of reasonable
11 program length; the clock hour programs that result
12 in certification and licensure; the elimination of
13 barriers to innovation and competition in
14 postsecondary education or to student completion,
15 graduation or employment, including barriers
16 created by unnecessary credential inflation or
17 other practices that are unfair to students; the
18 ability for an institution to contract with other
19 entities to provide percentage of an educational
20 program, including to promote innovation, and
21 enable more rapid responses among career and
22 technical programs to employer and workforce

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1 needs; and the simplification and clarification of
2 program requirements to minimize inadvertent grant
3 to loan conversions for TEACH grant recipients.

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

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

17 We also plan to create two
18 subcommittees with one focused on competency-based
19 education, and the other on the eligibility of
20 faith-based entities to participate in Title IV
21 programs. The subcommittee will consist of
22 experts in those areas who will not make decisions,

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1 but will report their recommendations back to the
2 full committee for their deliberation during
3 public negotiations.

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

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

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

19 With respect for the logistics today,
20 many of you have already signed for a time to speak,
21 and Aaron will call you up to the microphone
22 accordingly. We still have some time slots

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1 available for today, so if you have not signed up
2 and would like to speak, please see us up at the
3 table.

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

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

16 If you have written comments that you
17 would like to submit here today, you can give them
18 to me or to Aaron. We are also accepting them via
19 regulations.gov through this Friday, September
20 14th, at 11:59 p.m. eastern daylight time.

21 We have two scheduled breaks today; one
22 in the morning from 10:30 until 10:40, and one this

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1 afternoon from 12:00 to 12:15. Those breaks may
2 be extended if we do not have people scheduled to
3 speak. In consideration of others, please silence
4 your cell phones and other devices while you're in
5 this room. You're welcome, though, to make calls
6 out in the lobby.

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

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

18 MR. KOMP: Thank you. I'm Charles
19 Komp, managing director for strategic initiatives
20 at Nicolet College. I'd like to begin by
21 expressing my appreciation for your time today, and
22 for your interest in advancing regulatory and

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1 accreditation models that encourage responsible
2 innovations in higher education.

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

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

15 People know that they can improve their
16 lives through education. But with family, job,
17 and community commitments, traditional college
18 simply does not work for many of them. For
19 example, one of our students is employed full-time
20 in a maintenance position. He has the opportunity
21 to advance his career with a welding technical
22 diploma.

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1 But his irregular work schedule
2 frequently conflicts with classes, preventing him
3 from attending a traditional educational program.
4 He cannot afford to stop working to attend college.
5 This is typical of many of the residents in our
6 district. They're capable of much more. They're
7 seeking to advance their lot in life. But they're
8 unable to access the education necessary to achieve
9 their goals.

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

18 Competencies, the things students need
19 to know to succeed, are defined hand in hand with
20 our industry partners. Students progress by
21 demonstrating what they have learned. The
22 flexibility of learning on a schedule that works

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1 around employment demands, and of progressing at
2 a pace that adjusts to accommodate both life and
3 learning, has made it possible for the student I
4 just described to pursue his college degree.

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

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

18 Because students learn at different
19 rates, measuring learning to demonstrate progress
20 simply makes sense. Rulemaking that provides for
21 learning as an alternative measure of progress to
22 the time-based credit hour system opens a path for

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1 innovations that will lead to more efficient use
2 of student and taxpayer funds.

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

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

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

19 Regional accreditors are effective in
20 assuring and advancing the quality of higher
21 education. As membership organizations, they are
22 committed to continuous quality improvement, to

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1 clear accountability, and to respecting different
2 institutional missions and purposes.

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

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

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

22 MR. WASHINGTON: Thank you. Tyson

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1 Manker.

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

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

16 Of these numerous proposed changes,
17 today I want to focus on the following two issues;
18 the repeal of the credit hour definition, and
19 competency-based education. First, the credit
20 hour requirement was implemented as a way to ensure
21 bad actor colleges were not misrepresenting the
22 amount of actual instruction given to students.

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1 The Department found in 2010, through
2 its independent Inspector General, that
3 institutions were inflating the value of their
4 college courses with minimum to no oversight from
5 accreditors. The credit hour was a quantitative
6 way of providing a baseline measurement of
7 instruction to protect against bad actor schools.

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

20 Second, we support competency-based
21 education and thank the Department for addressing
22 it. It is an important tool for service members,

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1 veterans, and military families who relocate
2 frequently as part of their military service.

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

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

17 In conclusion, the Department must be
18 a good steward of taxpayer dollars, and therefore,
19 keep quality standards that protect both students
20 and taxpayers. This is evidenced by the
21 Department's own findings by its independent
22 Inspector General that institutions were inflating

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1 the value of college courses. These schools,
2 along with the recent closings of ITT Tech and
3 Corinthian Colleges amply showed that there are bad
4 actors attempting to defraud students and the
5 government.

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

15 Similarly, it is important that
16 competency-based education and prior learning
17 credits are allowed in a manner that facilitates
18 veterans, as well as all students, the ability to
19 utilize their skill and training without
20 unnecessary delay. It is often the case that
21 veterans, many who are first generation, and other
22 under-served student population, believe the

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1 federal government's stamp of approval for the
2 school to offer Title IV funds means the school is
3 a high quality school.

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

8 MR. WASHINGTON: Twenty seconds left.

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

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

19 MR. JONES: Thank you. I'm Greg Jones
20 here today on behalf of the Illinois Attorney
21 General's office. My office is Illinois' chief
22 legal officer and primary entity responsible for

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1 enforcing Illinois' consumer protection statutes.
2 In that role, my office investigated schools like
3 Corinthian Colleges, Westwood, and ITT Technical
4 Institute.

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

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

21 First, the Department should ensure
22 that accreditors examine relevant criteria for

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1 exposing institutional fraud. We note with alarm
2 recent efforts to reduce oversight criteria,
3 specifically the PROSPER Act, no longer requiring
4 accreditors to consider such items as recruiting
5 and admissions practices, areas most ripe for
6 institutional misrepresentations, or records of
7 students complaints.

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

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

21 While we strongly disagree with the
22 Department's actions in rescinding this

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1 regulation, we call on the Department to require
2 accreditors to determine and consider those same
3 debt-to-earnings ratios of overseen programs, or
4 at a minimum, examine the average debt load of
5 students, as well as median earnings.

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

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

20 For instance, investigations by my
21 office revealed job placement rate inflation at
22 both Corinthian and Westwood. These schools

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1 counted students as placed when they attended
2 one-day job fairs or obtained minimum wage
3 employment outside their fields of study.

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

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

20 The settlement provides that,
21 generally speaking, an individual is deemed
22 employed if they are working in a related field to

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1 their field of study, the position is permanent,
2 the position is paid, the position requires a
3 minimum of 20 work hours per week, and the
4 individual has been in the position for 30 days.

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

9 Third, and finally, we encourage the
10 Department to require accreditor oversight and
11 approval of third parties providing instruction at
12 accredited institutions. The Dream Center,
13 EDMC's successor, recently attempted to have an
14 unaccredited third party for-profit entity,
15 allegedly owned in part by the CEO, teach computer
16 coding classes for the school.

17 Had the Dream Center not abandoned the
18 plan, students would potentially have been unable
19 to transfer credits earned in courses taught by
20 that third party.

21 MR. WASHINGTON: Twenty seconds left.

22 MR. JONES: Some accreditors have

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1 issued guidelines for such shared services
2 agreements such as the Higher Learning Commission.
3 To ensure uniformity across accreditors and ensure
4 students are not receiving unaccredited
5 instruction, the Department should require such
6 third-party accreditation, and such oversight
7 should ensure that the third party is providing
8 services at fair market value and there are no
9 conflicts of interest between the third party and
10 the educational institution.

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

14 MR. WASHINGTON: Thank you. Analiese
15 Eicher.

16 MS. EICHER: Good morning. My name is
17 Analiese Eicher, and I'm the program director at
18 One Wisconsin Now. We're located in Madison,
19 Wisconsin. Since Secretary DeVos took office, she
20 has made every effort to reverse course on higher
21 education rules meant to protect students and
22 borrowers.

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1 Rules respecting state sovereignty and
2 oversight of distance education have been delayed.
3 Student loan forgiveness for students defrauded by
4 their institutions have been ignored and weakened.
5 And the gainful employment rules protecting
6 students who graduate from certain programs have
7 been gutted.

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

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

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1 higher education.

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

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

18 Online college education is growing and
19 is meant to provide flexible learning experiences
20 for those who want or need it, while not sacrificing
21 the quality of the education they are receiving.
22 By lessening the requirement for online programs

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1 to provide regular and substantive interaction,
2 the DeVos Department of Education will take online
3 education back to a time when institutions ignored
4 student needs and outsourced instruction to call
5 centers and non-experts.

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

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

19 They need strong encouragement from the
20 federal government, not regulatory rollbacks that
21 would allow them to not do their job. We've
22 already seen the dangers of that here in Wisconsin.

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1 As part of his 2017 budget, Governor Walker
2 succeeded in eliminating the Educational Approval
3 Board. The EAB was created in 1944 to oversee
4 institutions like for-profit colleges and to
5 protect consumers.

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

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

20 Students and borrowers are not asking
21 for much. They are asking to be treated fairly in
22 a system that does not treat them fairly.

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1 Unfortunately, the DeVos Department of Education
2 and the Walker administration are moving to make
3 the problems worse, not better. Thank you.

4 MR. WASHINGTON: Thank you.
5 Stephanie Sklba.

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

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

22 Many students in Gateway's district do

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1 engage in transcribed credit. In the 2017-18
2 academic year, 6,233 students took a total of
3 14,781 credits, saving them \$2.6 million in tuition
4 costs. These courses were taught by 112
5 transcribed teachers, high school teachers who
6 have earned at least a Bachelor's degree and are
7 certified to teach specific career and technical
8 education courses.

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

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

22 We certainly would like to be able to

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1 provide the same benefits of CTE courses to
2 students through offering them general studies
3 courses. Those benefits of starting their
4 education and career early, saving money, and
5 helping them to decide their post-high school path
6 early.

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

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

20 Again, our goal is to be able to provide
21 the education-changing benefits of dual credit to
22 students who want to take those courses through

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1 teachers who would be qualified to do so. Thank
2 you for your time.

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

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

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

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

21 The UW system contributes \$24 billion
22 to Wisconsin's economy each year, with a 23 to 1

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1 economic return on investment. And it is a major
2 source of research and innovation, with more than
3 \$1 billion of sponsored research activity each
4 year.

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

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

17 We believe to be successful, we must be
18 innovators. To be innovators, we need our
19 partners, like the U.S. Department of Education,
20 to remove rules and regulatory barriers to
21 innovation. In that spirit, the UW system
22 supports the Department's inclusion of direct

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1 assessment, competency-based education, or CBE,
2 and the proposed agenda for negotiated rulemaking
3 and committing a separate subcommittee to focus on
4 this critical issue.

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

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

21 At the time it was created, an estimated
22 700,000 to 1 million residents, or about one in five

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1 working age adults in Wisconsin, had some college
2 credit but no degree. Wisconsin is also
3 experiencing a workforce shortage, which is why the
4 UW system and our partners at the technical
5 colleges and private universities set a
6 post-secondary attainment goal of 60 percent by
7 2027 to meet workforce demands.

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

14 Since the Flexible Option's inception
15 just a few years ago, I'm proud to say the program
16 offers nine degrees and certificates, serving
17 almost 1,800 students, with about 300 having
18 already graduated. The UW Flexible Option is
19 transforming the delivery of higher education.
20 Students progress to their degree by mastering
21 competencies rather than accumulating credit
22 hours.

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1 With CBE, self-motivated and
2 self-directed students receive a high quality
3 education at their own pace at a fraction of the
4 cost it takes to pursue a traditional on-campus or
5 traditional online program.

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

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

21 But the current definition also leaves
22 out modern instructional roles and uses of adaptive

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1 inter-instructional technologies. Institutions
2 offering well designed and proactively engaging
3 CBE programs --

4 MR. WASHINGTON: Twenty seconds left.

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

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

15 MR. WASHINGTON: Thank you. Monique
16 Currie.

17 MS. CURRIE: Good morning. My name is
18 Monique Currie. I'm a policy analyst with
19 Wisconsin Technical College system board. The
20 13-member system board provides guidance and
21 oversight to the 16 colleges that make up
22 Wisconsin's technical college system.

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1 We are Wisconsin's largest higher
2 education system, educating over 300 students
3 annually in over 400 degree programs. Programs
4 range from high quality certificates to one and
5 two-year technical diplomas to Associate degrees
6 in fields from advanced manufacturing to
7 healthcare to IT.

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

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

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1 outside the beltway.

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

10 Further, the definition should be
11 expanded to include other meaningful types of
12 interactions, such as those provided by mentors.
13 Both changes are critical for students in rural
14 communities where traditional in-class
15 educational opportunities are limited or may be
16 located a great distance, as well as the many
17 students who work full-time while attending school
18 and whose demanding schedules leave little time for
19 8:00 to 5:00, Monday through Friday classroom
20 instruction.

21 Second, the public and individual
22 disclosure requirements found in the distance

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1 education regulations are unrealistic and
2 burdensome for our colleges. They should be
3 eliminated or, at the very least, severely
4 minimized.

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

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

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1 What do we mean by dual enrollment?
2 Dual enrollment, and specifically, this case
3 transcripted credit, allows high school students
4 to earn college credit by attending courses at
5 their local area high school as taught by their
6 local high school teachers, who are teaching our
7 college level curriculum.

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

16 The education requirements from the
17 higher learning commission will reduce the
18 availability of qualified teachers, as mentioned
19 by Stephanie Sklba, and therefore limit the
20 opportunities of high school students to earn
21 college credit not only in Wisconsin, but in many
22 other states.

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1 Our technical colleges will work hard
2 to ensure that high school faculty teach our
3 college level courses with the same content and
4 rigor as those taught by the faculty on our
5 campuses. No advanced degree can guarantee that.
6 Thank you for the opportunity to share our
7 concerns. Addressing these issues will give our
8 colleges the flexibility they need to serve our
9 students and meet our state's growing workforce
10 needs.

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

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

22 I believe you'll be excited about the

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1 work at our agency to promote innovation and find
2 ways to build an accreditation system responsive
3 to the dynamic changes in higher education. In
4 2016, the Higher Learning Commission launched its
5 strategic plan entitled beyond the horizon, aptly
6 named to be forward looking and visionary.

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

14 Our project participants are in the
15 process of presenting us unprecedented ideas for
16 high education. And without a shift in the
17 regulations, some will likely never see the light
18 of day. Why does this matter? Accreditors are
19 strong influencers and opinion leaders in higher
20 education, and we want to remove the anchors that
21 keep new ideas and innovation tethered to the
22 shores of the past.

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1 For one initiative, HLC established a
2 think tank of nationally recognized leaders; we
3 call it the partners for transformation. It
4 includes leaders such as Michael Crow, president
5 of Arizona State University, a national leader in
6 higher education innovation or, as he calls
7 himself, a knowledge enterprise architect.

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

15 In addition to the partners, we are
16 receiving incredible recommendations from an
17 innovation zone initiative and two on student
18 success, all made up of some of the greatest
19 thinkers in this country. What are they telling
20 us? Keep regional accreditation, but make it
21 stronger. Remove the shackles of old regulations
22 that we are responsible for enforcing, even if we

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1 know they have little to do with our main mission,
2 quality assurance.

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

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

21 Our goal is singular; allow regional
22 accreditors to be positioned to assure that this

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1 country strengthens its already remarkable fleet
2 of institutions that serve our learners of all ages
3 and backgrounds.

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

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

18 And I implore you to take the
19 recommendations of our HLC innovators into
20 consideration, and we will be glad to share them
21 at the appropriate time. Let's use this
22 opportunity to work as two parts of the triad; the

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1 states, the Federal Government and regional
2 accreditors.

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

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

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

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1 (Slight pause.)

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

4 (Off the record.)

5 MR. WASHINGTON: Our first speaker is
6 Jon Shelton.

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

14 They see public higher education as a
15 promise, and they trust us to make sure that their
16 institution serves their interest by giving them
17 instruction from experts. They trust us to give
18 them instruction that is affordable and will help
19 them find their place as citizens and workers in
20 the modern world. Though it isn't perfect, my
21 university does an excellent job of giving them
22 affordable, high quality instruction.

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1 But there are other institutions out
2 there, as we've learned in recent years, especially
3 for-profit institutions; not always, but that's
4 often the case, that don't have similarly situated
5 students' best interests at heart.

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

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

22 It's no wonder that so many Americans,

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1 especially young people, seek higher education.
2 Unfortunately, without safeguards, predatory
3 institutions like ITT Tech and Corinthian Colleges
4 exploit their thirst for higher education.

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

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

20 Not being able to pay it back can ruin
21 their lives. And ultimately federal tax dollars
22 go to enrich private corporations. We should be

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1 skeptical of any new rulemaking by an education
2 department that moved to allow the ACICS to once
3 again monitor for-profit colleges.

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

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

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1 process could do, from what I understand.

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

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

17 Of course, we will honor if you wanted
18 to wait and not speak until the time that you were
19 assigned. So, if we don't have anybody signed up
20 that, if we do have people in attendance that are
21 signed up for after noon and don't wish to speak
22 until their assigned time, we will wait until 11:30

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1 when our next speaker is scheduled to speak.

2 (Off the record.)

3 MR. WASHINGTON: Our first speaker is
4 David Forstein.

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

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

18 We commend the Department of Education
19 for initiating a new negotiated rulemaking process
20 to address some of the shortcomings of the current
21 gainful employment regulations, particularly as
22 they are applied to graduate and professional

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1 schools.

2 As the Department begins to consider
3 its changes to the regulations, we ask that you
4 consider the value of graduate level professional
5 programs, such as osteopathic medical education,
6 to the nation. And we further ask that any
7 revisions of gainful employment rules be done to
8 enhance and increase opportunities to provide such
9 education.

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

16 Accordingly, the COCA serves the public
17 by establishing, maintaining and applying
18 accreditation standards and procedures to ensure
19 the academic quality and continuous quality
20 improvement delivered by the colleges of
21 osteopathic medicine, reflecting the evolving
22 practice of osteopathic medicine.

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1 The scope of COCA's authority and
2 competent accreditation for both non-profit and
3 for-profit colleges of osteopathic medicine, and
4 the COCA is the only accrediting agency to accredit
5 osteopathic medical schools in the United States.

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

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

19 DOs are also one of the fastest growing
20 segments of healthcare professionals in the United
21 States. Currently, there are more than 105,000
22 DOs, some 15 percent of all U.S. physicians in

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1 active medical practice. And one out of every four
2 medical students is in an osteopathic medical
3 school.

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

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

19 The COCA is pleased to support
20 educational opportunities for future physicians in
21 these geographical areas and in the most needed
22 specialties, and to support workforce development

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1 to address healthcare provider shortages.

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

13 Such outcomes will provide prospective
14 students with the necessary information to
15 determine which institution would provide the best
16 investment in their future education. In addition
17 to any undergraduate debt, osteopathic medical
18 school graduates can typically expect to graduate
19 with more than \$200,000 in student loan debt with
20 large monthly loan payments immediately following
21 graduation, when they are still in training in at
22 least three-year residency programs required for

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1 state medical licenses, and potentially an
2 additional one to three-year fellowship, depending
3 on specialty.

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

9 MR. WASHINGTON: Twenty seconds left.

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

16 Finally, medical schools are in short
17 supply in many geographic areas in the United
18 States, particularly in rural parts of the country.
19 The Department should consider the impact of
20 rescission on the gainful employment regulations
21 could have on the success on medical school
22 graduates who wish to pursue medical careers in

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1 areas where physician shortage exists.

2 We urge the Department to reconsider
3 rescinding the gainful --

4 MR. WASHINGTON: You're now over time.

5 DR. FORSTEIN: Time's up?

6 MR. WASHINGTON: Yes.

7 DR. FORSTEIN: Thank you.

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

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

19 AAUP Wisconsin joins faculty and
20 student groups around Wisconsin and across the
21 country in condemning rulemaking changes that
22 would degrade the quality of American higher

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1 education. Under its current leadership, the
2 Department of Education has worked actively to
3 loosen constraints on for-profit operators and
4 rollback protections meant to ensure quality and
5 value for students.

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

15 These efforts fly in the face of the
16 basic truth; teaching and learning go together.
17 Any innovation that decouples a student's learning
18 experience from extensive contact with experienced
19 teachers will harm the quality of that student's
20 education. We call the Department's attention to
21 this basic truth about the domain over which it
22 exercises regulatory authority.

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1 The AAUP advocates for faculty rights
2 and responsibilities in American higher education.
3 It does so in the interest of maintaining the high
4 education quality that can only come from a strong,
5 independent, professional teaching workforce.
6 This redounds to the benefit of students, and it
7 has made the United State the undisputed world
8 leader in higher education.

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

16 MR. WASHINGTON: Thank you. Michael
17 Rosen.

18 MR. ROSEN: My name is Michael Rosen.
19 I recently retired from Milwaukee Area Technical
20 College, where I taught economics for 29 years.
21 MATC is one of the largest two-year colleges in the
22 nation, with more than 40,000 students. The

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1 majority of students are of color and economically
2 disadvantaged.

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

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

16 As it had in other cities, Everest
17 enticed low-income students with the promise they
18 would find gainful employment after they completed
19 their studies, encouraged and sometimes coerced
20 them to take out huge loans to pay tuition for
21 programs that cost four times what they would have
22 paid for the same courses at Milwaukee Area

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1 Technical College, and had many more students drop
2 out than graduate.

3 An article in the Milwaukee Journal
4 Sentinel documented this. More than half of the
5 1,585 students who enrolled when the school opened
6 in 2010 dropped out. Everest only placed 95
7 students, less than six percent of the enrolled.

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

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

22 She wrote I graduated with a 4.0 GPA and

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1 was an Everest ambassador. My credentials speak
2 for themselves. I have only had three interviews
3 for offices in my field, all of which I found on
4 my own, with no help from Everest.

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

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

20 My intentions were to give my children
21 a better future by bettering myself through
22 education. Everest ripped that dream away from

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1 me, and is the reason I am struggling today with
2 \$12,000 in debt.

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

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

17 These are a sample of the testimonies
18 I submitted five years ago. But all of them
19 indicate that students, many of whom had no
20 experience with higher education, were lured into
21 enrolling in for-profit colleges by aggressive
22 recruiting and marketing techniques, the promise

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1 of accelerated classes and effective job placement
2 services.

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

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

13 MR. WASHINGTON: Twenty seconds left.

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

18 In my testimony, which I guess I can't
19 give because I've used up my time, but I will
20 provide in written form, I have addressed many of
21 the rule changes, including accreditation,
22 including the relationship between faculty and

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1 students, and many of the other rules changes that
2 you are discussing.

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

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

10 MR. ROSEN: I only have one copy.

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

13 MR. ROSEN: Who would I submit that to?

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

21 MR. ROSEN: I would appreciate that.

22 MR. WASHINGTON: Okay, thank you. You

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1 can take a seat now. I'll bring it to you.

2 MR. ROSEN: Okay, thank you.

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

9 (Off the record.)

10 MR. WASHINGTON: Nicholas Kent.

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

17 We applaud the Department for proposing
18 a comprehensive list of regulatory issues to be
19 considered as part of the negotiations. These
20 topics include, but are not limited to the core
21 functions of accreditation, state authorization,
22 developing a single definition for reporting and

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1 measuring job placement, and the concept of the
2 term credit hour.

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

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

17 We believe that this committee
18 arrangement, i.e., one rulemaking committee and
19 several subcommittees, along with the Department's
20 plan to provide draft regulatory language for
21 discussion prior to the first meeting of the
22 committee will lead to a more meaningful debate of

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1 the issues with a higher likelihood the rulemaking
2 committee will reach consensus.

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

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

17 For example, the Federal Government
18 historically attended to issues related to
19 financial capacity. State government
20 concentrated on consumer protection. And
21 accreditors focused on academic quality and
22 improvement. Unfortunately, in recent years, the

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1 lines of responsibility between these three actors
2 have become increasingly blurred beyond the notion
3 of shared responsibility.

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

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

18 Also, any change to the Secretary's
19 recognition criteria must reduce challenges of
20 students transferring college credits. In
21 today's higher education environment, students'
22 pursuit of post-secondary education often includes

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1 transferring from one school to another.

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

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

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

18 First, NACIQI just recognize its role
19 as advisory, providing impartial advice to the
20 Secretary. Second, the format of NACIQI meetings
21 must be overhauled. And finally, we recommend
22 creating common definitions for all performance

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1 indicators used by committees to review agency
2 effectiveness.

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

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

18 Accordingly, the concept that
19 institutions offering online programs be required,
20 for FSA eligibility purposes, to obtain
21 authorization from each state in which the
22 institution enrolls is a waste of institutional

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1 resources and better directed towards student
2 learning.

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

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

20 We stand ready as a sector, to provide
21 the Department with further input and
22 recommendations as it proceeds with this important

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1 work. Thank you.

2 MR. WASHINGTON: Thank you. Is
3 Jeffrey Sommers here? Okay, Luz Sosa.

4 MS. SOSA: Hello everyone. My name is
5 Luz Sosa. I'm an instructor of economics at
6 Milwaukee Area Technical College. I am one of the
7 44 million Americans struggling with student loan
8 debt. When I graduated from college in 2010, I had
9 graduated with \$67,000 in debt. Today, after
10 paying for eight years, I owe \$84,000.

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

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

21 So, this takes me to the point of why
22 we're here today. The deregulation of the college

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1 system and higher education is going to bring new
2 problems for students who are graduating from
3 for-profit universities. Because according to
4 the Institute for College Access and Success, the
5 average for-profit college graduate finishes
6 schools with \$49,000 of student loan debt compared
7 to only \$25,000 for the average public college
8 graduate.

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

18 Also, the Brookings report examined two
19 cohorts of students, one that entered college in
20 1996, and one that entered in 2004. The study
21 found that for-profit borrowers default at twice
22 the rate of public two-year borrowers. But since

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1 for-profit students are more likely borrower, they
2 default at four times the rate of public two-year
3 students, as a whole.

4 So, the default rate is rising. In the
5 1996 cohort, 23 out of every 100 for-profit
6 students defaulted within 12 years of starting
7 college. For the 2004 cohort, the number jumped
8 to 43 students out of every 100. And this point
9 is too often the higher prices for-profits charge
10 aren't correlated with better educational
11 outcomes.

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

19 Why does the for-profit sector generate
20 these terrible outcomes? That is very simple.
21 Because the terrible outcomes are very profitable
22 and there are no adverse consequences against these

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1 for-profit colleges that take advantage of both the
2 students and the taxpayers. And yet, continue to
3 be in good standing to victimize people.

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

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

18 We need to advocate for our students,
19 and make sure that the changes that occur are for
20 their well-being. We must advocate for the
21 enforcement and expansions of what is currently
22 known as gainful employment rules, which require

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1 students of for-profit programs to meet a certain
2 debt to earnings ratio to qualify for student aid.

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

9 MR. WASHINGTON: Time.

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

12 MR. WASHINGTON: Your time has
13 expired.

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

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

22 (Off the record.)

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1 MR. WASHINGTON: Greta Neubauer.

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

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

14 I remember feeling a great sense of
15 possibility as I applied to colleges. I could
16 afford to dream big because my choice was not
17 dependent on financial aid. But many of my
18 friends, and most of my peers, are not so lucky,
19 and their decision was determined by the financial
20 aid packages they were offered. They depended on
21 that aid, scholarship and loans, in addition to
22 their summer jobs and work study.

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1 We were told that student debt is good
2 debt, and that this mortgage on our future would
3 lead to a better life. But as America's collective
4 debt burden approaches \$1.5 trillion, it is clear
5 that this system has gone terribly wrong.

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

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

21 The same generation that graduated with
22 little to no debt told us to make up the difference

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1 with ever increasing student loans, saddling my
2 generation with debt many will carry for the rest
3 of their lives.

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

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

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

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1 dollars in student debt.

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

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

17 Her policies support high dollar
18 corporate interests over people, effectively
19 auctioning off our chance at the American dream.
20 While I speak as a millennial, we're not the only
21 people who are suffering or will suffer under the
22 burden of student debt. As I mentioned, those who

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1 are going back to school are struggling with the
2 same system.

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

11 MR. WASHINGTON: Thank you. Jeffrey
12 Sommers?

13 (Off the record.)

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

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

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