

DEPARTMENT OF EDUCATION  
OFFICE OF POSTSECONDARY EDUCATION  
PUBLIC HEARINGS  
SESSIONS 1 & 2, DAY 1  
MORNING AND AFTERNOON  
April 11, 2023

On the 11th day of April, 2023, the following meeting was held virtually, from 10:00 a.m. to 4:00 p.m.

P R O C E E D I N G S

MR. MARTIN: Good morning and welcome to the US Department of Education's virtual public hearing to discuss its proposed rulemaking agenda. My name is Greg Martin, Director of Policy Development Group in the Office of Postsecondary Education. I'm joined today by Denise Morelli from the Office of the General Counsel and by Wesley Whistle from the Office of the Under Secretary. We are pleased you have joined us and look forward to what I'm certain will be a productive and informative couple of hours. In a moment we will proceed with the first of our public hearings. But first I would like to introduce, Under Secretary of Education James Kvaal, who has some opening remarks he wishes to share. Mr. Kvaal.

MR. KVAAL: Thank you, Greg. I appreciate the opportunity to welcome everybody to the first day of the Department's public hearings on the rulemaking agenda for postsecondary education and appreciate everyone who is participating in this process. We take public input very, very seriously, and we recognize that the success of our rulemaking process depends upon the active participation of stakeholders and experts. So, appreciate your time. Our goal here, as always, is building a higher education system that

promotes upward mobility, equity, and economic growth. And we see the regulatory process as a tool to improve our programs and better serve students and taxpayers. The set of issues we are considering involve the nuts and bolts of the Department's regulations for Federal Student Aid and institutional accountability to make both work better. And in addition to the topics that were listed in the Federal Register, we also invite you to suggest and comment on other topics that may be important for us to consider. In addition to the oral comments we are receiving this week, you can also submit written comments through April 24th. I'm hoping that we'll hear a range of ideas to ensure that institutions and programs provide high-quality educational opportunities, are accountable for outcomes, and to strengthen Federal Student Aid programs for students and borrowers and taxpayers. We will bring key issues before the rulemaking committees and plan to begin negotiations this fall. We will notify the public of the schedule and topics of each committee through Federal Register notices and will also be seeking nominations for negotiators to serve on these committees. And I hope that's something you'll consider doing. Before I go, I want to say thank you to the Department of Education staff who have organized these sessions and will be

compiling all the public input. You may notice Department staff are rotating through these sessions and we have a process to share information internally to make sure that every comment is carefully considered. So, thanks again for joining us today and I'll turn it over to Greg.

MR. MARTIN: I believe I was muted, so, we'll start that one again. That was my error there. So, thanks, Mr. Kvaal. We appreciate your comments this morning. On March 24th, we published a notice in the Federal Register announcing our intention to establish one or more negotiated rulemaking committees to prepare proposed regulations for the Federal Student Aid programs authorized under Title IV of the Higher Education Act of 1965, as amended. We also announced three public hearings at which interested parties may comment on the topics suggested by the Department and may suggest additional topics that we should consider for action by the negotiating committee. In addition, we announced that the Department will accept written comments on the topics suggested by the Department, as well as suggestions for additional topics that we should consider for action by the negotiating committee. Those wishing to submit comments electronically may do so by going to [www.Regulations.gov](http://www.Regulations.gov). Written comments must be

received on or before April 23rd of 2023. Today's hearing is divided into morning and afternoon sessions, scheduled for 10 a.m. Eastern Standard Time through 12 p.m. Eastern Standard Time, after which we will break for lunch and then again at 1 p.m. Eastern Standard Time through 3 p.m. Eastern Standard Time, respectively. Additional public hearings will be conducted on Wednesday, April 12th and Thursday, April 13th, using the same format. Listeners who desire more background on the topics of today's hearings should refer to the March 24th, 2023, Federal Register announcement, which also provides detailed instructions on how to submit comments electronically. The document may be found on Federal Student Aid's Partner Connect website at [FSapartners.Ed.gov](https://fsapartners.ed.gov). That is the former iFAPwebsite, by selecting the Knowledge Center home, scrolling to laws and regulations, and selecting federal registers. Before we begin, I would like to remind participants of the three-minute time limit measured from when you commenced speaking. I will provide a 30-second warning and inform you when the three-minute period has elapsed. Speakers whose remarks continue beyond the allotted time will have their microphones muted. So, do pay attention to the time. I do want to also point out that we- or announce rather, that we have- I'm sorry, I was just

informed that this particular session is a four-minute comment period. So, it's a four-minute comment period and I will give you a 30-second warning and then let you know when the time period has elapsed, so you all get an extra minute. I want to say that we do have some additional time slots for both tomorrow and Thursday. And so, if you are somebody who is not yet registered to speak but would like to share your comments with us, go ahead and do that, because we do have those additional slots. So, with that, I will now go ahead and introduce our first speaker today and I was getting some communications from our people behind the scenes. So, I think that our first speaker today will still be Mr. Harrison Wadsworth. So, Harrison, whenever you are ready to speak. Okay, I'm told that Harrison is not quite ready to go yet, so we are going to move on to Ms. Jamiene Studley. Ms. Studley, whenever you are ready to speak.

MS. STUDLEY: Good morning. Can you hear me, Greg?

MR. MARTIN: We can. Nice to see this morning, Jamie.

MS. STUDLEY: Just a minute. I've had, maybe for the same reason he did, I've had a challenge getting in, so let me switch to my text. I apologize.

But there were some problems getting into the online as well. Hold on just one second. Thank you very much. I'm Jamie Studley. I'm president of WASC and chair of C-RAC, and we're pleased to comment today. C-RAC's seven federally recognized commissions accredit 3,000 degree granting colleges and universities in the US and internationally. Accrediting commissions are private, nonprofit, volunteer-driven organizations. We consult widely with stakeholders and at least one of every seven commissioners is a representative of the public. We understand the Department's interest in considering regulatory changes to improve student success, affordability, and accountability. Accreditation is a powerful lever for assuring higher education value and student success, and we look forward to working with you. C-RAC would like to underscore how our current practices reflect national and departmental priorities. Today's accreditation holds institutions accountable to rigorous standards and acts decisively to protect students. Today's accreditation focuses on what people care about most; quality, equity, access, and student success, including degree completion, readiness for work and community roles, and socioeconomic mobility. Today's accreditation is actively informed by data, metrics, and benchmarks to hold institutions accountable for

financial sustainability and meaningful outcomes. And today's accreditation moves faster than ever to pave the way for innovation. We recognize, of course, the need to update rules. Our own agencies revise our standards and processes regularly. As the Department considers its agenda, C-RAC urges it to consider to seriously weigh the cost benefit of new or revised regs and their cumulative effect on institutions and accreditors. The Department estimated that the 2019 final rule related to the Secretary's recognition of accrediting agencies would result in annual net crop costs across higher ED of \$19 million dollars. That's \$19,662,744 dollars. The regulatory impact analysis assumed net savings of \$14,424 due to updated regulations on substantive change. But in fact, far from saving money, these policies increased costs for institutions and accreditors without clear benefits to students or oversight. Accreditors also assume additional duties to support implementation of varied complicated regulations. For example, the Department calculated that the prison education program rule would mean an estimated burden for accrediting agencies of 42,000 hours. Many changes from the 2019 regs have only just been fully operationalized, along with more new rounds of regulations in the last two years. It is vital to



carefully tailor any further changes. This requires cost benefit analysis backed up by evidence that regulation would result in clear substantial benefit for students. When regulations are necessary, we will happily help craft targeted solutions that also recognize the responsibilities of states and the Department of Education. We stand ready to work with the Department if it decides it is essential to regulate on accrediting agency recognition. A few examples now; more in our written letter. We encourage the Department to streamline some change requirements. The 2019 rules aim to ease the administrative burden of some changes by allowing accreditors to focus on complex changes that might pose risks for students. However, the time and cost to institutions and accreditors that some agencies have spent on such change has skyrocketed due to these rules. We point particularly to excessive requirements with no apparent value regarding [30 seconds] notifications. Several aspects of the rules also apply to innovation. We're happy to work on that. Most important, I want to emphasize that historically regional C-RAC members are actively using student outcomes measures to identify strong performance. Our agencies have implemented data dashboards and peer benchmarking to monitor and promote student success.

We're collaborating now with the Department to improve the scope of student access measures. We encourage the Department to focus on this collaboration and to respect the Higher Education Act provisions that leave definitions of student success and specific consequences to the judgment of federally recognized accreditors. For more than a century, accreditation has used external review to promote quality. We look forward to working with you on our shared commitment to student success.

MR. MARTIN: Thank you, Ms. Studley.

MS. STUDLEY: Thank you.

MR. MARTIN: Our next speaker will be Harrison Wadsworth. Mr. Wadsworth, whenever you are ready. Mr. Wadsworth? Okay. I think we still- Harrison's still having some trouble getting in, so we're going to go beyond him and go down to Brian Whalen. Mr. Whalen, whenever you are ready.

MR. WHALEN: Thank you very much. My name is Brian Whalen and I'm the executive director of the American International Recruitment Council, known as AIRC. AIRC is a nonprofit membership association recognized by the US Department of Justice to serve as a standards development organization for the field of international student recruitment and enrollment. Our 400 plus institutions and organizations represent

accredited secondary schools, two and four-year public and private colleges and universities, and AIRC's certified educational recruitment agencies. AIRC appreciates the Department of Education's desire to gain a better understanding of institutional relationships with third party servicers. We have 15 years of deep experience in setting standards and providing resources for institutions that work with third party servicers to recruit international students. These third parties are known as educational recruitment agencies, and they serve a critical role in assisting institutions to recruit and enroll international students to meet institutional enrollment goals. According to a recent survey by the Institute of International Education, 67% of US higher education institutions partner with these agencies to recruit and enroll international students. AIRC helps to ensure that the relationships between institutions and agencies are ethically sound based on objective standards and that they benefit international students by setting standards and providing quality assurance programs, AIRC safeguards the interests of international students. And we know from this work that standards and training lead to quality outcomes. This is why AIRC and its members are very concerned that the Department's guidance letter is unclear regarding

institutional relationships with recruitment agencies because of the title of and language in the guidance letter, leaders at AIRC member institutions are worried that incentive payments to agencies may be prohibited. They have told us that such a prohibition would negatively impact their ability to meet their international student enrollment goals by taking away an important strategy at a time when institutions are depending more than ever on international student enrollment to fill their classrooms. Incentive-based payments are a critical aspect of institution recruitment agency partnerships and are established in US law, specifically in the Higher Education Act of 1965, which makes special reference to allowing incentive payments for the recruitment of international students who are not eligible to receive federal student assistance. This act was further confirmed by the remote act that was signed into law on December 21, 2021, which reinforced an exception for the recruitment of international students by using similar language adapted from the Higher Education Act. AIRC believes that both the Higher Education Act and the Remote Act make clear that using commission based payments to third party educational recruitment agencies is permitted under US law. The law supports this for a simple reason. These

relationships provide an effective strategy for recruiting and enrolling international students. Department of Education guidance that hampers institution Educational agency partnerships would cause a sharp downturn in international student enrollments and without question, threaten the stature of the United States as the world's top destination for students. Under the Joint Statement of Principles in support of International Education, the US Departments of Education and State have expressed their strong commitment to a renewed focus on international education. The conclusion of that statement reads: It is imperative that the United States continue to lead the world and remain the destination of choice for talented international students. International [30 seconds] students make a critical contribution to a foreign policy that serves the interests of the American people. So, at a time when the United States seeks to assert itself as the world's leading destination for international students, we need more and better tools to recruit and enroll these students. Commission-based partnerships between institutions and agencies is one of the most important of these tools, and therefore AIRC requests the Department of Education clarify that its guidance does not apply to these relationships. Thank you for this

opportunity to make these comments on behalf of the American International Recruitment Council.

MR. MARTIN: Thank you for sharing your comments with us this morning, Mr. Whalen. Our next speaker, let's go back to see if Harrison has been able to join us. Harrison, are you ready? It appears Mr. Wadsworth is still having some difficulties, so let's go down to Dr. John Lucas. Dr. Lucas, are you ready?

DR. LUCAS: I am.

MR. MARTIN: Okay. You may begin.

DR. LUCAS: I am president and CEO of ISEP, International Student Exchange Programs founded in 1979 under the [inaudible] Fulbright-Hays and Chair of the Board of the Forum Education Abroad, a nonprofit recognized by the Department of Justice and Federal Trade Commission as a standards development organization for the field of education abroad. On behalf of our 1,000 combined institutional members, I submit this comment respectfully. If implemented as currently written, the proposed DCL would have a significant and detrimental impact on education abroad organizations and programing. We strongly urge the Department to revise the DCL to explicitly exclude study abroad, volunteer and internship programs from the scope of the third party guidance. The value of education abroad programs

to both individual participants and the American public cannot be overstated. For centuries, academic partnerships with foreign institutions have provided remarkable opportunities for domestic and foreign students to learn from and be fruitfully challenged by environments other than their own. In addition to individual advantages, program participants generate a wide range of benefits for the United States, including international goodwill, academic, scientific, and cultural exchange, recruitment of foreign talent and preparation of a globally competitive workforce. I'll focus on a few points of the DCL that create problems for the education abroad community. My colleagues may highlight others. Under the DCL entities performing student recruiting and retention or providing educational content and instruction to US institutions of higher education would be considered third party servicers, this in combination with the DCL's prohibition on contracting with third party servicers located outside the United States or third party servicers owned and operated by an individual was not a US citizen, national or resident, would curtail or potentially eliminate the ability of institutions to contract with foreign institutions, entities or individuals. And as currently written, any international

college or university would be a third party servicer, even duly recognized international universities and friendly nations, and of course, hundreds of international universities that are already accredited by US accrediting bodies. If implemented as written, the DCL could even derail the Department's own programs, including HEA Title VI and Fulbright-Hayes Grants, as well as the Department of State's Benjamin A. Gilman International Scholarship. All of these programs currently work with a great many foreign entities and partners. For example, under the DCL, institutions could be prohibited from hiring local faculty or cultural experts for education abroad programs. As a result, the guidance would effectively bar partnerships with the people and institutions who are the experts in the native culture, negating the benefits uniquely available to students through education abroad programs. Functionally prohibiting collaboration with local specialists or curriculum design experts deny students the opportunity to learn from the true experts, which is a critical hallmark of the education abroad experience. We also note the prohibition on foreign ownership appears to conflict with congressional intent. Nowhere in the statute or regulation is there currently a prohibition on contracting with a third party servicer



or its subcontractors located outside the United States or owned or operated by an individual who is not a US citizen, national or permanent resident. On the contrary, Congress has chosen to permit domestic institutions of higher education to participate in Title IV, even if they have foreign ownership and has also chosen to permit certain foreign institutions, many who are members of ISEP to participate directly in Title IV programs, again through the accreditation process, despite being outside of the country or under foreign ownership. [30 seconds] Many of these institutions work to support our educational goals. So, for the reasons outlined above and others, we strongly urge the Department to think carefully about how this will impact study abroad and exclude education abroad and internship programs from the scope of the DCL. Thank you for allowing me to speak on behalf of the Forum on Education Abroad and on ISEP. Thank you kindly.

MR. MARTIN: Thank you for sharing your remarks with us this morning. Our next speaker will be Dr. Irene Mulvey. Dr. Mulvey, whenever you are ready.

DR. MULVEY: Good morning. I'm Dr. Irene Mulvey, president of the American Association of University Professors. Since its founding in 1915, the AAUP has articulated professional standards for higher

education. As an association of over 44,000 faculty members at over 500 institutions, our position is that the Department of Education has a duty to ensure that accreditation is more than just a rubber stamp. The regulatory triad must uphold academic freedom and tenure and shared governance, principles that are essential to academic quality. We are distressed to see in some states increasing political interference in teaching and learning, areas that should be the purview of the faculty. We are deeply concerned that such interference threatens what makes higher education in the United States the best in the world. Opportunities for students to be challenged by differing ideas and perspectives, including those that are controversial. Faculty members require academic freedom to determine course materials and curriculum and the economic security and protection of tenure so that teaching and research is free of corporate and political pressure. Recent legislation introduced or passed across numerous states threatens this hallmark of American higher ED by limiting what can and cannot be taught, eliminating entire fields of study, or gutting the protections of faculty tenure. We have also witnessed state legislation that would curtail collective bargaining rights at public institutions or centralized governance of state institutions in the

hands of political entities, activities that would further restrict the faculty's essential role in shared governance. We'll elaborate on our positions in written comments. But in my short time today, I want to focus on why the faculty voice must be front and center in this negotiated rulemaking process. The AAUP's policies on accreditation state that faculty members play a primary role in evaluation of curriculum, library, teaching loads and conditions, research, and other critical areas such as tenure and institutional government.

Furthermore, a formally adopted institutional policy on academic freedom and tenure consistent with major provisions of the AAUA's 1940 Statement of Principles on Academic Freedom and Tenure should be a condition for accreditation. Any changes the Department makes to accreditation regulations must not infringe on faculty rights to oversee curriculum and participate in the accreditation process. Furthermore, our position on accreditation is that institutions that have committed egregious violations of academic freedom and tenure or shared governance should have their accreditation revoked if such violations are not corrected. We also ask that the Department of Education designate seats at the negotiating table for faculty. Too often, institutional representatives across sectors come only

from the ranks of the administration rather than from faculty members. The Department must ensure that faculty voices are adequately represented at any negotiated rulemaking table it convenes, an act consistent with the AAUP's policies on the role of faculty in the shared governance of postsecondary institutions. Our members have concerns over issues such as accreditation shopping and online program managers, issues that increase political or corporate influence in areas of higher ED that fall under the purview of faculty. By increasing the voice of faculty in this negotiated rulemaking process, the Department will help promote academic freedom, tenure, and shared governance and protect higher education from further [30 seconds] interference that threatens and undermines academic quality. Thank you for your time today. We look forward to working with you throughout this negotiated rulemaking process.

MR. MARTIN: Thank you for sharing your comments with us this morning, Dr. Mulvey.

MR. WASHINGTON: Hello, everyone. I think we lost Gregory Martin. My name is Aaron Washington and I'm a management program analyst in the Office of Postsecondary Education, and I will be serving as his backup. I'd like to call Melissa Torres.

MS. TORRES: Thank you. I'm Melissa

Torres, president and CEO of the Forum on Education Abroad. The Forum is a nonprofit membership association recognized by the US Department of Justice and the Federal Trade Commission as the Standards Development Organization for the Field of Education Abroad. On behalf of our 722 institutional members representing two and four-year colleges and the Education Abroad organizations with whom they partner, I respectfully submit the following comments on the Department's Dear Colleague letter GEN-23-03 issued on February 15th. Study abroad programs are widely recognized as high impact practices leading to greater academic achievement. If the DCL is implemented as written, it will likely result in a complete halt in participation in education abroad by students receiving Title IV funding since many rely on this funding to study abroad. It is imperative that the Department Act urgently to exclude education abroad programs from this guidance. The DCL would severely disadvantage students with financial need who are often from underrepresented and underserved populations. As researched by the Consortium for Analysis of Student Success through International Education demonstrates, Ed Abroad provides particular benefits to students receiving need-based aid, leading to higher graduation rates and higher GPAs than

comparable students who do not study abroad. The DCL would also exacerbate preexisting economic disparities between study abroad- because study abroad serves as an important component of workforce development as students prepare for an increasingly global economy. Excluding students who rely on aid from participating in international internships and co-ops, an important part of education abroad programing at the precise moment when it is critical for the United States to develop a globally savvy workforce is contrary to the Department's own goals. As a country, we cannot afford to disenfranchise a large segment of our future workforce. Many of the skills employers demand are commonly associated with study abroad, including intercultural communication, language acquisition, resilience, adaptability, and cultural awareness. An unintended outcome of this guidance would be to limit student access to careers that require advanced language and diplomacy skills since study abroad programs are one of the primary means of foreign language training. And as a nation, we will all suffer should the US experience a decrease in its capacity for international understanding and competitiveness because students have been prevented from developing the critically important skills attained during these programs. The DCL also poses safety

concerns for students. Contrary to basic international risk management principles, the DCL would forbid hiring local experts to plan itineraries, book safe transportation and reserve safe housing. Being required to hire a US citizen to plan activities in a foreign country is not a best practice and does not make sense. More importantly, planning such activities without local on the ground experience and understanding of risks can put students in dangerous situations. We note the Department's concern regarding its ability to recover Title IV aid against foreign entities generally does not apply in the Ed Abroad context since most foreign academic and Ed Abroad organizations have no role in administering Title IV aid. As the academic year draws to a close, students planning to begin their study abroad programs in August and September are already being advised that they may not be able to use Title IV funds as planned. It is imperative that the Department Act urgently to exclude education abroad international internship programs and providers from the scope of the DCL. Thank you.

MR. WASHINGTON: I'll turn it back over to Greg. Thank you very much for your comment.

MR. MARTIN: Thank you, Aaron. I do apologize for having dropped off. I thought perhaps the

Department wanted to go with a younger and better looking host, and no one told me. But anyway, no such luck, and I am back. So, let's move on to our next scheduled speaker, who will be Kyle Southern. Mr. Southern, whenever you are ready.

DR. SOUTHERN: Thank you and good morning. I'm Dr. Kyle Southern and I serve as associate vice president for Higher Education Quality at the Institute for College Access and Success. TICAS is a nonprofit, nonpartisan research and advocacy organization working to advance affordability, accountability, and equity in higher education. We welcome the Department's intention to strengthen regulations as proposed in the Register Notice of March 24th. Along with many of our partner organizations, TICAS has worked for years to enhance protections for students, borrowers and taxpayers' investments and Title IV aid programs. We particularly support the Department's attention to issues including accreditation, state authorization, third party services and defining distance education. With nearly three quarters of the nation's students enrolled by programs at least partially delivered online by 2020, the Department faces an urgent need to strengthen student protections amid a rapidly evolving higher education



instructional landscape. As a matter of process, we urge a balance of views on the anticipated negotiated rulemaking committee later this year. Although we supported seats in the fall of 2021 for both dependent and independent students as well as for student loan borrowers and individuals with disabilities, the Winter 2022 table collapsed categories to provide seats only for students and student loan borrowers. There should be at least as many student consumer, civil rights, and public interest groups voices at the table as there are members from regulated sectors. In addition, as both state and federal agencies move to implement restoration of Pell Grant eligibility for incarcerated students, we urge the Department to ensure representation of prison education programs or other entities who can speak to the experience and potential impact of regulatory changes on justice impacted individuals. On the issues, recent years have shown that in some cases, accreditors have allowed low quality and even fraudulent institutions to continue conducting business as usual while the Department has continued to use a largely opaque process for reviewing accreditors. The previous administration's actions to weaken the accreditation recognition requirements related to failing schools only worsens this failure of oversight. To protect students

and shore up the quality of institutions accessing federal financial aid, we support a comprehensive review of accreditation regulations. For many years, state authorization requirements have meant too little. And while every state except California participates in National Council for State Authorization reciprocity agreements, we remain concerned that NC-SARA standards subvert state consumer protections, leaving students vulnerable to low quality programs. We encourage the Department to lift the floor for state authorization processes and capacity, ensure programs lead to licensure where applicable, and improve oversight of distance education programs through regulation, among other needed actions. As the higher education delivery model continues to evolve in the wake of COVID 19, ensuring the quality of online and distance education programs will only become more critical. Yet online program managers may exploit a loophole that bans incentive-based compensation driven to spike enrollment numbers without a comparable concern for quality. TICAS maintains the position that the Department should rescind its 2011 guidance that opened this loophole. Regulatory language should reflect the ongoing realities of distance education across the postsecondary landscape. Thank you for the opportunity to advocate for

representation of student and borrower interests as diverse as today's student and borrower populations, as well as to comment on the important topics proposed for rulemaking later this year.

MR. MARTIN: Thank you for sharing your remarks with us this morning, Mr. Southern. Our next speaker will be Satra Taylor. Ms. Taylor, whenever you are ready.

MS. TAYLOR: Good morning. I am Satra D. Taylor, Director of Higher Education and Workforce Policy at Young Invincibles. I'm here to provide public testimony for the young adults we represent nationally. As the largest national young adult advocacy and policy organization, we are eager to comment on the Department of Education's intent to establish a rulemaking committee on improving institutional quality and accountability. We are especially keen on potential revisions of several Federal Student Aid programs authorized under Title IV of the Higher Education Act that directly impact student success, protection, and persistence. Young Invincibles have the opportunity to participate in the previous- previously negotiated rulemaking committee, ensuring the committee did not exclude, but amplify the concerns of students. Including young adult voices on the committee is our greatest

priority for your consideration. We believe in young adults' abilities to lead social change and understand that providing young adults with opportunities to develop their leadership skills strengthens their ability to voice their concerns for a brighter future for us all. On that same note, students must have a seat at any decision making table pertaining to policies that directly impact their educational journey. Gone are the days when perceptions of young adults centered on their disinterest or inability to articulate their needs and develop comprehensive and robust solutions. Students across the United States are showing up in record numbers at their state capitals in the highest courts to ensure they are heard loud and clear. At Young Invincibles, we have taken the onus of collaborating with trusted partners to ensure our young adults are educated and trained to advocate for the most pressing issues they care about. The lack of student involvement in policy making is a critical missing piece in conversations and cannot continue. While it is equally vital for conversations to center around equity-driven best practices, students and taxpayers' protections and efficiency, the impact on students for any potential revisions of Federal Student Aid programs and accountability and quality under Title IV should be at

the forefront. At Young Invincibles, we are committed to working alongside students and student advocacy organizations to support the ongoing efforts to center today's students voices. We welcome the opportunity to connect further with the Department to ensure that voices of young adults, policy experts, and advocates are part of the discussion on how to equitably revise Federal Student Aid programs to ensure student success and persistence in higher education. Thank you all, and I'll yield back my time.

MR. MARTIN: Thank you for sharing your remarks with us this morning, Ms. Taylor. Our next speaker will be Aurie Clifford. Aurie, whenever you are ready, you may begin.

MS. CLIFFORD: Good morning. My name is Aurie Clifford. I've been a financial aid administrator for 15 years and currently work in the community college setting. My first comment will be to address the DCL guidance for reporting third party servicers and related issues associated with that reporting. While the Department may see the efforts of the DCL as advancing important student protections, we are concerned the vast reach of this guidance will create unintended and negative consequences for many schools. Most notably, the scope of the DCL will

unintentionally sweep in an enormous amount of entities and activities that pose no risk of creating harms that the Department is trying to avoid. It has created uncertainty and has taken precious institutional resources from the important work that we do of serving our students. It has also imposed a large and unmanageable burden on schools in order to come into compliance by reporting the broad categories that are listed in this DCL. The Department should avoid punishing all institutions for the bad actions of a few and placing onerous burdens on the institutions and businesses that are trying to do the right thing. Careful consideration of the breadth of the reporting from all schools nationwide should be given by the Department because of the sheer volume of the new reporting that's required. My institution, for instance, is considering an enormous amount of vendors and contracts for potential reporting, and we are only but one institution. Is the Department ready to receive and process all this new information? Is there an infrastructure built to follow up on all of this information? Many institutions across the nation have reported when a change is made to the Program Participation Agreement, such as would be required in this DCL, do not receive the PPA back in a reasonable

amount of time. Moreover, institutions would be more at ease if we had a published and guaranteed timeline to receive the PPAs after making a change. We are very concerned that we will not be able to comply with the ten day rule as outlined in this DCL. Our institutions are constantly changing software and digital tools for students and our institutions. If we report one change on the PPA and have no guarantee from the Department that the PPA will be returned back to us in a reasonable amount of time to report another change. We recommend the following changes to the current language. An entity that qualifies as a third party servicer should have direct contact with students and you should exempt products and services that do not access individual students' information. The rule should consider a minimal dollar threshold value of a contract. The sheer number of one-offs, purchase orders, small dollar transactions makes the collection and verification of compliance and reporting of these transactions unmanageable. The guidance should focus on vendors or products with the primary purpose of recruiting and retention that compensates on a per-student basis. On the topic of cash management, also, please consider adjusting the current CFR to allow for \$750 or more to pay a previous student balance instead of the current

\$200. We also recommend allowing it to be applied to the previous aid year at the student's request. This is often an issue for returning students that may have a balance from the spring or summer semester and would like to use the fall disbursement to pay the previous balance on the previous year. On the topic of the R2T4, we recommend considering allowing the student to keep the aid that was disbursed if the student attended courses. Institutions would still be required to report the unsuccessful payment period to the Department, and then we would suspend the ability to receive aid for some period of time, maybe one or two semesters.

MR. MARTIN: 30 seconds.

MS. CLIFFORD: The R2T4's create student debt for the student, either with the institution or the Department, and prevent them from reenrolling and completing their educational goals. Thank you for inviting my comments on these topics today.

MR. MARTIN: And thank you for sharing your remarks with us this morning. Our next speaker will be Maryann Zink. Ms. Zink, whenever you are ready.

MS. ZINK: Yes, thank you. Um, my background is 30 years as an educator and administrator, and I had seven family members that had student loans



that are in the process of being paid or have been paid. My concern is with oversight of the servicers. I have a family member who has paid 13 years on a student loan and owes more money today than the day she borrowed the money. And I would like to know how Congress is going to address these issues of these servicers bundling, selling contracts, which is a common standard. I understand that. That's not the issue. The issue is when we get these loans in these bundles and buy them, they are rewriting these contracts with new terms, new charges, new fees. This is what's causing people to never get out of debt. The burden, I believe, should fall on Congress. And I would like to know what the Education Department is doing to work on Congress. It's my understanding through Senator Durbin, that Congress controls these laws that make these servicers comply, but they're not putting them in compliance and then saying they're going- like [inaudible] and saying, well, we're giving up. But all they did was change their name and they're still doing the same practices. MOHELA, at this time, wants to refund all money paid during the CARES Act suspension and then 1099 those people and bring them back to the beginning balance. And I also would like to address the issue of the word suspend during the CARES Act. Does that mean that there is going

to be two and a half years of compounded interest added on to these loans again when payment goes into effect? That is my biggest concern of the servicers, not the Department of ED, not the Treasury Department. The colleges, that's for the Education Department to deal with the colleges and keeping them in compliance. But the servicers seem to be running wild. And at this point in time, I don't see any end for this. Even with student loan forgiveness, the debt is still going to continue to build. And of this \$20,000 that President Biden wants to forgive, which is a very generous offer, how much of that is Pell Grants? I know of people who have Pell Grants in their student loans. It's my understanding that a grant is nothing more than a grant, and those are for certain requirements of low income. And I'm not quite sure why they're being bundled into student loan balances. And I would like to know if there's ever going to be the issue addressed of are we going to crack down on the servicers. And I don't need my four minutes. I'm willing to yield to anyone who does. And I appreciate you listening. And please take this into consideration. Thank you very much.

MR. MARTIN: Thank you for sharing your remarks with us this morning, Ms. Zink. Our next speaker will be Morteza Mahmoudi. Mr. Mahmoudi, whenever

you are ready.

MS. MAHMOUDI: Thank you for this opportunity to speak. I'm Morteza Mahmoudi, an assistant professor at Michigan State University. I founded the Academic Parity Movement, an organization that fights bullying, discrimination, and harassment. I also research and write on these issues. This country welcomed me after [inaudible] research in my native Iran. I hope that this perspective is useful and helps to repay that kindness. The Department of Education recognizes accrediting agencies under the explicit assumption that they are a reliable authority regarding quality. Yet there exists an enormous compliance gap because accreditors do not proactively monitor practice and do not seek to restrict systematic bad behavior that undermines professed standards. Two examples. Sometimes peculiarities appear when institutions publish data on program outcomes. For instance, the data is old, or it seems to exclude unsuccessful graduates, but accreditors will only ask about data sourcing. I ask, does [inaudible] stop as soon as a suspicious tax filer claims use of a W2? In effect, that's what happens when someone questions advertised program outcomes and accreditors intervene. Instead, accreditors should mandate detailed requirements for data collection and

publication. Then they should randomly audit actual practice and quickly name violators and their violations. For example, such and such a school did not include new cohorts in data. My second example involves compliance process for issues like bullying, harassment, and discrimination. Institutions routinely manipulate internal compliance processes only current students can find, but not recently graduated international students who's [inaudible] exploited their visa status and abusively overworked them. Then authorities attempt internal in-person intimidation because they can later invent something to counterbalance the compliance recollection. Institutions also find any opportunity to minimize or dismiss written complaints to claim ignorance and avoid reporting responsibilities. Multiple divisional processes and multiple authorities also help create plausible deniability. Similarly, retention policies quickly empty fines by design and do not record [inaudible]. Here what institutions fear tells us exactly what must be done. Complaint processes must have the formal and the automatic central review components. They must be open to all. They must be able to receive complaints immediately in writing. They must preserve complaints. They must specifically record who responded and how. Very importantly, any new complaints must

necessitate a review of all past documents for all parties and units that are named. Perhaps a third party intermediary for filing and preservation could be mandated. In any case, while avoiding the readjudication of individual cases, accreditors must audit actual overall practice and quickly name violators and their violations. For example, such and such school did not record who reviewed complaints, nor any review of past file. Improvements like this will increase transparency and accountability and will encourage behavior matching the professed standards. Any administrative costs will be minimal due to the electronic age and institutional improvements will be worth it. [30 seconds] information, I'm happy to refer you to relevant research and media coverage. I strongly encourage you to use your regulatory authority to address this compliance gap as much as possible. Thank you for your time.

MR. MARTIN: Thank you for sharing your remarks with us this morning, Mr. Mahmoudi. Our next speaker will be Cheryl Dowd. Ms. Dowd, whenever you are ready.

MS. DOWD: Okay. Thank you. Hello. My name is Cheryl Dowd. I'm the senior director for the State Authorization Network and WCET Policy Innovations. The State Authorization Network is a division of the

WCET, the WICHE Cooperative for Educational Technologies. I'm providing this comment on behalf of SAN, WCET, and our member institutions and agencies nationwide, as we all place a high priority on student protection and success. Thank you to the Department for the opportunity to provide this public comment. We have three important considerations for the development of new regulations. First is that the Department's announcement points to many complicated issues planned for this rulemaking. We believe it's important to choose negotiators with true understanding of these nuanced issues. We encourage the Department to develop a subcommittee, as has been mentioned, of members with significant experience on the issues to provide additional knowledge to the rulemaking committee. We think that the subcommittee is a great addition but can be improved through more meaningful input to the main committee. We will provide more detail in our written comment. The second consideration is when addressing third party servicers and related issues such as Online Program Management or OPMs, and considering the capacity of the FSA office to provide oversight and implementation, we urge a focus on regulations that address the greatest risk. We see that there may be a need for additional regulations addressing online

program management. Regarding other contracted entities, the Department and Rulemaking Committee must consider narrowly tailoring the regulations to address the specific concerns affecting student protection and the integrity of the Title IV HEA programs. If not narrowly tailored, we see a broad definition of third party servicer causing unintended consequences with the following examples. It could constrain the institution to provide students with important support services and information such as mental health counseling, collecting statistics to provide important notifications, and using learning management systems that facilitate efficient communication organization and content delivery to students. We're concerned that it could restrict state agencies from leading institutions in a collaboration in the development of economical and effective educational opportunities to advance learner access and success. Third and final important consideration of the development of new regulations. When addressing state authorization and reciprocity in federal regulation, the most important thing that the Department and the Rulemaking Committee need to remember and understand is that it is the purview of each state in determining how they wish to oversee education in their states. States make the decisions about oversight of institutions that

have brick and mortar locations or that offer activities to students located in their state. State laws and regulations vary widely regarding state institutional authorization for oversight of institutions that are domiciled in the state, and over institutions offering distance education to students located in the state. States are the parties to a reciprocity agreement. The states make the decisions and have made decisions to join reciprocity agreements. Reciprocity agreements are used by states to coordinate on a variety of interstate matters. These include tuition and also employment related issues such as state income tax issues. It is important to remember that the original purpose of the federal regulation for state authorization was to rely on the actions of the state as one indicator in aid eligibility and not the Department [30 seconds] on what they must do. We hope that consideration of new regulations includes collaboration that addresses the wide variety of state voices for oversight and not just a small handful of states. We thank again the Department for this opportunity to speak at this public hearing, for which we will follow up with written comments. And we look forward to working with the Department in this rulemaking process. Thank you.

MR. MARTIN: Thank you for sharing



your remarks with us this morning, Ms. Dowd. Our next speaker will be Maureen Hoyler. Ms. Hoyler, whenever you are ready.

MS. HOYLER: Thank you for this opportunity to recommend changes in the regulations governing the Federal TRIO programs. These recommendations are put forward on behalf of the Board of the Council for Opportunity in Education and its membership, which includes over 1,000 colleges and community agencies that sponsor TRIO programs. Our recommendations fall in two categories. Changes in the eligibility criteria for each of the TRIO programs that currently exclude anyone who is not a citizen or here in the country permanently. Secondly, changes in the need questions that determine eligibility for a TRIO grant in the Department's application process. These questions are set by regulation. Currently, COE recognizes that section 484 of the general provisions of the Higher Education Act specifically exclude non-citizens from receiving grants, loans or work study under Title IV. However, TRIO funding is not grants, loans or work study. The bulk of the money goes to support services such as information dissemination, academic support, or personal or academic counseling. Why should these services be available to many undocumented individuals?

First, it's the right thing to do. The Department itself recognizes this by including this recommendation in its FY 2024 and its previous budget recommendations to Congress. Secondly, doing so simplifies the delivery of services to TRIO eligible students, whether they're documented or undocumented or whether they're citizens. All of our pre-college programs work in partnership with local schools, and educators in those schools often identify potential students for the program or even gather the students to receive particular services. But these educators don't many times know who's a citizen and who's undocumented. So, by replacing the citizenship requirement broadly, it requires an extra level of logistical support that hurts not just the undocumented students, but also all the students that are eligible for these TRIO services. Third, 27 states already allow many undocumented students to receive in-state tuition. They determine eligibility for that by factors that would be very easily included in the TRIO eligibility amendments. These are things like the number of years that an individual attended a US high school. The fact that a student graduated or received a GED from a US high school and the individual's intention to seek citizenship. Finally, COE is recommending changes in the mandated questions in the need section of applications

that are required to get TRIO funding. We certainly think that some of the questions are appropriate, such as the number of and percentage of eligible individuals in the area or at the school that is seeking the funding. It also is important to discuss the strengths of the students and the obstacles they face in completing a degree or certificate at the postsecondary level. But there's other questions that disadvantaged categories of institutions or categories of students, for example, [30 seconds] and we can provide that information which actual students and institutions should [inaudible] during negotiation. Thank you so much for this opportunity.

MR. MARTIN: And thank you for sharing your remarks with us this morning, Ms. Hoyler. Right now, we will go to a break. It is currently 11:01 and we will convene at 9 minutes after 11. Thank you very much. Welcome back, everyone. We're going to get started in just a moment. I have a couple of announcements. Number one, we will be breaking at noon today for lunch. And I also want to announce that we will probably finish today before our scheduled 3 p.m. end time. So, just wanted to apprise everybody of that. It's very likely we will not go until 3 p.m. So, with that, I'm going to introduce our next speaker and that would be Harrison Wadsworth.

Mr. Wadsworth, whenever you are ready.

MR. WADSWORTH: Thank you very much. Thank you for the opportunity to comment with regard to the topics to be considered by the Department's plan negotiated rulemaking committees this year. My name is Harrison Wadsworth. I'm the Executive director of the International Education Council, a 20-year-old association of foreign colleges and universities that participate in the direct loan program under Title IV of the Higher Education Act, so that American students who need help financing their educations can attend and earn a degree. The association currently has 81 members, including many of the most prestigious and oldest universities in the world. We are proposing topics to be included in the agenda for the negotiated rulemaking committees for regulations pertaining to Title IV of the Higher Education Act and related regulations pertaining to Title I. Because we propose several topics affecting mainly foreign schools, we in eligible foreign schools have unique perspectives and challenges. We are also proposing that a subcommittee be dedicated to foreign school issues, or alternately, that at least one negotiator on the committee be specifically designated as representative of foreign schools and their American students. The last time foreign school specific

regulations were comprehensively reviewed and revised was in a 2010 negotiation that covered changes made in the Higher Education Act reauthorization of 2008. Those regulatory changes were substantial and included a number of provisions that are not specifically written in the statute. I participated as a negotiator representing the members of the International Council. It is not clear to the negotiators at the time, including me, what the impacts of the many regulatory changes would be. In the intervening 13 years, there have been major changes in higher education throughout the world, and we know from experience how the 2010 regulations have impacted foreign schools and their American students. The 2010 regulations clearly need updating to take into account the experiences of the past 13 years. We ask that you include the following issues in the topics to be considered by the upcoming negotiated rulemaking committees or by a special subcommittee on foreign school issues in order to take into account the changes that have occurred. I'll just list them right now. Updates to regulations affecting foreign medical schools to reflect recent major changes in the US medical licensing exam, differences in the order in which topics are taught at foreign medical schools and related issues that will keep foreign

medical school options available to IEC member institutions, revisions to new financial auditing requirements meant for private institutions of higher education that impose high costs with little benefit when applied to foreign, public, and private nonprofit institutions. These include a new requirement that foreign public institutions prepare and submit audited financial statements as if they were actually private. Related to this issue, review is needed of the definition of foreign public institution since the prescriptive definition and current regulations do not does not fit the reality in many other countries. Next, elimination of a requirement that foreign institutions which are audited by under their own country's financial accounting principles, also prepare duplicated, audited financial statements under US accounting principles, a wasteful and unnecessary experiment that after 13 years, should end. Reconsideration of the Department's position on allowing American students enrolled in attending an eligible foreign institution to take one more online class without losing all access to Title IV or to be enrolled in a program that includes a possible online component. Finally, consideration of how regulation of third party services will impact the ability of foreign schools to participate in the direct loan program and

making sure Department policies [30 seconds] foreign school participation as well as most study abroad options for students at US schools. IEC [inaudible] written comments on the regulation of third party services in March and I would refer you to those. Thank you for the opportunity to speak and on behalf of tens of thousands of American students who are enrolled in high quality institutions abroad, we hope you'll add these topics to the agenda.

MR. MARTIN: Thank you for sharing your comments with us this morning, Mr. Wadsworth. Our next speaker is Nancy Zamora. Ms. Zamora, whenever you are ready.

MS. ZAMORA: Good morning. My name is Nancy and I currently serve as the director of TRIO programs at North Central Texas College and am a TRIO alumni. For the past 13 years, I've dedicated my career to serving pre-collegiate and collegiate-level TRIO programs at both four and two-year institutions. Throughout that time, I've encountered hundreds of students like my sister that, due to her immigration status, did not have the privilege of participating in any TRIO programs. She, like many other students, did everything right as a kid. They received good grades, often at the top of their class, were involved in

extracurricular activities and did volunteer work and often worked in order to financially support their families. But despite their hard work and their passion and desire to obtain a college degree, they're not able to get the assistance they need to prepare for college and unfortunate enough to get to college on their own, don't have the resources or support needed to succeed in college. Like my sister, many of the students that I've encountered have been here for as long as they can remember. Some often don't discover that they're undocumented until they begin the application process for college or for financial aid. On average, 55% of the students at our community colleges are considered both low income and first generation. But instead of being able to provide services to all eligible students, regardless of their legal status, we often have to turn students away, denying them services to some of the most vulnerable populations because of their legal status. Due to the complexity of their admissions and financial aid process, the journey to higher education for undocumented students is often more difficult than those who are permanent residents or US citizens. I recall often having to sit in my office explaining to students why they're unable to participate in our programs because of their legal status. Seeing the devastation in



their faces is heartbreaking and as they know- because they know that they have taken the journey- they have to take this journey alone and face challenges after challenges without any assistance. Because of this, often time for graduation is prolonged due to the fact that they have to take on multiple jobs or navigate the system on their own to [inaudible]. The mental and emotional stress that they have to endure leads to decreased motivation and ultimately drop-out. Granting access to undocumented students to receive services through the TRIO programs will greatly increase the number of students who enroll and are successful in higher education, as proven by those who have been served by TRIO programs in the past. Citizenship shouldn't be what determines the ability to make a better life for yourself. Thank you.

MR. MARTIN: And thank you for sharing your remarks with us this morning, Ms. Zamora.

MS. ZAMORA: Thank you for having me.

MR. MARTIN: Our next speaker will be Khandice Lofton. Ms. Lofton, whenever you are ready.

MS. LOFTON: Good morning and thank you for the opportunity to speak today. My name is Khandice Lofton, and I am counsel at the Student Borrower Protection Center. This hearing marks the

beginning of an important opportunity for the Department to strengthen many of the protections that students rely on to safely and confidently pursue a higher education. Through NegReg, the Department can further the Biden Administration's ongoing work to bolster student protections and ensure accountability for the full range of participants in the Title IV program. With that backdrop in mind, SBPC offers the following thoughts on the agenda that the Department has proposed to consider during the NegReg. First, SBPC applauds the Department for including several topics that are long overdue for reform. The Department included rules relating to cash management. This is important as we continue to see abuses in the campus card space that are empowered by its historically lax regulation of cash management. These products and the backroom deals that produce them continue to bury students under mounds of hidden, exploitive, and unavoidable fees. For students, the imposition of these fees can make the difference between if they can afford their textbooks or even pay for food. SBPC is excited to comment on the need for stronger rules and better oversight of this space to prevent schools from rubber stamping products that cut against students' best financial interests. In addition, the Department included rules regarding third party

servicers. This continues to be an area of widespread abuse, including but not limited to as it relates to online program managers. We are excited to comment on how the Department should ensure that third party servicers are subject to the reporting, disclosure, and audit requirements necessary to ensure student safety. Finally, the Department included rules surrounding the return of Title IV funds in this agenda. This is a positive development as we continue to see problems related to schools returning funds and then charging students for the returned amount. SBPC is looking forward to commenting on how the Department should reform this corner of the Title IV system, including by enhancing data reporting and preventing abusive debt collection practices. In addition, SBPC encourages the Department to add various other topics where students continue to face widespread harm and should continue-should include in its agenda rules related to preferred lender arrangements and preferred lender lists. We continue to see abuses in this space with structural shortcomings in the existing rules allowing for regular noncompliance that puts students at risk. It should also add to its agenda a revision to its rule on debt collection, something advocates have requested for a long time. We know that the Department's debt collection

tools are among its most severe and impactful, and that the failure to regulate these tools effectively has led to Department and its predatory contractors to impose extensive harm on the most vulnerable borrowers. Stronger protections are needed to ensure that all involved in collections are following the law because COVID has laid bare how the Department is incapable of controlling its own cruel and punitive collection mechanisms. Finally, the Department should be sure that more consumer advocates have a seat at NegReg. In addition to the considerations above related to the Department's proposed agenda, we want to say up front that consumer advocates should have a distinct table at the seat during this process. This is necessary because borrowers have been failed time and time again by policy makers and representatives of institutions or worse for-profit institutions who claim to have their best interests at heart but who ultimately prioritize their profit or other concerns while borrowers fall to the wayside. On behalf of 43 million student loan borrowers, we encourage a distinct representative who will always tend to borrowers first and foremost, a seat at this table that is intentionally and solely for the people impacted by the policies being designed here. [30 seconds] Again, SBPC is thankful for the opportunity to

be here to comment today. We are excited for NegReg and we are confident that with the addition of the considerations discussed here, this process can mark a turning point for student protection. Thank you.

MR. MARTIN: And thank you for sharing your remarks with us this morning. Ms. Lofton.

MS. LOFTON: Thank you.

MR. MARTIN: Our next speaker will be Sebastian Myrick. Mr. Myrick, whenever you are ready.

MR. MYRICK: Good morning. My name is Sebastian Myrick, and for the past 20 years, I've worked at South Seattle Community College, where I am the executive director of the TRIO Pre-College Programs. I'm also a TRIO alum and beneficiary of the life changing services from another TRIO SSS project in Washington. South Seattle College is designated a minority serving institution and operates five TRIO projects serving about 1900 participants annually. I currently direct our educational talent search and two Upward Bound projects. I'd like to start by thanking you for the opportunity to make a public comment and also for the Department's many years of investment in college access services for low income and first generation students. As the youngest of eight children from a single parent and low income family, I know firsthand that TRIO works. Our TRIO

projects provide robust college access services in several middle and high schools in the southwest Seattle area. Our nearest school has incredible diversity and a significant immigrant experience, with over 100 home languages spoken by the families of the students. We often go into the schools to make presentations to entire classrooms or grade levels about the college access services that we provide. We invite interested students to access their services so that they can get technical support and guidance to get to and through college. We're proud of the work that we do and the successful outcomes of our students. We don't get any data on which of the middle or high school students might be undocumented. And frequently the teachers and counselors we work with don't know either. Oftentimes, the students themselves are not aware if they are undocumented. We're just- they're just a normal part of the school community. In order to comply with the current trail regulations, we have to ask students and document if they are citizens or eligible non-citizen prior to providing any services to them. That really puts a damper on the trust that we try to develop with them and our ability to provide services. Two-thirds of these or more may receive free or reduced price lunch and would be economically eligible. Frequently, an

entire classroom or class level like the seventh grade for an example, want to take a field trip to visit a university which serves to motivate the kids to prioritize their academic studies in order to establish and achieve a college going goal and identity. Since there may be a handful of students who are undocumented. Current regulations prohibit us from inviting the whole class to go on the field trip with us. That means our partnership is compromised, as we have to say, these students over here are all allowed to attend. However, those few over there have to stay home. We cannot use our grant-funded resources to provide services for them. This may be the first time that these students face this particular type of segregation and inequality in their educational career. However, their classmates and the youth in schools are painfully aware of these fundamental injustices when they see them. Changing the rules so that we can serve all of the students in the schools that wanted to go to college would not only make us more effective, it would be the right thing to do. Please consider changing the rules so that programs like TRIO [30 seconds] undocumented students and assist them to develop a college going dream for their future like their classmates. Thank you for letting me comment.

MR. MARTIN: Thank you for sharing

your comments with us this morning, Mr. Myrick. Our next speaker will be Victor Rojas. Mr. Rojas, whenever you are ready.

MR. ROJAS: I am ready. Thank you so much. And thank you for the opportunity to comment this morning on Federal TRIO programs, specifically on including improvements to the programmatic eligibility and operations under 34 CFR parts 642 through 647. My name is Victor Rojas and I have served as a TRIO director for over 15 years at various institutions. My request this morning is for the US Department of Education to consider amending the selection criteria to evaluate grant applications from target schools to data of LFIG students at these schools. Let me provide you with both a college-based example and a pre-college example, and I can get into a little bit more detail of how this affected us at Mt. San Antonio College this last grant cycle. So, for SSS, for example, for tribal colleges in the selection criteria for student support services, it has to compare TRIO eligible to noneligible comparison groups. This puts the school at a severe disadvantage because most, if not all, students at those institutions are eligible. Therefore, the eight points that the Department of Education Awards during the application process is unattainable because you don't



have a control group and in essence, it's one in the same. Let me move on to Upward Bound, the precollegiate programs. For precollegiate programs right now, let's say you have a reasonably good school that has a pocket of TRIO students within it that are eligible that are TRIO eligible, grantees i.e., me, can't include these schools in their RFPs. Why? Because as is, the schools are graded and not the needy students. The reasonably good school may not have a high dropout rate or low college going rates, but many times this does not apply to the TRIO eligible student. Therefore, hurting those most in need. And the example I wanted to provide, and I'll make this brief because I know you have others to hear from, this last grant cycle within our service area, we have four different high schools that approach Mount SAC in order to partner because they have pockets of eligible TRIO students. Once I started formulating my RFP for all these and gathering data from all these high schools, it was to my surprise and again, being familiar with these schools and the neighborhoods that they're in, it was my surprise that unfortunately, because of the holistic data that the school presented us, I wasn't going to be able to partner with them. Although I know from visiting those high schools, from having relationships with those principals, those students,

those teachers, those counselors, that there is tremendous need at those schools. But again, when asked by the principals, the vice principals, the counselors, hey, how come you're not writing an Upward Bound for my school? And I said, unfortunately, the way it stands and the way we're graded by the US Department of Education, we're not going to- we're not even going to come close because overall your data doesn't demonstrate need. So, my plea this morning to all of you is to consider amending the criteria, again, to go from looking at target schools to looking at the needs of the students. And I will conclude my comments there. Thank you. And have a good day.

MR. MARTIN: Thank you for sharing your remarks with us this morning, Mr. Rojas. Our next speaker will be Michelle Dimino. Before she begins, I just want to announce that we're running a little behind schedule, but we'll be able to deal with that. And so, Ms. Dimino, whenever you are ready.

MS. DIMINO: Thank you. Good morning. Thank you for the opportunity to comment today on the Department of Education's proposed rulemaking agenda. My name is Michelle Dimino. I am the Deputy director of the education program at Third Way, and we are a national public policy think tank based in Washington, D.C. The

regulatory issues raised for consideration by the Department cover a range of topics for which sound federal regulation is essential to ensuring programmatic and institutional quality and providing true accountability mechanisms for the investment of students and taxpayers in higher education. Third Way strongly supports the Department's efforts to strengthen oversight and student protections through the regulatory process. We are particularly pleased to see the Department's continued focus on enhancing accreditation by pursuing rulemaking related to the Secretary's recognition of accrediting agencies. For prospective students, a school's accreditation status is interpreted as the Federal Government's seal of quality assurance. For American taxpayers, accreditors should be a trusted gatekeeper for institutional access to over \$100 billion in annual federal aid. Yet it is too common that both of these promises go unfulfilled, with accreditors continuing to recognize schools of dubious quality that leave students worse off than before they enrolled. Sometimes, right up until the day those schools shut their doors. We urge the Department to work to embed stronger emphasis on student outcomes in the accreditation process. Regulations that provide better definitions of standards for student achievement and

offer clear parameters for the collection and disaggregation of student outcome measures would serve the field and improve our understanding of institutional and accreditor performance. Additionally, ensuring risk-based monitoring and evaluation triggered by concerns like low graduation rates or high complaint volumes would help ensure that accrediting agencies are effectively monitoring the quality and value provided by the schools within their portfolios. To maximize clarity and transparency across accreditation procedures, revised regulations should consider the need for accreditors to develop common definitions and protocols for predator actions, notably, those involving substantive change. And guidance on public disclosures should ensure that all relevant documents are made public on appropriate timelines. Likewise, the other topics on which the Department has proposed to regulate later this year offer important routes to strengthen accountability around institutions' use of taxpayer dollars, and to advance needed consumer protections that will safeguard the interests of students. These reforms are critically important to the integrity of our higher education system. Notably, procedures for returning unearned Title IV funds must outline clear and appropriate guidance for institutional compliance and

consider protections to prevent harm to impacted students and the definitions and eligibility conditions for distance education programs and state authorization must offer both clarity for providers and robust consumer protections for the growing number of students enrolled in online programs. Lastly, I'd like to address a critical upcoming stage of the negotiated rulemaking process, which is the Department's selection of negotiators who represent groups that will be impacted by these regulations. Given the direct and vested interest of students and federal student loan borrowers in the topics identified for these rulemaking sessions, we strongly urge the Department to ensure that student voices are well represented at the negotiating table. Students and student borrowers have tremendously salient insights to aid in the consideration of federal rules on each of these proposed topics. Their perspective differs critically from those that will be offered by representatives from institutions and industry, and the inclusion of student voices that reflect the broad diversity of today's college student experience should be paramount in the Department of Education's negotiator selection. Thank you for your time and consideration of these comments.

MR. MARTIN: Thank you for sharing

your remarks with us this morning, Ms. Dimino. Our next speaker will be Ally Garcia. Ms. Garcia, whenever you are ready. I should say Dr. Garcia, whenever you are ready. I'm sorry.

DR. GARCIA: Awesome. Thank you. Can y'all hear me?

MR. MARTIN: Yes, we can.

DR. GARCIA: Okay, great. Good morning and thank you for the opportunity to speak on the improvements to programmatic eligibility and operations under 34 CFR Part 642 through 647. Like you said, my name is Ally Garcia, and I come here today as a higher ED practitioner and scholar and have many years of supporting students from marginalized backgrounds, access, retain and succeed through the many obstacles that college can bring. I currently work to help adults access basic education, English language skills, family literacy opportunities and high school diplomas or GEDs. This work is important for me as the learners I serve have often been disenfranchised by many systems in their lives and are looking for an entry point to educational opportunities, career success and many a chance to survive. In my previous role as an assistant dean for University, where I oversaw our Dreamer and Undocumented Center, our college assistant migrant program, and our

TRIO Student Success program. Many students who participated in the Dreamer and Undocumented program were looking for wraparound support that the TRIO program offered, and students from the same families that often had mixed statuses would be filled with sadness and shame when I had to tell them that due to their documentation status, they would be unavailable or unable to access TRIO support. The support that we all knew in the office would help them. It would pain me and many of my staff to let some students in the program and not even be able to start the true application with other students. The message that it was basically saying was that you don't belong here. You don't deserve services. If you want this degree, you're on your own. It is a very dehumanizing way to dangle educational opportunities in front of people, especially since we know that TRIO works, and I should know the TRIO works. I am the product of two TRIO participants from the late 1960s, from a small town in Colorado, and because of TRIO programs, my parents both had support educational navigational tools and confidence to attend postsecondary education and thus gave me many opportunities to learn and grow. I have mentored many amazing undocumented students and I've hired them to tutor TRIO students with state work city funds or

institutional funds. And in my experience, those students are brave, they're dedicated, they're honest, they're hardworking, they're driven, and they center their dream of a better future in all the decisions that they make. They are more than worthy of having humane opportunities for educational access retention. In my current role, I am so grateful that the federal regulations under OCTAE do not require data collection regarding Social Security numbers in order to access program services. I would really like to see TRIO programs move to follow this model and base eligibility on need rather than on immigration status. I would like to see our educational opportunities and decision-making center those who have purposely and systematically been excluded. Undocumented students deserve educational access opportunity by being allowed to access services that will help them. I hope we can make this progress and humanize education for all. Now's our chance to do that. And like our undocumented students have taught us, let's be brave and let's be bold. Thank you for your time.

MR. MARTIN: Thank you for sharing your remarks with us this morning, Dr. Garcia. Our next speaker will be Jasmine Thomas. Ms. Thomas, whenever you are ready. Ms. Thomas?



MS. THOMAS: Oh, I'm so sorry.

MR. MARTIN: No problem.

MS. THOMAS: Good morning. My name is Jasmine Thomas, and I'm an active duty Army spouse that is stationed at Fort Campbell, Kentucky. I'm a stay at home mom. I'm a home mother of two and I attended Fortis Institute, a for-profit institute in Nashville, Tennessee. I started going to Fortis in July of 2020 with hopes that by 2022 I would receive my associate's degree in nursing and be able to provide for my family as a registered nurse. I was robbed of this. I made it all the way to the end of the program. After two years of a long commute to school while my husband was deployed, and I was taking care of two small children. Now Fortis is withholding my degree and stopping me from taking my NCLEX exam. Fortis will not let nursing students graduate unless they get a certain score on an NCLEX predictor test called a HESI exam. The HESI administrators say the test is supposed to help students prepare for the NCLEX and they do not recommend using the test to block students from taking the NCLEX. Even Fortis's nursing program accreditor ACEN says it's not a good educational practice to use exams like the HESI to prevent students from graduating and taking the NCLEX. But ACEN has not stopped schools from using it. The

first time I took the HESI, I got below Fortis's required score of 850, so I took it again and this time I got an 883. But Fortis said that it had changed its requirements and it needed to- we needed to get a 900 on the HESI. I appealed this decision and took it to the Tennessee Higher Education Commission. The Commission said that they would not intervene because the school acted within its policies when it made the change. So, I took the HESI again and this time got a score of 954 and got- also got a 93% on my final simulation. You would think that it would have been it but would- and I'd be allowed to graduate. But it wasn't. Two weeks before graduation, Fortis added a different predictor test to the final class that was worth 20% of our grade. This was a different test than the one included in the syllabus that we had been studying for. We needed a 78 to pass the class and ended up making a 77.45 because of the new test that we had taken. I have filed a complaint with the Tennessee Higher Education Commission again and I have looked at filing complaints with Fortis's accreditors, but submitting a complaint to them is very complicated. When the predictor tests are used to keep nursing students from graduating and taking the NCLEX, they are called high stakes exams. It certainly was that for my family. I left the school with nothing. I took

the class, the final class, two times and each time the class cost \$3,000. I went all the way through the program and ended up paying 40,000 to this school just to not even walk away with a degree and not able to take the NCLEX. This has put my family's finances at risk. My husband and I even lost a vehicle, my vehicle, because I couldn't work due to the classes and the clinicals that were required, all while paying \$900 for daycare. I have fought tooth and nail to get this decision reversed and I am angry over how unfair this has been to me and my family. I do not understand how Fortis was allowed to change the requirements and allowed to use the HESI test to keep me from graduating and taking the NCLEX. At the very least, it seems the school should not be allowed to block students from taking the NCLEX because that just makes it look like the school has a better licensure exam pass rate. I'm here today to ask you to consider rules to make sure that the accreditors and agencies that approve schools are not allowing schools to engage in unfair educational practices that hurt students. Thank you for your time.

MR. MARTIN: And thank you for sharing your remarks with us this morning, Ms. Thomas.

MS. THOMAS: Thank you.

MR. MARTIN: Our next speaker will be

Ashley Beverly. Ms. Beverly, whenever you are ready.

MS. BEVERLY: Good morning. My name is Ashley Beverly and I'm a Navy veteran. I've been a social worker for over seven years, and I decided that I wanted to teach in my field, which is what allowed me to pursue my PhD, which is what drove me to pursue my PhD degree in clinical social work at Walden University in 2017. Walden University told me it would take 2 to 3 years to get my doctorate degree, but I attended for over four years, not completing my degree. During that time, Walden exhausted my GI Bill funding, resulting in me taking out over \$90,000 in student loans on top of my GI Bill. However, during my time in attendance, the quality of the program was extremely poor. The educational setup was not anything like what the enrollment advisor described. It was completely ridiculous. Discussion boards, for instance, were frequently used with no interaction from the teacher at that university or during- in the courses of that university. The teachers lacked proficiency in the field and did not seem to know the main or common topics that are covered in social work practice and the terminology that we use in a day to day basis as a practice, as a practitioner. There was no direction, and if you reached out in writing to the faculty and staff, you had long

wait times waiting for them to respond or you got no response at all. There was very little rigor which resulted in teaching myself a lot of the material and content, unfortunately. And another requirement of the school was that students had to travel mandatorily to several states to complete residencies. I went to two of the four residencies face to face in Florida and Colorado, and two virtually. Once I received the- or once I began to go through the dissertation phase, I noticed that Walden kept cycling me through the process. I developed a strong dissertation, but I was prevented from progressing in the program. A reviewer would look over my work and tell me that it was great work, but then someone on my committee would suggest that I go back and make changes. I would make those changes, and then the reviewer would say that it was not- one would say it was great and then one would continue to say that I needed to go back and revise it. So, I continued to get information about it being really good work and then being told that I have to go back each time. I went through that process at least four times. Meanwhile, my chair was never available to guide me, and my faculty advisor kept changing. Walden continued to drag it out, praising my work, but never allowing me to progress or move forward. I brought my concerns to leadership, and

nothing ever changed. When I left Walden, I had maxed out on student loans, although I never finished that degree after four years. One of the faculty advisors put a lot of pressure on me, trying to convince me to actually pay out of my pocket upon exhausting my student loans. Currently I'm in another doctoral program for social work at Barry University, and my credits from Walden University were unable to transfer over. Also, Walden is currently withholding my transcripts because they are saying that I owe them \$3,000, but my GI Bill money and my student loan should have been more than enough to cover that amount. My growth was stifled, and I was unable to advance as a social worker or as a researcher from the education at Walden University. And I'm here today to ask you to consider regulations that will prevent schools like Walden from lying to students, especially student veterans, during the recruitment process [30 seconds] and then failing to deliver an educational value while they collect all of the available funding they can get. Thank you for the opportunity to comment today.

MR. MARTIN: And thank you for sharing your remarks with us this morning, Ms. Beverly.

MS. BEVERLY: Thank you so much for having me.

MR. MARTIN: Our next speaker will be Quenton Ross. Mr. Ross, whenever you are ready.

MR. ROSS: [Inaudible] they tell you that I did not get the high quality education that Full Sail University promised. Before leaving the Navy, I was told about Full Sail University. I decided to give them a call. On the call, they highlighted how the school was state of the art and that the instructors were all from the industry. They told me that I would receive real-world education and that the graduates worked on the biggest projects in the industry. Excuse me. I was promised an education that will ultimately lead me to a path of success. Some instructors at Full Sail University barely cared about any of the students. Many of them, I believe, were not even reading the assignments we turned in. In fact, I know this because I turned in some assignments completely blank and received an A and a generic great job. It was clear that the instructors did not care enough to teach the classes. They were just taught from PowerPoint and regurgitated what was on the PowerPoint. I knew I was not learning enough, and I wanted direction but I did not get the feedback on many of the assignments I knew I did incorrectly. After finishing the Accelerated Recording Arts bachelor's program, I was not going to be able to

get a job in the field, and my school counselor convinced me to go for the master's degree in entertainment business. The master's program was no better than the bachelor's. They did not provide the much-needed instructions or feedback, and the grades felt meaningless. My final project was supposed to be a well-researched, organized, pro forma, but I was never taught what I needed to know to accurately complete the project. I couldn't even get my Excel spreadsheet to calculate correctly, so I just added random numbers. Still, I received an A on that project, which was shocking. I graduated from Full Sail in 2016 without having learned much of anything of quality and never got a job in any way connected to my degrees. It is painfully obvious that I wasted my time and my student aid. I came out of Full Sail University having exhausted my GI Bill benefits with \$100,000 in student loans. I'm hoping that by speaking today, I will be helping other veterans avoid what happened to me. As you consider new rules, please think about experiences like mine to make sure schools are providing real training and education, which is what veterans, and all students deserve. Thank you for your time and effort.

MR. MARTIN: Thank you for sharing your remarks with us this morning, Mr. Ross. Our next



speaker will be Dr. Gregory Hess. Dr. Hess, whenever you are ready.

DR. HESS: Good morning. Thank you for the opportunity to speak today. My name is Gregory Hess and I'm president and CEO of IES Abroad, not for-profit study abroad provider. We have an academic consortium of 270 top tier US colleges and universities and more than 240 additional partner universities worldwide. Our consortium approves every single course we teach. We send over 8,000 students abroad every year, and while we don't directly receive federal financial aid, we do supplement it and support students by providing our own additional financial aid exceeding \$6 million annually. My goal is to speak to the unintended devastating and damaging impacts the study abroad industry and the university students we serve from the Title IV funding guidelines laid out in the February 28th Revised Dear Colleague Letter. Better still, I will propose a solution. Study abroad changed my life. It has changed many lives, and changed lives change the world. And we all know that the world needs change. We need thoughtful, interculturally effective and productive global citizens more than ever. Substantial empirical evidence demonstrates that these are part of the personal and professional skills students gain through

study abroad. However, the recent DOE's proposed guidance would make it impossible for students to experience study abroad benefits and make it inaccessible for students receiving federal aid. This is not the change we need. I do not believe it is the intent of the DCL to bar participation in study abroad by the 85% of college students who receive federal financial aid. But that's what would happen with the DCL's guidance. The DCL's new definition of third party servicers could include all services that would be provided to students outside of the US; emergency medical care, in-person health and wellness services, classes at foreign universities, housing, classroom space, transportation, and more. The new definition will prohibit students from using Title IV funds to pay for study abroad experiences, including with US accredited institutions if the servicer or subcontractor is owned or operated outside of the US. The DCL's expanded guidance regarding activities unrelated to handling Title IV funds appears to make it impossible for study abroad services to operate anywhere in the world if they utilize foreign subcontractors. And please note that every single study abroad program, no matter the operator, relies on overseas subcontractors for these types of services which could no longer be provided to

students under the new definition. In our public comment, we proposed a solution, a narrower definition of third party servicer that excludes study abroad providers. This is how the DOE has operated for years until this recent Dear Colleague Letter and we believe our carve-out is grounded in legislative intent. I urge you to revise the proposal and ensure that students who receive federal financial aid can continue to benefit from participating in study abroad programs. First Lady Jill- Dr. Jill Biden wrote in an essay in the Chronicle of Higher Education, we know that education is the key to unlocking human potential. I'm sure that's why Dr. Jill Biden dedicates her professional life to serving postsecondary students. And I'm sure that shared commitment at the institution she serves is why Northern Virginia Community College allows financial aid to be used to help students study abroad. [30 seconds] Why would you take that away from them? Creating opportunities for study abroad for students of lesser means is the way you unlock human potential. Let's not impose unintended rules that eliminate a study abroad opportunity that will change their lives for the good. Thank you very much for the opportunity to share my thoughts with you.

MR. MARTIN: And thank you for sharing

those thoughts this afternoon, Dr. Hess. Our next speaker is going to be Jill Stein. Ms. Stein, whenever you are ready. Ms. Stein? Okay. I'm told that Ms. Stein is not prepared right now, so we're going to move on to- I think we already did- we already had Dr. Hess. So, let's move on to Carolyn Fast. Ms. Fast, are you ready?

MS. FAST: I'm ready. Thank you. Can you hear me?

MR. MARTIN: I can. So, whenever you're ready to begin.

MS. FAST: Thank you. Thank you for the opportunity to comment on the Department's upcoming negotiated rulemaking. My name is Carolyn Fast. I'm a senior fellow at the Century Foundation. First, to ensure that students interests are adequately represented. The upcoming rulemaking should include representatives of students from all sectors, including for-profit and online colleges, as well as consumer legal assistance and civil rights organizations. We support the Department's inclusion of standards for recognizing accreditors and suggest that the following topics be included in the rulemaking. First, accreditor oversight of third party entities. The Century Foundation's research has found that accreditor review of schools' arrangements with third parties such as OPMs

is inadequate to address the risks these arrangements pose to students and taxpayers. The Department should strengthen requirements related to such review. Second, consumer complaint processes. Some accreditors' complaint processes seem designed to discourage students from submitting complaints. The Department should develop requirements to prevent such barriers. Third, accreditor capacity. Some accreditors lack resources to conduct adequate oversight or lack expertise needed to evaluate complex institutional structures or transactions, especially involving for-profit institutions and contractors. Agencies should be required to have the staff and resources to effectively carry out their responsibilities. Next, student outcomes. The Department should consider changes on how accreditors measure, report on, and evaluate expectations related to student outcomes. Finally, accreditor recognition. Changes in the recognition process are required to permit meaningful public involvement. For example, accreditors could be required to post relevant materials on their websites in advance of [inaudible] meetings to ensure public access. We also support the Department's inclusion of state authorization in this rulemaking. The State Authorization Reciprocity Agreement, SARA, has lowered

barriers for schools to offer online programs in multiple states. However, SARA sets an extremely low bar for consumer protection, leaving millions of online students vulnerable to abuse. Moreover, SARA prohibits states from enforcing many of their own consumer protection laws against participating schools based outside their state. In addition, SARA provides veto power over setting consumer protections to a non-governmental entity which is not controlled by states and in fact includes representatives of regulated entities. To address these problems, the Department should set minimum standards for reciprocity agreements. Reciprocity agreements should be required to obtain recognition from the Department before they can provide state authorization under the rule. To obtain recognition, reciprocity agreements should be required to permit participating states to enforce consumer protection laws. Restoring the 2016 regulatory language on the definition of reciprocity agreements would address this issue. Member states must also have control over setting standards for participating schools. Agreements should not delegate that authority to groups not controlled by state representatives. The Department should also consider limiting the type of institution that can obtain authorization through reciprocity

agreements to categories that are structured to protect students interests like publics and nonprofits that do not outsource to for-profit entities. The Department could also consider imposing minimum consumer protection requirements on reciprocity agreements, such as refund and cancellation requirements. Finally, the Department should consider changes to the state authorization requirements that apply to all Title IV schools, not just online students through reciprocity agreements. These changes could include minimum capacity requirements for authorizing agencies, conflict of interest requirements for state authorizing entities [30 seconds] limitations on state exemptions from state authorization, and state-level protections from precipitous closures. Thank you for the opportunity to provide comments. We look forward to working with you going forward.

MR. MARTIN: And thank you for sharing your remarks with us this morning, Ms. Fast. And our next speaker will be Della Justice. Ms. Justice, whenever you're ready.

MS. JUSTICE: Hello. Good morning.

MR. MARTIN: Thank you. Hi.

MS. JUSTICE: My name is Della Justice and I'm Vice President for Legal Affairs with Veterans

Education Success, a nonprofit organization that works on a bipartisan basis to advance higher education success for veterans, and to protect the integrity and promise of the GI Bill and other federal postsecondary education programs. The educational programs administered by the Departments of Defense and Veterans Affairs are affected by the quality assurance and program integrity safeguards that fall under the Department of Education's jurisdiction. Two of the three pillars of the Department's gatekeeping and program integrity regulations, state authorization and accreditation, are of particular concern to us. We are therefore pleased with the Department's intent to undertake a negotiated rulemaking process related to these critical topics. A comprehensive review of the Department's regulations on state authorization is urgently needed to address two distinct issues, nondelegation of governmental authority to purely private actors and mandatory terms and conditions of interstate reciprocity agreements. The Department should reexamine state authorization practices that delegate what is clearly intended to be a state function to non-governmental entities such as accrediting bodies. Not only do such arrangements delegate a state responsibility to private interests that are



significantly controlled by the regulated entities themselves, but they effectively collapse one leg of the triad, state authorization, unto another accreditation and thus undermine the statutory design of the federal gatekeeping system. Additionally, the emergence of distance delivery across state lines has created new consumer protection concerns that require federal attention. While state reciprocity agreements can be an efficient mechanism for interstate delivery of distance education, their proper governance and the adequacy of their safeguards must be addressed through federal regulations. Failure to do so has created a system that is unduly influenced by the regulated entities, that is designed primarily for purposes of convenience of the schools rather than protection of students and taxpayers and that creates perverse incentives for regulatory arbitrage and manipulation of geographic location to avoid robust state laws. Accreditation as it exists today is failing as a quality assurance tool, as evidenced in sudden collapses of accredited institutions, government allegations of institutional deceptive practices, and the prevalence of intolerable outcomes such as low graduation rates, low job placement rates, high debt to earnings, and low repayment rates that characterize the performance of too many fully

accredited institutions in all sectors. The Department has an opportunity to strengthen accreditation and the American tradition of political noninterference in academic affairs of colleges and universities by instituting regulatory changes that extend secretarial recognition only to those bodies that can demonstrate a documented, evidence-based, and independent approach to federally mandated quality assurance functions. To that end, we urge the Department to consider the following: Place the entirety of 34 CFR 602 and 603 and the relevant sections of 600 on the committee's agenda even if the Department itself does not have any proposed changes. Require accreditors to delineate their mandatory quality assurance standards under the law from their voluntary quality improvement functions and require them to articulate how they enforce those. Require accreditors to disclose how they determine the accuracy of the information they rely on in making accrediting decisions. Review conflict of interest rules and ensure that the separate and independent requirements of the law are not being circumvented.

MR. MARTIN: 30 seconds.

MS. JUSTICE: Ensure that accreditors have adequate expertise and resources for the level of oversight and due diligence required of them.

Accreditors should not be allowed to ignore or dismiss outcomes, and they should be required to maintain and enforce concrete and fact-based standards. Finally, the framing of institutional accreditation as an evaluation of the whole institution rather than a specific program, should not be used as an excuse by accreditors to maintain a position of studied ignorance with regard to programmatic offerings. Thank you for this opportunity.

MR. MARTIN: Thank you for sharing your comments with us this morning, Ms. Justice. Our next and final speaker before we break for lunch will be Sara Partridge. Ms. Partridge, whenever you are ready. Ms. Partridge? Ms. Partridge? Okay. It looks like we don't have Ms. Partridge ready to go yet, so we will break for lunch now and reconvene at 1 p.m. Eastern Daylight Savings Time. Thank you. Good afternoon and welcome back. We're going to get started with this afternoon's sessions shortly. I do want to announce that we are now joined by Mr. Steve Finley from the Office of General Counsel. With that, we will go to our first speaker for this afternoon and our next speaker will be Ms. Sara Partridge. Ms. Partridge, whenever you are ready.

DR. PARTRIDGE: Hi. Thank you for the opportunity to speak here today. My name is Dr. Sara

Partridge and I'm a senior policy analyst for higher education at the Center for American Progress. In my comments, I will address important ways that the state authorization rule should be strengthened to ensure interstate online education is held to the same levels of accountability as face to face education. While only 7% of students across all institutions enrolled in interstate online programs in 2019, almost 50% of students at for-profit institutions fit into this category. Given the documented history of serious issues in the for-profit sector, along with the rapid growth of fully online programs in recent years, urgent action should be taken to protect this new class of students who may be more vulnerable to substandard programs and consumer protection violations. In the Higher Education Act of 1965, Congress gave states an important role in ensuring program integrity, which they carry out through state authorization. In 2010, the Department established minimum requirements for this process. They are, first, the adjudication of complaints. And second, the enforcement of applicable state laws. However, these central responsibilities were dangerously limited by an updated definition of reciprocity agreements in 2019. The current definition prevents states from enforcing laws "related to state authorization of distance

education." While intended to streamline requirements across states, this provision creates a race to the bottom in which institutions of higher education located in states with weaker accountability standards can enroll students in states across the nation. Reciprocity agreements should not undermine the central responsibility of state authorization. The form these reciprocity agreements have taken for 49 states and 3 territories is the National Council for State Authorization Reciprocity agreements known as NC-SARA. NC-SARA's policies undermine consumer protections by limiting students' power to file independent complaints against institutions. NC-SARA requires a student to file a complaint with their institution first, which is not an independent process and can be lengthy and challenging before filing a complaint with their home state's Department of Education. Because NC-SARA does not require institutions to report information about complaints received, there is a limited flow of consumer information to the states. The Department should require reciprocity agreements like NC-SARA to collect complaint data from participant institutions and likewise require states to share complaint data. It should also require states to share the institutional data collected during authorization and reauthorization process with all other

states. Interstate education calls for interstate oversight. Finally, the governance and membership rules for NC-SARA continue to raise questions about its independence. It should be expressly prohibited for employees of institutions, subject to NC-SARA's regulations to serve on its board, which has veto power over all proposed policy changes. The Department should also issue guidance clarifying that a state reciprocity agreement requires, "an agreement between two states" and not through membership in a regional compact. Nine states are currently NC-SARA members only by default through their preexisting membership in a regional, compact, and not with the express action of the state legislator or the state higher education regulatory body. The state authorization rule is one of the central mechanisms the Department has to ensure program quality for interstate online education, and it should significantly strengthen its requirements [30 seconds] to prevent a wave of poor outcomes, fraud, and abuse which can proliferate if left unchecked. Thank you.

MR. MARTIN: And thank you for sharing your remarks with us this afternoon. Our next speaker will be Tanya Ang. Ms. Ang, whenever you are ready.

MS. ANG: Good afternoon. Thank you for the opportunity to comment on the Department's

intent to establish negotiated rulemaking for a robust list of topics. My name is Tanya and I'm the Managing Director for Advocacy at Higher Learning Advocates, a nonprofit advocacy organization working toward bipartisan federal policies to better serve today's students. Today's students are more diverse than any previous generation of college students. 33% of students are over the age of 25, 42% identify as a race other than White. 56% are first generation. And almost a quarter of all undergraduate students have children. Only 16% of students live on campus, and 51% of undergraduate students are financially independent. During the pandemic, like many others in America, students faced insurmountable challenges causing some to withdraw and others to find drastic measures to ensure they stayed enrolled. Soon, students will find themselves in similar situations as the emergency exemptions during COVID come to an end. We are conscious of the tight rope the Department must walk as it balances out in innovation with protections for students. Online education is one of these areas. 44% of undergraduate students were exclusively enrolled in distance education during the pandemic. As the pandemic has waned, some of these students are realizing that online modalities allow them to pursue a higher

education credential while still being able to work and care for their children. Antonio is a first-generation student at an HSI. Due to his parents still facing health issues because of COVID, he had to move home to care for them and his siblings while also working and going to school. The only way he can finish his program of study is because his institution realized that many of its students were in similar positions and moved some of its classes online. These classes filled up within only a few minutes of being opened and the school had to scramble and open more online courses to meet the needs of its students. Then there is Elise, a mother of three children four and under, who attends school full-time online. With no family around, very little support, and the cost of childcare being so expensive, this is the only way she can earn a credential. While the only option for these students is taking online classes, they have the luxury of choosing programs that offer high quality education, allowing them to work in their field after graduation. Not all students are as lucky and have found themselves in a worse place than when they started. This is not tenable for the student or the taxpayer. The conversation around ensuring quality while allowing for innovation must go hand in hand as the Department embarks on its- this next round of negotiated



rulemaking, it is essential to walk that line. Accreditors also play a role in ensuring oversight of quality and innovation. To ensure today's students have the best chance of economic success in upward mobility, we encourage the Department to include conversations during the process around things such as accreditors prioritizing student outcomes over institutional compliance and making the accreditation process more transparent. When discussing Return to Title IV and Cash Management, we asked the Department to keep in mind the 39 million adults with some college but no credential, and the answer to the question, how do policies surrounding these two topics support students who owe a balance return to school and how do they support students who are relying on some of their financial aid to pay for purchases off campus, such as books and basic needs? We must balance the need of protecting students from the unnecessary debt and from facing dire circumstances due to being unable to access their money until after the add/drop period. Additionally, we ask the- encourage the Department to consider adding student academic progress to this year's negotiated rulemaking process. SNAP regulations need to be updated to include the needs of today's students and make accessing a credential possible for returning adult students. We

also would ask that you would have students from a two-year school and a four-year school [30 seconds] be available at the table. These policies directly impact students, and they must have their voices there. We look forward to continued work with the Department on these and other issues.

MR. MARTIN: Thank you for sharing your thoughts with us this afternoon. We appreciate it. Our next commenter will be Dr. Thomas Harnisch. Dr. Harnisch, whenever you are ready.

MR. HARNISCH: Thank you. My name is Tom Harnisch. I serve as vice president for government relations at the State Higher Education Executive Officers Association or commonly known as SHEEO. SHEEO is a national organization serving chief executives of statewide governing policy and coordinating boards of postsecondary education and their staffs. The announced negotiated rulemaking provides an important opportunity to strengthen the federal regulatory framework on a wide range of issues under Title IV of the Higher Education Act with a focus on institutional quality and accountability. As the national organization representing state higher education agencies and systems of higher education, we are significantly affected by the subject matters under consideration and welcome the

opportunity to contribute to these discussions. Three issues listed that are considerable interests to the state higher education leaders include institutional eligibility, including state authorization as a component of such eligibility, the Secretary's recognition of accrediting agencies, and third party services and related issues. With respect to state authorization, many state agencies act as state authorizers and states play a pivotal role in consumer protection in higher education. In partnership with national foundations, scholars, and states, SHEEO has worked in recent years to build a broader, deeper understanding of the state authorization function, including contributions exploring the influence of federal policy on state authorization. This negotiated rulemaking will likely examine interstate reciprocity of distance education, and SHEEO is well positioned to discuss this due to its 50 state membership and subject matter expertise. Interstate reciprocity of distance education reduces administrative burden, allows for greater student choice, and strengthens institutional oversight and quality. We look forward to the opportunity to improve state authorization through the negotiated rulemaking process. Accreditation is also a paramount issue for state higher education leaders, as

states are linked to accreditors and the Federal Government through the regulatory triad. As the Federal Government explores changes to regulations on accreditation, it is important to consider how changes in one part of the triad could affect the others, including states. SHEEO encourages policies that better coordinate states, accreditors, and the Federal Government and expands capacity to ensure the higher education marketplace provides high quality student opportunities and a good return on investment for students and taxpayers. Lastly, there's significant concern in the SHEEO community on the issue of federal oversight of third party servicers. Some SHEEO agencies perform Title IV functions that would be considered third party servicers under the guidance issued earlier this year. Our members have expressed concern over this guidance, including the effects of relationships on foreign and domestic vendors, vendor capacity, and administrative costs. We look forward to learning more about how the Department plans to address third party servicers in the regulatory process. We applaud the US Department of Education for its continued interest in strengthening accountability and fostering student success. We welcome the opportunity to contribute to these discussions on these important topics in the

months ahead. Thank you.

MR. MARTIN: Thank you for sharing your remarks with us this afternoon. Our next commenter will be Rafael Topete. Mr. Topete, whenever you are ready.

MR. TOPETE: Let me take the time to also thank you for the opportunity to come before this negotiated rulemaking committee and allowing me the opportunity to present my comments. You have heard from colleagues and our national association before me earlier this day. But I want to come from a perspective that I'm not a TRIO alumni. As a matter of fact, I was not able to become a TRIO student because I was denied admissions to a TRIO program when I was finishing my middle school, going to high school because of my immigration status. That, as you can imagine, how heartbreaking that can be for a student. Having gone through it myself, I know how hard it is. Fast forward six years from that day. I was then provided an opportunity to work for an upper bound program for their summer residential program. That finally gave me the experience of a TRIO program, but from the other perspective, as a staff member. I enjoyed it so much that upon graduating college, I took on the full-time position in Trio, and 30 years later I'm still in the

college access career. Unfortunately, that 30 years has been rocky, to say the least, because I've worked in my community where I grew up, and having been put into that situation where I'm now the one that has been telling students, I'm sorry, we cannot serve you because of your immigration status. As you can imagine, this is a difficult spot to be in as a professional, but also as an educator who our main purpose is to guide and help our students and provide them the best opportunity possible. In the early 80s, Supreme Court case held that immigrant children, regardless of their legal status, were entitled to access to public education. This ruling pertained to K-12, left out college access, thus making it a privilege to go to college, not necessarily a right. And this privilege was- sort of amplified that college- going to college is a privilege and not a right. Students since have gone through different forms of getting to college, some the right way by paying out-of-state tuition, by navigating the course themselves, by taking upwards of 10, 12 years to graduate while trying to figure out the process and how to pay for it. Others not so right way and towards their social security numbers and hid behind the shadows until they graduated and then tried to figure life out after graduation. The TRIO community is proposing that we

allow students to come out of the shadows and be heard and be seen and be supported. For the last 20 years, from the DREAM Act to DACA, we have treated undocumented students as the poster children for immigration reform but have done very little to support them in their educational endeavors or dreams. In California, about 10 years ago, we were able to pass AB 540, which allowed students who went through our K-12 system to be eligible for in-state tuition. And that's coming out of the shadow. A few years after that, we were able to provide financial support through the California Dream Act, which provides not only state aid, but also access to scholarships and other financial support while they're going through the process of college in public institutions and some of the privates in state. TRIO would like to extend that support and that service to all of our students, not only in California, but through the TRIO programs that serve students across the country. When you grow up poor and in an immigrant community, you don't know your poor and you also don't know your undocumented, which puts you in a terrible disadvantage. And it's really particularly hard when you're put in a situation to find out that you are poor and [30 seconds] that you're undocumented. So, we ask you to to revisit eligibility criteria, which states

that all participants must be either a citizen or permanent residents and align it with the administration's goal to be more inclusive and provide opportunities to disenfranchised students, including those who are undocumented. Let's stop using undocumented youth as poster children and help them pursue their dreams, which is the American dream of quality education. Let's allow TRIO programs to help all students thrive, not just survive. Thank you for your time.

MR. MARTIN: Thank you for sharing your comments with us this afternoon. Our next commenter will be Zaniya Lewis. Ms. Lewis, whenever you are ready.

MS. LEWIS: Thank you. Hello. My name is Zaniya Lewis and thank you for allowing me to speak today. I am a current law student and military dependent and have been a financial aid recipient since I was an undergrad student. My comment today will touch on the Federal TRIO programs, including improvements to program eligibility. As a student who runs a college access and financial literacy nonprofit, I understand the importance of the Federal TRIO programs. As a student who almost had to withdraw from my undergrad program because of receiving an outside scholarship, I understand the implications and hardships of students



who may have to withdraw from college or acquire additional debt because they were penalized for earning an outside scholarship. Many of the higher institutions that participate in the Federal TRIO programs participate in scholarship award displacement, a practice that penalizes need-based recipients for earning outside scholarships. One of the TRIO programs called Upward Bound, focuses on providing support to participants in their preparation for college. Yet these same higher institutions that are preparing students for college are teaching students how to get funding for the education through the FAFSA and scholarships. Then their policies are penalizing these same students for earning outside scholarships, forcing them to either acquire additional debt or drop out of college. Scholarship award displacement practices undermine the exact goal that the United States Department of Education is trying to achieve. I recommend that the United States Department of Education develop requirements and a discipline system within the TRIO programs and other federal funding programs to ensure that higher institutions' practices and policies align with the mission and vision of the United States Department of Education. These institutions should not be allowed to continue the predatory and harmful practices towards the

same students that the United States Department of Education is trying to support and fund. I have spoken with the Department of Education about our concerns about scholarship award displacement, and there has been many responses that are saying that you all are not sure if you have the authority to stop the practice. In addition, the websites of the Department hasn't changed or emails that are currently misleading students to apply for outside scholarships to decrease their debt when higher institutions are actually penalizing those same students for receiving outside scholarships. While I believe that the Department can add a requirement to the federal TRIO program eligibility that higher institutions that participate in Federal TRIO programs cannot penalize students for earning outside scholarships. Let's come up with systemic solutions to keep students in school and graduate with no debt. It is not enough to just have the Federal TRIO programs, but the policies and practices of higher institutions that this Department funds, practices must be equitable and just. It is important that every student has the opportunities, resources, and funding to achieve a higher education. Thank you.

MR. MARTIN: Thank you, Ms. Lewis. Our next commenter will be Sam Blanco. Mr. Blanco, whenever

you are ready.

MR. BLANCO: Good morning. Can you hear me okay?

MR. MARTIN: I can.

MR. BLANCO: Alright, great. Good morning from California. My name is Sam Blanco, III, the director of the UC Davis pre-college TRIO Talent Search and Upward Bound programs. Originally from Delano, California, and a proud first-generation college graduate. I've been working here at the University of California Davis TRIO programs for the past 31 years, helping low income first-generation students succeed in high school and obtain their college degrees. Thank you for the opportunity to comment on the federal TRIO programs, including improvements to programmatic eligibility and operations under 34 CFR, which is to hopefully open services to undocumented students. Throughout my years of experience, I hope to share some information with you today to shed some light on helping some well-deserving students. Each year we administer recruiting sessions at each of our TRIO school sites, but we are not able to present to all students. Only those who are citizens or permanent residents are eligible to receive our TRIO services. This academic year, the state of California, fortunately was granted a

waiver from the US Department of Education through the P3 Partnerships, which includes the community college system, California State University, and the University of California College Systems, which allows California TRIO programs to serve undocumented students through the fall of 2026. Although this does not change the programming services we conduct each year, it does open the window for our staff to work with undocumented students at each level. It allows California TRIO programs to help all other students, regardless of their citizenship status. Here at the UC Davis campus, we have an AB 540 Undocumented Student Services Department helping undocumented students complete their college career. Throughout the years, I've helped many students with math tutoring, college advising, and scholarship opportunities, on my own time. All of the students I have helped throughout the years could have definitely benefited from the same types of services that TRIO programs throughout their high schools and college experiences. In fact, one student in particular that I remember helping about 20 years ago, she decided to transfer to Mills College in Oakland, California, and I continued to mentor her through phone calls, texts, and emails. She ended up graduating with honors from Mills College and went on to UC Berkeley Law School, which I

still continue to mentor her until she graduated and is now a lawyer helping many undocumented families as well. She is one student that I helped in my free time, mostly weekends. But I also know that there are thousands of more students throughout this nation that could benefit from the TRIO services and receive help to ensure that their true dream of attending college and obtaining a college degree is very possible. I have only five years left before I retire from the 31 years of helping thousands of low income first-generation students obtain a college degree and become a college graduate and pay tax paying workers. Please consider including language legislation to ensure that our TRIO programs throughout the country can help establish new generational college success for many students and serve DACA students in the near future. I thank you for listening and have a great day.

MR. MARTIN: Thank you, Mr. Blanco. Our next speaker will be- oh, before we before I do that, I would like to acknowledge that Antoinette Flores of the Office of the Under Secretary has now joined us. Our next speaker will be April Medina. Ms. Medina, whenever you are ready.

MS. MEDINA: Thank you for the opportunity to comment today on the Return to Title IV

policy. I'm April Medina, Associate Director of Student Financial Support at the University of California Office of the President. I speak today both as an administrator and as a researcher of R2T4, the University of California System campus system that serves 300,000 students. One of our core principles is providing an affordable and accessible education. 75,000 of our undergraduate students or about 33% are Pell Grant recipients, and another 4,000 are low income undocumented students. But getting low income students through the door means little unless we can see them through to graduation. The Return to Title IV or R2T4 is one of a multitude of federal aid policies intended to impose a level of responsibility for taxpayer investment by billing students who withdraw or cease enrollment during an academic term. However, it's a broken accountability measure. It reduces the benefits of financial aid programs for those at risk of not completing their degree. It's administratively burdensome, complicated and confusing to students, and has an insignificant share of returns based on total aid administered for large publics such as the University of California. It's one of a collection of other measures which regulate the amount of aid students' access and one that disproportionately penalizes low income

students and those most at risk. R2T4 has been in the top 10 audit findings nationally for over a decade. It alone encompassed over a quarter of the 1,000-page Federal Student Aid Handbook in 2021. Understanding the R2T4 worksheet process is complex. So, much so, it took up a chapter alone at 90 pages. The regulation is inefficient, laborious and time consuming. It burdens aid offices with understanding how the calculation is affected by disbursed aid versus aid that could have been disbursed, varying requirements by individual type of aid and attendance taking, variations for schools that have modules, and the list goes on. The regulatee the financial impact of withdrawing is typically not known by a student until after they discontinue enrollment. Those students who do inquire before withdrawing are met with general information from financial aid and academic advisors who must walk a tenuous line between supporting students and maintaining the integrity of the federal policy that may impact the student's ability to return. A financial aid bill as a result of R2T4 is a significant barrier, particularly for low income students, as they have limited resources with which to pay these debts, affecting their ability to return, continue, and complete. I found evidence of this in my research study on this policy at one UC

campus for first-time freshmen entrants between fall 2006 and fall 2011. Students with the R2T4 financial bill had prolonged enrollment time and decreased conditional probability of completion. The campus did a good job of retaining students, and only about 5% of the population withdrew or about 600 students required at R2T4 calculation. The median time to degree at the UC campus for those 600 was about five years. However, when enrollment at other institutions was considered, it ballooned to seven years. Of those built from R2T4, less than half graduated at the UC campus. Also, among this group, lower income students were more likely to leave the UC campus to attend elsewhere, primarily community college or fail to reenroll. Conversely, a majority of students from moderate high-income families persisted and graduated at the UC campus. All else being equal, a financial aid bill as a result of R2T4 resulted in about a 58% decreased probability of earning a degree at that home UC campus. Imposing a financial barrier to those with lower risk of persisting is bound to have negative consequences. What level of opportunity debt drives students away from college for good? Accountability measures which were imposed to establish responsibility on institutions and students for federal aid funding-

MR. MARTIN: 30 seconds.



MS. MEDINA: -compromise the promise of equity of these programs. And my study demonstrated this at a local level. There must be a better way to balance accountability with student success. I implore the Department to revisit the goal of R2T4 and consider how it may be achieved in a more equitable way. Thank you for the opportunity to provide testimony and I'd be happy to answer any questions.

MR. MARTIN: Thank you, Ms. Medina. Our next commenter will be Dr. Sandy Caldwell. Dr. Caldwell, whenever you are ready.

DR. CALDWELL: Good afternoon. I am Dr. Sandy Caldwell, the executive director of the Wyoming Community College Commission for the State of Wyoming. I am speaking today on behalf of the Community College Commission and the eight public community college districts in our state. First, I do want to begin with thanking you for the opportunity for us to address the Department today. I will be speaking on the third party servicer. I will not be speaking on the accreditation. I think you have that one covered. We do respectfully request that the Dear Colleague letter be rescinded in favor of negotiated rulemaking, focused solely on the OPM or that the Department provide clarification and guidance through a clearly written

guidelines. At the state level, we are concerned that this Dear Colleague letter is so broad that it captures nearly every contract, including the state and its agencies where statutory authority exists for system-level contracts, including IT, consortial arrangements, those types of things. Holding state agencies to an additional potential audit for long standing system operations such as IT and data management is of great concern, and it is duplicative of existing state and agency audit requirements. And then at the institutional level, the higher ED institutions do collaborate, and they align their work across the higher education sector and across the entire education pipeline and to create efficiencies and opportunities for students, which is permissible under our current state statutes. This Dear Colleague letter appears to apply to multiple situations where the colleges are deeply involved in their communities, their service areas, and they really do work to reduce barriers and create pathways to completion, particularly for our populations that are in the equity gap. We were very concerned with that for postsecondary educational attainment in our state related to our attainment goals and long-term economic vitality. And this- when you're talking about the institution, we're concerned that this may apply to dual

and concurrent enrollment, long-standing business and industry partnerships, the hospitals and our healthcare facilities and clinical sites, and then our mental health providers that help support our postsecondary institutions and their students with wraparound services that the institutions cannot directly provide. So, in closing, and again, we ask the Department to focus on the true intent, which is the OPM, or provide clear guidance with assurances that the state authority to manage its higher institutions is not encroached upon, or that the colleges will not have to impose new arbitrary requirements with long-standing partners, including their K-12, their sister colleges, the university, clinical sites, and then of course, the business and industry and nonprofit and mental health providers. As it stands without further guidance, the Dear Colleague letter implementation date of September 1 will result in burdensome and costly administrative processes at the colleges and at the state [30 seconds] that we are uncertain could even be managed by the Department of Education. So, with that, I thank you for this opportunity to address the Department and to hear just a little bit from the state of Wyoming. Thank you for your time today.

MR. MARTIN: Thank you, Dr. Caldwell.

Our next speaker will be Gregory Sebasky. Mr. Sebasky, I'm sorry, whenever you were ready.

MR. SEBASKY: Well, good afternoon, everyone, and thanks for the opportunity to provide a comment during the listening session. My name is Greg Sebasky. I'm the CEO of Assessment Technologies Institute, LLC, also known as ATI. ATI is based in Leawood, Kansas, and for almost 25 years, ATI has supported thousands of nursing programs and their students in the United States by providing evidence-based products and services designed to help schools develop practice-ready nurses who are prepared for post-graduation licensure and clinical practice. In addition to the ATI nursing grant, ATI's National Healthcare Association brand provides certification for allied health care professionals such as medical assistance, pharmacy technicians, and phlebotomists. Generally, ATI provides digital content such as eBooks, assessments and analytics that are designed to reinforce the instruction provided by the institution and help instructors and students identify and remediate individual areas of weakness. Our assessment products are based on psychometric principles that help institutions bolster student learning outcomes and prepare students to succeed on licensure or certification exams and enter

the workforce quickly after graduation. ATI's institutional customers are educating an essential part of the healthcare workforce in the United States, where shortages of qualified professionals are having an increasingly significant impact on public health and policy. Along with other members of the higher education community, we reviewed the Department's proposed guidance relating to third party services with great interest. As noted in our written comments to the Dear Colleague letter, we believe a substantially expanded definition of third party services could be interpreted as capturing providers like ATI that have no responsibility for student recruitment or the administration of Title IV funds or programs. This would be a substantial departure from the existing statutory framework and prior Department guidance and in our view, would have a number of harmful impacts on students and institutions such as increased cost and reduced competition and innovation in learning. It would also negatively impact essential health care workforces. Nevertheless, we were heartened by the Department's announcement that it will be addressing third party services along with other topics through this negotiated rulemaking. We believe the negotiated rulemaking process will help produce a regulation that benefits the entire

community without the negative consequences that I've outlined above. Providers and products of services to higher institutions will be materially affected by the proposed negotiated rulemaking topic, particularly with respect to the topic of third party services. So, for this reason, I'm here today to request that informing the negotiated rulemaking committees, the Department delegates at least one negotiating position to represent providers of products and services to higher education institutions like ATI that have no responsibility for student recruitment or the administration of Title IV funds or programs. Including a provider like this will help ensure the negotiated rulemaking process and includes an important and necessary perspective for the other negotiators and the higher education community at large. Alternatively, we ask that the Department establish a subcommittee that would include participation by providers like ATI so their perspective can be reported to the committee. Thank you for your consideration today.

MR. MARTIN: Thank you for sharing your comments with us. Our next commenter will be Ashley Jackson. Ms. Jackson, whenever you are ready.

MS. JACKSON: Thank you. I am Ashley Jackson, Director of Government Affairs for the National

Association of College and University Business Officers, commonly referenced as NACUBO. I thank you for the opportunity to share comments on the Department's efforts to improve institutional quality and accountability. NACUBO is a nonprofit professional organization representing chief administrative and financial officers and more than 1,700 nonprofit and public colleges and universities across the country working to advance the economic vitality, business practices, and support of higher education institutions in pursuit of their missions to include sound fiscal and administrative practices at institutions of higher education. While NACUBO has concerns on many of the topics the Department has outlined in the Federal Register notice, today I'm going to focus on cash management provisions. Back in 2014, several NACUBO member institutions were nonfederal negotiators having a seat at the table while the Department drafted its NPRM towards program integrity and improvement regulations, which included the Department's most recent update to the cash management rules that took effect back in 2016. As related to cash management, NACUBO's membership is a key constituency that can provide valuable insight and perspective into cash management regulations. In particular, staff in a college or a university student

account office, the position officially known as bursar. This office is responsible for accepting, processing, and applying payments from families, the Department, and other agencies by processing refunds and maintaining student ledger accounts. As the Department examines cash management rules, we strongly encourage you to review the limited reference to Treasury's definition of electronic funds transfer or EFT, particularly for the purposes of transactions initiated by or on behalf of an institution, and there we ask you to review your requirement that only automatic clearinghouses or ACH transactions be used. Payment methods have evolved significantly since 2014. Students and consumers continue to adopt new and evolving payment methods because they want their transactions to be faster, safer, and cheaper. The regulatory flexibilities that the Department provided to institutions during the COVID 19 National Emergency have demonstrated that these methods can be trusted for dispersing Title IV aid. Expanding disbursement methods beyond ACH, as the Department did in a December 2020 Federal Register notice to allow institutions and third party servicers to utilize Treasury's broad definition of EFT, allow students and families timely access to their funds. The Federal Register notice mentions permitting schools and



third party servicers to use EFTs, including person to person payment methods such as Zelle and PayPal, as well as allowing schools to use a student's debit card number to transfer funds using an original credit transaction or OCT. While specific methods were mentioned in your 2020 regulatory waiver, we encourage you to explore additional methods that can allow for the safe, fast, and inexpensive transfer of Title IV funds [30 seconds] to students. With that, NACUBO looks forward to working with the Department in the upcoming negotiated rulemaking to include cash management, third party servicers, Return to Title IV, among other topics. Again, thank you for the opportunity to share comments on the Department's efforts to improve institutional quality and accountability. Thank you.

MR. MARTIN: Thank you, Ms. Jackson. Our next speaker will be Deborah Butrim. Deborah, whenever you are ready.

MS. BUTRIM: Thank you. Good afternoon. I'm Deborah Butrim. I served in the Army for 20 years. Towards the end of my service, I enrolled in a PhD program at Walden University. I was going to enroll at a different school, but I met some Walden University representatives on base at the local hospital. They seemed to be recruiting military members there. They

promised that I would be able to finish my degree in three years. They made it seem like it would be fast and that it would be fully covered by my GI Bill. Once I completed the coursework, I selected a chair and started the doc study portion. My time at Walden turned into a never-ending circle, dragging out my time in the program. I would send versions of my dissertation to my chair who would provide only small minute changes. I would make those changes and then the chair would send back the same paper but with a few different changes. The process would repeat in a never-ending circle. I never received any substantive feedback that would improve my work. Just elementary edits. It was often just as simple as adding commas or semicolons. I was never allowed to progress past this phase. I complained about my chair several times. The only solution I received was to change my chair, but then I would have to start from scratch again. This would have caused me even more of a delay and would have cost even more money. I had to take the eight-week doc study course over and over for a year and a half, around six times in a row. My GI Bill was charged each time and eventually my GI Bill benefits dried up. I eventually left because I was not willing to take out loans and go into debt for more of the same treatment. While at Walden, I was

required to travel and attend two in-person residences. And these were nonsense. They just provided word documents that contained links that I could have easily looked up myself. There was no benefit to the in-person residences, but they used up weeks of my GI Bill. Walden said it would take three years to get my degree, and this was not true. I felt like my PhD process was dragged out for no educational purpose. I hope that you will remember stories like mine when you consider the rules around accreditation today. Thank you for the time to comment.

MR. MARTIN: Thank you, Ms. Butrim. Our next speaker will be Yonaton Yares. Yonaton, whenever you're ready.

DR. YARES: Hi. Thank you so much for making the time to Yael to speak today. I'm Dr. Yonaton Yares. I recently completed my doctorate in higher education via a distance learning program at Fairleigh Dickinson. There's a couple areas of discussion for rulemaking I wanted to talk about. One is the accreditation needs to also be explored for the many universities that have turned online learning into a cash cow as a means of increasing revenue. It's also interesting that for many of them they don't allow their own staff to fully be tuition [inaudible] on them. They

only do 60% of that, further increasing the cash flow of these programs. So, to go through and make sure these purposes, these programs do have successful completion rates for all students involved. Also in terms of the distance learning is the current rules seem to vary and point to a synchronous style of learning, whereas my master's degree was very asynchronous in style versus the doctoral programs that offer synchronous options that students need to know when they're going into what the expectation is. As was the inaugural cohort in my [inaudible] program, many of my fellow classmates were caught off guard with the synchronous component of those degrees requirements and how that goes about it. That when you're looking at students who are pursuing distance education, they are looking at asynchronous routes and understanding that although asynchronous is not the same as in-person instruction, you can still get the same high caliber of education from asynchronous education that goes on. I will say my heart goes out to the many stories I've heard from the for-profits. I went through a dissertation chair switch in the middle. I actually have to restart. I was able to go in and advocate. So, I think that's very important to know of what happens when you are going through a more traditional university versus a for-profit of what that

experience is. I also want to reiterate the request that students or recent alumni be involved when this moves to the next phase. Our voices matter. And in K-12 education, student voice has become a major component of that. Whereas in higher education it's oftentimes it's left out or it's so in the weeds, students are not even aware of when they can participate. Also wanted to address the financial aid situation. In my own experience, the financial aid offices have often made my own life very challenging and difficult during this process, especially if you've got schools that are on the quarter-based system and under the current understanding for some of the financial aid world, you have to be- cross that part-time status during that semester in order to do it. So, for example, say you were taking one course in the first quarter, then two courses, your aid would not fully distribute until you started the dawn of that second course during that second quarter. And for many students, that could prevent them from being able to pay other bills and things are going on even knowing they were enrolled at the time for those coursework. So, basically, the point is just it needs to be more aware and be more student centric and less administrative centric when it comes to these accreditation processes and be able to hold

accountability across higher education. And that's all I've got for you. Thank you so much.

MR. MARTIN: Thank you, Dr. Yares. Our next commenter will be Jason Gabbard. Mr. Gabbard, whenever you are ready.

MR. GABBARD: Okay. I am here. It won't let me start my video, so you won't be able to see me. There we go. My name is Jason Gabbard. I went to American National University, and I'm here to just kind of describe my experience with the low quality and lack of accountability of American National University. I kind of want to touch on the TRIO programs first as I'm a veteran and veterans are a protected entity and the TRIO program, I felt like American National University was definitely a school that targeted veterans. And they did it in such a manner where they would enroll students that I felt weren't eligible or mentally capable of enrolling in classes and obtaining the knowledge and paying to keep that knowledge moving forward past their education. Also, I want to touch on the points for accreditation. While I was a student at American National University, they lost their accreditation and told me because I was also an instructor at the same time as being a student in my bachelor's degree, I was teaching associate classes as well, which I knew would

not help them with their accreditation. And for me to not disclose the accreditation issues to the students that I was teaching and to kind of keep it hush hush at the same time. One of the major issues that I have a concern with is the fact that, you know, due to all the things that are going on with the lawsuits and with all the benefits being given back for you know, student loans to all these students that attended some of these schools, one of the major issues that I have is the students that attended these schools under the assumption that it was a you know, a seal of approval school that were veterans and worked to earn the benefit of the GI Bill attended these schools use the GI Bill benefit to pay for these schools. Now they're getting reimbursed for any student loans that they may have been given to attend these schools, but something that they earned is not being reimbursed. And I think that, you know, accountability of these schools and how they stand and their stature when it comes to their accreditation and, you know, just all oversight in general needs to be taken a look at because a lot of these things are are earned and they're not given back, and you can't use them again. And in a lot of cases, some of these students may have wanted to pass these benefits on to their spouses or their children, and they can't do so.

And they've acquired no knowledge from the classes or the courses that they've taken. Another thing I wanted to touch on was distance education. In my experience, I did my bachelor's online, my associate's was done on campus. There was a class that I attended in my bachelor's degree where I didn't have an instructor for eight weeks of a nine-week course. We had an instructor for the first day. I pretty much paid a regular tuition to do a self-taught and self-learning program. And most of the people in the group met at the local public libraries or each other's houses and had to work our way through the coursework on our own. So, definitely need accountability for stuff like that as well. Now [30 seconds] in conclusion, I am super happy with, you know, the stuff that's going on now with the Department of Education posting these hearings to improve quality and accountability. And I hope that this is seriously taken into consideration all these things that the students are bringing in. And it's- all these things are taken care of. And I just hope that this really helps us as students, and we continue to not be failed by the Higher Education Department. That's it for me.

MR. MARTIN: Thank you, Mr. Gabbard.

MR. GABBARD: Absolutely. You guys have a great day.



MR. MARTIN: You as well. Our next speaker will be Graceanne Hoback. Ms. Hoback, whenever you are ready.

MS. HOBACK: Hi everyone and thank you for the opportunity to speak with you all today. My name is Graceanne Hoback, and I am a second-year political science and sociology student at Florida State University. In my first semester at Florida State, I joined PIRG, which is a nonprofit student advocacy group, and in doing so, I became the textbook affordability campaign coordinator for Florida State, as well as for some national efforts of student PIRGs. And in my position as campaign coordinator, I wanted to better understand the scope of the burden felt by students from the intentional hidden practices of these textbook corporations. The image of the textbook affordability campaign attacking, say, like a expensive paperback book from McGraw Hill is certainly outdated. The greatest threat to students' equal access to course materials is now automatic billing programs for books and homework provided by third party servicers. And I do want to thank the Department's efforts at regulating these opt-out programs through things like the Department's 2015 cash management rule for companies, partnering with universities and interacting with

students' financial aid to finance course material purchases. These standards, though, certainly they do protect students interests, however, in moving forward, automatic billing and access codes have expanded significantly since then. And while these programs are technically opt-out, the option is not clear to students. And I've worked at the grassroots level on this issue with many students across the country and heard many student testimonials on the impact of automatic billing. The problem here is no longer one of students scraping by to find the means to buy a textbook. It's that they don't have the choice. They're being automatically billed for these materials and are not given the quote unquote, saying that we always say of students get to choose between groceries or textbooks, which is a horrible situation. But now the choice is now being taken out of their hands. And this shift in structure of accessing textbooks has caused a peer of mine to be in unrelievable stress this semester because her expected amount of refund from her scholarship has shrunken due to automatic billing for her textbooks, a cost she would have prevented if she knew about the opt-out process and how to get out of the charges that she was charged for in her required courses. And so, this opt-out process is not only poorly

communicated to students, but also largely misunderstood by my peers' parents, as I assume many students are in this situation. And her parents are frustrated in the sense that her living expenses are not covered by her scholarship. And as a student going through college and trying to provide for yourself when charges are taken away from a scholarship refund that you are expecting to be able to fund your basic living needs, it does certainly put a damper in your plans of how you're going to get by for the semester. And so, for students, this secretive process of automatic billing is slightly taking away the choice from us as to whether we want to choose groceries or course material. And these bundles, of course, readings, attendance, and homework. They all force students to find the means to participate as our GPAs are now significantly more dependent on if we do buy our course materials and so this threatening partnership between textbook companies and universities does need to be interrupted by a greater call for transparency between universities and their students. And having been in an opt-out class personally, I, alongside my classmates and professor, we're all confused what the \$100 additional charge was. And I would certainly love to see professors and admin better communicating the opt-out process and knowing of it

themselves and how it works. But beyond that, I certainly do compel the Department to regulate the billing contracts between publishers and universities so that publishers may not further take advantage of this secretive process and increase their prices during the terms of their contracts, and then I also recommend further regulating the extent to which publishers can bundle course materials and having to pay for homework and course assessments, students are not able to truly participate merely by paying tuition.

MR. MARTIN: 30 seconds.

MS. HOBACK: I do hope these suggestions help communicate the student interest and wanting greater control over our own academic experience. And once again, thank you for listening to the student voice today and I appreciate everything the Department is doing.

MR. MARTIN: Thank you, Ms. Hoback.

MS. HOBACK: Thank you.

MR. MARTIN: We are now going to take a brief break while we wait for our last commenter to get ready to present. So, it should be just a few minutes and we'll be right back. Welcome back. We have one more speaker this afternoon before we conclude. And our final speaker will be Shradha Babariya. I hope I

pronounced that correctly. And Ms. Babariya, whenever you are ready, you may begin.

MS. BABARIYA: Hi. My name is Shraddha Babariya, and I went to a school called Hope Medical Institute. And I'm speaking today because I wanted to share my experience due to the lack of quality and accountability through my medical education. And it relates to some of the topics at hand today. So, in regards to the TRIO programs, I don't really understand all of the intricacies of the TRIO programs, but from my understanding, it's meant to serve minorities. And I can say that- I can say with certainty that HMI harmed minorities, they racially or ethnically targeted students and they were playing into stereotypes such as Indian or Southeast Asian members tend to want their children to be doctors, and they tried to make it out to be a family affair so they could recruit multiple people from within a family unit. They made it a very social, I guess not event, but they networked a lot within our community. In terms of Title IV funding, I wanted to share that my decision to attend HMI, or Hope Medical Institute, HMI for short, was influenced by them receiving Title IV funding. And I wouldn't have gone to this school unless they- well, basically, I went to the school because they did receive federal funding from the

Department of Education. It was a very big factor because my parents- it was both me and my brother attending school together and we needed the financial aid in order to proceed. I know that, well, I guess now that I know that HMI is a predatory school, at the time when I was attending, I kind of brushed it off as if it were my fault that they fooled me. I had no clue that the US Department of Education has oversight of this. If anything, when applying as a 19-year-old I thought HMI was legitimate because I could get these student loans to go there. In regards to cash management, I just wanted to briefly share how our loan checks were withheld from us until our parents paid the middleman fees and these middleman fees would go directly to HMI while the loan checks would be used to pay for our tuition at the Medical University of Lublin in Poland. And these are fees that we did not know up upfront that it would be covered by federal loans, and we were often threatened if we would not be able or we were often threatened and told we couldn't go to class or would be withdrawn from classes if these outstanding fees weren't resolved. So, I just want to leave you with three points that HMI deceived, and it continues to deceive students. If you look at their website, it claims a lot of things that are not true by misrepresenting opportunities that

are [30 seconds] For example, they claim to have a 100% pass rate on boards, but only a small portion of students are allowed to sit for boards, which is skewed. Also, HMI, again, is a middleman. They're not a med school, but they portrayed out to be this school and we're able to receive funding whereas we were able to get student loans through them. And then [Time] Sorry.

MR. MARTIN: Your time is up. You must conclude your remarks. Thank you for sharing your thoughts with us this afternoon.

MS. BABARIYA: Sure. Thank you.

MR. MARTIN: This concludes today's public hearing. I would like to thank all of our speakers for taking the time to prepare their remarks and share them with us. As a reminder, comments may be submitted electronically at [www.Regulations.gov](http://www.Regulations.gov). Our second public hearing will begin tomorrow at 10 a.m. Eastern Daylight Savings Time. Thank you, and good afternoon.