

DEPARTMENT OF EDUCATION
OFFICE OF POSTSECONDARY EDUCATION
PUBLIC HEARINGS
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MORNING AND AFTERNOON
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On the 12th 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. WASHINGTON: Good morning and welcome to the US Department of Education's virtual public hearing to discuss its proposed rulemaking agenda. My name is Aaron Washington and I'm a management and program analyst in the Office of Postsecondary Education. I'm joined by my colleague Jessica Bowen Gall in the Office of the Under Secretary. And I'm also joined by my colleague Denise Morelli in the Office of the General Counsel. We are pleased you have joined us and look forward to what am certain will be a productive and informative couple of hours. So, we're going to dive right into the speakers today. And our first speaker is Yolanda Watson Spiva.

DR. WATSON SPIVA: Hello. Thank you. Can you hear me?

MR. WASHINGTON: Yes, we can hear you.

DR. WATSON SPIVA: Okay, perfect. Thank you. Ladies and gentlemen of the US Department of Education, thank you for your time today and for your dedication to improving our nation's education system. My name is Dr. Yolanda Watson Spiva, President at Complete College America, an organization committed to promoting equitable college attainment for all students regardless of race, ethnicity, age, household income,

background, rurality, or other demographic factors. Financial aid policies play a crucial role in college completion but are often overlooked when designing programs. Small, intricate policies can greatly impact a student's ability to complete their degree. I would like to focus on one such policy, Return to Title IV funds, otherwise known as R2T4, and discuss how its reform can help protect students while easing administrative burdens and promoting college completion. First, let's address the requirement for students to complete at least 60% of a course to retain their financial aid. This negatively impacts degree completion, especially for low income students. We therefore propose a reevaluation of the 60% threshold to determine if a later introduction could improve student retention rates. Furthermore, since the satisfactory academic progress or SAP policy already exists to incentivize completion, it actually is worth examining the necessity of the R2T4 policy. Certainly, at the current 60% level, which may impose undue burden on students and administrators. Second, R2T4 must be simplified and made more accessible to students. Currently, the complexity of the policy leads to frequent financial aid audit flags. The Department has indeed made strides in humanizing the FAFSA completion process and clarifying

financial aid eligibility. We must therefore extend these efforts to R2T4 as well to verification and to SAP demystifying how financial aid can be revoked and ensuring a more equitable system for all students. Third, we encourage flexible repayment options for students required to return Title IV funds, and this would be in line with recent student loan reforms advanced by the administration. This could include near-term forgiveness of R2T4 related debt, especially if a student meets satisfactory academic progress requirements. By doing so, we can help reduce the financial burden on students, especially those from historically and academically marginally disadvantaged backgrounds and we can promote college completion. The Department of Education has a unique opportunity in our belief to transform the R2T4 policy, to better serve students and promote equity. By reevaluating the 60% threshold, simplifying the policy, and introducing flexible repayment options, we can strike a balance between accountability and equity while improving student retention and college completion rates. Thank you for your attention and your consideration.

MR. WASHINGTON: Thank you so much for your public comment. I'd like to call next, Kelly McManus. McManus? Sorry, Kelly McManus.

MS. MCMANUS: My name is Kelly McManus and I'm the Vice President of higher education at Arnold Ventures. Arnold Ventures is a philanthropy dedicated to tackling some of the most pressing problems in the United States, including ending predatory behavior in higher education. I want to speak today to the shared system of accountability that Congress created decades ago for the American Higher Education System. At its best, the program Integrity triad deals out oversight responsibilities to the entity best suited for the work. The state's responsibilities related to consumer protection, to accreditors, matters of academic quality and integrity, and to the Department of Education oversight of the tens of billions of dollars flowing to colleges and their students every year. But in reality, the triad often falls short. As a result, our nation is facing a crisis of accountability, one for which students and taxpayers pay the price. Fewer than two thirds of bachelor's degree seeking students graduate within one and a half times as long as it should take. Only one third of students at two-year schools do. More than 7 million borrowers are in default on their loans, and students in hundreds of postsecondary programs graduate no better off than they would have been with just a high school diploma. These results are

unacceptable. Our higher education system must do better by students. That is the opportunity the Department has with this upcoming rulemaking. First, we urge the Department to significantly strengthen the accreditation process. Famously, accreditors provide second, third and fourth chances even to the lowest performing schools. One even defended schools where 90% of students don't graduate, saying that a school can be, quote, good for those 10% who graduate. The Department must raise the bar for accreditors that serve as the gatekeepers to billions in Federal Student Aid. Second, we urge the Department to address serious flaws in the state authorization of distance education programs. Institutions have created a system that lets them bypass certain state authorization requirements to operate at scale across state lines. But in doing so, states have effectively been blocked from enforcing their state higher education laws devoted to consumer protection for institutions that are operating within their boundaries and enrolling their residents, but which are headquartered in another state. Undermining states authority in this way hamstringing their ability to uphold their responsibilities. The Department must find a path forward that protects students. And finally, the Department has already addressed many of its own

obligations as part of the Triad. Through the last two negotiated rulemakings. And we look forward to seeing the remainder of those rules published very soon. But more work remains. For instance, the Department has proposed to look at third-party servicer requirements to ensure companies to which institutions outsource their core Title IV functions are held to the same requirements Congress expects of the institutions themselves. Additionally, the pandemic laid bare just how little the Department knows about distance education offerings and student outcomes. It's time to fix this blind spot in the Department's systems to enable stronger transparency and oversight. Thank you for your time today.

MR. WASHINGTON: Thank you. Our next speaker is David Baime.

MR. BAIME: Good morning. My name is David Baime and I'm Senior Vice President for Government relations for the American Association of Community Colleges. I'm pleased to represent the views of our member institutions and students and want to commend the Department for moving forward in some important regulatory areas. My comments this morning are going to touch on five topics, and so I'll just hit some of the most important features of each of them in my time.

First of all, accreditation. Campus officials suggest to us that accreditation is working generally quite well, and they don't see any need for particular changes or reforms in the process. They are sensitive to the burdens that are placed through regulation on accreditors because those costs are ultimately moved on to institutions and then students. So, we urge the Department to be cognizant of that. Secondly, in the area of accreditation, we have institutions that for external reasons are being required to change institutional accreditors, and we encourage the Department to make that movement from one accreditor to another as easy as possible. And.

MR. WASHINGTON: It appears as though you put yourself on mute.

MR. BAIME: No, I don't- I think it was actually Internet. [Inaudible] state authorization. We just want to endorse the support for the NC-SARA agreements. They're important to our colleges, even though the bulk of our institutions, in fact, are deliver online education within the state borders of the state that they're located in. In distance education, the whole issue of clock hours versus programs that are primarily online. Few of our programs are covered under the clock hour regulations. For the institutions that do

offer them, they've informed us that the criteria that are used to evaluate those programs and the requirements that attach are antiquated. And although they're statutory provision in this area, the Department should take a close look at whether or not the existing legislative and regulatory framework isn't behind the times. Return of Title IV funds. You heard a description just a moment ago about the issues and complications and costs that are associated with that and the implications for student access. I would like to endorse the comments that the Complete College America made on this area. Although the regulations in this area have been settled for some time and the statute even longer. Colleges continue to say that the implementation of these regulations is costly, labor intensive, involves working with a myriad of campus officials to determine the last date of attendance and then calculate the amount that the student must return to the Government. In many cases, the institution returns on behalf of the student and becomes a liability for them. And so, we do think this is an area that we're quite pleased to see the Department taking it on. And we hope that the Department and working with negotiators can develop ways to make this less costly for institutions and make it easier for students to maintain their access to Title IV aid. And

also, just.

MR. WASHINGTON: 30 seconds left.

MR. BAIME: Thank you. Finally, third-party servicers. We are very pleased that the Department altered its plans for guidance through the blog post yesterday. In the negotiated rulemaking sessions, we urge the Department to take a very close look at the issue of instruction and non-institutional educational providers, businesses, healthcare providers and others that are involved in the educational process but really aren't what anybody would consider a third-party servicer. Thank you very much for your time.

MR. WASHINGTON: Thank you for your comments. Our next speaker is Austin Reid.

MR. REID: A good morning and thank you for the opportunity to make comments. My name is Austin Reid and I'm the Senior Legislative Director for the National Conference of State Legislatures, of whom I'm making comments on their behalf. NCSL is a nonpartisan organization that works in a bipartisan manner to serve the legislatures in all states and territories. We represent state legislatures on matters of Federal policy by taking positions only that have been approved by three quarters of states at our annual business meeting. And this standard ensures that NCSLs

voice is strongly bipartisan on issues of Federal policy. I'm commenting today on any potential state authorization rulemaking, particularly around state authorization reciprocity compacts. We believe that ensuring that students have a high quality postsecondary education is a goal that we share and recognize that.

MR. WASHINGTON: Hello, everyone. We are back. We'd like to apologize once again for the technical difficulties, but we wanted to allow Austin Reid to redo his comments due to the unanticipated break. So, Austin, you have four minutes.

MR. REID: Thank you for the opportunity to make comments again. That was a nice practice run. My name is Austin Reid and I'm making comments on behalf of the National Conference of State Legislatures. NCSL is a nonpartisan organization that works in a bipartisan manner to serve the legislatures in all states and territories. NCSL represent state legislatures on matters of Federal policy only when three quarters of states at our annual business meeting have approved our positions. This standard ensures that NCSLs voice is strongly bipartisan on issues of Federal policy. I'm commenting today on potential state authorization rulemaking, particularly around state reciprocity authorization reciprocity compacts. Ensuring

that students have a high quality postsecondary education is a goal that state legislatures share. And we recognize that state authorization processes are an important part of achieving a quality system of postsecondary education. State legislators strongly urge the Federal Government to defer to states leadership in ensuring the quality of postsecondary education and to facilitate state efforts to emphasize accountability. While the role and monitoring national and regional accrediting bodies, accountability of state higher education programs and institutions is and should remain a state issue. The Federal Government should also continue to support state authorization reciprocity agreements, which support expanded access to quality postsecondary distance learning opportunities nationwide. And we recognize that there may be opportunities to improve existing reciprocity agreements but believe efforts should take place through the leadership of states rather than the Federal regulatory process. While states must carry out authorization processes for institutions to be eligible for Federal aid, the Federal Government has placed minimal restrictions on and requirements on how states should authorize programs. NCSL believes the spirit of this practice should be maintained when states are

contemplating or implementing reciprocity agreements. Now to facilitate state legislative leadership and postsecondary education, NCSL is launching a task force on higher education affordability and student outcomes, which will bring together a bipartisan group of 28 legislators from 28 states to examine the performance of our higher education system and make recommendations on the state Federal relationship in higher education. This task force seeks to achieve three goals. Making college more affordable, improving student outcomes, and reducing the incidence of unrepayable student debt. As part of these goals, this task force will examine anew the state and Federal roles and accountability, including state authorization. And we look forward to collaborating with Federal stakeholders, including the Department, in this process. And as part of that, we ask that the state legislative perspective be recognized and taken into account in any further rulemaking on state authorization. Thanks again for the opportunity to make comments.

MR. WASHINGTON: Thank you very much. I'd like to call Bob Shireman next.

MR. SHIREMAN: There we go. Good morning and thank you for the opportunity to provide input into the next Neg Reg session's. First on state

authorization. Over the past year or so, the board of NC-SARA and the regional state compacts, one of which I serve on, have been engaging in a process for revising some of the policies on reciprocity for state authorization. I'm pleased to see that these changes that could be made to the SARA agreement could make it much stronger from a consumer protection perspective. I raise this to suggest that the Department pay attention to improvements that may come out of this process in the fall, since it is possible that some proposed changes to regulation spurred by complaints about reciprocity may no longer be necessary. On accreditation, my suggestions are informed in part by my role as a NACIQI member for the past two and a half years. First, the Higher Education Act requires accrediting agencies to include public members. Some accrediting bodies have implemented this requirement with care and attention, bringing to their decision making boards, employers, student advocates and public officials who are able to serve as independent advocates of the public interest and of student interests. Other agencies, however, have unfortunately taken a minimalist or even cynical approach to this requirement appointing people who technically don't violate the regulations, but who also do not bring the intended integrity to their boards. In

one case, the public member was someone who worked at another accrediting agency. In another case, the public member was a career bartender, being paid tens of thousands of dollars by the agency to be a public commissioner. The public member definition should be fixed. Second, the last administration attempted to create a timeline for the accreditor recognition process that would allow for adequate opportunity for agencies to respond to concerns. That is fine, but the regulations are so prescriptive that nearly a year goes by when no substantive input can be entered into the process. Some adjustments need to be made. Third, the last administration also tried to make sure that documents submitted by accreditors would be ready for public review. However, something seems to be preventing the Department from releasing the documents in a way that is useful for public participation in the process. For example, the public should have access to the agency applications when the public is asked for comments on the application. If regulatory changes can help clear this mysterious logjam, the Department should consider those changes. Fourth, some accrediting agencies have complaint policies that seem designed to prevent the agency from ever having to actually handle a complaint. Perhaps the Department can demand improvements based on

the current regulatory requirement that the complaint processes be timely, fair, and equitable. But if not, then the regulations should be strengthened. Fifth, the Department is only supposed to recognize an accrediting agency that is a reliable authority on the quality of the education and training offered by the institutions it accredits. But the recognition process includes zero evidence.

MR. WASHINGTON: 30 seconds left.

MR. SHIREMAN: Thank you. That anyone other than the accredited institutions consider the agency to be a reliable authority on quality. The schools are not reliable authorities, particularly if the agency is their ticket to Federal funding. Agencies should be required to submit evidence that employers and other independent entities, including institutions accredited by other accreditors, rely on the agency's determinations. Thank you so much for the opportunity to provide input.

MR. WASHINGTON: Thank you for your comments. I'd like to call Tyler Dean next. Tyler Dean, are you able to unmute your computer and turn on your camera? You can also turn on your camera if you'd like.

MR. DEAN: Okay. Sorry, I was just getting set up. I didn't realize I thought my time slot

had passed, so I'm just trying to get set up again. But I guess I can't really turn on my camera now either. But my name is Tyler Dean. I'm an Air Force Veteran. The reason why I'm here today is I enrolled in an applied engineering degree at Keiser University, and I want to be able to make some change because I feel like they were really practicing in some deceptive practices. When I applied, their admission counselors knew I wanted to become an engineer and told me that they were fully accredited, and their program would lead to a job in engineering. I specifically asked those questions to make sure, but hey, I'm not wasting my time here. And I was told all along, yes, we're good. You'll come out of here, you'll be able to get an engineering job. Well, I realized after I enrolled, it took a little bit. It took me about nine months' worth of classes to figure out that, yes, while technically they are accredited as a school, they're not abet accredited, meaning that it's basically a useless degree and I cannot get a job in engineering afterwards. I started becoming suspicious about the accreditation, about the coursework, I mean the engineering classes in particular were really like it looked like they were put together very quickly. There was errors everywhere. For example, engineering is very math heavy and even on tests and stuff, the math

was wrong, like flat out wrong, and we would be graded on the answers. Like even though I would provide a correct answer because the teacher's answer was different, we would still get like bad grades for it. It just needs to be looked more heavily and more scrutinized into the different programs out there. So about nine months in, I complained to the dean about the poor quality of the classes and realized that, well, it was not an engineering program. And even though they told me it was fully accredited; their plan was to get people to graduate through their program and then try and backdate the ABET accreditation basically retroactively applying it. So, their whole thing was they- it's essentially a gamble for the students, but for them, they're still getting paid full tuition and everything for the program and not being upfront about it. I did withdraw early 2022. I was going through the process of also getting out of the military, so it was a pretty stressful time period. I wouldn't wish that on anyone. So as of right now, I did find a job, but not within the engineering field that I want. I have, I've used up nine months of my GI Bill that I cannot get back, which is another thing that I think we should be addressing here is when there are deceptive practices amongst schools being able to get those benefits back.

And it's not just the benefits to it's also my time. Like I spent nine months and realistically that like, for most degrees isn't that much. I could have been one of the guys that went through the full program [30 seconds] Tyler. Okay, cool. And I just believe that they should.

MR. WASHINGTON: Well, you have 30 seconds, so you have more time remaining if you have more comments.

MR. DEAN: Shoot.

MR. WASHINGTON: Okay. I was just letting you know that you had the 30 second warnings. Commenters have four minutes. So, did you have anything left? I didn't know if had more.

MR. DEAN: No, that was it. Thank you.

MR. WASHINGTON: Alright. Thank you so much for your comments. I just wanted to remind everyone also that we had technical difficulties. Those that signed up to speak will have the chance to speak. Your time slot that was originally allocated may be slightly different, but that's due to the technical difficulty. So, I'd like to call Nicholas Whatley next to speak.

MR. WHATLEY: Yes, hello. Good morning, everyone. My name is Nicholas Whatley. I'm a Veteran of the United States Navy. I enrolled in a

program called Hallmark University for Airframe and Powerplant Technology Associate's program and an A&P certification at around 2016, late 2016, 2017. I was there for about 18 months. The course work was less than desirable. The actual degree certification it- essentially none of the credits transferred to any college that is reputable. And when I left the school, I was never told that there was anything owed. I was even given a transcript initially but last year whenever I decided to go back to school, I was approved through the VA for the Veteran's Readiness and Employment Program due to my service connect disability and the program would pay for me to go back to school. I was accepted into my local community college but could not start classes because Hallmark University refused to release my transcript and they said that I owed them \$4,000, which is, you know, not expected at this time and was new from what they told me in the past. My disabilities left me without work for over two years and want to go back to school. So that could possibly find work that I could do with my disability. I could not pay Hallmark to \$4,000 easily when I had only a \$1,700 fixed income and could not get the training, I needed to be able to go get a job because Hallmark would not release my transcript. They were holding it hostage. When

considering the new rules, I hope that you would think about ways to make sure student Veterans are able to get the education and training they need and deserve and are able to get their transcripts. Thank you for your time.

MR. WASHINGTON: Thank you for your comments. I'd like to call Lacy Barnes next.

MS. BARNES: Good morning, Department of Education. Thank you for your time. I'm Lacy Barnes, a 30-year plus faculty member in psychology at Madera College out in California and co-chair of the Higher Education Program and Policy counsel at AFT, the largest higher education faculty union in the country. Our research suggests that past rule making panels have been filled mainly with high level administrators who are typically far removed from the classroom experience, which we all know has changed rapidly since the beginning of the pandemic. These individuals absolutely have knowledge and skill to add to the rule making process. Their abilities matter very little to the process if they are incentivized to act in biased ways when faced to uphold the reputation of their institutions. Such compromising positions might prevent the strongest of administrators from being fully open and objective, especially around credit and self-reporting, third-party servicer accountability, how

distance education and what distance education truly means. Tenured faculty functioning through a system of shared governance typically have security and independence to be honest about such topics. In AFT's view, the Department should consider recent, if not current, teaching experience when selecting representatives for institutional panel seats. AFT further believes there must be at least one faculty on the negotiating rulemaking panel. Where regulations are being formed on topics like the recognition of accrediting agencies, third-party servicers and related issues and definition of distance Education, AFT strongly believes that ongoing faculty input is needed and should be highly recommended. Currently, the accrediting system extends the assumption of veracity to most, if not all, self-study [inaudible] from institution. There is no independent judge out there determining whether those self-statements made in self-reports are actually true. Our ask of the Department is that when you consider new regulations to recognize accrediting agencies that you intentionally include a faculty perspective. AFT asks that you do everything in your power to ensure that accrediting institutions hold failing educational institutions accountable when they fail to protect faculty voice as expressed through the

principles of tenure, academic freedom, and shared governance. As it exists today, the self-study process and the accrediting entities themselves are dominated by executives and administrators who, as mentioned before, may be compromised by conflicts of interest by the very nature of their positions. As such, faculty perspective becomes even more so important to the [inaudible] as a lifeline to legitimacy. Faculty are one of the few stakeholders with the independence to tell the truth, students are another. As a union, AFT is concerned when institutions outsource its work to third parties, especially when their standards of accountability are lower. We fully support the Department's efforts to call [30 seconds] such contracts and written arrangements when they do not ultimately serve [inaudible] interests and in some cases harm institutions. OPMS intentionally blur that line. Federal Student Aid is meant to fund students education and to properly overseeing the quality of education. We strongly urge the Department to solicit more direct insight from students themselves on OPMS. And we hear it clearly.

MR. WASHINGTON: Thank you so much for your comments. That concludes four minutes. Thank you so much.

MS. BARNES: Thank you very much.

MR. WASHINGTON: Thank you. I'd like to call Katie Steen-James next.

MS. STEEN-JAMES: Hi. Thank you for the opportunity to provide comments. My name is Katie Steen-James and I'm the manager of Public Policy and advocacy for SPARC. SPARC is a nonprofit, including 200 academic libraries across the US. We advocate for the use of openly licensed course materials to improve equity in higher education. My comments today will focus on the Department's cash management regulation and its intersection with the costs of textbooks, which is a significant but often overlooked barrier to academic success for many students. SPARC recommends the Department revisit a specific change it made in 2016 under the Cash Management Regulation 34 CFR 668.164(c)(2), which allowed institutions to automatically use student's Title IV funds to pay for books and supplies by counting it as part of tuition and fees. Before 2016, institutions had to get permission from the student or parent to charge textbooks to their tuition bill. Recognizing that students could save money by shopping around between on campus and off campus sources. The regulatory change cleared the way for institutions to begin automatically charging students for course materials through preferred publisher and

bookstore vendors, which has widely proliferated under the term inclusive access. So-called inclusive access programs have proved beneficial for vendors because they effectively guarantee student sales. While the regulation includes requirements for institutions to have an opt out policy and to ensure materials are offered at below competitive market rates, these requirements have not proved meaningful in practice. Opt out avenues can be hard to find or impractical for students if the course materials are embedded in an online homework platform or impossible to purchase off campus. Also, there is no consistent definition of a competitive market rate, nor is there a requirement to be transparent about the methodology used. This has allowed the largest textbook publishers to set the price of their own materials in the market to define it for themselves. This makes it incredibly hard for students to determine if these models are actually better deals than a rented, used or openly licensed textbook. And even when students find a better deal, it may not be possible for them to meaningfully take advantage of it. While it was not the Department's intent, the effect of this regulatory change has been to give textbook vendors significant power to push compulsory sales models on students while at the same time restricting students

ability to compare and utilize the various textbook options in the marketplace. This model is expanding rapidly and, in some cases, even moving to campus wide programs where course materials are charged as a flat fee per semester, which completely obscures the value of what students are being billed for. There are also opportunities for conflicts of interest to arise, since vendor contracts may include revenue sharing agreements or quotas. The impact of this regulatory change on students, even if unintended, must be addressed by the Department. We ask the Department to revisit the cash management regulation, specifically the section on crediting a student's ledger account as part of the negotiated rulemaking process on proposed Title IV funds [30 seconds]. SPARC will submit more detailed written comments on this topic. Thank you.

MR. WASHINGTON: Thank you for your comments. I'd like to call Carolyn Inmon next.

MS. INMON: Morning. Oh, wait. Okay. The South Orange County Community College District serves more than 50,000 students per year through our two colleges, Saddleback College, and the Irvine Valley College. The district serves nearly 1 million residents across 382 square miles and employs more than 2500 faculty and staff. I want to touch today on Federal TRIO

program eligibility during my time. South Orange County Community College District appreciates the availability of competitive trio grant funds to help institutions establish and maintain a variety of programs that help diverse types of students enroll in and succeed in college. However, the threshold established for low-income levels are far too low in our region in California. To receive support through TRIO, a student in a one person household has to make \$29,580 or less. This is considered low-income individual under current TRIO guidelines. It is estimated that approximately 25% of our student population qualifies under this metric. In contrast, the California Department of Housing considers any Orange County one person making \$75,900 or less to be low income individual. This is a truer number as it adjusts for the cost of housing and basic needs in the region. It is estimated that approximately 53% of our student population qualifies under this regionally adjusted metric. This mismatch means that fewer students in high-cost regions like ours can benefit from TRIO programs. Because of this, it is more challenging for institutions like ours to compete for funds and makes it harder to recruit and enroll qualifying students for services should we receive a grant. I think it is appropriate to allow applicants to propose regional

adjustments to the low-income threshold they use to better reflect what low income truly means in a region. This is in place at the state level for Hawaii and Alaska, and applicants that present strong evidence of a need for regional variation should also be allowed to propose an alternative. I encourage the Department to use what flexibility it has to make this program more accessible and equitable. Thank you very much for your time and the opportunity to provide testimony.

MR. WASHINGTON: Thank you for your comments. I'd like to call Sarah Pingel next.

MS. PINGEL: Hello and thank you for the opportunity to provide public comments today. I'm trying to start my video. I apologize. I'm having a little bit of trouble with that. So, I might just go without it. Anyway, my name is Sarah Pingel. I am pleased to be able to share some thoughts related to Return to Title IV funds or R2T4. I share these first comments from the perspective of someone who was a Pell Grant recipient, a financial aid administrator for nearly ten years and is the incoming Vice president of the National Center for Higher Education Management Systems, or NCHEMS. R2T4 policy intends to protect taxpayers by allowing the Department to recoup funds from students who did not ultimately complete their

courses. The policy is also intended to ensure that students are using their lifetime Pell eligibility in aggregate loan limits in step with progress towards their desired credential. And in practice, I have serious doubts that either of these goals are actually being achieved. Experience leads me to believe that taxpayers aren't recouping unearned aid from students. They're recouping it from institutions. Although we have no data from institutions or from the Department to quantify the scope of this problem. Taxpayers should care about this distinction because institutions often respond by using holds to systematically exclude students from continuing postsecondary education until their debts are paid. We heard from some students earlier today that are impacted by this. This hampers our collective ability to equitably meet educational attainment imperatives for our modern workforce. Second, R2T4 is a relatively blunt instrument to ensure that student aid is dosed out at the same pace as credential completion. Regardless of the point in the term where a student withdraws, they're still going to earn no academic credit for that term. What's more, if a student withdraws from, for example, a semester-based program past the second or third week of class, they're generally on the hook for the full amount of tuition for

the entire semester. Unless institutions adjust their charges, having only the aid adjusted put students in a situation where they are required to immediately pay for services that they did not and will not receive. If R2T4 is not meeting at least two of its objectives, what should the Department do? We can look to state aid programs for other strategies that could better support students that are in emergency situations that require them to withdraw. Just as the Federal Student Aid programs did not always include the R2T4 process, many state aid programs have declined to add a process similar to R2T4 to their policies. This does not mean that students are allowed to enroll, draw down aid and withdraw repeatedly. Instead, they rely on satisfactory academic progress or SAP to tamp down on potential abuses of the programs without placing the roadblocks to re enrollment that billing back aid causes. However, I recognize that this type of wholesale reform to R2T4 would require both regulatory reform and legislative action. And we're talking about regs today. So given this, I suggest that the negotiators first explore ways to possibly narrow the window between when institutions can charge full tuition and when a student is considered to have earned 100% of their aid. This would hopefully result in fewer students being billed back for services

that they will not receive. Two, explore ways to possibly revise the requirement for dispersed Federal student loans to be immediately returned to the Department. Students have already signed a promissory note to repay their loans, and requiring immediate repayment puts students in an unnecessary financial crunch. Three, consider allowing institutions to use professional judgment to allow new financial aid to pay [30 seconds] its first past due balances resulting from R2T4. For example, if the sum of the student's new aid is sufficient to cover previous and new charges, allow the aid to disperse. And four, please collect and publish data on the scope of R2T4 and implications so that future reforms can be driven by evidence rather than anecdote. I encourage the Department and the future negotiators to take full advantage of this opportunity to better serve students. And thank you so much for the opportunity to provide comments today.

MR. WASHINGTON: Thank you. I'd like to call Madison Weiss next.

MS. WEISS: Thank you for the opportunity to provide input on the proposed negotiated rulemaking. My name is Madison Weiss. I'm a Policy Analyst at the Center for American Progress. The CAP Higher Education Team works to ensure that the American

higher education system provides a high quality, affordable college education that prepares all students for participation in inclusive economy and American public life. Today, I'm going to provide input on accreditation in third-party servicers. The Department of Education has an opportunity to revitalize accreditation so that it might serve its original purpose in signaling quality in higher education. We propose the Department address the following shortcomings in the accreditation system. First, the Department should limit instances in which institutions can change accrediting agencies or be multiple agency accredited. Second, the Department should address the back door to Title IV funds that has been wide open since the 2019 rule making ease the process for colleges seeking approval of substantive changes. Colleges often go a full decade between accreditation reviews, and because of this, it is important to have a solid structure in place for review of any significant changes to mission programs or modes of delivery in the interim. Third, under rules established in 2019, an institution can remain out of compliance with its accreditor standards for an extended period of time before the accreditor is required to take action. Specifically, institutions can be out of compliance with accreditor

standards for three years before the agency must intervene with a sanction and it can remain accredited for a further period after said sanction. The number of students subjected to harm in the interim could be enormous. Institutions should not be out of compliance without a sanction and sanction institutions should not maintain accreditation for longer than two years. Fourth, the Department has been reluctant to take action when accreditors fail in their duty. However, the Department has a legal authority to limit, suspend or terminate the recognition of an agency. In the upcoming negotiations the Department should include the types of limitations available to SDL. Finally, to restore the original purpose of accreditation, where possible, the oversight of financial viability should be removed from the purview of accreditors so they can focus on academic quality and improvement. Third-party servicers are overseen by the Department of Education to ensure they operate in a manner that protects students' interests. The Department should update regulations to reflect the contemporary nature of the institutional outsourcing. According to the GAO, hundreds of institutions outsource functions like recruiting, admissions assistance, retention, and instruction. However, the Department has yet to conduct meaningful oversight of such

arrangements. In current TPS regulations, the Department provides a non-exhaustive list of activities in which a third-party servicer might engage. This list should be expanded to include things like interacting with prospective students, assisting students with enrollment processes, retention activities, and in some cases, marketing, and computer services. TPS regulations also include a list of functions that are excluded. This list should be expanded, to clarify, for example, when the warehousing of records or the provision of computer services applies. Lastly, the Department should make the results of annual audits available to the public. And finally, we call on the Department to follow through on its commitment to select negotiators who are significantly affected by proposed regulations. The Department of Education does not have a strong track record when it comes to ensuring significant affected groups are represented in the rulemaking process. In its 2019 rulemaking, the majority of those seated at the table represented the higher education industry, and the Department refused to seat an attorney general, a key constituency in student consumer protection and that particular negotiation, student advocates were outnumbered and felt pressured to concede at a number of areas. In 2021, the Department improved representation

negotiations by including students, student loan borrowers, consumer advocates and civil rights organizations. However, these categories were initially collapsed into just two. We urge the Department to maintain discrete [inaudible] [30 seconds] for each of these constituencies. Each should have their own negotiator and alternate. Thank you so much.

MR. WASHINGTON: Thank you for your comments. I'd like to call Jennifer Welding next.

MS. WELDING: Hello. Can I start my video?

MR. WASHINGTON: You can if you want. Most people have.

MS. WELDING: Thank you. Good morning and thank you for the opportunity to provide comments. My name is Jennifer Welding and I'm offering comments on behalf of Ellucian, where I serve as Deputy General Counsel and Chief Compliance officer. Ellucian is the leading higher education technology solutions provider. We provide institutions with the platform and solutions that they need to support the entire student experience. We serve over 2900 institutions and 22 million students. I refer the Department to Ellucian's written comments submitted on March 27th for a more fulsome discussion of our concerns and will spend my time this morning

highlighting the impact that will be caused by expanding the definition of third-party servicer to include software companies that provide ERP or SIS solutions to institutions. First, though, we appreciate the Department's desire to better understand the relationship between institutions and the outside entities they partner with to ensure proper oversight. And we also appreciate the Department's decision to delay the final guidance effective date and to reevaluate the scope of this guidance. As the Department considers revisions to the DCL we ask that you consider our concern. One shared widely in the higher education community that the unclear and vastly expanded definition of TPS as currently drafted would have unintended consequences to institutions, and the expansion would exceed statutory and regulatory authority. The Higher Education Act defines TPS as any entity that enters into a contract with an institution to administer through manual or automated processing any aspect of such institution's student assistance programs under the HEA. Consistent with the language of HEA, the regulations provide examples of the kinds of activities that would subject an entity to TPS requirements. All of those activities involve the administration, processing disbursement or delivery of Title IV funds. Up until the

February DCL, the Department's position on whether software companies were subject to TPS requirements had been consistent with the HEA and the regulations. That is, unless the software involves the administration, processing disbursement or delivery of Title IV funds, it was not considered a TPS. In a departure from this long held position, the DCL listed a whole host of activities beyond Financial aid administration that for the first time would now subject an entity to TPS requirements. As it relates to software companies, mere access to student data would subject a company to TPS requirements, even when that access has nothing to do with Title IV administration. Routine I.T. support and maintenance activities like, for example, migrating student data from one system to another or assisting institutional staff and data cleanup would now render a software company a TPS and it would be held to the same standards as third parties that institutions have specifically engaged to perform Title IV administration. We don't believe this outcome was the intention of Congress when they enacted the HEA, nor is it supported by the plain language of the statute. With this expanded definition, hundreds, if not thousands of companies would now be subject to new, unanticipated, disruptive, and costly regulatory activity and oversight, including

annual audit procedures and a sweeping change to contractual terms, in particular the imposition of joint and several liability on software providers for Title IV violations. Institutions would be burdened with additional administrative and compliance obligations, including the onerous exercise of identifying all the third parties they contract with and updating all their contracts. Worse, this will undoubtedly create added costs for institutions by forcing providers to create new processes and operations like training on Title IV, compliance, hiring additional staff to support audit activities, and adding additional layers of insurance coverage which may increase software licensing fees paid by institutions. Respectfully, a more targeted [30 seconds] that is aimed at entities engaged in Title IV activities would be better suited to achieving the Department's stated goals. In closing, we thank the Department for hearing our concerns and those of the higher education community and urge you to reevaluate the scope of guidance based on an informed understanding of the manner in which institutions use software and how an expansive definition would impact institutions, cause disruptions in their activities and ultimately have a negative impact on services to students. Thank you.

MR. WASHINGTON: Thank you for your

comments. We're going to move to a five-minute break. So, we will return at 11:08 with our next speaker. Welcome back, everyone. And we're going to resume the public hearing today with Justin Hauschild.

MR. HAUSCHILD: Thanks so much. Can you folks hear me?

MR. WASHINGTON: Yes.

MR. HAUSCHILD: Good morning. My name is Justin Hauschild and I'm policy counsel of Student Veterans of America. On behalf of SVA chapters at institutions across the country and internationally, SVA thanks the Department for the opportunity to provide comment on the topics for the upcoming regulatory negotiations. The mission of Student Veterans of America is to act as a catalyst for student Veterans success by providing resources, network support and advocacy throughout their higher education journey. SVA broadly supports the robust rulemaking agenda proposed by the Department. I will comment briefly on three topics that are particularly important to student Veterans and military affiliated students. Accreditation, Distance Education and Third-Party Services. I'll begin by addressing accreditation rather. The shared history of student Veterans and accreditation dates back to the earliest versions of the GI Bill. In fact, the first

Federal accrediting standards were specifically designed to protect student Veterans, and their GI Bill benefits from bad actors in higher education. Today, students reasonably expect that if they attend an accredited institution, they stand a solid chance of ending up better off than if they hadn't attended at all. But while that expectation does bear fruit for some data show it doesn't for a concerning number of others who attend accredited schools. Its clear accreditation can work better for students. SVA strongly encourages the Department to proceed with negotiations on accreditation regulations to address weaknesses in the current system. Among others, we ask that the Department at least explore three issue areas outcomes, enforcement, and transparency. Next, I'll turn to the topic of distance education. SVA supports innovative, responsible learning options that include high quality online programs. These approaches can offer students greater flexibility and ultimately increase access to higher education for student Veterans and other post-traditional students. These students commonly juggle other responsibilities like family obligations and full time jobs in addition to their studies. Online learning will continue to play a larger and larger role in higher education, which is precisely why the Department must ensure its regulations

keep pace. The Department revised distance education regulations just a few years ago, but they must be revisited, especially as online learning continues to evolve and expand rapidly in the wake of the pandemic. Again, we encourage the Department to proceed with negotiations on distance learning regulations to ensure they keep pace and to foster quality student outcomes. Finally, I'll turn to the related topic of third-party services. In recent years, many institutions have expanded their online programs and continue to do so, spurred in part by the forced shift to online learning during the pandemic. In the process, many institutions have partnered with online program management or OPMs, which allow institutions to utilize established online learning technology and services offered by companies with years of experience administering such programs. OPMs offer certain benefits, but they also pose concerns. When students enroll, they reasonably expect their institution to administer their program of education. OPMs are taking on sometimes outsized role in the academic experience of more and more students, with some contracts giving OPMs significant control over core aspects of programs like recruitment, course development and instruction. Students are unlikely to know an OPM is managing their program of education or to understand the

potential implications and concerning the US Government Accountability Office found that even the Department of Education doesn't have the information necessary to appropriately monitor these relationships for violations. For all these reasons, SVA strongly encourages the Department to proceed with negotiations on third-party servicer regulations, increased transparency, and accountability in addition to ensuring quality student outcomes. SVA thanks the Department for including negotiators and the Veteran and military constituency in the last two rounds of negotiations. We look forward to ensuring the student Veteran voice continues to be a part of the conversation. We encourage the Department to review our written comment for additional details on the topics covered here today, including relevant sources [30 seconds] and we thank you again for the opportunity to comment. And we appreciate the Department's ongoing commitment to student Veterans and higher education.

MR. WASHINGTON: Thank you for your comments. The next speaker is Tyler Smith.

MR. SMITH: Good morning and thank you for the opportunity to provide comments today. My name is Tyler Smith and I'm the Senior Director of Government relations for the PA Education Association. PAEA

represents the 303 accredited physician assistant education programs nationwide, which collectively graduate over 10,000 new PAs into the health workforce each year. We're joining today to express ongoing concerns with the Department's recent updated guidance on requirements for third-party servicers and institutions published on February 28th. While we were pleased to see the Department's announcement yesterday that it is delaying the effective date of the guidance and clarifying its potential impact on clinical education partnerships, the broad nature of the guidance leaves several areas of concern that could lead to increased costs for students and PA programs unaddressed. Originally, PAEA's strongest concern with the Department's guidance focused on its implications for clinical education. As first written, the Department's expanded definition of third-party servicers would have very likely included hospitals, private doctor's offices, community health centers, and the array of other clinical settings that provide the practical experiences necessary for students to complete their programs. At a time where 85% of PA programs nationwide are reporting that their existing clinical sites are taking fewer students than before the COVID 19 pandemic, new and burdensome audit reporting, and

liability requirements on an already limited supply of clinical sites could have been a very real threat to the future of our healthcare workforce. We applaud the Department's clarification that it does not consider clinical settings to be third-party servicers for the purposes of these requirements. Beyond the impact on clinical education, however, PAEA has remaining concerns about the Department's expanded definition of third-party servicer activities pertaining to recruitment and admissions, specifically. PAEA centralized admissions service, CASPA, streamlines the PA school application process for tens of thousands of applicants each year, reduces applicant costs that would otherwise be incurred through a noncentralized admissions process and is administered in a high-quality manner, as evidenced by its adoption by the vast majority of PA programs nationwide. Any new compliance requirements imposed by third-party servicer regulations that are not justified by evidence would only serve to increase the cost of applying to PA school, threatening other goals of the Department and PAEA such as more diverse student cohorts, as well as a more affordable pathway to higher education for all of our students. Additionally, while the Department's updated announcement clarified that it does not consider, quote, core sharing consortia and

arrangements between Title IV eligible institutions to share employees to teach courses or process financial aid, unquote, as third-party servicer activities, it does not speak specifically to instructional resources provided by external professional associations. As a member service, PAEA routinely publishes curricula and educational resources that are integrated into PA programs nationwide and are rigorously vetted for quality assurance prior to publication. Potential TPS designation for these purposes, as was the case for centralized admissions systems, has no basis in evidence and would only serve to increase the cost of publishing resources that aim to strengthen student training. For these reasons, PAEA urges the Department to ensure that centralized admissions services like CASPA as well as instructional content provided by professional associations, are not subject to new TPS requirements and to adopt a more precise regulatory framework specifically for online program managers through the negotiated rulemaking process. Thank you again for the opportunity to share our comments today.

MR. WASHINGTON: Thank you for your comments. I have Fanta Aw to speak next.

MS. AW: Good morning, everyone. My name is Fanta Aw and I'm the Executive Director and CEO

of NAFSA, Association of International Educators. Thank you for this opportunity to speak today. On behalf of our thousands of members and partners in the United States and worldwide, let me begin by commending the Department of Education for announcing yesterday that it will clarify and amend the February 15th guidance regarding third-party servicers or TPS. As it was originally written, the February 15th guidance posed a grave threat to US students' access to global skills, experiences, and perspective. They need to thrive in today's economy. It also ran counter to an important goal of Title IV programs, which is to provide greater education opportunities to a wide swath of American students. NAFSA and its coalition partners were among the more than 1000 commentaries on the guidance. We pressed the Department to rescind or defer it and revise it in critical ways. It is gratifying to see a swift response to some of our concerns. For example, we're heartened to see that the Department will exempt contracts involving study abroad programs and international student recruitment from TPS requirements. It also intends to remove the provision borrowing of foreign owned TPS from contracting with a US college or university. The changes communicated in yesterday's update are incredibly meaningful to higher education and

its ability to prepare US students for a globally connected world. International partnerships are truly the lifeblood of most study abroad programs. They're also an essential component of international student recruitment efforts in today's increasingly competitive markets for the world's best and brightest. We were also pleased to see in yesterday's announcement that the Department intends to consider narrowing the scope of guidance in several areas. We strongly agree and urge the Department to limit the TPS definition to only contracts involving an institution's administration of Title IV program funding. It should not include entities related to educational programming, student retention or logistical or technical support that does not involve the administration of Title IV program funds. We remain concerned, however, that keeping a broader scope of entities around the TPS umbrella could stifle or disrupt the wide range of transnational partnerships that currently exist in US academia. These partnerships enable students, scholars, and faculty to study, earn a degree, intern, and conduct research at institutions abroad, either virtually or in person. We advise the Department to follow the Administrative Procedure Act rulemaking process if it wishes to include any non-financial activities in TPS definition. We stand ready

and eager with our partners to help the Department finalize the guidance in such a way that maintains US student's ability to reap the many benefits that accrue from a globally enriched education. Thank you for this opportunity to express these comments today. We look forward to working with the Department to address these critical concerns. Thank you.

MR. WASHINGTON: Thank you for your comments. I'd like to call Dr. Edward Conroy next.

DR. CONROY: Thank you. Good morning. My name is Edward Conroy and I'm a Senior Policy Advisor with the Higher Education Program at New America, a nonpartisan think tank. Thank you so much for the opportunity to comment today. My comment covers multiple regulatory topics, first of which I'd like to discuss is accreditation. The accreditation regulations provide one of the clearest ways to ensure quality in higher education and accreditors have shown that they are unwilling to hold institutions to standards that protect students and taxpayers. Strong Federal regulations can improve accreditation greatly. Effective accreditation requires significant resources, and the Department can better guarantee accreditors a meeting their obligations by clarifying the agencies must have adequate resources to effectively carry out their work. We also recommend

the Department require agencies to provide clear expectations for their student achievement standards and effectively implement them to ensure institutions improve student outcomes. Research by New America has highlighted chronic problems with accreditor complaint processes, which often seem designed to discourage the submission of complaints. To address these issues, the Department must build out complaint policy requirements such as easy and anonymous complaint submission, public reporting on complaint volume and effective monitoring of institutions that agencies receive a high volume of complaints about. Finally, we are concerned about the potential for newcomer accreditors seeking Department recognition without the necessary expertise to succeed. We recommend enhancing the accreditation experience regulations by requiring two years of effective accreditation decision making. Like accreditation. State authorization is a vital part of the program Integrity Triad and must be strengthened. Online education has revolutionized higher education while simultaneously creating new challenges and complexities for students, institutions, and state Governments. State authorization is crucial for protecting students from predatory institutions. Unfortunately, few states have created protections for online students and NC-SARA prevents

states from enforcing consumer protections when harms and abuses occur and allows institutions to shop for authorization from states with the weakest consumer protection laws. Reciprocity agreements must be defined in a more consumer friendly manner. Next, I want to address pathways to ensuring borrowers can select an income driven repayment plan and avoid unnecessary deferments and forbearances. The Department must ensure that when borrowers are making decisions about repayment, accessing IDR is as easy as choosing any other option. The Department has taken important steps towards remedying past issues with deferments and forbearances through its IDR and PSLF waivers, increased oversight of services and by designing a new, streamlined IDR plan that is more clearly the best choice for many borrowers. But to truly eliminate barriers to IDR the Department must act outside of the negotiated rulemaking process to ensure robust implementation of the Future Act. The Department must ensure that borrowers and their spouses can provide consent for data sharing early and often in repayment, including through the master promissory note, IDR application, their online accounts, and any time they engage with the Department and its contractors. Early consent for data sharing will allow the Department to

tell borrowers what they will owe on an IDR plan if they enroll. A powerful tool that can help borrowers avoid periods of paused payment. In its new IDR plan, the Department proposes automatically enrolling delinquent borrowers into IDR. It should also auto enroll borrowers into IDR other times when they are likely to pause payments, including when they exit default. Finally, the Department must ensure borrowers can easily update their income information when their circumstances change. As part of this process, the Department should allow borrowers to use documentation such as evidence [30 seconds] means tested public benefits as proof that they qualify for a low or \$0 IDR payment. Lastly, we are encouraged by the Department's efforts to regulate on return of Title IV aid. R2T4 often penalizes students who have to withdraw due to circumstances beyond their control. To improve our R2T4, the Department should consider all approaches consistent with the statute that would limit the harm it can do to students who withdraw due to unforeseen circumstances. Thank you for the opportunity to provide comments today.

MR. WASHINGTON: Thank you for your comments. I'd like to call Crystal Gibson next.

MS. GIBSON: Thank you. Can you hear me, okay?

MR. WASHINGTON: Yes.

MS. GIBSON: Okay. I'll go ahead and get started. It doesn't look like video is working, but I'll go ahead and get started. My name is Crystal Gibson, and I attended DeVry University from the fall of 2008 until the spring of 2012. I'm here today because throughout those four years, I experienced a low-quality education and an unaccountable administration. And I know that these issues still persist today. While attending DeVry, some of my semesters were full time credit hours. Others were only part time. As I became a mom shortly after enrolling and was also working full time. My reasoning for choosing DeVry was the flexibility of fully online classes from start to finish, something that was not readily available at most other schools at that time. DeVry assured me that they were accredited just like other colleges and universities. They even asked if I had attended other schools before them as credits could be transferred. While I hadn't, I did ask the question if I don't finish my degree through DeVry, could credits earned there also be transferred to other schools? They confirmed that they could. Through my own research, I found on their website that they listed themselves as being accredited by the Higher Learning Commission of the North Central

Association. And it went on to say that this association was listed under the Department of Education as a recognized accrediting association. Between my conversation with the recruiter and the information provided on the website, I felt confident I could trust the school and began taking classes. Unfortunately, DeVry charged upwards of \$600 per credit hour and on top of technology fees and electronic books, I maxed out the loan allowance from the Department of Education with 45 credits left to get my degree. I eventually still found a job in my field of study, but at a wage well below the industry average. Five years later, my employer offered tuition reimbursement so I could finish my degree, but only from a local institution that I could take in-person classes at. I applied at BGSU Firelands in October of 2017, and much to my surprise and dismay, I was told that almost none of my credits transferred, just the electives. I was going to have to start my education all over. I was heartbroken and did not enroll as a sacrifice of another four years in school again, would be unfair to me and my family. Three years later, my husband's union announced free tuition for themselves and family members to attend Central State University. Again, I tried to apply for my third attempt to complete my degree and again was told only elective credits would

transfer. I did start taking classes this time since it was completely free one class at a time. I figured I'd finish eventually. Unfortunately, I lost my mom during my first year there and had to withdraw to take care of my stepdad. So, my story remains unfinished. I applied through two different schools, neither of which are difficult to get into, and both denied almost all my previous education from DeVry. Now I'm left with over \$55,000 of student loan debt and no degree to show for it. And even after having ten plus years' experience in my field, I still won't be considered a qualified applicant to most jobs without a bachelor's degree listed on my resume. Thank you for taking the time to hear my story.

MR. WASHINGTON: Thank you for your comment. I'd like to move to Gretchen Ehret Hoshaw.

MS. EHRET HOSHAW: Good morning, everyone. My name is Gretchen Ehret Hoshaw, and I am the Chief Accreditation Officer at the American Speech Language Hearing Association. On behalf of the Council on Academic Accreditation in Audiology and Speech Language Pathology or CAA, I'm here to comment on the Department of Education's 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 as amended, HEA. We appreciate this opportunity to fully participate in this process, provide public testimony and share feedback on the suggested topics the Department may consider. The CAA is recognized by the Council on Higher Education Accreditation and the Secretary of the US Department of Education as a programmatic accreditor for graduate programs in audiology and speech language pathology. The CAA offers voluntary programmatic accreditation to these graduate programs that are housed within accredited institutions of higher education. The CAA is the entity within ASHA that has the authority to establish and enforce a set of standards for the accreditation of these graduate education programs and to make accreditation decisions. At this time, we would like to highlight the importance of three issues for the professions of audiology and speech, language pathology and those we serve. The first is eligibility requirements for programmatic accreditors. Second, compliance and reporting requirements and third, importance of tele-practice. The Secretary's role in recognizing accrediting agencies in 34 CFR Part 602 and related parts is imperative. We request that the Department consider maintaining current eligibility

requirements for programmatic accreditors without significant changes to administrative and fiscal structure requirements that may increase accreditation costs and unintentionally harm students financially. Current requirements recognize the unique role programmatic accreditors play in ensuring that educational programs produce qualified and competent practitioners. We understand that proposed changes may include requirements for third-party services and related issues such as reporting, financial responsibility, compliance, and past performance requirements as a component of institutional eligibility for participation in Title IV HEA, Federal student Financial Assistance programs under 34 CFR 668.25 and 682.16. The CAA requests clarity on who falls under the definition of third-party services and what reporting and auditing activities they would be subjected to. Additionally, the CAA requests clarification on the role that would then be played by the programmatic accreditor and what reporting and auditing activities the programmatic accreditor would be subject to. It is critical to maintain current eligibility and reporting requirements for programmatic and specialized accreditors, while allowing the Department to monitor and sanction those accreditors that fail to comply with

recognition criteria. Programmatic accreditors are concerned with the ability to maintain valid, high quality data on achievement outcomes. Any new reporting on contractual arrangements with third-party servicers would place an increased administrative burden on programmatic accreditors, which would be burdensome to non-Title IV fund gatekeepers. CAA maintains that these responsibilities should remain with institutions for Title IV gatekeepers. 15 of the nationally recognized programmatic and specialized accrediting agencies are not Title IV gatekeepers and are not required to monitor Title IV activities because that responsibility is conducted at the institutional level. [30 seconds]

Regarding the definition of distance education as it pertains to clock hour and the importance for students who enroll primarily online, we would like to highlight the importance of tele-practice and ensuring any changes do not negatively impact the provision of these services. In closing, we thank you for your willingness to engage with a range of stakeholders who may be impacted by these regulations. We look forward to being a vibrant part of the rulemaking process and appreciate the opportunity to lend our members experience to help further inform the Department's work.

MR. WASHINGTON: Thank you for your

comments. I'd like to call Tara Persinger Harris next.

MS. PERSINGER HARRIS: Hello. Can you hear me? Okay. Hi, my name is Tara Persinger Harris and I'm speaking today regarding accreditation and the victimization of the loss of accreditation. I'm a post-class member of the Sweet settlement, and while my school did do all of the things such as the schools of ITT Tech and the other 150 plus schools. We were left behind. The school I attended was in a poor area within southern West Virginia and started as a junior community college called Beckley College in 1933. Unbeknownst to most in the community, the school changed to a for-profit model in 2001. Within 12 years of the leadership of President Polk, the school lost their accreditation. The students at that time had no idea that- there were rumblings that it was coming and occurring, but we were left holding all the financial responsibility. I began attending at the advice of the West Virginia Board of Labor after my school, after my company initially closed down without notice. While attending Mountain State University, formerly Beckley College, I worked diligently towards my BA in criminal justice and a BA in forensics. As early as 2005, there were rumblings that the school was in trouble and our professors were telling us that we may need to find other accommodations

because there was a strong air of uncertainty that the school would continue. While attending, we were advised that these programs would lead to high paying jobs within the criminal justice field, that there would be openings for us at the corrections level from state on up to Federal level positions, including places like Quantico. These were- this was information that was provided by the professors and these school counselors and that there would be job placement and referrals. Obviously, none of that was true. By 2010, the school was put on notice. By 2012, they fully lost their accreditation. We were told that the prior credits and degrees would show as being accredited, but my personal experience has shown that that is not the case. Once a school or potential employer accesses that information, they automatically see that that school lost their accreditation and that's where they stop. They do not dig further and that automatically puts an air of disinformation in regard to mine and others integrity. I have personally experienced the victimization of not being able to move forward within my career and my life. At a time that the school was being investigated, the president was paid the sixth highest income in the nation. And this is from a school in a town in southern West Virginia in the midst of coal country, in the

second poorest state in the union. Our school had a schoolbook publishing company, the only published books that he wrote. No one knows why the school fully lost their accreditation because it sealed. Just as they did, and the students were left paying exponentially for educations that we could not use. The school did have a teach out program for the nursing students, and there was a class action suit that garnered millions for attorneys. But many students were not included, and the average settlement per student was \$1,000. I still have \$80,000 in student loans. [30 seconds] This school lost their accreditation. They have essentially broken the contract that they have with the student to provide this service. It should never be on the consumer to pay for a service they did not receive. However, within schools and students, that's exactly what continues to happen.

MR. WASHINGTON: Does that conclude your comments?

MS. PERSINGER HARRIS: That's it.

MR. WASHINGTON: Okay, thank you, thank you so much. I'd like to call Ryan Audus next.

MR. AUDUS: Good morning.

MR. WASHINGTON: Good morning. You can begin when you're ready.

MR. AUDUS: Alright. Thank you for the

opportunity to speak with you this morning. My name is Ryan Audus, Vice President of product for TouchNet, a global payments company. For more than 30 years, TouchNet has been considered a leader in payments technology for the higher education sector, serving more than a thousand colleges and universities. We were previously an active participant in negotiated rulemaking regarding the disbursement of Title IV funds to students. Those discussions started in 2012, a time when TouchNet supported direct deposit via ACH because it was widely available and was the easiest, fastest, and lowest risk form of electronic disbursement for students. Over the last decade, many payments technologies have evolved, creating new electronic disbursement options that are more in line with current consumer behaviors and expectations. For this reason, we support proposed negotiated rulemaking pertaining to the Title IV HEA program we encourage the Department of Education to include regulatory issue number five regarding cash management as a topic to ensure the best interest of students is met when it comes to timely access to Title IV funds now and in the future. To give you an example of changes in payment products and consumer behaviors since negotiated rulemaking ten years ago, many checking accounts today no longer include a

book of checks unless requested by the account holder. This is particularly true for those accounts designed for students. My own son is a freshman in college. When we opened his first checking account, we chose not to include a book of checks, which means his primary form of transacting is with his debit card. The idea of writing a check has become so foreign to him, I'm not sure he would know where to find his bank routing and account number for setting up a direct deposit. This use of debit cards has led students to using newer, faster ways to move funds electronically. The use of newer, faster forms of electronic transactions to move funds from one account to another was accelerated during the COVID 19 pandemic. In fact, during the early days of the pandemic, many schools were exploring new ways to get funds to students more quickly by leveraging these newer, faster forms of transacting to facilitate the disbursement of aid to students. An example of one such disbursement method for real time payments is OCT which was approved as part of the Heroes Act that updated waivers and provided modifications of statutory and regulatory provisions during the COVID 19 pandemic. OCT enables students to receive Title IV disbursements or other funding from an institution by using their debit card number instead of the bank routing and account

numbers needed for direct deposit. One sent using OCT are available to the student's account in real-time, eliminating the 1 or 2 day wait period for traditional direct deposit. In short, this option for students is easier, faster, and secure. Language in the Heroes Act only allowed for OCT transactions during the Federally declared pandemic emergency. With the emergency ending, there is now discussion on what is the most efficient, secure, and overall effective way to disperse Title IV Funds to students as direct deposit is no longer the only method that meets the requirements established in previous negotiated rulemaking. That is why we would like to propose cash management be a topic for committee review to ensure guidelines are in line with current consumer expectations and disbursement processes that are now in place. Thank you.

MR. WASHINGTON: Thank you for your comments. I'd like to call Glenn Stroman next. Glen, if you're speaking, you are on mute.

MR. STROMAN: Can you hear me?

MR. WASHINGTON: I can hear you now.
Yes.

MR. STROMAN: Okay. Thank you, sir.
Thank you, sir, very much. My name is Glen Stroman and I'm a Veteran who attended Grand Canyon University to

earn my doctorate degree in education. I am a teacher and have advised many students on the college choices. So, I did my due diligence when I decided to go back to school. I was initially somewhat skeptical, skeptical of Grand Canyon, but they said all the right things and did all the right measures. They assured me that we were very attentive to the military friendly and that would always be able to contact someone if I had a problem. Early on, I had reservations about the quality of some of the classes. The teachers weren't teaching quality work and took three classes that were basically at the end of my doctorate degree with the different name, but they were the same class. But I continued on making the most of my opportunity that I had to advance my career. When I ran out of my GI Bill benefits, suddenly, it was hard to get anyone from Grand Canyon to communicate with me. I reached out to ask questions about whether the school had correctly applied a military discount for me and told that I was out of luck because did not apply for in the semester before and there was no retro activeness. I asked if there was any financial help available for me to finish out my final three courses and was told that there was nothing. I felt completely alienated by the school and told them I would have to take a break to secure funding to finish my degree. The

entire time I was away, Grand Canyon kept pestering me about coming back. I would ask them if there was any financial help and they would say no, there was not. But they didn't stop calling me or texting me or even sending me emails. After an almost five-year break, I contacted Grand Canyon about returning for my last three courses. Even though they had been calling me the whole time I was away to finish they told me that I'd have to start my whole doctoral program all over again. I told them that I was not going to do that. So, then they offered me one course to get my EDS degree, my specialist degree in education. I took that course because I did not want to walk away with nothing, so I paid the out-of-pocket expense to take this one class, which I finished in the fall of 2022. The quality of instruction was terrible, and the degree wasn't in the same field that I was initially studying for. Keep in mind was a doctoral student and had three courses to finish with most of my dissertation completed and just simply ran out of money. So overall, I was left with the impression that Grand Canyon just wanted to use my GI Bill money. Once it was gone, it was hard to get anyone to help me at all. I couldn't recommend the Grand Canyon to anybody who asked me now. I hope they will take my experience and make rules that would prevent schools

from treating students the way Grand Canyon University treated me. I thank you for your time and wish you all the very best.

MR. WASHINGTON: Thank you. The next speaker is Eduardo Ochoa.

MR. STROMAN: And I'm muted. I'm done. That was it.

MR. WASHINGTON: Thank you.

MR. STROMAN: Thank you.

MR. OCHOA: I think I'm going to have to turn off the teams. Okay. I'm Eduardo Ochoa. I'm a former President of California State University at Monterey Bay. Former Assistant Secretary for postsecondary education and currently a member of the board of directors of NC-SARA, the National Council for State Authorization Reciprocity Agreement. SARA is an agreement among 52 member states, districts and territories that establish national policies for interstate postsecondary distance education. Among other benefits, SARA provides a set of uniform policies for student consumer protections that otherwise would vary state by state that ensures valuable oversight of distance education, that allows students access to distance education programs across states. It was established in 2013. Today, more than 2300 institutions

are approved to participate in SARA by the SARA member states. They represent more than 75% of eligible US postsecondary institutions that offer distance education, serving millions of students annually. We're concerned that the topic of state authorization reciprocity was introduced during negotiated rulemaking in 2022 under section 668.14 program participation Agreements, subsection 32 (iii) certification procedures. We have specific concerns regarding the proposed language as well as the process through which it was written and discussed during negotiated rulemaking. First, there likely would be significant consequences of new Federal regulatory language about state authorization reciprocity. If that language moves forward, we could return to the confusing and complex patchwork of state authorization distance education regulations that existed before SARA. The language proposed at that time appears to be a solution in search of a problem. There is no evidence that SARA opens the gate to unchecked fraudulent behavior on the part of institutions offering distance education. Furthermore, SARA does not prohibit any state Attorney General from investigating or taking action against an institution committing fraud or engaging in deceptive behavior. Any issues regarding student consumer protections and state

authorization should be the purview of the states. I might add that some of the anecdotes that have been bandied about in this area have involved institutions that were not part of SARA at all. So, it was kind of, uh, it didn't, wasn't germane to the point. Secondly, another concern we have is the language about state authorization reciprocity that was proposed during the March 2022 negotiated rulemaking session was inserted in the section about program participation and certification procedures rather than state authorization. The placement of language about state authorization reciprocity is problematic in that the Federal regulations concerning state authorization are in a separate section 600.9, which was not discussed in that negotiated rulemaking session. Furthermore, the negotiated rulemaking process in March 2022 did not allow sufficient time for research and impact analysis or for thoughtful discussion and deliberation inclusive of constituents that could be impacted by such a regulatory change. It also did not include state authorization experts who could speak about the potential consequences. So, we're requesting two things. If the Department chooses to retain language that impacts SARA, then the proposed regulatory changes should be moved to a 2023 negotiated rulemaking session,

focused on state authorization and distance education. And secondly, that the potential consequences of any Federal regulatory changes that impact state authorization we request be explored with experts in state authorization and SARA serving as negotiators. In conclusion, SARA is very well positioned for and committed to continuous improvement. The new SARA policy modification process [30 seconds] in broader stakeholder engagement and enhanced transparency was launched in January 23 and is underway for the first round of approved policy changes coming this fall. Everybody who has chosen to participate in the policy modification process has a seat at the table, including participation in public forums and public comments. We also wish to convey the SARA community is committed to the Department's emphasis on student consumer protections, and we wish to express our sincere intention to continue to work collaboratively with all stakeholders toward common sense, common ground approaches to continue to ensure protections needed for today's distance education learners. Thank you.

MR. WASHINGTON: Thank you. And our final speaker, Bob Carey. Final speaker before lunch, Bob Carey.

MR. CAREY: Can you hear me?

MR. WASHINGTON: Yes, we can hear you.

MR. CAREY: Thank you very much. Thank you very much. I'm sorry that I'm having a call from the parking lot at Walter Reed National Military Medical Center. I have, while I'm retired Navy myself, I have a relative who is recently in there and I had to be there in order to be able to provide some power of attorney assistance. So sorry, this is a little discombobulated. But I represent the National Defense Committee. We started in 2003 as a niche Veteran organization focusing on Veterans civil rights. We did a lot of our initial work on Veteran voting rights and freedom of conscience. But one of the things that we're working on now is the freedom of contract. And to the extent that the Department of Education has oversight on many of the Veteran educational benefits, as well as the fact that many of the Veteran educational benefit regulations are based upon the Department of Education broader regulations. That's why we wanted to be able to comment on this. And the fundamental issue that we have a concern with is that ability- that right to contract. Throughout the regulatory process, both in the generic and in the Veteran space, there is this underlying belief in the Veterans community that there is this condescending paternalism towards students. That they

are unable to be able to figure out for themselves what is the best way to educate themselves and to use their educational benefits to do so. For the Veteran benefits, these are earned benefits. These are not like, you know, means based. They're earned through service in the military. And just like a Veteran's retirement or a Veteran's paycheck. And so to have these regulations such as 90/10, such as 85/15, such as, you know, accreditation requirements, you know, that are beyond what would normally be considered, you know, the normal state adjudication requirements, is detrimental to the ability of students, especially military and Veteran students, to be able to pursue the educational system that provides the best case for them. And the problem is that the traditional state run educational systems or not for-profit educational systems are not or cannot adjust to the needs of military and Veteran students. And that is myself, I am pursuing a doctorate through an online program. I used to be a teacher in graduate school at the US Naval War College and I can tell you it is a robust and discriminating academic program. But the way that these regulations are going is that I doubt I'll be able to use my GI Bill benefits for it because there is this underlying belief that unless you are in a classroom and unless you are, you know, in a structure

from a nonprofit, preferably state run organization or a state run educational institution, that you're not getting a good education. And that, you know, the fact of the matter is the Department of Education, in its wisdom, determined that they didn't need to have this public hearing in a building with, you know, with live presentations. They realize it could be done virtually through Zoom. So, too, we should be looking at that from the point of view of online education. And we should be maximizing maximizing the ability to use online education. [30 seconds] Thank you. Not trying to minimize. That's really all I had to say. I'll provide written comments as well to go into more detail. But those are the basic suppositions that we have on this process, and I think that there is this belief in the Department of Education that the Veterans community is strongly behind 90/10 and 85/15 and other types of controls on Veteran education. And the fact of the matter is there are many Veteran organizations that are not. Thank you.

MR. WASHINGTON: Thank you for your comments. That concludes the morning portion of our public hearing today. We will break and resume at 1 p.m. Eastern Time. Thank you. Thank you for everybody who spoke and have a nice lunch.

MR. MARTIN: Good afternoon and welcome back. I'm Greg Martin in the Office of Postsecondary Education. And I'm pleased to join you this afternoon. I want to thank my colleague, Aaron Washington, for ably hosting the session this morning. Before we get going this afternoon, I'd like to announce that- I should say that we initially had three of these sessions planned starting yesterday and one today, and then there would be one tomorrow. But because we have been able to accommodate everybody who wished to speak, we will not be running the hearing scheduled for tomorrow. So, after the comments are complete this afternoon, the hearings will be completed. However, I do want to remind everybody that there's still opportunity to comment in writing. I'll repeat how to do that at the end of this session. We welcome comments. We review all of them. So, whether you have spoken over the last two days or whether you will offer comments in writing, we will give equal attention to those comments. Joining me this afternoon is Steve Finley from the Office of the General Counsel. I'm also joined by Wesley Whistle, who is with the Office of the Under Secretary. So, with that, we will begin this afternoon's comments and our first speaker this afternoon will be Jee Hang Lee. So, Mr. Lee, whenever you are ready.

MR. LEE: Hi. Can you hear me?

MR. MARTIN: Oh, I'm sorry. I got that. Sorry. I'm sorry. Hi. How are you doing?

MR. LEE: Hi. Good afternoon, everyone. Sorry, technical problems.

MR. MARTIN: We know how that is.

MR. LEE: You can hear me?

MR. MARTIN: Yes.

MR. LEE: Okay. Secretary Cardona and the Department of Education colleagues, thank you for the opportunity to provide public comment today. My name is Jee Hang Lee. I am the President and CEO of the Association of Community College Trustees. ACCT is a not for-profit educational organization of governing boards, representing more than 6,500 elected and appointed trustees who Govern over a thousand community and technical colleges in the United States and beyond. Trustees have a fiduciary responsibility of their institutions and responsibility of hiring the college leadership. With this in mind, I join you today to strongly encourage the Department to include the topic of third-party servicing and its fall negotiated rulemaking process. On February 15th, the Department sent a Dear Colleague letter requirements and responsibility for third-party servicers and

institutions that specified in dramatically expanded the entities classified as third-party servicers. We appreciate the Department's updates to this letter yesterday. Very fast one announcing the September 1st effective date is canceled and that further guidance will be issued with an effective date at least six months after the new guidance is released. The Department's proposal greatly expands the current reach of the third-party servicers definition. In the DCL the Department stated in particular it wanted to focus on the growing industry of online program managers or purveyors of software products designed to manage student recruitment, retention, and hybrid programs. While it is necessary for guidance and regulation to keep pace with technological advancement, it is also crucial that these rules be designed with a precise nature to target the intended actors rather than be so broad as to implicate many others, including not for-profit organizations and associations in their general reach. As a representative of Community Colleges ACCT is specifically concerned with the impact of this expanded change that will have on our institutions. We appreciate the guidance that consortia of Title IV eligible institutions study abroad and externships do not constitute third-party servicer agreements. We look

forward to further clarification or discussion during negotiated rulemaking regarding businesses that provide training on campus, a hallmark of many trade and technical programs. The current legal uncertainty with the third-party servicers definition may also unnecessarily generate increased compliance costs for our institutions, which may of which already face significant resource constraints and servicing their students. For this reason, the commitment to a six month implementation window is necessary. In yesterday's blog post, Under Secretary Kvaal stated comments on student retention services would be taken under further review. As an association and not for-profit ourselves, it is possible that ACCT would also become a third-party servicer, depending on the specific guidance on student retention. Within ACCT center for policy and practices, ACCT staff and partners work on projects that include college retention as the stated goal. None of these activities relate to Title IV dollars nor grant us or our partners or our contracted consultants access to student data. We recommend that partners providing retention services that do not include Title IV aid or student personal identifying information or similar data be excluded from third-party servicer requirements. ACCT strongly encourages the Department to consider the

expansion of the third-party servicer role as part of this fall's negotiated rulemaking process to ensure a surgical approach that [30 seconds] reaches the intended goals and audience rather than a catch all approach that balloons the number of third-party servicers in such a way that those who may be abusing the privilege of working with students institutions fall through the cracks. Thank you for the opportunity to provide comments today.

MR. MARTIN: Thank you, Mr. Lee. Our next speaker this afternoon will be Christopher Cross. Mr. Cross, whenever you are ready.

MR. CROSS: Thank you and thanks for giving me the opportunity to speak with you today. I come as having served six years as a public member commissioner on WASC, the regional accrediting agency in California and the pacific, also known as WSCUC. There are several concerns that I've had from my experience with WASC and with accreditation in general. I will go through them individually. First, each commission should have an equal number of public members as nonpublic members. Nonpublic members of course, are institutional members. And in terms of providing the kind of expertise and balance between the interests of everybody, equal number of public members would greatly enhance that. I'd

also recommend public members be allowed to serve three terms, not two, because it does take public members some time to get acclimated and really to read into what's going on. I'd also suggest that those who have been a public- or been an institutional member of an institution not in the service area of that regional accreditor, not be permitted to be a public member in a non-region in another region, I should say, as they bring then a different perspective. Public members bring some very important perspectives and having that there is very important. I would also recommend that all commissioners as well as staff be protected under a shield of immunity for actions taken relative to their duties on a commission, whether as commissioners or as staff. I've seen in my time that there's been several times when people were frankly afraid to take action because there was the feeling that well financed organization seeking to have their accreditation granted or extended would sue if they didn't get the action that was demanded or or requested. So, providing a shield of immunity for actions taken as a commissioner or as staff would be very important. I would also suggest that each accreditor should be required by regulation to establish metrics in such key areas as persistence, graduation rates, Governance, and the rest, and that those metrics

should be measured and part of the evaluation when accreditation comes up for renewal or initial accreditation is granted. And that those metrics, of course, must be tied to the accreditation standards in each of the regions. Also, accreditors should develop a policy and process that allows them to intervene and act quickly in situations where institutions are in or near crisis. Final two points, accreditor review panels areas of expertise should align with the expertise most needed for a thorough review, and those with higher education consulting practices should [30 seconds] not be excluded. And finally, a consideration should be given to having public members include potentially parents, K-12 experts, and perhaps recent graduates of similar institutions. Thanks very much.

MR. MARTIN: Thank you, Mr. Cross. Our next speaker will be Jill Desjean. Ms. Desjean, whenever you are ready.

MS. DESJEAN: Hi. Thanks. I'm ready.

MR. MARTIN: You can go ahead whenever you're ready to begin.

MS. DESJEAN: Thank you. Good afternoon. I'm Jill Desjean. [Inaudible] for negotiation. Return to Title IV funds or R2T4 and third-party servicing. While we appreciate the Department's

most recent regulatory efforts in 2020 to allow the R2T4 process to accommodate new and innovative learning models like subscription based programs and programs offered in modules, they pile complexity on top of complexity and make it even more difficult for institutions to not only comply with the rules, but to explain them to students. Students leaving school before completing a term are likely doing so under already stressful circumstances. The R2T4 process should be simplified to ensure that it does not add to that stress. Any changes to the R2T4 rules must consider the fact that the rules and regulations for this process already comprise nearly 200 paragraphs of regulatory text and nearly 150 pages of the Federal Student Aid Handbook. The 2020 R2T4 rules alone required the Department publish a 63 question, question, and Answers document to help financial aid administrators interpret those rules. NASFAA has 271 regulatory assistance articles devoted to R2T4 alone in our membership knowledge base. In response to your request for input on regulatory relief, financial aid administrators mentioned R2T4 more than twice as often as any other topic area and even with all of the aforementioned resources, R2T4 consistently falls within the top five audit and program review findings. As a 2015 NASFAA task

force noted, errors are virtually inevitable and so complex a set of rules. This is not an area rife with fraud and abuse. It's an area rife with complexity, confusion, and frustration. We're grateful the Department is looking to ease R2T4 related barriers to students, as well as institutional R2T4 administrative burden through negotiated rulemaking. The R2T4 process needs a complete overhaul with a focus on where we can sacrifice precision and the complexity inherent therein with minimal impact on program integrity. Financial aid administrators spend far too long on R2T4, a detriment to compliance and other areas, as well as in service to students. Financial aid officers are facing historic struggles with staffing and need relief wherever they can get it. With respect to third-party servicers, the Department's recently updated guidance about institutional requirements and responsibilities for third-party servicers has introduced significant confusion because the new guidance appears to change the regulatory definition of a third-party servicer. As noted in our previously submitted comments, it is an unusual path to issue some regulatory guidance before conducting negotiated rulemaking sessions and issuing final rules. We continue to disagree with the greatly expanded definition of third-party servicer and the

updated guidance and do not believe the scope of the guidance falls within the regulatory definition of a TPS. We are grateful for Under Secretary Kvaal's announcement last night that the Department is reevaluating the guidance in light of public comments received. It is critical that the Department eliminate all potential negative unintended consequences if it moves forward with expanding the third-party servicer definition, either during negotiated rulemaking or through guidance. We look forward to working with the Department throughout this rulemaking process. NASFAA will also be submitting written comments. Thank you.

MR. MARTIN: Thank you, Ms. Desjean. Our next commenter this afternoon will be Charlotte Woodward. Ms. Woodward, whenever you are ready.

MS. WOODWARD: Hello, everyone. Thank you for the- hello, everyone. Thank you for the opportunity to speak to you this afternoon. My name is Charlotte Woodward, and I am the Education Program Associate at the National Down Syndrome Society. I would like to thank my mom, my family for instilling a lifelong love of learning in me and my teachers and professors, for looking beyond my diagnosis of down syndrome and seeing the scholar in me. I advocated for my right to access the general education curriculum from

preschool through high school with the help of my mom and grandmother. I always desired to go to college. So, I went on to learn as much as I could, made inclusive friendship, and ultimately graduated high school with a standard diploma, which I needed to apply to college. After high school, I was accepted into Northern Virginia Community College, where I earned my Associate degree in 2017, Summa Cum Laude. After I graduated, I knew I was not done with my formal education, so I transferred to George Mason University with the goal of earning a Bachelor's degree. With the help of accommodations such as extra time on exams and the ability to record lectures, I continued to excel. I was inducted into George Mason Alpha Kappa Delta International Sociology Honor Society and received the 2021 George Mason University Outstanding Sociology Undergraduate Student Award and the 2022 George Mason University Sociology Trailblazer Award. I am proud to say that I graduated from George Mason University last night with a degree in Sociology, with a concentration in inequality and social change. Again, Summa Cum Laude. As you approach each topic, it is critical that you think about the potential impact on students with disabilities. When looking to have these discussions, it is imperative during these discussions to always keep in mind that the diverse

needs of all learners. We need to ensure that every student, especially students with disabilities, are included and accepted for the challenges and strengths given the supports, services and accommodation needed at all levels of education. College should be an option for people of all abilities, not just for certain people. Thank you for listening to my story.

MR. MARTIN: Thank you, Ms. Woodward. Our next speaker will be Martin Kurzweil. Mr. Kurzweil, whenever you are ready.

MR. KURZWEIL: Hello and thank you for the opportunity to provide comments on the Department of Education's upcoming rulemaking agenda. My name is Martin Kurzweil and I currently serve as Vice President for Educational Transformation at the not for-profit research and consulting service Ithaca S+R. At Ithaca S+R, we provide research and evaluation, strategic advising and program implementation and management, all with an aim of improving equitable postsecondary access and success. Today I would like to offer comments on returning to Title IV funds or R2T4, a policy we have learned much about through our work to study and support students with past due institutional balances. Across the nation, we estimate that over 6.6 million students owe a past due balance to a college or university. When

students are unable to cover their full balance by the end of the term, the vast majority of institutions respond by placing holds to prohibit future registration and to prevent the release of the student's transcript. We call this situation stranded credits because the past due balances and related holds effectively block those students from using earned credits to continue their education, whether at the same institution or by transferring to another institution. The aggressive collections practices many institutions undertake also have a severe negative impact on students financial well-being. While systematic data are not readily available, our research and direct work helping students release their stranded credits suggests that the Federal R2T4 policy is a significant cause of past due balances. Under the rules of R2T4, if a student withdraws from college before the 60% mark of a term, their college is required to return a share of the disbursed Federal aid to the Government. Because most colleges charge full tuition and fees near the start of the term, it is highly likely that the student in these circumstances will owe money to their college or for charges in excess of the amount of aid the student was able to keep. In other words, current R2T4 policy routinely transforms Federal grants and loans into institutional past due

balances, which in turn lead to transcript and registration holds and stranded credits. R2T4 and stranded credits more generally disproportionately affect our most vulnerable students. Students who leave abruptly before the midpoint of a term are likely doing so because of a personal or financial crisis. Our research shows that the institutions with the most former students with stranded credits are also the institutions with the highest shares of students of color and pell eligible students. The Department has sent signals that it would like to see the policy of transcript withholding end. This has included archiving old guidance related to withholding for Perkins loans and public comments by the Secretary and Under Secretary condemning the practice. We applaud these efforts and are grateful to the Department for pursuing them. However, simply banning the practice of transcript withholding does not address the root of the issue the accumulation of an unpaid balance. The Department has an opportunity to assess and improve R2T4 and thereby mitigate a highly inequitable source of students unpaid balances. Specifically, my recommendations to the negotiators include first, improve data collection so that the Department can understand the extent to which R2T4 policy contributes to the pernicious problem of

stranded credits. Second, establish a process and standards for reconciling the schedule for return of Title IV funds and institutional refund policies to shift more of the burden of leaving abruptly from students to institutions and ensure that the institutions provide a complete and understandable explanation of [30 seconds] consequences to students. Finally, completely protect the lowest income students from the financial consequences of returning Title IV funds. Thank you very much for the opportunity to contribute to the conversation about reforms to R2T4 and for your consideration of this important issue.

MR. MARTIN: Thank you. Our next commenter will be Lisa Beatty. Ms. Beatty, whenever you are ready.

MS. BEATTY: Good afternoon and thank you for the opportunity to provide comments related to Department of Education negotiated rulemaking on postsecondary education. My name is Lisa Beatty and I serve as Executive Director of the Association for Biblical Higher Education Commission on Accreditation. ABHE accredits or pre-credits 135 institutions serving approximately 60,000 students in the US and Canada, and the agency has been continuously recognized by the US Department of Education since 1952. Our most recent

five-year recognition was affirmed by the SDO in November 2022, with no follow up reporting required. To begin, we welcome continued conversations on how best to serve students regarding to financial aid, state authorization, third-party servicers, and distance education. But my brief comments this afternoon relate to proposed rulemaking for accrediting agency recognition. As noted above, ABHE completed its recognition process just five months ago. We were part of the first cohort of accrediting agencies addressing regulatory changes on recognition implemented in 2020. Since the DE recognition process is a two-year process for our last recognition cycle, ABHE was required to submit its petition for recognition almost simultaneously with the implementation of new regulations. This timeline made it extremely challenging to adequately address regulatory changes in our policies and processes, and thus in our DE petition for recognition. With proposed rulemaking on recognition commencing at the start of another recognition cycle for ABHE and other agencies in our cohort and those following, I urge the Department to consider the timing issues for agencies submitting petitions a full two years prior to final determinations. Please consider options such as rolling implementation or adjusted

timelines for agencies caught between the old and the new regulations. Over a period of no less than 70 years, ABHE has demonstrated a strong commitment to meeting Department of Education regulations for accreditors. Please provide agencies like ours with a reasonable timeline for demonstrating compliance with new recognition and other negotiated regulations. Second, may I recommend that a range of institutional accreditors be included on negotiated rulemaking committees? One of the hallmarks of the American higher education system is diversity of institutional type. ABHE and other similar institutional accreditors serve the public good by assuring quality in smaller but important sectors of the higher education market. Please ensure that such agencies have seats at the table. Thank you for the opportunity to provide comments today and thank you for the Department's efforts to serve the needs of students through this process.

MR. MARTIN: Thank you, Ms. Beatty. We appreciate your remarks this afternoon. At this point, we are considerably ahead of schedule. We do have two more speakers who are scheduled to provide remarks. However, we're working on logging those individuals in right now. So, if you'll just bear with us a few moments, we should be able to get them queued up to

speak. Hello and welcome back. We do apologize for the hiatus. Our next speaker will be Eddie Murgasen. Mr. Murgasen, whenever you are ready.

DR. MURGASEN: Oh, hey, guys. Dr. Eddie Murgasen here. I went to the Medical University of Lublin back in 2007, up until 2011. This is through Hope Medical Institute. And I wanted to speak to you guys today about my experience there. I feel like it was a low quality of education, especially for a medical school. And they had they were not really accountable for their administration during that time. Some of my experiences with that regarding being a predatory for-profit medical school as it does relate to the topics that the Department of Education wants to hear more about today, such as institutional eligibility, Title IV funding and time access to disbursement of student loans. Now, with Sweet settlements getting a lot of press right now, by no means has that provided any relief to myself or any other of the medical students that were borrowers for this school. So, my school is not included in that settlement, despite being guilty of the same misconduct as many of those medical schools that are included, if not worse. And then in my situation, I refinanced Federal student loans in order to keep up with interest rates, which puts me at a

financial disadvantage for the potential of loan forgiveness and all of that because I had no other options at that time to be able to afford to make payments. My medical school should have not been accredited. And there are a lot of reasons why. In terms of the admissions criteria, there was none. On their website, there was none. And looking back at it when I was a student, 19, 20 years old, that's not stuff that I'm going to think about. They did say that their past rates for their boards were 95% and higher for the board exams. However, they did not state that they had a graduation rate that was abysmal. My class, for instance, was a class of 40 students, and of that, 10 of us were allowed to take the board exams after we completed four years in Poland. So that is why there was a higher pass rate. But the overall rates were terrible. If you did not pass these pre-exams that were done for screening tests within three times, you were not allowed to go for your clinical rotations in the United States and that prevented people from getting into residency and ultimately practicing. So, some kids spent around \$400,000 in student loans that they took out and were never able to take the board exams in the first place. So, all of that now falls onto them where they no longer they don't even have the career that they went to school

for. By the time I finished HMI, Hope Medical Institute, I didn't believe that the school should have been approved for Title IV funding. And to be honest, I applied and went to that school because we were being told that we had Federal student loans that were approved for us. So that, in my mind, made it seem like the Department of Education is behind this school and supports it, which gave me more legitimacy to that program where in essence they were funneling money through student loans and kind of taking advantage of all of us to get as much as they could out of it for as long as they could. Again, I just want to reiterate that I only attended the school because of that Federal Government student loan making it possible for me to do so. I do not come from a rich family, so I otherwise would not have had that opportunity. And since I had to refinance, you know, to kind of keep up with interest rates, I know that I don't have the same kind of access to student loan forgiveness or borrower relief, even though I applied for borrowers' defense. And I would love for the Department of Education to take a deeper dive into Hope Medical Institute and the Medical University of Lublin because there are hundreds, if not over a thousand students [30 seconds] who were not given a lot of good information that we could have used ahead

of time to make a more educated decision. And a lot of us again, they targeted Indian students by making commercials on Indian programs, knowing that, you know, these are people culturally who want their kids to become physicians and kind of targeted that and shuttled a lot of us into that school. So, thank you for your time. I really hope you guys investigate them and hopefully we can get some kind of loan forgiveness or something at some point for those students who went to Hope Medical Institute. But appreciate your time and hope you guys have a great week.

MR. MARTIN: Thank you, Dr. Murgasen.

DR. MURGASEN: Thank you.

MR. MARTIN: Our next and final speaker this afternoon will be Toni Lee. Ms. Lee, whenever you are ready.

MS. LEE: I attended a predatory school by the name of IADT, owned by CEC, the Career Education Corporation, and I trusted that the educational system of all systems be principled in truth and honesty so that the American dream could be more obtainable. These notions have been installed in our minds throughout adolescence, so I trusted this system to hold its school accountable and responsible to live up to their end of the deal. I trusted the Federal

Government to release my loans to a trusted and approved entity. This is why I continued and completed my education at this school in particular. And I second everything that the previous gentleman said about his experience. I feel like I was targeted. I'm a first-generation graduate of my family. And I was- I'm told, prior to attending, I was told or taught very little about accreditation. This is all like aftermath things that you learn. There's- I feel like there's no transparency as far as like letting students before they attend school to know about the accreditation process. This was like not even something I really looked at. All I saw was it was a very commercialized school. So therefore, you know, I'm sitting at home and I'm looking at them like just indoctrinate and feed on your vulnerabilities of having and obtaining this dream that they're displaying in the commercial. So, I just feel they not only victimized me, but they victimized and took advantage of the system that is made to protect us which is the Department of of Student aid. It's designed to protect us and help us and give us a leg up and to get closer to this dream. And they victimize that system as well. So, I really hope that there's more transparency going forward with these schools' processes of being accredited and just so there can be a trust

that's built throughout the years. And, you know, the process is with you, with the Federal Government and the school is a tighter supervision that they're living up to what they are, their mission statement and what they are advertising themselves to be. So was just, I mean, it's just been a burden and such a- I'm better off not have attending this school like my life would have been better off and that in no way, shape or form should be, you know, the aftermath of attending any educational institution in this country. And yeah, I just I, I mean, I know that there's stuff that must be changed and it's just abused and taken advantage of. I just wanted to put my voice out there for all- I don't know any classmates that, I mean, you know, I don't- there's like a small percentage, you know, I don't know the stats or anything, but if you look at this school I went to, there's been numerous lawsuits over the years. My accreditation company has been dismantled, my everything. Sallie Mae, like, there's just a chain of just corruption, basically, and abuse that has taken place stemming from CEC and schools that they've had under their [30 seconds] corporation. So, I just feel like it's pretty much just self-explanatory if the Government investigates this corporation. So that's all my statement. Thank you very much.

MR. MARTIN: Thank you, Ms. Lee. This concludes today's public hearing. As I mentioned earlier, we will not be having the originally scheduled session tomorrow. 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. Have a nice afternoon and goodbye.