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OFFICE OF POSTSECONDARY EDUCATION

PUBLIC REGIONAL HEARING FOR  
NEGOTIATED RULEMAKING

Federal Student Aid Conference  
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**Thursday, November 2, 2006**

9:00 A.M. - 3:50 P.M.

U.S. Department of Education  
Public Hearing  
Orlando, Florida – November 2, 2006  
Panelist

**Representing the Office of Postsecondary Education:**

James Manning  
Acting Assistant Secretary  
Office of Postsecondary Education

David Bergeron  
Director, Policy and Budget Development Staff

Dan Madzellan  
Director, Forecasting and Policy Analysis Staff

**Representing the Office of General Counsel:**

Elizabeth McFadden  
Assistant General Counsel  
Division of Regulatory Services



1 nominations for negotiators until November 9<sup>th</sup>, so  
2 that is what we will be doing.

3           Just to give you a context for all of  
4 this, when Congress enacted the Academic  
5 Competitiveness and National SMART Grants, the  
6 Secretary recognized that there would be need for  
7 further regulatory activity, even though we are  
8 going to publish an interim final rule, and then a  
9 final rule, before we begin, so that we could get  
10 the programs up and running.

11           When we talked to her about that need for  
12 negotiated rulemaking for the third year and beyond  
13 for Academic Competitiveness and National SMART  
14 grants, she said, "Well, what do you normally do?"  
15 We said, "We normally held regional hearings. We  
16 get public input as to what we should have on the  
17 negotiating agenda, and then we develop an agenda  
18 based on that public input." That is what the  
19 College Education Act requires us to do, to get  
20 public input. And she said, "Come and do that."  
21 And so we were very happy that she said not only  
22 just go and do it, she said, "Go and let people  
23 come and talk with you--express their desires in  
24 terms of what we regulate this year."

1           We had hoped that the Higher Education Act  
2 would be reauthorized by now and we would have that  
3 to factor into the process. It does not seem  
4 likely that will happen, but we do have some things  
5 that came out of the third extension of the Higher  
6 Education Act related to allocable expenditure  
7 trustees, and a few other little things like that  
8 that we may fold into this process. We will see  
9 how the public comment goes, and we will see what  
10 we end up with in terms of ideas for what we really  
11 need to negotiate.

12           I am fortunate to have here this morning  
13 with me Jim Manning, who is our Acting Assistant  
14 Secretary for Postsecondary Education. He has been  
15 doing a number of jobs around the Department over  
16 the years, and we have known him for a good long  
17 while. So we are happy he is here. He may have a  
18 few things to say.

19           But before I let him do that, I am going  
20 to introduce the other person sitting at the table  
21 who probably will not say too much during the  
22 course of the day, but she is here to keep us all  
23 honest. Elizabeth McFadden is--and I am sure I  
24 will slaughter her title, but she is Deputy

1 Assistant General Counsel for Regulatory Services  
2 at the Department. That means she is involved in  
3 our regulatory process and manages that process  
4 across the Department. If there is somebody who is  
5 responsible for making sure that we get our  
6 regulations out on time, it is Elizabeth. So we  
7 are fortunate to have her here with us, and not  
8 only to just make sure we do it on time, she makes  
9 sure we do it well. So we are fortunate to have  
10 her, as well.

11 With that, I will turn over to Jim  
12 Manning, and then we will call our first witness to  
13 the microphone.

14 **JIM MANNING:** Well, thank you, David. Let  
15 me just offer my own welcome and thanks to you for  
16 being here. We really are most interested in  
17 hearing from you. We do, as David said, value your  
18 input and look forward to hearing from you.

19 So, rather than take up any additional  
20 time, why don't we go ahead and get started?

21 **DAVID BERGERON:** With that, I would ask  
22 Belle Wheelan to come to the microphone. When you  
23 come to the microphone, please state your name and  
24 your organization so that can be transcribed in the

1 record of this hearing. That transcribed testimony  
2 will be available on the Department's Web site  
3 within a week or two of this hearing, we hope. The  
4 ones from the two previous hearings are already  
5 available.

6 **BELLE WHEELAN:** Thank you.

7 **DAVID BERGERON:** Thank you.

8 **BELLE WHEELAN:** My name is Belle Wheelan,  
9 and I serve as President of the Commission of  
10 Colleges of the Southern Association of Colleges  
11 and Schools.

12 The Commission is a regional accrediting  
13 body, with a membership of approximately 800 member  
14 and candidate institutions located in 11 states in  
15 the southeastern region of the United States.

16 I will share with you that I have given my  
17 comments already so that you may have them.

18 I also appear today on behalf of the  
19 Council of Regional Accrediting Commissions, known  
20 as CRAC, that is comprised of the seven regional  
21 higher education accrediting commissions in the  
22 United States.

23 My comments are meant to complement those  
24 of my colleagues, Dr. Barbara Beno, the current

1 chair of CRAC, and Dr. Steven Crow, past chair of  
2 CRAC, who spoke at the hearings in Berkeley and  
3 Chicago, respectively, and addressed the  
4 Department's process of negotiated rulemaking and  
5 accreditation's role in assessing student learning.

6           Thank you all for this opportunity to  
7 briefly address a number of issues germane to  
8 higher education, accreditation, and the Department  
9 of Education. My comments, as theirs, reflect the  
10 views of the Council of Regional Accrediting  
11 Commissions.

12           I appear before you today having served as  
13 a leader in many of the higher education sectors  
14 identified and challenged to action in the report  
15 of the Secretary's Commission on the Future of  
16 Higher Education: as the President of two community  
17 colleges, as the Secretary of Education in the  
18 Commonwealth of Virginia, as a faculty member at  
19 several institutions, and currently as president of  
20 a regional accrediting association.

21           During my tenure as president of the  
22 community colleges in Virginia, I was an active  
23 participant in the work of the Commission on  
24 Colleges, not only leading my academic community

1 during its reaffirmation of accreditation process,  
2 but also as chair of visiting committees,  
3 volunteers committed to the work of the Commission.  
4 It is from these perspectives that I make my  
5 comments today.

6           Regional accrediting commissions are  
7 comprised of diverse members. Their missions and  
8 governance vary. My commission's membership  
9 includes private for-profit, private not-for-  
10 profit, and public colleges and universities,  
11 single-sex institutions, Historically Black  
12 Colleges and Universities, military academies,  
13 community and technical colleges, liberal arts  
14 colleges, art institutes, chiropractic and medical  
15 schools, comprehensive graduate institutions,  
16 doctoral degree-granting and research institutions,  
17 seminaries, and many other institutions of higher  
18 education that cannot be categorized.

19           This wealth of diversity has been our  
20 region's strength. It defines our organization and  
21 demands that our self-regulatory process includes  
22 capable administrators, faculty, staff, students,  
23 and public members in conversations about the type  
24 of standards and processes that make our

1 accreditation valuable and credible. It is this  
2 input from those representing our diverse  
3 population, their genuine respect for the  
4 organizational complexity and the myriad  
5 institutional missions in the region, and their  
6 understanding of the design service of our colleges  
7 and universities to their respective constituents  
8 that provides a reliable structure for addressing  
9 challenges confronting higher education  
10 institutions throughout our region. It is a  
11 unique, decentralized system of people driving  
12 others toward intellectual, social, and cultural  
13 improvement.

14           Having described and stressed the  
15 importance of diversity in higher education, and  
16 the need to understand colleges and universities in  
17 terms of their missions and service, I would like  
18 to comment on a few of the points in the  
19 Secretary's Futures Commission report, which is  
20 rich with ideas. This is not a critique of those  
21 ideas, rather it is a perspective that challenges  
22 others to consider accreditation's role in future  
23 discussions involving the transformation of higher  
24 education.

1           First, faculty are key players in any  
2 change that takes place in higher education,  
3 whether it pertains to defining and evaluating  
4 student achievement, developing new pedagogues,  
5 curricula, and technologies to improve learning, or  
6 creating new learning paradigms. Federal mandates  
7 in the areas above do not ensure faculty buy-in to  
8 requirements for change, but institutional success  
9 requires their commitment. The report of the  
10 Futures Commission speaks to the support of various  
11 processes needed to ensure change, but with the  
12 exception of one recommendation, does not speak  
13 directly to faculty, the people who will eventually  
14 drive that change if it is to be meaningful.

15           Secondly, in the application of the  
16 Secretary's criteria for recognition of accrediting  
17 bodies, it appears that the Department views all  
18 accrediting commissions as being the same, with  
19 little regard for their diverse missions, the  
20 constituents they serve, or the initiation of any  
21 innovative processes that accrediting commissions  
22 may want to use to challenge institutional  
23 improvement. The federal record supports this  
24 statement. If the Futures Commission truly

1 supports innovation in education, then, rather than  
2 expecting all accrediting bodies to look and act  
3 alike, the Department of Education, in its  
4 application of the criteria for recognition, should  
5 allow for more flexibility for those accrediting  
6 commissions that present initiatives designed to  
7 encourage institutions to focus on student  
8 learning. How can accrediting commissions address  
9 fundamental issues related to the transformation of  
10 higher education when current federal regulations  
11 accept only cookie cutter responses?

12           Thirdly, there are two fundamental  
13 questions related to transparency: How will  
14 information be used? And who will use it? It is  
15 reasonable to expect a higher education institution  
16 to publish consumer-friendly data about student  
17 learning in the areas of value-added learning and  
18 student achievement. This is fundamental  
19 information for any student and parent choosing a  
20 college or a university. However, it is  
21 unreasonable to expect that this same information,  
22 produced in accord with a particular institutional  
23 mission, can be fed into a common database and  
24 provide any substantive and credible information

1 after being stripped of its mission-specific goals.

2           What is its value? You can have useful,  
3 reliable information if it is provided and  
4 published by institutions and customized to the  
5 effectiveness of their educational programs and  
6 student learning goals. But once you force this  
7 information into common formats, the information in  
8 the aggregate will have little value. It would be  
9 better to expect the federal government to enhance  
10 and improve the collection of information on IPEDS  
11 and other current tools and use this for the  
12 publication of aggregate data, and then expect  
13 institutions to provide and publish their own data  
14 on student learning specific to their goals and  
15 missions.

16           Fourth, regional accreditation supports  
17 the statements of the Futures Commission's report  
18 that challenges accrediting commissions to share  
19 evaluative information with the public about an  
20 institution's performance. However, the report  
21 does not address three consequences when disclosure  
22 precedes final action by the accrediting  
23 commission.

24           First, an onsite evaluation report is a

1 snapshot of an institution taken at a particular  
2 point in time, and measured against standards of  
3 good practice in higher education. The institution  
4 is expected to use the report to make changes in  
5 areas of identified weaknesses. It is very  
6 difficult to make those changes at the same time it  
7 is answering questions from the public regarding  
8 the Committee's findings. The report is only of  
9 value to the consumer when it is weighed against  
10 the changes made by the institution to address  
11 findings.

12           Second, and this comes as no surprise to  
13 you, particular sectors of the public will use  
14 preliminary findings and committee evaluation  
15 reports to further that sector's own agenda, rather  
16 than provide a balanced view of an institution's  
17 performance. This impedes the institution's  
18 progress in addressing areas that need change, and  
19 it could influence external support for the needed  
20 change.

21           Finally, full disclosure evaluation  
22 reports affect the candidness and rigor of team  
23 members responsible for writing the report.  
24 Accrediting commissions would better serve the

1 public and the institution if it released  
2 information after final action on accreditation,  
3 highlighting the strengths and weaknesses of the  
4 institution, and providing areas of needed  
5 improvement. There is no question that public  
6 disclosure prior to final action by the Commission  
7 will affect the rigor of the review.

8           And finally, Dr. Crowe's comments  
9 regarding student learning bear repeating. He  
10 said, "Most regionally accredited colleges and  
11 universities will freely testify that, for the past  
12 10 to 15 years, assessment of student learning has,  
13 in many ways, shaped their relationship with their  
14 regional accrediting commissions." Assessment of  
15 student learning outcomes is core to the  
16 accreditation enterprise. The evaluation of inputs  
17 and processes addresses an institution's ongoing  
18 capability to sustain its assessment efforts. To  
19 be accountable to the public, accreditation must  
20 continue to address student learning and  
21 institutional capability.

22           It was my goal during this testimony to  
23 provide you with a perspective from regional  
24 accreditation that would challenge you to consider

1 accreditation's role in future discussions  
2 involving the transformation of higher education.  
3 My CRAC colleagues and I look forward to continuing  
4 that dialogue, especially on the 29<sup>th</sup>.

5 Thank you.

6 **DAVID BERGERON:** Thank you, Dr. Wheelan.

7 Mark Rosenberg, please.

8 Again, could you state your name and your  
9 affiliation for the record?

10 **MARK ROSENBERG:** Good morning. I am Mark  
11 Rosenberg. I am the Chancellor of the State  
12 University System of Florida. I have in my  
13 responsibility 11 public universities in the state,  
14 nearly 300,000 students, and about \$3.5 billion  
15 worth of state expenditure. I also happen to be a  
16 political scientist and a Latin Americanist, and  
17 was a major beneficiary of federal initiatives  
18 through the National Defense Education Act and  
19 Title VI for language and area studies when I was  
20 at the University of Pittsburgh as a graduate  
21 student. And then, subsequently, at Florida  
22 International University, we created a National  
23 Resource Center on Latin America. That federal  
24 funding was crucial to expanding our ability to

1 prepare students for the challenges that we are  
2 continuing to have in this hemisphere.

3           So, in many ways, I bring a perspective  
4 that not only folds into the larger  
5 responsibilities, I have--but where I came from, as  
6 well as a professional, so I appreciate the  
7 opportunity to speak to you today.

8           Here in Florida, our geography is our  
9 destiny. Today's events in Latin America and the  
10 Caribbean will have an immediate impact upon us in  
11 this state as increasingly we are seeing throughout  
12 the southwestern United States, as well, something  
13 as simple as an exchange rate fluctuation in  
14 Western Europe or, indeed, the Far East, can have  
15 an immediate impact upon our economy, in terms of  
16 tourism and property values. So we are very much  
17 at the cutting edge of the global economy.

18           Despite this privileged, if you will,  
19 position, it is striking that our state  
20 universities send out fewer than three percent of  
21 our students to study abroad. So, therefore, what  
22 I would like to address to you today, very briefly,  
23 is just share with you some observations about the  
24 Secretary's Futures Commission, and elements that,

1 in particular, are important as we move forward.

2           First of all, we do welcome the concerns  
3 about global and language training. I want to note  
4 that, while we, in this era, have to be  
5 legitimately concerned about the hardware of  
6 national defense, it is equally obvious today,  
7 perhaps more than when Sputnik went up in the 50's,  
8 which engendered the National Defense Education  
9 Act, that we need to be incredibly mindful and  
10 vigilant about the software of national defense.

11           You know it better than I, but let me just  
12 repeat that we, this year, will spend a little over  
13 \$100 million through Title VI on foreign language  
14 training and, if you will, cultural immersion.  
15 That \$100 million is what we are investing in one  
16 new F-35. And so the concern that we have is to  
17 find a way to balance out, if you will, national  
18 defense hardware with national defense software.  
19 And I think that the recommendation, in particular,  
20 that focuses on language training and study abroad  
21 is very important to us.

22           Second of all, we would like to see the  
23 Lincoln Commission initiatives that have been so  
24 much discussed funded through Title IV. We believe

1 that Title IV will offer the best opportunity to  
2 have the widest impact on our students nationally  
3 at all levels, who will be eligible for financial  
4 aid. Clearly, the absence of financial aid  
5 opportunities is a major impediment, at least in  
6 Florida, for our students studying abroad.

7           Finally, I am going to be spending a lot  
8 of time with our very large congressional  
9 delegation on these matters, and will look forward  
10 to working with you to ensure that we can find a  
11 way to improve our national defense software.

12           Thank you very much.

13           **DAVID BERGERON:** Thank you.

14           **DAVID BERGERON:** Frank Harrison.

15           **FRANK HARRISON:** Good morning.

16           **DAVID BERGERON:** Good morning.

17           **FRANK HARRISON:** My name is Frank  
18 Harrison, and I represent the University of South  
19 Florida as their Student Body President. I am also  
20 the Chair of the Florida Student Association, which  
21 places me on the Board of Governors, which I  
22 believe, technically, makes me Dr. Rosenberg's  
23 boss.

24           [Laughter.]

1           **FRANK HARRISON:** So the 11 public  
2 universities, the 300,000 students, and the \$3.5  
3 billion, and the Chancellor are my responsibility.

4           [Laughter.]

5           **FRANK HARRISON:** Today--but I do want to  
6 exacerbate his points regarding study abroad; I  
7 think that is imperative. The student leaders of  
8 the state of Florida recognize their role as  
9 stakeholders in continuing to improve their higher  
10 education system. Responsibility should be shared  
11 among federal, state, and institutional levels to  
12 this effect. In the next few minutes, I will  
13 briefly expand our driving philosophy within the  
14 Florida Student Association, also known as FSA, our  
15 focus on the current times, and then touch on a few  
16 concrete recommendations.

17           As students, we are strongly committed to  
18 attaining a globally competitive, world-class  
19 education. While quality, achievement, and  
20 accountability are large component pieces of such  
21 an education, I am here today to specifically  
22 address access and affordability. These pieces are  
23 less glamorous parts of the model, but they  
24 represent the foundation that will ensure a strong,

1 educated economic workforce in our state and  
2 nation. The university's role in what Richard  
3 Florida has termed "the creative economy" is  
4 critical to both the education of our citizenry,  
5 and the implementation of new technologies and  
6 talents therein.

7 I would also like to bring knowledge to  
8 the fact that I make these comments regarding  
9 affordability in the state that has the second  
10 lowest sticker price tuition in the country, but I  
11 think it is important to bring to this hearing's  
12 attention that, even with that low price, we have  
13 still received for the past two report cards, an  
14 "F" from measuring up because there is not  
15 significant need-based aid in the state of Florida;  
16 we are working to address that, which I will get  
17 into, but the federal part is a large help to that  
18 effect.

19 Our current focus, these components are  
20 particularly relevant to the state of Florida as  
21 they pertain to under-represented populations. Our  
22 Governor's recent Commission on Access and  
23 Diversity underscored the contributions of  
24 diversity to a globally competitive education.

1 Ensuring the inclusion of under-represented groups  
2 ensures a better, more holistic education that  
3 prepares all groups for the increasingly global,  
4 diverse society.

5           Moreover, society's most rapidly growing  
6 groups are those that are most disadvantaged  
7 economically and educationally. In Florida, for  
8 instance, 46 percent of our Pre-K through 12<sup>th</sup>  
9 students in public schools are eligible for the  
10 Free and Reduced Lunch Program, with the majority  
11 of the students coming from traditionally under-  
12 represented minority groups. We must ensure that  
13 these groups become educated if we are to maintain  
14 our place in the global marketplace.

15           Governor Bush, in conjunction with our  
16 legislature, has supported a series of initiatives,  
17 including a substantial increase in need-based  
18 financial aid, such as our Florida Student  
19 Assistance Grant, the establishment of our first  
20 generation matching grant program to provide  
21 assistance to those families who have not attained  
22 a baccalaureate degree. Students in the state of  
23 Florida are committed to a higher quality  
24 education, but financial aid policy development,

1 and the role of federal assistance therein, are  
2 critical to the economic development of both our  
3 state and nation.

4           Recommendations consistent with the  
5 Spellings' Commission, we support the substantial  
6 increase in the amount of federal support for the  
7 need-based Pell Grant, and the assistance to those  
8 students who do not qualify for the Pell, but who  
9 cannot afford the full cost of attendance. As you  
10 all are well aware, there are more and more  
11 students coming to college these days that are  
12 considered non-traditional or part-time adult  
13 learners.

14           We would also like to see the introduction  
15 of more match-based programs that promote shared  
16 responsibility between federal, state, and even  
17 institutional levels, as well as the simplification  
18 of the FAFSA--talking about affordability and  
19 access, accountability of that affordability is  
20 also important. The FAFSA, as you all know, is a  
21 very complicated form, and those people who need to  
22 be filling it out the most, the people who are  
23 coming from these under-represented groups, have  
24 the least experience in filling out those kinds of

1 forms.

2           In today's society, one of the unfortunate  
3 disadvantages of the public sector that all private  
4 sector businesses, with their focus on customer  
5 service, everything from eBay, to AOL Instant  
6 Messenger, to fast cash at ATMs--we're held to the  
7 same standard of service in education and filling  
8 out forms to go to education. The people who are  
9 least--whose families who have never been to  
10 college have the hardest time doing this, and we  
11 really need to modernize that form to speak Greek.

12           Moving on, finally, I would like to thank  
13 you for your time and consideration. The Florida  
14 Student Association is devoted to ensuring a world-  
15 class education for its students, and looks forward  
16 to its continued partnership with state and federal  
17 stakeholders to improve access and affordability to  
18 our higher education system.

19           **DAVID BERGERON:** Thank you.

20           One of the things that we found throughout  
21 this series of hearings is that we have a  
22 tremendously articulate group of students who have  
23 been coming to these hearings. We have appreciated  
24 very much their comments throughout the process.

1 [Discussion off the record.]

2 **DAVID BERGERON:** And we are going to  
3 continue with students for a second, if you will  
4 indulge us.

5 **DAVID BERGERON:** Tej Okun. Did I get that  
6 anywhere near right?

7 **TEJ OKUN:** You got it, thank you.

8 **DAVID BERGERON:** Thank you.

9 **TEJ OKUN:** Good morning.

10 **DAVID BERGERON:** Good morning.

11 **TEJ OKUN:** As you said, my name is Tej  
12 Okun. I am a senior at the University of Central  
13 Florida. As the Undergraduate Student  
14 Representative of the Florida chapter of the  
15 National Association of Social Workers, I have seen  
16 my peers struggle with the decision of whether or  
17 not to further their education by attending  
18 graduate school. Although the average Bachelor of  
19 Social Works earns less than \$30,000, many  
20 graduating seniors are opting against graduate  
21 school on the sole basis of the fact that they  
22 simply cannot afford it.

23 In order for our school to be accredited  
24 by the Council on Social Work Education, we must

1 complete a 420-hour field placement in our last  
2 semester of undergraduate course work. This  
3 averages to 28 hours a week of unpaid work on top  
4 of the other classes we may be taking to finish our  
5 degrees. This renders most students unable to  
6 maintain employment, and many are forced to take  
7 out student loans to not only pay tuition, but to  
8 cover the living expenses previously covered by  
9 part-time employment.

10           Although the average student debt at UCF  
11 is almost \$13,000, I would venture to guess that  
12 social work students are taking out loans in  
13 greater quantities. Many graduating seniors decide  
14 that the cost of graduate school, which is about  
15 three times per credit hour the amount of  
16 undergraduate course work--the costs just highly  
17 outweigh the benefits.

18           Due to the substantially high loan debt  
19 and low incomes, many social workers are forced to  
20 leave the profession when the financial burden  
21 becomes unbearable. This is not only a loss to the  
22 social worker and his or her family, but to the  
23 needy populations which he or she serves.

24           Loan forgiveness programs, such as the

1 five-point plan for manageable debt proposed by  
2 PIRG, would address the economic hardships of  
3 professionals, such as social workers, educators,  
4 and clergy, and could potentially remedy this  
5 unfortunate situation.

6 Thank you for your time.

7 **DAVID BERGERON:** Thank you.

8 **DAVID BERGERON:** Nicole Stevenson.

9 **DAVID BERGERON:** Erin McNeery.

10 **DAVID BERGERON:** Elise Scanlon.

11 **ELISE SCANLON:** Scanlon.

12 **DAVID BERGERON:** Sorry.

13 **ELISE SCANLON:** That is all right.

14 Good morning.

15 **DAVID BERGERON:** Good morning. Thank you.

16 **ELISE SCANLON:** My name is Elise Scanlon,  
17 and I am the Executive Director of ACCSCT, which is  
18 the Accrediting Commission of Career Schools and  
19 Colleges of Technology.

20 Thank you for the opportunity to speak  
21 before you today on the issue of accreditation.

22 As a national accrediting agency that has  
23 been recognized by the Secretary since 1967, ACCSCT  
24 accredits more than 800 primarily for-profit,

1 career-focused institutions. ACCSCT is also a  
2 member of the Council of Recognized National  
3 Accrediting Agencies, or the CRNAA, which includes  
4 six accrediting bodies accrediting 3,100  
5 institutions throughout the United States.

6           While today I am speaking on behalf of  
7 ACCSCT, my comments here will echo many of the  
8 sentiments included in a letter from the CRNAA sent  
9 to Secretary Spellings in September. In that  
10 letter, the CRNAA supported the Futures  
11 Commission's recommendations.

12           ACCSCT believes that the Department of  
13 Education currently has the authority to take some  
14 action to improve access, accountability, and  
15 transparency in higher education, and that this can  
16 be accomplished while preserving the unique  
17 relationship accrediting agencies have with the  
18 institutions they accredit, and the peer review  
19 process, which is a critical feature of  
20 accreditation.

21           Today I will provide some thoughts on the  
22 recommendations of the Commission, and how  
23 accreditation can play a significant leadership  
24 role in improving higher education, with a focus on

1 measuring student achievement, making the  
2 accreditation process more transparent, and  
3 encouraging and supporting the mobility of our  
4 students. I hope the Department of Education will  
5 consider these ideas as it contemplates regulations  
6 to implement the Commission's regulations.

7           First, measuring outcomes and  
8 accountability. ACCSCT strongly supports the  
9 notion that the quality and success of all  
10 institutions of higher education should be  
11 determined in significant part on outcomes'  
12 measurements. When Congress last reauthorized the  
13 Higher Education Act in 1998, it signaled a clear  
14 intention for the Department of Education to  
15 require accrediting agencies to develop standards  
16 in this area. At that time, Congress revised the  
17 recognition criteria for accrediting agencies to  
18 include assessment of student achievement outcomes  
19 more specifically.

20           When the Department of Education amended  
21 its regulations in 1999, it noted the increased  
22 importance of reviewing outcomes in the preamble to  
23 those regulations. The preamble stated that  
24 accreditors should monitor in a systematic way the

1 institution's or program's performance, with  
2 respect to student achievement, including, as  
3 appropriate, completion rates, job placement rates,  
4 or other measures of occupational competency. For  
5 any accreditor reviewing institutions offering  
6 vocational education, the Department of Education  
7 stated quite specifically its intention that  
8 accreditation standards should be quantitative for  
9 completion, job placement, and pass rates on  
10 licensor examinations.

11           As noted in the CRNAA letter, the national  
12 accrediting agencies have focused on student  
13 achievement outcomes for nearly a decade now.  
14 ACCSCT has had standards in place since 1998 to  
15 review comparative data on graduation and job  
16 placement. Our schools are required to demonstrate  
17 acceptable rates on an annual basis for all  
18 programs. In addition, each of the national  
19 agencies has in place standards requiring  
20 institutions to focus on continual improvement in  
21 these areas. In doing so, we require our  
22 institutions to involve the employment community in  
23 discussions on how to develop and maintain programs  
24 that are relevant and current to meet workforce

1 skill requirements.

2           While we recognize the significant  
3 diversity in the types of higher education in the  
4 U.S. today, as was pointed out, I think, quite  
5 eloquently by my colleague from SACS, we believe  
6 that measuring outcomes is an area in which all  
7 accrediting agencies, regardless of the types of  
8 schools they accredit, can do a better job.  
9 Certainly, at a minimum, all accrediting agencies  
10 that accredit vocational education programs can and  
11 should measure student achievement outcomes. We  
12 believe the Department of Education has the  
13 authority to create greater consistency among  
14 accrediting agencies in the development and  
15 implementation of quantitative standards for  
16 measuring student achievement outcomes for  
17 vocational programs especially. Creating some  
18 baseline of consistency is essential if one of the  
19 Department's goals is to encourage greater  
20 disclosure of outcomes data on which the public  
21 might increasingly rely.

22           Another area which we believe  
23 distinguishes national accrediting agencies in the  
24 context of accountability is in the level of

1 contact with our schools. The average grant of  
2 accreditation for a national school is five years;  
3 for ACCSCT, five years is the maximum grant. We  
4 regularly reaccredit schools with conditions  
5 requiring further visits and review. ACCSCT also  
6 requires institutions to provide annual data on  
7 outcomes, substantive changes, and changes in  
8 financial position.

9 ACCSCT and other national agencies review  
10 every new program created by each of our  
11 institutions, and require preapproval for every new  
12 location opened. We believe that this level of  
13 contact is essential to ensuring quality in the  
14 area of substantive change and additional  
15 locations. Ensuring consistency in accreditation  
16 processes is extremely important.

17 With regard to transparency, ACCSCT  
18 supports the interests of the Commission and the  
19 Department of Education in improving the public's  
20 understanding of the accreditation process. In  
21 addition, we support the provisions in the pending  
22 house reauthorization bill, which would require  
23 disclosure of increased information about  
24 accreditation, including, for example, public

1 disclosure of agency actions.

2 Further exploration of ways in which both  
3 accrediting agencies and institutions can disclose  
4 information about student achievement and the  
5 accreditation process itself is needed. We can  
6 achieve a better balance between broader  
7 disclosure, and successful peer review, and the  
8 self-evaluation process.

9 Finally, I would like to address transfer  
10 of credit. The Commission report recognized the  
11 increasing enrollments of the non-traditional  
12 student, older, often employed, part-time, and  
13 mobile. While transfer students are not tracked in  
14 current data, we know students are increasingly  
15 attending more than one institution in order to  
16 complete their education. We also know that there  
17 is a lack of flexibility demonstrated by  
18 institutions in accepting students' credits when  
19 they transfer. We are pleased that the Commission  
20 recognized the negative effects of these current  
21 barriers. Denial of credits results in the denial  
22 of access, as well as increased education costs  
23 when students are forced to take and pay for the  
24 same course more than once.

1           Included in the Commission's  
2 recommendations is a suggestion that the Secretary  
3 should develop a national strategy that would  
4 result in better and more flexible learning  
5 opportunities, including an emphasis on the ability  
6 to transfer credits among institutions more easily.  
7 We support such an effort.

8           Accrediting agencies can play an important  
9 role in facilitating credit transfer. All  
10 accrediting agencies, whether regional, national,  
11 or specialized, are recognized by the Secretary  
12 under identical criteria and processes. The  
13 Council on Higher Education and Accreditation,  
14 CHEA, and other organizations have jointly and  
15 formally adopted a policy confirming that  
16 institutions should evaluate credits for transfer  
17 without relying solely on the sending institution's  
18 accreditation. And yet, ACCSCT regularly learns--  
19 almost daily, learns--of examples of regionally  
20 accredited institutions denying credits from  
21 students solely based on the national accreditation  
22 of the sending institutions. We believe the focus  
23 in these decisions should be instead on course  
24 equivalency and student competency.

1           In 2005, a report prepared by the  
2 Government Accountability Office on the transfer of  
3 credit issue confirmed ACCSCT's own experience,  
4 noting that 84 percent of postsecondary  
5 institutions have policies to consider the  
6 accreditation of the sending institution when  
7 assessing transfer credits. We believe that this  
8 is a national problem requiring a national  
9 solution. We supported HEA legislation which would  
10 have prohibited the denial of transfer credits  
11 based solely on accreditation. In the absence of a  
12 reauthorized statute, we believe that this is an  
13 issue that requires the Department of Education's  
14 leadership and, at a minimum, a facilitated  
15 discussion on how accrediting agencies might better  
16 ensure that their institution's admissions policies  
17 do not result in the arbitrary denial of credit  
18 transfers.

19           In conclusion, I would like to emphasize  
20 that accreditation plays an important role in  
21 ensuring institutional quality, and I hope that the  
22 Department will continue to rely on accreditation  
23 to create more consistency in measuring outcomes,  
24 increased transparency, and student access.

1           We look forward to the opportunity to work  
2 with the Department of Education as it moves  
3 forward with the discussions on accreditation. I  
4 have a written statement that I will leave behind  
5 for your convenience.

6           Thank you very much.

7           **DAVID BERGERON:** Thank you very much.

8           **DAVID BERGERON:** Nicole Stevenson.

9           **NICOLE STEVENSON:** Good morning.

10          **DAVID BERGERON:** Good morning. How are  
11 you, Nicole?

12          **NICOLE STEVENSON:** First of all, I would  
13 like to thank you for providing the opportunity for  
14 us to come and speak to you today about the  
15 critical issue of loan forgiveness.

16           I stand before you as a representative of  
17 graduate students across the nation who have  
18 varying amounts of student loans. I personally  
19 have accumulated approximately \$65,000 in debt in  
20 order to complete my master's degree. I was unable  
21 to find information on what the average amount of  
22 student loan debt is for a social worker with a  
23 master's degree in the state of Florida, so I  
24 interviewed 95 master's students at Barry

1 University School of Social Work in Miami Florida,  
2 where I attend. Out of these 95 students, 57  
3 percent of us will owe more than \$40,000 at  
4 graduation. The combined debt of these 95 students  
5 is \$4.8 million.

6 I represent students who have made a  
7 lifelong commitment to serving at-risk and  
8 forgotten people by choosing to become social  
9 workers. Social workers are known for working with  
10 vulnerable people, such as the poor; everyone knows  
11 that. We also advocate for policies to address  
12 pressing social problems, conduct research on how  
13 to most effectively deal with issues such as  
14 substance abuse and domestic violence, and organize  
15 communities to advocate on their own behalf. The  
16 core of social work is our commitment to building a  
17 more just and humane society. These are not  
18 glamorous jobs, but they are essential, and we are  
19 committed to providing a wide array of services to  
20 those in need.

21 With the cost of living continuing to  
22 increase, paying back student loans is going to  
23 create a substantial problem for all of us. The  
24 average starting salary for a professional social

1 worker with a graduate degree and six years of  
2 postsecondary education in the state of Florida is  
3 approximately \$30-35,000. This is less than half  
4 of the accumulated debt that we owe the federal  
5 government.

6 I strongly believe that failing to offer  
7 lower interest rates and loan forgiveness programs  
8 means fewer and fewer students will be willing to  
9 pursue professional education in areas such as  
10 social work. A significant decrease in a  
11 qualified, professional workforce is to the  
12 detriment of all of our communities and the most  
13 vulnerable groups of our society. The extent to  
14 which societies have qualified and educated  
15 professionals addressing the most serious and  
16 increasing issues in this post-9/11 era is directly  
17 related to ability for younger adults to access  
18 institutions of higher education.

19 Every social worker I have ever met has a  
20 passion for their work that is oftentimes not  
21 mirrored in other professional settings. Each  
22 social worker wants to effectively help as many  
23 people as they can better themselves. Why must we  
24 be forced to serve those deserving people at a wage

1 that we cannot live on? No social worker expects  
2 to become wealthy by filling social work positions,  
3 but must they be forced to choose between helping  
4 those in need and sufficiently providing for their  
5 families?

6           Loan forgiveness is an integral part in  
7 helping those of us who have made it our lifelong  
8 mission to help others survive and thrive. It is a  
9 well-known fact that happy workers are more  
10 productive. Part of the happiness that we, as  
11 social workers, deserve is the assurance that we  
12 can afford to provide for our families and work  
13 jobs we love without worrying about the enormous  
14 debt hanging over our head because of our student  
15 loans.

16           Thank you, again, for giving me an  
17 opportunity to speak on this matter.

18           **DAVID BERGERON:** Thank you.

19           **DAVID BERGERON:** Erin McNamee.

20           **ERIN McNAMEE:** Good morning.

21           **DAVID BERGERON:** Good morning.

22           **ERIN McNAMEE:** That was close enough.

23           My name is Erin McNamee, and I am a first-  
24 year graduate student studying social work at Barry

1 University in Miami, Florida. I have served my  
2 country as a Peace Corps volunteer and, upon  
3 completion of my master's degree I plan to serve my  
4 community as an advocate for child welfare.

5           For many, earning a master's degree in  
6 social work is the first step to attaining a  
7 therapeutic license. Clinical social workers have  
8 the unique opportunity to provide counseling as  
9 well as advocacy and support to the most at-risk  
10 members of our population. These well-trained  
11 professionals are charged with enormous tasks,  
12 often earning notoriously low pay.

13           If not for the social worker, who would  
14 remove the barriers to education that plague so  
15 many of our youth? Who would help the prisoner  
16 reintegrate into society? Who would assist a son  
17 in placing his mother into a nursing home, save a  
18 child from an abusive home, navigate hospital  
19 protocol for the family of a cancer patient,  
20 advocate for a rape victim, hold the hand of the  
21 dying?

22           Policies can be written, laws enacted, and  
23 budgets passed, but these mean nothing without  
24 someone who will carry out the tasks necessary for

1 their social establishment. After all, what good  
2 is a law that protects elders from abuse if there  
3 is no one to visit their home and evaluate their  
4 care? What good is money for a drug treatment  
5 program without someone to offer advice, support,  
6 and counseling?

7 I am intelligent, well educated,  
8 resourceful, and extremely passionate about serving  
9 those in need. In short, I am exactly who you  
10 would want to serve as a social worker in the above  
11 capacities, but you will lose me. You will lose  
12 me, and others like me to the private sector simply  
13 because we cannot afford to do the work that we  
14 long to do.

15 Upon graduation, I will have accumulated  
16 close to \$60,000 in student loan debt. If I am  
17 lucky, I will get a job that pays me \$35,000 a  
18 year. That means that close to 30 percent of my  
19 income will go toward repayment of my student  
20 loans.

21 Ladies and gentlemen, I implore you to  
22 make the necessary changes to the federal student  
23 loan program so that professional social workers  
24 can serve their communities without falling into

1 the poverty threshold themselves. Please untie our  
2 hands and allow us to do the work that we have been  
3 called to do.

4 Thank you.

5 **DAVID BERGERON:** Thank you.

6 **DAVID BERGERON:** Glen McGhee. Could you  
7 state your name and organization into the  
8 microphone?

9 **GLEN MCGHEE:** My congratulations to Jim in  
10 his ascension. I hope it works out for you.

11 For the record, my name is Glen McGhee,  
12 and I am the Director of the Florida Higher  
13 Education Accountability Project, otherwise known  
14 as FHEAP. FHEAP is a loosely connected national  
15 watchdog group where we believe that accreditation  
16 reform is the key to bridging the accountability  
17 gap in higher education.

18 I am here to bring you some bad news about  
19 minimum standards in higher education for the  
20 Southern states, those standards mandated by  
21 Congress in 1992 as part of the program integrity  
22 requirements of the Higher Education Act. The sad  
23 truth is there are no minimum accreditation  
24 standards, because the quality control function of

1 the regional accrediting association in the South  
2 has broken down.

3           What is sad about this is that the  
4 students--you know, the last person was talking  
5 about the students suffering--the students suffer,  
6 too. I want to focus on the faculty--I am talking  
7 about 34 CFR 602.26, which was moved over to  
8 602.16(a), and those standards cited there relating  
9 to student achievement measure of program length  
10 and faculty qualifications.

11           Although 12 higher education standards  
12 were first put in place through the HEA amendments  
13 of 1992, these were quickly put on the backburner  
14 by then-Secretary Richard Riley. If you look at  
15 the final for April 29, 1994, apparently he was  
16 badly burned during the onslaught to overturn the  
17 SPRES.

18           Anybody here remember that, in 1990,  
19 everything went upside down? Subpart 1 got pushed  
20 off the table, but Subpart 2 has apparently gotten  
21 forgotten. It is still there; those are the  
22 program integrity requirements. Secretary Riley  
23 adopted what he called, "A minimalist approach to  
24 implementing Part H, Section 496." That is a

1 hands-off approach, and this is why we now have  
2 what could be called "standardless standards."

3           The result, at least in the South, has  
4 been devastating. Instructors without four-year  
5 degrees, without any kind of graduate work--I am  
6 talking about zero graduate credits--are teaching  
7 in areas they have been assigned to, and allowed to  
8 step into community college classrooms to teach  
9 four-year transferable courses.

10           We believe that rulemaking modeled on the  
11 highly qualified teaching provisions of No Child  
12 Left Behind is needed. These provisions quite  
13 rightly, in our view, were put in place to combat a  
14 very grave threat to student learning.  
15 Consequently, we would argue the threat, as well,  
16 is a harm to taxpayers and the federal interest,  
17 namely out-of-field teacher assignments. As you  
18 probably know, this is a big problem in secondary  
19 education, so much so that it has required a  
20 federal initiative to deal with it and, even now,  
21 no one is sure if it is going to work to fix the  
22 problem.

23           So I am here today to tell you that out-  
24 of-field teaching in higher education is higher

1 education's best-kept dirty little secret, and that  
2 it will not go away until accreditors begin to  
3 address it. The reason for this is simple. The  
4 same micro-political factors that operate at the  
5 secondary level, that cause out-of-field teacher  
6 assignments, are also operating at the community  
7 college level. They are also operating in  
8 postsecondary education, and it is creating the  
9 same problems.

10           These systemic problems reaching almost as  
11 high--we did a study of Bay County's dual  
12 enrollment program, and almost 50 percent of the  
13 instructors did not have 18 graduate hours, the  
14 Good Practice requirement, in what they were  
15 teaching for college credits. This is supposed to  
16 be addressed by accreditors as part of their  
17 quality assurance provisions responsibilities, but  
18 it turns that is what happened is SACS is working  
19 instead to perpetuate the status quo through their  
20 peer review process and in-house institutional  
21 studies.

22           None of this, of course, is objective,  
23 including the way the institutions vote on the  
24 standards that they themselves will use for their

1 own accreditation. Others have long observed that  
2 this is very incestuous and self-serving, just as  
3 it was when it was first put in place 800 years ago  
4 when the European university guilds first emerged.

5 So, clearly, steps must be taken by the  
6 Secretary for the gradual elimination of the  
7 standardless standard policy now in place.

8 Thank you.

9 **DAVID BERGERON:** Thank you.

10 **DAVID BERGERON:** Melissa Coral.

11 **MELISSA CORAL:** Good morning.

12 **DAVID BERGERON:** Good morning.

13 **MELISSA CORAL:** As you stated, my name is  
14 Melissa Coral. I am a graduate student at the  
15 University of Central Florida. I am also the  
16 graduate representative of the Florida chapter of  
17 the National Association of Social Workers. I am  
18 here to support this hearing by encouraging changes  
19 in the loan repayment process.

20 This past spring I faced a treacherous  
21 professional crossroad. I was graduating with my  
22 undergraduate degree in social work. I was eager  
23 to earn my master's degree, yet I did not know if I  
24 could afford it. I am a first generation college

1 student of immigrant parents. They cannot support  
2 me financially, and entering the one year of  
3 master's program required for me to quit my part-  
4 time job and focus on my studies.

5 I began to worry about how I would pay for  
6 my living expenses, my books, and my classes. I  
7 also wondered if this decision would impact my  
8 life. Would I be able to enjoy my first  
9 professional salary, or would it go toward repaying  
10 my loans?

11 When faced with the crucial decision of  
12 continuing on to grad school, I faced times of  
13 self-doubt and uncertainty. I knew that various  
14 non-profit and social service agencies would not be  
15 able to reward me for these educational  
16 attainments. Also, I know that paying for college  
17 would be primarily financed by college loans. In  
18 the end, I followed my professional aspirations,  
19 knowing that repaying my loans would be difficult  
20 on a \$30,000 to 40,000-a-year salary.

21 Today I am asking you to help students and  
22 reward them, instead, for choosing to attain  
23 postsecondary education. I believe that if one's  
24 income is taken into account, it will greatly

1 benefit college students in the social work and  
2 other helping fields. In addition, taking into  
3 account one's family size will assist you to  
4 provide for their children or older family members.

5 I believe that these proposed changes will  
6 help students better manage their loan repayment  
7 and lighten their financial strain. These changes  
8 will support those of us who choose helping  
9 professions, such as teaching, social work, or  
10 counseling. We are not highly rewarded monetarily,  
11 yet we are greatly needed by society.

12 Therefore, I believe making these changes  
13 in the loan repayment program would support  
14 individuals like me, and assist us while we help  
15 others. In the future, I would like for these  
16 changes to encourage more youth to choose these  
17 helping professions, without worrying about how  
18 they will pay for their education. Money is a  
19 deterrent for many college students. I believe you  
20 have the power to make it a less threatening and  
21 discouraging process by improving the loan  
22 repayment terms.

23 I look forward to helping minorities and  
24 immigrants attain mental health and social

1 services. I also look forward to serving clients  
2 in various settings, ranging from schools,  
3 hospitals, community centers, to private counseling  
4 offices. I am eager and willing to practice  
5 professional and ethical social work. I hope you  
6 take these career goals, and those of many like me,  
7 into consideration. I look forward to serving my  
8 community, and hope this commitment will be valued.  
9 In that spirit, I believe you will support students  
10 and ease the loan repayment process for us.

11 Thank you for your time.

12 **DAVID BERGERON:** Thank you. This is the  
13 last time. I know I am going to slaughter--Brad  
14 Giedd.

15 **BRAD GIEDD:** Yes. Very good.

16 **DAVID BERGERON:** Good morning, Brad.

17 **BRAD GIEDD:** Good morning. Thank you for  
18 the opportunity to be here.

19 My name is Dr. Brad Giedd. I practice  
20 locally; I am an optometrist. I am a 1997 graduate  
21 of NOVA Southeastern University, College of  
22 Optometry in Fort Lauderdale. So I bring a ten-  
23 year history of student loan debt perspective to  
24 this discussion.

1           Although I did borrow as an undergraduate,  
2 my testimony concentrates on the professional  
3 students, that perspective, and the evolving crisis  
4 that student debt and changing borrowing rules are  
5 creating in my profession.

6           As you may or may not know, optometrists  
7 are the primary eye-care providers in this country,  
8 seeing a vast majority of primary eye-care  
9 patients. Like primary healthcare providers or  
10 general physicians, we are a non-surgical  
11 profession, unlike our ophthalmology counterparts,  
12 and thus we have significantly less revenue  
13 generating potential. The average annual income  
14 for optometrists is in the range of \$82,000 to  
15 \$100,000, and that may seem like a very respectable  
16 income. Unfortunately, however, the average  
17 student loan debt for optometrists graduating at  
18 most institutions has soared to more than \$120,000  
19 debt. The problem that this creates is that, even  
20 when these loans are consolidated over a 30-year  
21 period, at usually an eight to nine percent  
22 interest rate, or that is what it was when I got  
23 out of school, repayment can require as much as 20  
24 to 30 percent of one's annual income. Certainly,

1 this is well beyond what some economists have  
2 defined as a manageable amount of student loan  
3 debt.

4           Graduates with this type of debt are  
5 handicapped in several ways as they enter their  
6 practice lives. First, those wishing to pursue  
7 private practice situations typically must endure  
8 smaller salaries initially when starting, either on  
9 their own or with an existing practice. For many,  
10 this is not a reasonable option anymore, as loan  
11 repayment tends to begin right after licensure can  
12 be obtained. Thus, many of our graduates opt for  
13 some of our alternative practice types, including  
14 commercial practices, where better initial incomes  
15 can often be found.

16           The tradeoffs in this scenario can range  
17 from a loss of medical decision-making independence  
18 to diminished professional satisfaction, and,  
19 ultimately, to the loss of the long-term financial  
20 benefit that has historically been the reward in  
21 owning one's own practice.

22           You may ask why this should matter to you.  
23 Well, the big picture dilemma that has been  
24 developing during the last decade or so involves

1 the recruitment of candidates to the primary  
2 healthcare professions. We have seen a significant  
3 decline in the quantity and quality of our  
4 applicant pools, as potential candidates are seeing  
5 the writing on the wall in regard to the financial  
6 implications of choosing these professions where  
7 the expected debt burden is so high.

8           Personally, while I love the patient  
9 contact and professional interactions of optometry,  
10 I would not choose this profession if I had to do  
11 it again. I know mortgage brokers, for example,  
12 without any advanced education who have better  
13 financial situations than many doctors I know, and  
14 they have incurred little or no student loan debt.  
15 This will become problematic to the healthcare  
16 system of the United States as our population ages  
17 and these professions become more vital to the  
18 overall public health.

19           When the brightest students of today and  
20 tomorrow choose careers in real estate, for  
21 example, instead of healthcare because it is the  
22 smarter financial decision, we will all be paying a  
23 price for a system that defies its very name  
24 "financial aid."

1           What can be done to help solve this  
2 problem? Certainly, some of the responsibility  
3 lies within the colleges and universities in  
4 helping to create affordable education. Many of  
5 these programs have become education for profit  
6 machines that continue to raise tuition higher and  
7 higher, often without any explanation or  
8 justification.

9           In the case of student aid, my personal  
10 story bears witness to the large effect interest  
11 rates, for example, can have on the burden of  
12 student debt. Upon commencement, I did as most  
13 professional graduate students do, and I  
14 consolidated my loans. The interest rates at the  
15 time were in the eight to nine percent range, and  
16 30 years was the typical period. I pursued a  
17 clinical residency and deferred my loans for  
18 another three years while the interest accrued on  
19 all the unsubsidized portions of my loans. When I  
20 began repayment immediately after my residency, my  
21 initial payments were more than \$1,200 per month,  
22 and that was the income-sensitive reduced rate.  
23 These payments were to increase to more than \$1,500  
24 a month after a couple years and stay at this level

1 for the remainder of 30 years. Initially, my  
2 student loan payments were absorbing more than 30  
3 percent of my income.

4 I was one of the lucky ones, however.  
5 Through an unusual loophole in the law, I was able  
6 to reconsolidate my initial variable rate  
7 consolidation into a fixed rate loan around the  
8 time all the interest rates were dropping in 2001.  
9 My final consolidation dropped my interest rate to  
10 around four percent, and my payments to around \$900  
11 per month. So now I am at least a little under 20  
12 percent of my income. Without this lucky break,  
13 though, I can tell you there is absolutely no way I  
14 would ever be in the position to become a partner  
15 in the practice where I have been for the last six  
16 years.

17 My wife, who is also an optometrist, has a  
18 loan about half of the amount of mine, but because  
19 she consolidated in a program that stuck her around  
20 eight percent, her payments are only slightly less  
21 than mine. So you can see what a big difference  
22 just a change in interest rate in helping with the  
23 problem. She opened her own practice with another  
24 doctor three-and-a-half years ago, and they did not

1 even see the paycheck for the first two-and-a-half  
2 years. The student loan bills, however, kept  
3 coming regardless of her salary.

4           We have both worked multiple jobs and  
5 averaged a six-day work week since graduation in  
6 order to stay afloat, as we pay nearly \$2,000 per  
7 month to our student loan repayment, and that has  
8 certainly caused us to push away some bills that  
9 could be paid off, and it has prevented us from  
10 making significant contributions to our kids'  
11 college savings and to our own retirement savings.

12           While my situation is what it is, there  
13 are many that I know who have it much worse. I am  
14 certainly not complaining. I am, however,  
15 campaigning for future professional students who  
16 often do not even understand the implications of  
17 this massive student loan debt they are about to  
18 assume. I strongly urge you to carefully consider  
19 the proposed reforms offered by the student  
20 advocacy group. Time is of the essence in helping  
21 the next generation of college and professional  
22 school graduates to not be overwhelmed by the  
23 burden of student loan debt.

24           I appreciate your time.

1           **DAVID BERGERON:** Thank you.

2           **DAVID BERGERON:** Shelley Saunders.

3           As she is coming to the microphone, I will  
4 remind her to state her name and organization, and  
5 I want to say that sometimes in the other hearings  
6 we have had time for questions. We have a lot of  
7 folks signed up for testimony today, so we may not  
8 have much time for interaction, but I want to thank  
9 everybody who is testifying. Go ahead.

10           **SHELLEY SAUNDERS:** Good morning and thank  
11 you.

12           My name is Shelley Saunders, and I am the  
13 Vice President of Strategic Services with American  
14 Student Assistance.

15           American Student Assistance is a private,  
16 non-profit, federal guarantor, and it is the  
17 designated guarantor for Massachusetts and  
18 Washington, D.C. It is also one of the original  
19 guarantors to obtain a voluntary flexible  
20 agreement.

21           The foundation of our agreement with the  
22 Department of Education is to ensure that students  
23 and families receive the information and services  
24 they need to manage their education debt. ASA

1 feels that there are several overarching principles  
2 on which the Department should concentrate during  
3 the negotiated rulemaking process. Specifically,  
4 ASA suggests that the Department focus on changes  
5 to the regulations that enhance borrower benefits,  
6 simplify student loan borrowing, and promote  
7 successful loan repayment.

8           In keeping with these principles, ASA  
9 proposes the following list of issues for  
10 negotiation for both the Pell and Direct Loan  
11 programs. With respect to access to economic  
12 hardship deferment, the overly complicated process  
13 of applying for an economic hardship deferment  
14 results in the under-utilization of the deferment  
15 entitlement, and makes it simpler for a lender to  
16 offer the borrower a less beneficial, especially in  
17 the long run, discretionary forbearance.

18           Current regulations also base eligibility  
19 exclusively on the level of student loan debt  
20 versus income, regardless of other circumstances  
21 and financial responsibilities the borrower may  
22 have.

23           We recommend that Congress reevaluate the  
24 HEA provisions for the purpose of simplifying the

1 eligibility criteria. In the meantime, we suggest  
2 the Secretary exercise her authority to simplify  
3 existing regulations. In particular, we would like  
4 the Secretary to examine the eligibility criterion  
5 that allows the borrower to qualify for deferment  
6 if the borrower is receiving or has received  
7 payments under a federal or state public assistance  
8 program.

9           The Department should consider developing  
10 a comprehensive list of federal and state  
11 qualifying public assistance programs and placing  
12 that list on a Web site. This would enable loan  
13 holders to consider the eligibility of all  
14 applicants for the deferment in a consistent  
15 manner.

16           Next, I would like to endorse the plan for  
17 fair loan payments outlined in the Project on  
18 Student Debt, which was presented at the September  
19 19<sup>th</sup> hearing in Berkeley, California. The plan  
20 focuses specifically to simplify the economic  
21 hardship deferment application process, and make  
22 required payments more manageable by basing them on  
23 federal poverty guidelines and family size. It  
24 also seeks to make the income contingent repayment

1 program more effective and accessible to more  
2 student loan borrowers, not just those in the  
3 Federal Direct Loan Program.

4           The proposals contained in the plan are  
5 consistent with ASA's commitment to helping  
6 borrowers avoid defaulting on their student loans.  
7 If adopted, they would further advance our efforts  
8 to provide viable repayment options to borrowers  
9 who are willing to pay their student loans, but are  
10 unable to manage their monthly payments.

11           Also, a borrower's need for the Income-  
12 Contingent Repayment Program should not require  
13 them to put their credit in jeopardy in order to  
14 receive the help they need. We urge the Department  
15 to reevaluate the requirements for Pell borrowers  
16 to be a minimum of 60 days delinquent during the  
17 entire application process for Direct Loan's  
18 Income-Contingent Program.

19           With respect to financial literacy, the  
20 Treasury Department and Congress have indicated  
21 that a lack of financial literacy is a significant  
22 issue in the U.S., and have gone so far as to  
23 establish financial literacy month annually in  
24 April. ASA strongly advocates developing a

1 financial literacy program that is available as an  
2 elective course to all students attending secondary  
3 or postsecondary institutions. Such programs would  
4 assist students in achieving a level of financial  
5 literacy necessary to succeed.

6           Additionally, guarantors are starting to  
7 see borrowers defaulting who are located in areas  
8 affected by Hurricanes Katrina and Rita simply  
9 because they do not have a resource for contacting  
10 these borrowers at their new location to offer  
11 counseling on repayment options. As a component to  
12 business continuity planning, we recommend that the  
13 Department pursue a data match with FEMA to secure  
14 addresses and telephone numbers of affected  
15 borrowers in the event of a national or regional  
16 disaster.

17           Finally, ASA is a charter member of the  
18 National Association of Student Loan  
19 Administrators, or NASLA, and would like to express  
20 our support of the testimony given by Mr. Torres  
21 from the Texas Guaranteed Student Loan Corporation,  
22 and Ms. Fairbairn, from Great Lakes Higher  
23 Education Corporation, in the prior hearings. In  
24 particular, we support their call for NASLA to be

1 represented in the negotiated rulemaking activity.  
2 We, too, feel that NASLA has been an effective  
3 voice for student loan guarantors whose mission is  
4 to ensure consistent and reliable student loan  
5 services to America's students, parents, and  
6 postsecondary institutions.

7           It is important to note that NASLA is not  
8 a Washington, D.C.-based trade association; rather,  
9 it operates through a consensus of its members  
10 without paid staff or outside consultants.  
11 Accordingly, it brings to the table the direct and  
12 unfiltered views of actual operational agency  
13 participants. Since it is impossible for all to  
14 participate, the Secretary should recognize those  
15 associations and consortiums that most directly  
16 represent operational participants.

17           In the case of guarantors, direct  
18 representative entities such as NASLA and the  
19 Guarantor CEO Caucus would appear to be the  
20 preferred choices. This would appear particularly  
21 appropriate in the case of the Title IV issues  
22 negotiating track. Therefore, we encourage the  
23 Department to consider once again extending an  
24 invitation to the nation's guarantors.

1 Thank you for your time and consideration.

2 **DAVID BERGERON:** Thank you.

3 **DAVID BERGERON:** Edmund Gross.

4 **EDMUND GROSS:** Thank you for the  
5 opportunity to participate in today's hearing.

6 My name is Ed Gross, and I am the  
7 President of the International Academy of Design  
8 and Technology in Tampa, Florida. Prior to that, I  
9 have been president of several other colleges, and  
10 retired from the public sector as Vice President of  
11 Academic Affairs and Provost of Valencia Community  
12 College. I mention that only to reinforce the fact  
13 that I have participated in both regional  
14 accreditation, as well as national accreditation  
15 activities.

16 Our college is one of the 80 represented  
17 by Career Education Corporation, and we have been  
18 in Tampa for about 22 years. It is a nationally  
19 accredited institution-offering associates of  
20 science, bachelor of arts, bachelor of fine arts,  
21 master of applied arts.

22 Our purpose is to help prepare people for  
23 the profession they have chosen. To do so, we work  
24 very closely with leading employers to create

1 bridges from the classroom setting to the workplace  
2 environment. Each program at the college has an  
3 advisory committee made up of industry  
4 professionals and employers who ensure that the  
5 curriculum meets or exceeds industry standards. In  
6 fact, I, as president, send every employer who  
7 hires one of our graduates a letter stating that if  
8 they find a training deficiency within the first 90  
9 days, that we will retrain that graduate free of  
10 charge.

11           Our curriculum is developed with a focus  
12 on employment needs within the global marketplace  
13 in an effort to provide immediate placement  
14 opportunities for our students. There is no better  
15 example of how this type of educational foundation  
16 can translate into real world success than our  
17 graduates.

18           One of our recent graduates of the fashion  
19 design program, for example, currently is employed  
20 with Michael Kors in New York City as a design  
21 assistant. IDT students benefit from having  
22 faculty members who are accomplished in their own  
23 right. I like to say that they have not just  
24 studied fashion design; they are, in fact, fashion

1 designers themselves. For instance, one of our  
2 fashion design instructors is currently designing  
3 costumes that are moving now into production.

4 IDT students are consistently engaged in  
5 the community around them. For example, each  
6 quarter our interior design students volunteer  
7 their time to redesign a house or facility for a  
8 non-profit organization in order to raise money for  
9 worthy causes.

10 Students select IDT with the confidence  
11 that they will receive an educational experience  
12 that will fully prepare them to launch their career  
13 in their chosen field. We commend the Commission  
14 and Secretary Spellings for suggesting concrete and  
15 bold solutions to the problems facing students of  
16 postsecondary institutions today.

17 Many of IDT students are the first in  
18 their family to attend college. Our school is  
19 often the first step to new lives for countless  
20 students. Like other colleges and universities  
21 across the country, IDT must address deficiencies  
22 of an educational system that graduates students  
23 from high school without the basic competencies  
24 required for postsecondary education. To meet this

1 need, we at IDT offer tuition-free math and English  
2 refresher workshops, as well as free tutoring for  
3 any student who wants it.

4           Another obstacle for our students is one  
5 that the Commission identified is a problem for  
6 students nationwide, barriers to the transfer of  
7 credit between institutions. The burden on  
8 students and institutions alike as a result of  
9 these barriers is unacceptable at a time when many  
10 students are highly mobile and may be completing  
11 their degrees in multiple states. Our students  
12 still confront two main obstacles for transferring  
13 their hard earned and, as you heard this morning,  
14 highly paid credits.

15           First, they experience a bias toward our  
16 operation as a proprietary institution, which,  
17 having retired from the public sector, I find  
18 ironic. And second, they encounter administrators  
19 and faculty members who object to our national  
20 accreditation, and reject transfer credits without  
21 an objective evaluation.

22           To highlight the reason for our concern  
23 about transferring credit policies, I would like to  
24 share with you some stories about some problems

1 students have encountered in the past 18 months,  
2 without identifying the student.

3           Jennifer graduated with her bachelor of  
4 fine arts degree from the International Academy of  
5 Design and Technology in Detroit. She wanted to  
6 continue her studies in the graduate program. Only  
7 one of the state universities would recognize her  
8 degree.

9           Megan successfully completed course work  
10 toward her associate of applied science degree in  
11 fashion design and merchandising at IDT. She moved  
12 out of the state to be closer to family, and, when  
13 she applied to a local public university, the  
14 school advised her that she would have to start all  
15 over.

16           Students should not be required to  
17 navigate each institution's particular transfer-of-  
18 credits policies. It should not be required  
19 without cause to repeat course work in which they  
20 have demonstrated proficiency. We are encouraged  
21 by the Commission's serious look at the  
22 shortcomings of the existing accreditation process.  
23 We support the development of a regulatory  
24 framework neutral to whether an institution is

1 accredited by a national or regional body.  
2 Increasing access for all students is crucial, and  
3 this type of innovation in the system can only  
4 provide more opportunities for students.

5           The reality today is that many students  
6 tend to attend multiple schools and complete their  
7 studies in a non-linear way. There is a critical  
8 need to capture performance outcomes so that  
9 parents, shareholders, including the federal  
10 government, and students have reliable and accurate  
11 data to consider when making college decisions. We  
12 support the Commission's efforts to address this  
13 problem, including its recommendation to develop  
14 from the study a privacy-protected higher education  
15 information system that collects, analyzes, and  
16 uses student-level data. We also urge the  
17 Commission not to implement this higher education  
18 system as an unfunded mandate on institutions.

19           We look forward to working with Secretary  
20 Spellings and others at the Department, not only on  
21 designing this proposed system, but also in  
22 implementing other solutions to the problems facing  
23 students in postsecondary education in general.

24           Thank you very much for allowing me this

1 opportunity.

2           **DAVID BERGERON:** Thank you.

3           **DAVID BERGERON:** Phil Van Horn, please.

4           **PHIL VAN HORN:** Good morning and thank  
5 you.

6           **DAVID BERGERON:** Good morning.

7           **PHIL VAN HORN:** My name is Phil Van Horn.  
8 I am President and Chief Executive Officer of the  
9 Wyoming Student Loan Corporation. I am also the  
10 Chairman of the Board of Directors of the National  
11 Council of Higher Education Loan Programs, known  
12 affectionately as NCHELP.

13           NCHELP is a non-profit association of  
14 education providers, such as guarantee agencies,  
15 secondary markets, lenders, loan servicers,  
16 collection agencies, schools, and other  
17 organizations involved in the administration of the  
18 Federal Family Loan Education Program. I represent  
19 NCHELP in my remarks today.

20           In its August 18<sup>th</sup> Federal Register notice,  
21 the Department of Education requested suggestions  
22 for issues that should be considered for action by  
23 negotiated rulemaking committees. I am pleased to  
24 offer some of these recommendations this morning.

1           First, unresolved items raised in comments  
2 on the interim final regulations. NCHELP suggests  
3 that the negotiating committees take up any items  
4 that were addressed in our comments on the August  
5 9, 2006, interim final regulations for the student  
6 loan programs and have not been resolved as those  
7 comments recommended. Our comments on the interim  
8 final regulations were provided on September 8,  
9 2006, jointly with the Consumer Banker's  
10 Association, the Education Finance Council, Student  
11 Loan Servicing Alliance, the Guarantee Agencies CEO  
12 Caucus, and the National Association of Student  
13 Loan Administrators. As this testimony is being  
14 prepared, the Department has not yet published  
15 revised regulations, although this did come out  
16 yesterday, to take into account the comments  
17 received.

18           Three issues in particular in the interim  
19 final regulations warrant inclusion in a negotiated  
20 rulemaking process. First of all, identity theft.  
21 In our comments, we took strong exception to the  
22 approach taken in the interim final regulations and  
23 the definition of identity theft, and the  
24 requirements for obtaining discharge of liability

1 on the basis of identity theft. In its place, we  
2 urge the Department to adopt the definition of  
3 "identity theft" used by financial institution  
4 regulators under the Fair Accurate Transaction Act  
5 of 2003.

6           And secondly, to provide for the discharge  
7 of the borrowers loan liability, and the  
8 reimbursement of the loan holder on the basis of an  
9 identity theft report, as defined in that act. The  
10 adjudicated crime approach adopted in the interim  
11 final regulations is unduly restrictive, unwise,  
12 and unnecessary. It does not give effect to the  
13 remedial purpose of the identity theft provisions  
14 of the Higher Education Reconciliation Act of 2005,  
15 and that is to help borrowers and provide  
16 reimbursement to the innocent holders. The  
17 rationale for our recommended approach is set out  
18 more fully in our comments on the interim final  
19 regulations.

20           Rehabilitation of defaulted loans is more  
21 effective than consolidation in preventing  
22 redefault. A borrower's ability to rehabilitate a  
23 defaulted loan should be facilitated. The interim  
24 final regulations fail to ensure that all

1 qualifying borrowers are able to rehabilitate their  
2 loans by making nine payments within 20 days of the  
3 due date during consecutive months, as provided by  
4 the Higher Education Reconciliation Act of 2005.  
5 We believe this important means of addressing  
6 defaults must be fully implemented.

7           The issue of retroactivity--in at least  
8 two areas, the interim final regulations raise  
9 concerns that settled standards are being  
10 retroactively revised. First, regulations relating  
11 to the exception of a former insurance rate, on  
12 their face, provide for reimbursement to a lender  
13 or a lender-servicer designated for exceptional  
14 performance of 99 percent of the unpaid principle  
15 and interest through default claims. The Higher  
16 Education Act of 1965 guarantees lenders 100  
17 percent of reimbursement for all default claims,  
18 whenever made, on loans for which the first  
19 disbursement is made prior to October 1, 1993. A  
20 literal application of the regulations would  
21 violate the act. We believe that the regulations  
22 must preserve the 100 percent lender insurance rate  
23 for exceptional performer lenders, as well as  
24 others, for claims on pre-October 1993 loans.

1           Second, as indicated in comments submitted  
2 by NCHERP and the Education Finance Council,  
3 regulations related to special allowance payments  
4 on loans raise interpretive issues and questions  
5 that could be read as retroactively changing  
6 settled interpretations of the Higher Education Act  
7 and existing regulations. As stated in our  
8 comments, we believe the regulations must clearly  
9 provide that new standards do not apply to  
10 outstanding bonds or loans, and urge the Department  
11 to consider the language submitted in those  
12 comments.

13           In addition, we believe the negotiated  
14 rulemaking committee should ensure that any  
15 regulations that impose new restrictions and/or  
16 burdens on schools and other participants in the  
17 student loan programs have only a prospective  
18 effect.

19           In addition to unresolved items raised in  
20 our comments on the interim final regulations, we  
21 recommend that the negotiated rulemaking committees  
22 address the implementation of one new source of  
23 authority and two broad themes, those being, first,  
24 Grad PLUS Loans. The Higher Education

1 Reconciliation Act of 2005 authorizes PLUS Loans to  
2 graduate professional students, but the interim  
3 final regulations fail to harmonize this new  
4 authority with other authority for loans to the  
5 same students. For example, disclosure  
6 requirements designed for PLUS Loans to parents  
7 should not be applied to PLUS Loans for students;  
8 these repayment periods do not begin immediately.  
9 And, to the extent permitted by the statute, the  
10 repayment period for a Grad PLUS Loan should begin  
11 when the repayment period for the student's other  
12 loans begins.

13           We believe the negotiated rulemaking  
14 committees can serve as effective forums for  
15 exploring the operational implications of the  
16 regulations, and for finding ways to prevent  
17 confusion on the part of Grad PLUS Loan borrowers  
18 in these other areas.

19           Secondly, safe harbors. Implementation of  
20 the Higher Education Reconciliation Act of 2005 is  
21 being accomplished in a highly compressed timeframe  
22 without the benefit of the usual rulemaking  
23 procedures. In many cases, our members have been  
24 obliged to make decisions on the basis of a good

1 faith reading of the statute and less than complete  
2 guidance from the Department. We believe the  
3 negotiated rulemaking committee should address the  
4 need to immunize regulated parties against  
5 enforcement of standards that were not in effect  
6 when decisions consistent with statutory language  
7 were made.

8           Finally, amelioration of debt burden. The  
9 need to address mounting student loan debt is  
10 manifest. We have heard testimony here today.  
11 There is more that could be done to help borrowers  
12 who are having difficulty in managing their student  
13 loan payments. We urge that the negotiated  
14 rulemaking committees address indebtedness in the  
15 context of current law among the actions that the  
16 committees could consider are: first, making the  
17 economic hardship deferment more accessible;  
18 secondly, maximizing the flexibility of the income-  
19 sensitive repayment plan in the Pell Program. Few  
20 borrowers benefit from either of these provisions.

21           The collaborative nature of the negotiated  
22 rulemaking process offers the promise of finding  
23 other means of addressing this issue.

24           Thank you for the opportunity for these

1 comments, and I have copies here that I will leave  
2 on the table.

3           **DAVID BERGERON:** Thank you.

4           **DAVID BERGERON:** Keon Williams.

5           **KEON WILLIAMS:** Good morning and thank  
6 you.

7           **DAVID BERGERON:** Good morning.

8           **KEON WILLIAMS:** My name is Keon Williams.  
9 I am a 21-year-old from Bethune-Cookman College. I  
10 am a junior majoring in political science. I am a  
11 "B" average student, 3.26 GPA. I am in several  
12 student government associations: Model United  
13 Nations, the representative for the ICUF, which is  
14 the Independent Colleges and Universities of the  
15 State of Florida; and the campaign based on the  
16 FRAG Grant.

17           Our college tuition is \$18,818, a very  
18 large amount of money to ask a college student to  
19 attempt, but it is worth it when you look at the  
20 cost of education. I currently receive the Pell  
21 Grant, the FRAG Grant, and the FSEOG, and those are  
22 pretty much grants that help pay for my schooling.  
23 And even though with that, it is still not enough.  
24 I have to take on an extra job, and I am a

1 residential assistant with the college to help make  
2 up those funds.

3           Before coming back to school, I had  
4 decided to transfer because the amount had become  
5 so great and that I did not have enough funds to  
6 pay for it, and I knew transferring to another  
7 institution with the lower costs would be wise, but  
8 at the same time, I would lose credits that would  
9 not transfer, which means I would have to pay for  
10 an extra year in school.

11           The struggles I have been through--I am  
12 the first person in my family to attend college,  
13 and it has been quite an experience so far. And  
14 just going through everything that I have been  
15 through, I know that education is at least that one  
16 hope that you can grab hold of to come out of the  
17 struggles that you have been through, and hopefully  
18 you can, therefore, with your kids, teach them the  
19 importance of education to therefore put themselves  
20 up through society.

21           I was talking to Krista today and we were  
22 talking about--when we look at statistics, we  
23 typically look at them as hardcore facts, but at  
24 the same time it removes us from that sensitivity

1 to actually look at it for what it is, face value.  
2 One of the examples I was thinking about as we were  
3 talking was about the movie I, Robot. In the  
4 beginning of the movie, Will Smith jumps into the  
5 water to save the little girl that had apparently  
6 jumped off in a car and went into the water. As he  
7 went to save her, a robot jumped in the water to  
8 rescue her, and the robot read the vital signs;  
9 Will Smith's was 58 percent, the little girl was  
10 only 36 percent. Which one did the robot save?  
11 Well, of course, Will Smith, but a human being  
12 would have saved the little girl.

13           And so, when I look at the government, I  
14 know the government is a machine, but at the same  
15 time it has individuals within that machine that  
16 have hearts that are compassionate. I realize  
17 that, sometimes, even though statistics may say  
18 this, we have to look at it for what it is on the  
19 ground level, face value. And even then, with  
20 tuition being so high, I still want to go to grad  
21 school. I study in political science, and  
22 hopefully I can go to school and get my master's  
23 degree in public administration, because one day I  
24 would make a change in society to implement policy;

1 that is what I want to do.

2           And, knowing this, I know that going to  
3 grad school is going to cost even more money. And  
4 so I may have to take out another loan because my  
5 family does not have those funds. And so, with  
6 that being said, many college students go to  
7 college, and they say, "How am I going to pay for  
8 this? To go to school and get in debt when I could  
9 just enter the workforce, but I know entering the  
10 workforce is not going to provide me with the  
11 standard income of living."

12           We have been viewing statistics lately,  
13 and it is telling you if a person goes to college,  
14 they are likely to make 46 percent more than the  
15 person with just a high school degree. Those are  
16 current statistics.

17           And so, when you look at that, you are  
18 weighing the issue. Should I go to school and get  
19 in debt, or should I just continue to struggle and  
20 don't have to default on loans, or anything? And  
21 that is another thing, default on loans. Right  
22 now, my mom pays, I think, \$182 a month off of  
23 loans that I have already taken out from the  
24 Department of Education. And so, on top of that,

1 bills and everything--it can be quite overbearing  
2 sometimes. And so I have taken the time out of  
3 class this morning, comparative politics, to come  
4 here and give my testimony on why you guys should  
5 make these changes, because you are in a position  
6 to do that.

7           You know, when I first got the phone call  
8 that said, "Hey, you can meet someone that can  
9 actually make those changes," I was like, "Well, I  
10 have to meet them." And I am here today because I  
11 think that you guys really need to hear my  
12 testimony, and I really need to be here because you  
13 guys are the people that actually have the power to  
14 do so, and I hear that these changes are small  
15 changes. I know you guys get questions on a lot of  
16 things. Because you don't know the actual numbers,  
17 and stuff like that, you don't know what the future  
18 is going to take. But I can bet you this much,  
19 with education, that is the biggest investment.  
20 And if I have been doing my research right on other  
21 countries, other countries are starting to invest  
22 more in education now because they see that is the  
23 way it is going. If you educate your society,  
24 then, therefore, they will aspire to create ideas

1 and to therefore continue to produce. But if  
2 education is being cut, more students are taking  
3 out more loans; now you have citizens depending on  
4 the government even more.

5 I mean, I am studying this, so that is why  
6 I am--so, with this being said, will you guys  
7 consider these recommendations? And not just to  
8 limit the student loan payments to a reasonable  
9 amount, something income-based. You know, when you  
10 get out of college and get a job, your loans may be  
11 \$200 a month, maybe \$400, but you are only getting  
12 paid minimum wage, in a sense, because a lot of us  
13 get the first jobs that we have in order to work  
14 our way up through society.

15 Recognize that the borrowers sometimes  
16 have children with less income. Also, do you think  
17 there should be that added interest that is on top  
18 of it? You should prevent them, also, because that  
19 is on top of the loan. And, in a sense, if that  
20 could be eliminated, then we could become people  
21 that pay back our loans on time. And those of you  
22 don't pay your loan one time, if you default one  
23 time, that immediately goes to your credit report,  
24 and that will stop you from getting something else,

1 now, a house, a car. The cancellation of debts  
2 from borrowers on income based on 20 years from  
3 now. And also, we just want you guys to simplify  
4 the loan process; just simplify it, sometimes,  
5 because it is pretty much a tedious process, right  
6 now.

7           And so, as a college student, I am in my  
8 junior year--one more year hopefully, April 2008, I  
9 walk across that stage with my degree and to pursue  
10 my master's in public administration because I  
11 really do think that it is individuals that make  
12 the change to society. And I am glad to meet three  
13 of those individuals today.

14           Thank you very much.

15           **DAVID BERGERON:** Thank you.

16           As I have said throughout the process of  
17 the hearings we have, I continue to be impressed by  
18 our students and the way that they are able to  
19 present the facts to us in a wonderful way. We  
20 appreciate hearing them.

21           One more and then we are going to take a  
22 really brief break. I know we have all been  
23 sitting a while, and we will be sitting some more,  
24 so we are going to take a quick break after Tim.

1 Thank you, Tim.

2 **TIMOTHY ANDERSON:** How are you doing?

3 My name is Timothy Anderson. I attend the  
4 great Bethune-Cookman College in Daytona Beach,  
5 Florida, and I am actually with the student  
6 government organization, also. I am a senior  
7 majoring in international studies.

8 I am glad for this opportunity to actually  
9 present myself and represent our college, and  
10 basically, I have a Sallie Mae loan, a Parent PLUS  
11 Loan, and other private loans that I have incurred  
12 while attending Bethune-Cookman College, and I  
13 believe it is imperative for you individuals to  
14 make an increase in state grants for that.

15 I am the first person in my family to  
16 attend college. I am from Orlando, Florida, this  
17 area, actually, and I have a proud family. I want  
18 to attend law school or grad school after I am  
19 finished with Bethune-Cookman College, but I feel  
20 that the loans have presented a problem with that.  
21 I might have to enter the workforce because of  
22 that, because I don't have enough money to attend  
23 these places where I would like to go. I actually  
24 have two jobs, which I work right now. One is the

1 mailroom, which is at my local college, and I also  
2 am a residential assistant. And, in saying that, I  
3 also worked at Circuit City and other jobs to  
4 actually stay at Bethune-Cookman College.

5           There are actually times that I just  
6 wanted to quit to actually go straight to work to  
7 help my family out, but my family has pushed me to  
8 stay in college. This is why I am actually here,  
9 to actually see my little brothers and sisters go  
10 on to college and not have to worry about that.

11           Saying that, I currently have a student  
12 loan of \$10,000 plus, and I really would like to  
13 stress to you how much grants would help me to  
14 continue my education and other fellow students  
15 that attend our college. I support the Commission  
16 and hope that you will be able to increase the  
17 grants system that we have here.

18           I thank you for this time for allowing me  
19 to speak here, and I find this is a great  
20 opportunity for me to speak in front of you and I  
21 appreciate all that you are doing. Thank you.

22           **DAVID BERGERON:** Thank you. With that, we  
23 will take a 10-minute break.

24 **[Brief recess.]**

1           **DAVID BERGERON:** We are going to reconvene  
2 the hearing.

3           **DAVID BERGERON:** I will call Mark--I am  
4 sorry, I am having trouble reading today. Maria,  
5 how are you?

6           **MARIA CALAMIA:** Hello. I am Maria  
7 Calamia. I am from Community College of Vermont.  
8 I also have some comments from the Vermont  
9 Association of Student Financial Aid  
10 Administrators. We are in the process of preparing  
11 some written comments, so I have some comments from  
12 them. And I think I have some comments as a  
13 parent, as well.

14           **DAVID BERGERON:** Jim likes those comments,  
15 because he is a parent of a college-age student. I  
16 have a ninth grader, so don't even talk to me about  
17 college yet.

18           **MARIA CALAMIA:** I want to thank you for  
19 this opportunity, and I just tried to get together  
20 something really quickly, here, because I did not  
21 realize that the hearing was going to take place  
22 here until I actually arrived here and had time to  
23 look at my materials.

24           Two main issues that come up in my daily

1 work as financial aid administrator is looking at  
2 the college loan debt of my students. Our school  
3 is the Community College in Vermont. We have about  
4 9,000 students per year. About 5,000 are financial  
5 aid applicants. Somewhere between 2,000 and 3,000  
6 students receive Pell Grants out of that  
7 allocation.

8 I should also say that I believe that we  
9 are the most expensive public community college in  
10 the nation, and it might be the next most  
11 expensive, but I was looking through the materials  
12 that we received in NSLDS, and our students have  
13 accumulated quite a lot of loan debt. Most of our  
14 students--the average age of our students is  
15 somewhere in the lower 30s, 32 years old,  
16 approximately. Most of them spend at least six  
17 years getting their associate degree from us, and  
18 that is if there are no blips in their educational  
19 program. If they are taking six credits per time,  
20 it is going to take them six years, as long as they  
21 don't have to withdraw from the class and take  
22 other classes that are required for their program.

23 So you can see where they are taking out  
24 the annual limit, being independent students, how

1 that loan debt could accumulate quite quickly. So  
2 oftentimes we are dealing with students with more  
3 than \$20,000 in loan debt who are not graduates.  
4 Being a community college, we also have students  
5 coming in and out of programs. Some of them, you  
6 will see their name and go, "Hey, that student is  
7 coming back from a 10-year break in their  
8 educational program."

9           So it does take them a long time, and we,  
10 as an institution, have seen this, and the  
11 financial aid staff has been working on increased  
12 counseling, dealing with debt management and  
13 financial literacy issues, and pushing them on--our  
14 college recognizes this, but we are also trying to  
15 push that as a required course in our programs.  
16 The other initiatives that our school is taking on  
17 is trying to provide remedial education in a non-  
18 course setting so that students can receive loans  
19 while they are taking remedial course work, because  
20 oftentimes we do see students who might have 10  
21 college-level credits and \$10,000 worth of debt  
22 because of the remedial course work that they had  
23 to take prior to those college-level courses.

24           So what I am asking on the loan debt issue

1 is trying to be flexible with the schools and  
2 provide something like allowing schools to prorate  
3 loans per enrollment status of their students  
4 before the schools actually get into position where  
5 they might need a default or reduction. Also, a  
6 big issue that I see daily is dealing with how the  
7 FAFSA collects incoming resource information and  
8 relying so heavily on taxes. The tax laws are not  
9 really made for financial aid, so we try to collect  
10 more information. And a good start on getting to  
11 that was that exemption for the 1040 requirement by  
12 allowing parents and students who receive a means-  
13 tested financial assistance through other programs  
14 to say that they could have completed something  
15 other than the 1040 in their tax form, but all too  
16 often I do see from tax returns that it clearly  
17 looks like we are giving Pell Grants to people who  
18 have very high incomes and just are able to hide  
19 those incomes through their tax forms. So, if  
20 there is any way to get away from that--I know that  
21 would not simplify FAFSA at all, but I believe that  
22 it is really needed to get those funds to the  
23 really needy students.

24           Also, in two-parent households, oftentimes

1 that income is not collected correctly just because  
2 there is no marriage involved, so it gets very  
3 confusing for the parents and students to fill out  
4 those forms just because they are not married,  
5 although they are living in a household where there  
6 are two parents and children.

7           Now, as for the Vermont Association  
8 Student Financial Aid Administrators comments,  
9 final written comments will be coming shortly from  
10 Yvonne Whittaker on this, but currently they sent  
11 to me this morning a few issues, and they are  
12 limiting their comments on this to the ACG and  
13 SMART Grants; I am sure you would like to hear  
14 that. They want to make sure that they maintain  
15 need-based component of the ACG and SMART Grants.  
16 They feel it is imperative that the eligibility of  
17 these two programs remain linked with the Pell  
18 Grant eligibility to assist the neediest students.  
19 They want to expand the eligibility to Pell-  
20 eligible non-citizens. It was not really made  
21 clear to them why that population was excluded from  
22 the original legislation.

23           The definition of "the academic year,"  
24 they feel that should come in line with the

1 definition of "academic" for other Title IV  
2 programs, just to remove the confusion and  
3 limitation for their eligible students. And then,  
4 also, the other item is on the evaluation of GPA  
5 for SMART Grants. We want to make the requirement  
6 for the GPA evaluation for SMART consistent with  
7 ACG, in other words, just taking the ACG once a  
8 year. And, as I said, Yvonne Whittaker will  
9 provide the final comments and write in within the  
10 next few days.

11           As a parent, I do have two daughters, one  
12 of which just turned 24. She is an independent  
13 student, if she decides to become a student, but  
14 seeing her parents go to graduate school and not  
15 really get that much in loan debt because we had  
16 scholarships--and we went to school 25 years ago,  
17 30 years ago, but seeing that our incomes are not  
18 that great, that we both make \$35,000 a year  
19 because we are in helping professions--she does not  
20 think it is worth it to get into debt to go to  
21 school. So she feels like she will go to school  
22 eventually, and she might move out of the country  
23 to do that.

24           I have another daughter who is 19 years

1 old who just started school at a public four-year  
2 institution, out-of-state, so she is paying out-of-  
3 state tuition. It is approximately \$14,000 a year.  
4 I can only afford to send her for one year. At  
5 that point, once she is there, she is going to have  
6 to decide, is she going to go to another school--  
7 she would prefer to stay at this school--or she is  
8 going to take off a year and become a resident in  
9 the state that she is in right now. So, either she  
10 is going to go to a school and go into a program  
11 that she would rather not, or she is going to have  
12 to have a disconnect in her education. As we know,  
13 if she takes off a year, who knows if she will go  
14 back? So, as a parent, I just have those two  
15 comments related to loan debt.

16 So, again, thank you for this opportunity.

17 **DAVID BERGERON:** Thank you, Maria.

18 **DAVID BERGERON:** Lucy Scalici.

19 **LUCY SCALICI:** Good morning.

20 **DAVID BERGERON:** Good morning.

21 **LUCY SCALICI:** My name is Lucy Scalici,  
22 and I am the Assistant Director of Fiscal  
23 Management of Title IV funds for the City  
24 University of New York.

1           We are the largest urban university in the  
2 U.S. We have close to 500,000 students across 21  
3 campuses in New York City, where 110,000 are Pell  
4 recipients. We are happy about the enactment of  
5 the ACG and SMART Grant programs.

6           But I am also a double-dipper, because I  
7 am also a graduate student at John Jay College of  
8 criminal justice and Public Administration,  
9 entering my final semester next spring. So I am in  
10 the classroom as a student everyday, listening to  
11 student gripes about financial aid, and thinking I  
12 can do something about it, but it tears me up as an  
13 administrator, as well, when I can't do anything  
14 about it. I see both sides of the coin.

15           I testify to you today as a student. I  
16 would like to thank the federal government for  
17 recognizing that higher education needs additional  
18 need-based financial aid, but my concern is, "When  
19 did Title IV become segregated?"

20           FFEL loans, FSEOG, Perkins, and even TAP  
21 in New York State are not segregated. We have been  
22 treating U.S. citizens and eligible residents the  
23 same, 99 percent of the time in everyday life,  
24 except for voting and U.S. military service. I

1 truly believe it is unfair to segregate eligible  
2 residents for receiving the ACG and SMART Grant in  
3 the ACG and SMART Grant Program.

4           The ACG and SMART Grant Program was  
5 created for the exceptionally bright and for  
6 students that are majoring in lacking areas.  
7 Please revisit this regulation and recognize that  
8 this country was built on U.S. citizens as well as  
9 eligible residents. Please include the residents  
10 to receive ACG and SMART Grants in fiscal year  
11 2008. My public administration feelings are  
12 surfacing because I believe the government is being  
13 unjust to college students. Let's be fair.

14           Thank you for the opportunity for letting  
15 me testify today.

16           **DAVID BERGERON:** Thank you. I would say  
17 that the U.S. citizen requirement is a statutory  
18 requirement. One of the things I should have said  
19 at the beginning of the hearing is one thing that  
20 we cannot do through our regulatory process is  
21 change the underlying statute as it exists, and  
22 that is one of those statutory requirements that we  
23 cannot change through regulation.

24           **DAVID BERGERON:** John Boyles.

1           **JOHN BOYLES:** Good morning. My name is  
2 John Boyles, and I am privileged to represent  
3 around 50,000 students of the University of Florida  
4 in Gainesville, and also to serve as the Vice Chair  
5 at the Florida's Students' Association, as you  
6 heard from our chairman earlier this morning.

7           We, as student leaders in the state of  
8 Florida, and our students that we represent,  
9 recognize our role as stakeholders in continuing to  
10 improve the higher education system. Having said  
11 that, I will choose to spend most of my time  
12 discussing the affordability aspect of education  
13 and the higher education system, because all the  
14 other aspects of the report are wonderful, and we  
15 appreciate the work that has been done by the  
16 Commission and the recommendations that are made.  
17 But without the affordability, those aspects of the  
18 report do not matter, because our students will not  
19 be able to afford to receive the education that we  
20 are talking about improving.

21           The responsibility for affordability  
22 should be shared among our federal, state, and  
23 institutions to the effect of establishing an  
24 education that our students can enjoy. In the next

1 few minutes, I would like to briefly explain our  
2 focus as student leaders and students on increasing  
3 the purchasing power of the Pell Grants. I will  
4 also draw some attention to some potential  
5 oversight for Florida students in the SMART Grant  
6 program, and I would also like to make some brief  
7 general comments on the financial aspects of public  
8 higher education in the state of Florida.

9           The Commission on the Future of Higher  
10 Education recommended increasing the purchasing  
11 power of the Pell Grant to a level of 70 percent, a  
12 substantial increase from the previous 48 percent  
13 of the average in-state tuition at public four-year  
14 institutions in 2004 and 2005. We, as students,  
15 support this recommendation, and we encourage the  
16 Federal government to provide assistance to those  
17 who do not qualify for the Pell Grant. The Pell  
18 Grant Program has been a wonderful program that has  
19 provided education for many students over the years  
20 who cannot afford their own education. At the same  
21 time, however, tuition increases have gone up,  
22 tuition costs have gone up, and cost of living has  
23 gone up to great extent, especially in the state of  
24 Florida.

1           The way that we can see the ability of our  
2 students to receive increasing aid can be done  
3 through increasing the size and number of the Pell  
4 Grants, increasing the support for the Supplemental  
5 Educational Opportunity Grant, the Federal Work  
6 Study Program, the Family Federal Education Loan  
7 Program, the Direct Loan Student Loan Program, and  
8 the Perkins Loan Program.

9           As student leaders, we do make this  
10 request in full acknowledgment of Florida's, within  
11 the national arena, low tuition and fees. As Frank  
12 stated earlier, we are second in the lowest and  
13 cheapest amount of tuition and fees. However, with  
14 that affordable tuition and fee process and price,  
15 we in the state of Florida face a great challenge  
16 with a huge lack in need-based financial aid. In  
17 addition, our cost to attend an institution is not  
18 the lowest in the nation, or even close to the  
19 second lowest in the nation. According, as Frank  
20 said earlier, to the measuring of report cards of  
21 2004 and 2006, the state of Florida received a  
22 grade of "F" in affordability both times.

23           With current financial aid options, those  
24 who have the least ability to afford to attend

1 college encounter significant financial barriers.  
2 For the lowest two quintiles, the poorest 40  
3 percent, the cost to attend college, even with the  
4 lowest price in tuition, second lowest in the  
5 nation, it still equals about 40 percent of their  
6 family income, and this is after the adjustment for  
7 financial aid receipts based on the average amount  
8 distributed statewide.

9           My running mate in the spring elections  
10 for our student government had to work three jobs  
11 before we even ran for office, which was, again, an  
12 additional cost, simply to make ends meet, and she  
13 was on scholarships for the University of Florida.  
14 She still had to work three jobs just to make ends  
15 meet to be able to afford to buy her textbooks.

16           Moreover, the fastest-growing populations  
17 in Florida and nationally are those with the lowest  
18 SES background. Developing and maintaining a  
19 globally competitive workforce that will attract  
20 industries within the innovation economy requires a  
21 well-educated population.

22           I would like to stop for a minute and come  
23 back to my initial point about our shared  
24 responsibility. In no way am I suggesting that

1 this burden to ensure affordability fall entirely  
2 on the federal government. Our state is in need of  
3 greater need-based financial aid options, and we  
4 are working to improve the existing ones. Governor  
5 Bush has championed the First Generation Matching  
6 Grant Program, and fought to increase the Florida  
7 Student Assistance Grant. In addition, we at the  
8 University of Florida have a groundbreaking program  
9 called the Florida Opportunity Scholars Program for  
10 first generation families who fall below the  
11 \$40,000-per-year income line. It has been a very  
12 successful program, and we are grateful for the  
13 state government's assistance in making that  
14 happen.

15           Additionally, students must learn to be  
16 frugal and wise with their expenditures once they  
17 are awarded aid. We have been investigating this  
18 problem, as members of the Florida Student  
19 Association and student leaders in the state, and  
20 we are making recommendations to our fellows around  
21 the state, and to each other, and to our Florida  
22 Board of Governors to attempt to rectify some of  
23 those situations.

24           These shares of responsibility

1 notwithstanding, the primary means of financial aid  
2 does often come from the federal government,  
3 however. In the State University System of  
4 Florida, approximately 75,000 students receive some  
5 form of federal grant, and over 160,000 receive  
6 some form of federal loan. Even with our state and  
7 students assuming greater responsibility for this,  
8 the need for a stronger Pell Grant must be met if  
9 we are to maintain our share in the global  
10 marketplace.

11 I would like to take a few minutes to talk  
12 about the SMART Grant Program, in which I want to  
13 congratulate the government on this program,  
14 because I think that it is a wonderful, innovative  
15 program that will help to increase our math and  
16 science students, and the ability that we will have  
17 in the future of the global marketplace. The  
18 National Science and Mathematics Access to Retain  
19 Talent Grants, or SMART Grant Program, authorized  
20 under Section 401(a) of the Higher Education Act of  
21 1965, as amended, is provided to students who  
22 pursue a major in physical, life, or computer  
23 sciences, mathematics technology or engineering, or  
24 a critical foreign language. However, Section

1 691.17(a) of the Academic Competitiveness Grant and  
2 National SMART Grant interim final regulations  
3 published on July 3, 2006, specify that the  
4 Secretary of Education will identify the eligible  
5 majors for each award year. Eligible majors for  
6 the 2006-2007 award year were identified by  
7 Classification of Instructional Program, or CIP  
8 Code, but excluded students enrolled at the New  
9 College at Florida, and our honors college at  
10 Florida Atlantic University, who had concentrations  
11 in these specified areas, but were classified under  
12 a different CIP Code. The implications from this  
13 include that the current amendments would  
14 negatively affect these institutions in our state  
15 university system, and some of our most promising  
16 students there within.

17           To make some general comments, I would  
18 like to inform each of you that I have traveled  
19 along with other leaders in the University of  
20 Florida student government for the last two summers  
21 to the city of Washington, D.C. to meet our state's  
22 delegation, as well as other senators and  
23 congressmen and women throughout the federal  
24 government to talk about these issues. I am

1 heartened to see that a report that has come  
2 forward and addresses some these issues of  
3 affordability, as we have traveled every summer to  
4 make those issues known to the legislators up in  
5 Washington, D.C.

6 I would like it also to be known that in  
7 the Commission Report it does state that tuition  
8 levels from 1995 to 2005 have risen at an average  
9 of 36 percent over inflation; that is 51 percent  
10 without inflation.

11 In addition, in our state we have become  
12 less of a priority, and I know this is a national  
13 trend. About 20 years ago, the average rate of  
14 shared responsibility between student tuition and  
15 state funding was 25 percent tuition and 75 state,  
16 now it is 31 percent tuition and 69 percent state.  
17 In addition, as I stated before, we currently are  
18 the second lowest in state tuition. There is not a  
19 day that goes by in my life as the student body  
20 president at the University of Florida that I do  
21 not work with our President, Provost, and our  
22 senior administration, and hear from them that the  
23 only way for us to stay competitive as a university  
24 is for our tuition to at least double. That is

1 what I hear on a daily basis.

2           Currently, our administration is pursuing  
3 a policy to increase our tuition by great amounts  
4 for our students who will be starting in the Fall  
5 of 2007. Their proposal will probably be something  
6 to the extent of adding on \$1,000 per student per  
7 year as an additional charge.

8           My question to this Commission, to our  
9 state, and to our administration as I continue to  
10 work with all of you is, "What is the role of  
11 public education in Florida?" What is the role of  
12 having a public school? Is it that the state will  
13 then provide additional access and additional  
14 affordability, additional resources to us as  
15 students? Is that the role of our public  
16 education? Is it to ensure that our public has the  
17 education that we need to continue to be a global  
18 leader? Is it our role to ensure that we will be  
19 able to care for our citizens and for our students  
20 as we come up through an education system in this  
21 nation?

22           Thank you for your time and your  
23 consideration. We at the Florida Students'  
24 Association, and as students in the state of

1 Florida public education system, are devoted to  
2 ensuring a world-class education for our students,  
3 and we look forward to our continued partnership  
4 with the state, and the local governments, and  
5 other stakeholders in ensuring access and  
6 affordability to our higher education as a nation.

7 **DAVID BERGERON:** Thank you.

8 **DAVID BERGERON:** Brent Tener.

9 **BRENT TENER:** Good morning.

10 **DAVID BERGERON:** Good morning.

11 **BRENT TENER:** My name is Brent Tener, and  
12 I am the Associate Director of Financial Aid at  
13 Vanderbilt University. I am here today, though,  
14 representing the Southern Association of Student  
15 Financial Aid Administrators, for whom I serve as  
16 President.

17 SASFAA is made up of financial aid  
18 professionals in nine states. Our mission is to  
19 educate students about financial aid availability  
20 for college and postsecondary education, and to  
21 deliver those funds in a fiduciary and efficient  
22 manner to those students. In addition, our  
23 association champions the viability of federal and  
24 state financial aid programs to provide access to

1 needy college students.

2           As demonstrated through past regulatory  
3 changes, students are best served when the  
4 regulations have broad support from a variety of  
5 constituents. Our commitment to you and Secretary  
6 Spellings is to provide, when possible, a digest of  
7 issues on which the SASFAA membership has general  
8 consensus. There are seven specific areas I would  
9 like to address today as it relates to those items.

10           The first relates to certificate programs.  
11 We would ask that further consideration be given to  
12 the issue of certificate programs and students  
13 enrolled in these programs at eligible two-year  
14 public schools who currently remain ineligible for  
15 the Academic Competitiveness Grant. There remains  
16 wide consensus that these students should be  
17 eligible based upon the law. It is helpful to note  
18 that many of these students are enrolled in  
19 programs designed to train first responders in the  
20 event of an emergency. We encourage the Department  
21 of Education to make this discussion part of the  
22 negotiated rulemaking process and/or to seek  
23 legislative relief to make ACG funds available to  
24 these students.

1           Next, from a macro perspective, the ACG  
2 and SMART Grant programs do not achieve the purpose  
3 for which they were designed if schools cannot  
4 award these funds in a timely manner. As you are  
5 aware, many schools have chosen to delay the  
6 awarding of these funds while they try to make and  
7 to satisfy programmatic requirements that the  
8 Department of Education has outlined. Based upon  
9 recently published regulations, there has been no  
10 relief given to schools as it relates to  
11 determining eligibility, and this is particularly  
12 true in the ACG Program. This process needs to be  
13 simplified to deliver the funds to the many first  
14 generation college students that they serve.

15           I would encourage the Department to  
16 continue exploring ways to simplify the process for  
17 schools so that we can deliver these funds in a  
18 prudent, responsible, and timely manner. If relief  
19 and simplification is not forthcoming, I believe  
20 that many schools will continue to delay the  
21 awarding of these funds until well after school has  
22 started. This delay is caused through, largely, in  
23 fact, having to review high school work based upon  
24 the eight-semester transcript. With that

1 administrative burden, it is very difficult for  
2 those schools to get all the necessary materials  
3 together to make those awards in a timely manner  
4 and to deliver those awards in a timely manner.

5           Next, loan limits. We would ask that the  
6 Department explore ways, through legislation if  
7 necessary, to raise the aggregate borrowing limits  
8 for undergraduate students. We are fearful that  
9 students may reach their limits of borrowing before  
10 completing a baccalaureate degree, and other  
11 speakers have spoken to those constraints, that  
12 students will run out of borrowing eligibility  
13 before they get to the end of their chosen program  
14 of study.

15           The next issue relates to the reporting to  
16 the COD system, or, as we like to refer to it, as  
17 COD. We believe that the Secretary has placed  
18 undue burdens on the schools as it relates to  
19 reporting ACG reporting through COD. Specific  
20 areas that are problematic include the payment  
21 eligibility reason, and the high school reason  
22 code. These reporting elements are not prescribed  
23 in the law, and I would ask that this issue be  
24 addressed in negotiated rulemaking. It is an undue

1 burden to the schools to have to go back in and  
2 report all of those additional requirements through  
3 COD.

4           Next, transfer and dual-enrolled students.  
5 Please continue to review all of the issues in the  
6 ACG and SMART Grant programs as it relates to dual  
7 enrollment and transfer students. The issues are  
8 too numerous to mention, but the major areas center  
9 around the number of hours completed, and how  
10 transfer credits are counted, and the timeliness of  
11 evaluating eligibility. I talked to a colleague  
12 this morning, and one of the real issues they have  
13 is that a student could be a 30-year student at a  
14 school, transfer to their school, and be considered  
15 a second-year student, and would then not be  
16 eligible for the ACG Grant, assuming that the  
17 student had not already borrowed the second year.  
18 So students are not being served well by the way  
19 the programs are being put together. We would like  
20 more flexibility in assisting students as they  
21 transfer from school to school.

22           Graduate PLUS Loan issues. We have  
23 concerns regarding the implementation of the PLUS  
24 Loans for graduate students. My colleague from

1 Wyoming did an excellent job of summarizing some of  
2 those issues. There are many challenges with this  
3 retooling of the PLUS program, but, specifically,  
4 what we would like is to see that flexibility for  
5 lenders and servicers to automatically grant  
6 forbearances for students when they graduate.  
7 Currently, with no change to the regulations,  
8 students will need to request a forbearance to  
9 postpone their loan payments. There is really no  
10 aligning with the Stafford Loan at this point in  
11 time. Students will have to be proactive to go out  
12 and request a forbearance.

13           In my school, using law school students as  
14 an example, they would have to immediately go into  
15 repayment or forcibly go out there and request that  
16 forbearance. If it were automatic and those  
17 payments were aligned with the Stafford Loans, it  
18 would really aid our students tremendously.

19           Cleanup of any existing issues as it  
20 relates to repayment schedules in the PLUS Loan  
21 Program would be very helpful. If the student is  
22 going to be continuously enrolled, please allow the  
23 lenders and servicers the flexibility to send  
24 repayment schedules when the student has graduated,

1 and not be required to send those repayment  
2 schedules while the student is yet enrolled.

3           And finally, as it relates to the PLUS  
4 Loan issue, schools should be required to offer the  
5 subsidized and unsubsidized Stafford Loan before  
6 awarding the PLUS Loan. This remains an area of  
7 confusion. There is potential that schools,  
8 unscrupulous schools, may go and award the PLUS  
9 Loan only as a way to help their default rate. We  
10 want to make sure that students are awarded the  
11 best loans for them. We understand that students,  
12 if they choose, can take out the PLUS Loan Program,  
13 including the amount of the Stafford Loan, but we  
14 want that to be a student decision. We do not want  
15 schools to be forcing a PLUS Loan-only option upon  
16 students.

17           And finally, one area of concern with the  
18 Spellings Commission recommendation that we have is  
19 the statement of dismantling the current array of  
20 federal student financial aid programs and  
21 replacing it with something that has yet to be  
22 defined. While we certainly concur with the  
23 Commission that the Pell Grant Program needs to be  
24 substantially increased, these funds should not

1 come from a dismantling of the current programs.  
2 Each program serves a vital and proven purpose, and  
3 eliminating these will only serve to diminish  
4 support for low-income students. Indeed, the  
5 Commission's recommendations would have a net  
6 negative impact on student aid for the neediest  
7 students.

8           In summary, my points that I have  
9 outlined: Number one, address the issue of  
10 certificate programs; number two, simplify the  
11 eligibility requirements for the ACG and SMART  
12 Grants as it relates to schools certifying that  
13 eligibility; three, review the undergraduate loan  
14 limits; four, simplify reporting requirements to  
15 COD; five, simplify the process for transfer and  
16 dual-enrolled students; six, make the new Grad PLUS  
17 Loan work better for students; and finally, do not  
18 dismantle the current Title IV programs, as each  
19 serve a vital purpose.

20           Thank you for the opportunity to come and  
21 speak with you today.

22           **DAVID BERGERON:** Thank you.

23           **DAVID BERGERON:** Tom Auxter.

24           **TOM AUXTER:** I am Tom Auxter, and I am the

1 statewide President of the United Faculty of  
2 Florida, and I am also, since 1973, a philosophy  
3 professor at the University of Florida.

4 I am speaking today representing 18,000  
5 faculty members in Florida who have concerns that  
6 the Spellings Commission shares with us, and we  
7 have some ideas about how it is we would like to  
8 see those conclusions interpreted.

9 First, the issue of student loans. This  
10 is a major concern for faculty, and we see the  
11 students suffering; we see the disruptions that  
12 occur in their education. What we would like to do  
13 is see something like the proposal from the Project  
14 on Student Debt, which consists of many  
15 organizations that represent higher education, that  
16 represent faculty, that represent students, that  
17 represent the student loan industry, and they have  
18 a five-point plan for dealing with fair loan  
19 payments.

20 I want to say that I agree with several  
21 speakers here that said that we need to make this a  
22 more rational and sensible approach on repayments.  
23 It makes a lot of sense to us to talk about need-  
24 based student aid. What we are hearing now is the

1 need for need-based repayment of loans, recognizing  
2 that people have different incomes, different  
3 ability to afford repayments, different numbers of  
4 children that they are responsible for, different  
5 amounts of disposable income, and I think we need  
6 to be more sensible to how we craft our policies.

7           I also want to mention that I think it is  
8 justifiable and important--we are affiliated with  
9 the American Federation of Teachers and the  
10 National Teachers Association. We share the  
11 concerns that they have been constantly raising  
12 with us about support for major expansion of Pell  
13 Grants. Pell Grants, as you know, have been flat  
14 for two decades, and the maximum amount that has  
15 been given--inflation has been incredible during  
16 this time period. Since 1992, we have had  
17 something like 46 percent increase in public  
18 university tuition fees and costs. I would very  
19 much like to urge that we see a major expansion in  
20 Pell Grants to deal with the affordability issue.

21           Now, the arguments that I would make as a  
22 philosophy professor, I would make an argument  
23 about future generations. It always was a lesson  
24 from the past that people seemed to endure as an

1 important value that we give our children a head  
2 start in life, and that we give them at least the  
3 kind of head start that we got in life. We have  
4 generations who have gone through public  
5 universities without much debt coming out of that  
6 experience. Many of them are now proposing that we  
7 put a much greater burden on our very own children.  
8 I would like to say that I think there is something  
9 wrong with that approach and that attitude, and  
10 that the gift of good soil and agriculture, that  
11 you enrich the soil and you hand the next  
12 generation soil that is even better than the soil  
13 that you are given, I think that principle needs to  
14 apply to education, too. We give our children  
15 something to work with, not a mountain of debt that  
16 they have to dig themselves out of. So I think  
17 there are important moral arguments here for these  
18 issues of student loans.

19           The other issue that concerns faculty  
20 quite a bit are all the discussions concerning  
21 standardized testing as an accountability measure.  
22 I do not especially like the word,  
23 "accountability." I think it masks a more  
24 important word, which is "responsibility." You

1 cannot always be an accountant the way that you  
2 figure out responsibilities, sometimes you need to  
3 budget afterwards, after you accept responsibility.  
4 But, with that said, I want to say that one-size-  
5 fits-all kind of testing has been a huge failure in  
6 Florida, and I don't see anywhere in the country  
7 where it has actually succeeded. Parents are as  
8 angry as they can be, and students are as angry as  
9 they can be, about the FCAT experience, the Florida  
10 Comprehensive Assessment Testing, and how it has  
11 corrupted the very education the students are  
12 getting, and how there is a kind of dumbing down--  
13 the smarter students have to be drilled in  
14 preparation for these tests--how a variety of  
15 courses that students should be taking that  
16 stimulate them are ruled out now because we have to  
17 teach to the test.

18           Any idea that we should introduce this  
19 into colleges and universities is certainly going  
20 to be a disaster. And let me say that we have  
21 politicians in Florida that have tried to do that.  
22 It disturbs me that there is now a discussion of  
23 doing this at the federal level, as well. The  
24 problem is that colleges and universities don't all

1 have the same mission, and if what you try to do is  
2 to compare "College A" with "College B" by how many  
3 people do well on a standardized test, what you do  
4 is ignore the different missions that colleges and  
5 universities have and make them more standardized  
6 in their missions. You also ignore the differences  
7 of students, the huge diversity of students. And I  
8 can say something interesting: In Florida, the  
9 idea was to have a pre-test/post-test of the SAT,  
10 and have something like the SAT given in the junior  
11 year, and see how much better they did as a value-  
12 added measure. Right away, all kinds of absurd  
13 consequences come from measures like this. For  
14 example, we have a lot of students who don't ever  
15 take a math course in the university because they  
16 have done very well in math and passed all the  
17 courses they needed to take in advanced,  
18 accelerated high school classes, and then, all of a  
19 sudden, they are supposed to be taking this  
20 measure, as well. There are multiple absurd  
21 consequences from a one-size-fits-all testing  
22 procedure.

23           So I would urge you not to go down that  
24 path, and to recognize that we have diverse

1 missions, we have diverse students, we have very  
2 different kinds of students in urban environments  
3 that have different kinds of challenges, and their  
4 institutions should not be punished for the  
5 challenges that do not come from those  
6 institutions. The institutions are trying to deal  
7 with those challenges. And so I would ask us to  
8 take a look at our responsibility there.

9           I also want to add that this kind of  
10 value-added method, and insisting that we do these  
11 accountability measures, also limits academic  
12 freedom in higher education, because, if you have  
13 to teach to the test, what that means is that there  
14 is a lot of teaching that you do not do. What that  
15 means is, when students are interested in  
16 something, and they want to follow the argument  
17 where it leads, you don't go there, because it is  
18 not teaching to the test. And what it means also  
19 is that you do not introduce topics that are not  
20 going to be tested. So it is very important to  
21 understand that there are consequences for these  
22 kinds of ideas. While these simple solutions that  
23 come from people who are not living in the  
24 environment and know what the consequences are may

1 seem to fix some problem that they can identify and  
2 feel frustrated about, multiple additional problems  
3 are created by these, and we need to be very  
4 careful before we tread into these areas. For  
5 example, trying to put pressure on accreditation  
6 agencies, just have some kind of standardized  
7 testing as a way to compare colleges and  
8 universities and make that public to parents as a  
9 way to pressure institutions to all teach to the  
10 test. These are very, very ill-advised kinds of  
11 ideas.

12           The one thing that is frustrating to  
13 faculty in Florida, and I am sure to other states  
14 as well, is what the Spellings Commission did not  
15 address, and that is the academic staffing crisis.  
16 It is true in Florida, and it is true in other  
17 states, as well. The national trend is that, now,  
18 less than 30 percent, only 29.2 percent, of the  
19 faculty are full-time, tenure-track or tenure-  
20 accruing faculty. In other words, the stable core  
21 of the colleges and universities, those that create  
22 programs, those that students touch base with again  
23 and again over the years and come back for  
24 recommendations, come back for advising and

1 suggestion, and so forth, are gone from our base.  
2 No other profession would tolerate this. You would  
3 not take a group of surgeons and say, "It is okay  
4 if 71 percent of the surgeons do something else as  
5 a different job half the time." You would not take  
6 an attorney and have your rights defended by  
7 somebody who is working at some other job and,  
8 part-time, works as an attorney. It is also very  
9 exploitative to part-time faculty, because what  
10 this does is--the institutions are paying very low  
11 salaries to these faculty members, and they are  
12 doing it so people, even putting those together,  
13 have a hard time having a full salary, teaching  
14 sometimes five, six, seven different courses. They  
15 are going around to different places. Students  
16 can't meet with faculty who have these kinds of  
17 migrating patterns. Often, they don't have  
18 offices; often, they meet in their cars with  
19 students, in order to just to be able to talk to  
20 students.

21           So the crisis is with us, and the American  
22 Federation of Teachers has model legislation that I  
23 think is worth considering, and that is to pay all  
24 part-time faculty on a pro-rated basis, the same

1 kind of rate of pay that you would pay a full-time  
2 faculty member that you have at an institution, and  
3 not do a cut-rate kind of job of paying them, so  
4 the people have an honest career that they can  
5 pursue, and they can engage in higher education,  
6 and be engaged with students in higher education,  
7 and not be hustling for work everywhere in the  
8 world in order to try to hold things together--as  
9 well, to have a ration of 75-25 of how many full-  
10 time faculty you have to part-time faculty so that  
11 the part-timers are paid fairly and adequately, and  
12 have a real income without being over-stressed and  
13 dysfunctional in what they do, and the full-time  
14 faculty are there for students to consult with and  
15 meet and have ongoing advice from them,  
16 recommendations later on in life, and so forth. So  
17 I think the academic staffing crisis is something  
18 that needs to be addressed that was not addressed.

19           Finally, one accountability measure that  
20 bothers me, and this has surfaced in the Federal  
21 Higher Education Reauthorization Act, is that the  
22 so-called "Academic Bill of Rights" was inserted in  
23 there. This was a political insertion. It had  
24 nothing to do with, "This needs to be how we

1 reauthorize higher education." It has been a  
2 political attack on academic freedom to have  
3 restrictions on how professors teach in the  
4 classroom, what topics they are allowed to discuss,  
5 the manner in which they discuss them, and the  
6 requirement that they have to give equal time for a  
7 variety of any conceivable point of view. Even the  
8 wackiest points of view have to be discussed as if  
9 they are real. This is corrupting of the entire  
10 process. It limits what faculty can do, and when  
11 we had testimony--I testified before the Florida  
12 legislature on this. I thought the most impressive  
13 testimony there came, actually, from the students.  
14 The students said, "We don't want to go to a  
15 university, and we are not going to FSU just  
16 because we want to feel comfortable and get through  
17 without being challenged. We came here to be  
18 challenged. We want to be challenged in the  
19 classroom. We love controversy. We want to think  
20 about ideas, and we don't want to have some  
21 arbitrary requirements that shape and restrict what  
22 professors can do in the classroom because somebody  
23 has a political agenda of how they would like  
24 education to be conducted."

1           So I would ask, also, for a recognition  
2 that, as we go through this process, and the  
3 Department of Education is part of it, of seeking  
4 reauthorization, that we make clear the  
5 consequences, and the bad consequences, of  
6 introducing these kinds of requirements as they  
7 have been introduced in that act.

8           Thank you very much for your time.

9           **DAVID BERGERON:** Thank you.

10          **DAVID BERGERON:** Reginald Floyd and Denise  
11 Bennett.

12          **REGINALD FLOYD:** Good morning.

13          **DAVID BERGERON:** Good morning.

14          **REGINALD FLOYD:** Thank you for allowing us  
15 to bring this testimony. My name is Reginald  
16 Floyd, and I would like to introduce my colleague,  
17 Mrs. Denise Bennett. We are here representing the  
18 Indian River Community College District Board of  
19 Trustees, and Dr. Edwin Massey, president of our  
20 college.

21                 Ms. Bennett and I are Directors of the St.  
22 Lucie Academy, located in Fort Pierce, and Vero  
23 Beach Kellogg Academic Program for Success, Upward  
24 Bound Program at Indian River Community College.

1           We offer testimony regarding the  
2 Department of Education's attempt to circumvent  
3 congressional authority with regard to the federal  
4 TRIO Upward Bound Programs.

5           Upward Bound is one of five federally  
6 funded Title IV TRIO programs, and serves more than  
7 65,000 low-income and first generation students in  
8 more than 900 programs nationwide. Upward Bound  
9 helps high school students prepare for getting  
10 admission to, and finding financial aid for,  
11 college. More than 91 percent of Upward Bound  
12 students who graduate from high school immediately  
13 enter postsecondary education versus 41 percent of  
14 students from similar economic circumstances who  
15 did not participate in Upward Bound.

16           Currently, Congress requires institutions  
17 to limit Upward Bound services to students who are  
18 low-income and the first generation in their family  
19 to attend college. It also requires that the  
20 college or university that sponsors the program to  
21 ensure that the students have a need for academic  
22 support for successful completion--to ensure that  
23 the students have a need for academic support to  
24 successfully complete a program of postsecondary

1 education. It gives the institution the discretion  
2 to define that need.

3           By law, Upward Bound programs can admit  
4 students that have completed the eighth grade, but  
5 have not yet graduated from high school. Under the  
6 new guidelines, the Department of Education is  
7 proposing to require all entering Upward Bound  
8 students to be in the ninth grade, but not yet  
9 completed the tenth grade. According to the most  
10 recent profile from the Department, 34 percent of  
11 participants enter the program during the ninth  
12 grade, 33 percent enter in the tenth grade, and  
13 almost 10 percent enter in the eleventh grade. By  
14 only allowing ninth and tenth graders to enter the  
15 Upward Bound program, you are penalizing 28,600  
16 participants simply because of their grade level.

17           This is particularly harmful to low-income  
18 students who have a much higher chance of moving  
19 during the school year than middle- or high-income  
20 students. The plan also requires that 30 percent  
21 of newly admitted students be at high academic risk  
22 for failure, which is defined by a student who has  
23 not achieved at the proficient level on state  
24 assessment tests in math and reading, or has a

1 grade point average of 2.5 or less on a 4.0 scale.

2           Some students would be faulted for doing  
3 well in school. Just because a student is not in  
4 the 30 percent high risk program, it does not mean  
5 that they do not need Upward Bound services. This  
6 is especially true in rural areas. These proposals  
7 would remove the individual programs flexibility,  
8 creating a one-size-fits-all approach that would  
9 damage Upward Bound's mission of helping needy  
10 students get into college.

11           Also, according to the Department of  
12 Education, the single highest reason reported for  
13 needing Upward Bound services is that the students  
14 have a lack of opportunity, support, and/or  
15 guidance to take challenging college prep courses,  
16 which represents 20 percent of those students,  
17 followed by coming from a predominantly low-income  
18 community. The Council for Opportunity and  
19 Education, or COE, believes that students should  
20 not be penalized for succeeding in school. By  
21 placing a priority on high risk students, those  
22 low-income students who are succeeding in school  
23 are jeopardized. The Council, along with other  
24 higher education associations, is concerned these

1 proposed regulations establish a precedent for  
2 imposing additional requirements for any Title IV  
3 program, circumventing Congressional authority.

4           The priority asserted is such a marked  
5 departure from the existing program design that it  
6 effectively substitutes a new program for the one  
7 that Congress authorized and provided the funds to  
8 operate. The proposed priority discards the  
9 current flexibility to vary the program in  
10 accordance with local needs, substituting in its  
11 place a monolithic federal vision about whom to  
12 serve.

13           By establishing a priority for a cohort of  
14 ninth grade students, the proposal would  
15 disenfranchise all of the eleventh graders that  
16 Congress intended to be served by the Upward Bound  
17 services. The requirement that 30 percent of  
18 newly-admitted students be at high academic risk  
19 for failure would deprive certain ninth grade  
20 students, those who would do well in school, from  
21 receiving the Upward Bound services they may  
22 require.

23           And finally, the proposal creates a  
24 troubling gray area between Congressional intent,

1 as expressed in statutory language, sometimes  
2 amplified by report language, and the Department's  
3 constitutional obligation to carry out that intent  
4 in a straightforward manner. Mrs. Bennett.

5           **DENISE BENNETT:** Good morning. Again,  
6 just a few more pointers. It is vital to retain  
7 local control of educational decisions. The  
8 educators who run the programs know which students  
9 are the best candidates for Upward Bound services,  
10 the students who both need the academic help and  
11 support, and are motivated to learn.

12           For people in Washington, D.C., to  
13 substitute their judgment at a distance is a  
14 disservice to students. There is no cookie-cutter  
15 approach to identifying students who would most  
16 benefit from TRIO services. This decision is based  
17 on local needs and determined by skilled TRIO  
18 professionals.

19           Point number two, even students who are  
20 considered high-performing are not necessarily  
21 prepared for college, or even high school.

22           Point three, Upward Bound has been  
23 operating effectively for many years under existing  
24 rules, and is a highly successful program that

1 should not be altered in this way. On an average,  
2 approximately 90 percent of high school seniors  
3 that graduate from Upward Bound programs enrolled  
4 in an institution of postsecondary education.

5 Point four, a final comment about the  
6 proposed national evaluation of Upward Bound that  
7 would force staff to recruit double the number of  
8 students they can serve, then disappointing half of  
9 them in the name of evaluation--these are  
10 vulnerable teens who should not be manipulated in  
11 this way, because their lives and careers will be  
12 affected by these choices.

13 In conclusion, we are opposed to the  
14 proposed priority for the Upward Bound programs  
15 published in the July 3, 2006, Federal Register.

16 We would like to say thank you for this  
17 opportunity for allowing us to share our points and  
18 concerns. Thank you.

19 **DAVID BERGERON:** Thank you.

20 **DAVID BERGERON:** Kathleen McGivern.

21 **KATHLEEN MCGIVERN:** Good morning.

22 **DAVID BERGERON:** Good morning.

23 \ **KATHLEEN MCGIVERN:** My name is Kathleen  
24 McGivern, and I am the Executive Director of the

1 Commission of Accreditation of Allied Health  
2 Education Programs. CAAHEP accredits 2,000  
3 programs in 18 different allied health disciplines.  
4 We are recognized by the Council for Higher  
5 Education Accreditation, CHEA, and we are members  
6 of the Association of Specialized and Professional  
7 Accreditors, ASPA.

8           Because the vast majority of our programs  
9 are in institutions with regional or national  
10 accreditation, CAAHEP decided in 1998 that we would  
11 not seek renewal of our recognition by the  
12 Department of Education. But even though we are  
13 not a gatekeeper for Title IV purposes, we  
14 understand the decisions made by the Department  
15 will have a broad impact on accreditation as a  
16 whole, and ultimately will affect even those  
17 accrediting bodies that are not covered by federal  
18 regulations. So I appreciate the opportunity to  
19 comment today, even though I am an interloper, in  
20 terms of the Secretary's program.

21           We share many of the concerns that have  
22 been expressed by other accrediting bodies at your  
23 hearings, particularly those in Cynthia Davenport's  
24 testimony for ASPA. We have watched and listened--

1 my Board of Directors, in particular--with interest  
2 to the deliberations of the Commission on the  
3 Future of Higher Education.

4           And while we agree with many of the  
5 concerns expressed and proposals put forward, we  
6 are troubled by what seem to be some of the  
7 underlying assumptions. The rhetoric, for  
8 instance, that we are hearing about learning  
9 outcomes, makes it seem as if accrediting bodies  
10 are forever stuck in the bad old days when all they  
11 wanted to do was count the books in the library.  
12 We have all heard that accusation many times. But,  
13 while I agree with Elise Scanlon that we all could  
14 do a better job when it comes to learning outcomes,  
15 in fact, most accrediting bodies have spent a lot  
16 of time and effort in recent years shifting the  
17 focus of our efforts to an assessment of outcomes.  
18 Specialized accreditors, in particular, like  
19 CAAHEP, have always had as their primary goal the  
20 assurance of educational programs that produce  
21 competent professionals; that is what we are all  
22 about.

23           Over the last six years at CAAHEP, we have  
24 revised all 18 sets of standards to reflect a

1 renewed emphasis on outcomes assessment, but we all  
2 know that it is not just about outcomes. The  
3 phrase that we hear at ASPA meetings is that  
4 outcomes are trailing indicators, and, in fact,  
5 they are. Often, by the time you discover there is  
6 a problem, if all you are assessing are outcomes,  
7 you have already sacrificed one or two classes of  
8 students in a program that has gone downhill or  
9 lost its quality.

10           We know that there are certain things,  
11 like qualifications of faculty and sufficiency of  
12 clinical slots, that are inputs, if you will, but  
13 they are necessary if a program hopes to achieve  
14 the quality outcomes that we are looking for. So,  
15 for us, it is a delicate balance of assuring  
16 certain elements that are in place and that desired  
17 outcomes are being achieved.

18           We are also concerned about the notion of  
19 using accreditation to compare one program to  
20 another. We assess each program individually in  
21 the context of its institutional mission, its  
22 community's needs, and its own goals and  
23 objectives. Only a fraction, for instance, in  
24 CAAHEP, of our 2,000 programs is undergoing review

1 at any one point in time. So comparisons that  
2 might be based on accreditation decisions that may  
3 be three, or four, or six years old, and some that  
4 may be current, would never be equivalent or fair,  
5 and could be misused.

6 Another concern with the Commission's  
7 report relates to cost. Every accrediting body  
8 struggles with trying to moderate the cost of the  
9 process. Some of the recommendations on the  
10 Commission Report could create increased burdens on  
11 the institutions that we serve. For instance, the  
12 notion that every site visit might have to include  
13 a public member would increase the cost to our  
14 programs of those activities by as much as a third.  
15 For many of our disciplines, which are small, we  
16 send out a site visit team of only two people. And  
17 so, to have added a public member, then, is going  
18 to be a far greater burden on the institutions.

19 The Commission Report concludes with this  
20 paragraph, "Working together we can build on the  
21 past successes of the U.S. higher education to  
22 create an improved and revitalized postsecondary  
23 system that is better tailored to the demands, as  
24 well as the opportunities, of a new century."

1           We are certainly committed to that same  
2 goal, and we hope that the unintended consequences  
3 of some of the Commission's recommendations don't  
4 end up making it harder to achieve that goal.

5           I really do appreciate the opportunity to  
6 testify, and I want to join with you in commending  
7 all of these fantastically articulate students we  
8 have heard all morning. I have far more hope for  
9 the future than I had before I got here today.  
10 Thank you.

11           **DAVID BERGERON:** Thank you.

12           **DAVID BERGERON:** Hui-Min Wen.

13           **HUI-MIN WEN:** Good morning. Can you hear  
14 me? My name is Hui-Min Wen. I am the Director of  
15 Institutional Research here at New College of  
16 Florida.

17           Today I am representing the New College  
18 Florida Provost Office to present our issue with  
19 the SMART Grant. As the University of Florida  
20 student body president has just mentioned earlier,  
21 that New College Florida students are not eligible  
22 for the SMART Grant, and that is the problem we  
23 have with implementing this grant.

24           New College Florida is a public liberal

1 honor college within the state university system.  
2 Its mission is to provide a high quality,  
3 challenging educational experience to students of  
4 high ability. The academic program at New College  
5 is very unique. It allows the students to work  
6 with the faculty very closely to design an  
7 educational program that suits their needs and  
8 their interests. New College succeeds in achieving  
9 these goals by using a highly selective admission  
10 process, and we are also promoting a student  
11 faculty collaboration, and also a highly rigorous  
12 academic contract system.

13           By the time that students leave, they have  
14 to go through this very intensive Capstone Thesis  
15 project with their baccalaureate exam. So we  
16 operate like a graduate program, but we award the  
17 undergraduate degree. And the quality and  
18 uniqueness of this academic program has place New  
19 College in several national ranking lists lately.  
20 In just past August 2006, we were ranked as the  
21 number one public liberal arts college in the U.S.  
22 News & World Report. And also, earlier this year,  
23 we were also named as the nation's number one best  
24 value college by the Princeton Review.

1           New College currently has 746 students and  
2 has more than 70 full-time instructional faculty  
3 members. Its academic program awards--like I said,  
4 it is a baccalaureate of arts degree, but in 33  
5 areas of concentration. And many of our areas of  
6 concentration--when I say area of concentration, it  
7 is equivalent to the major in other institutions,  
8 and many of our areas of concentration include--  
9 they are SMART Grant eligible--including biology,  
10 mathematics, physics, chemistry, biochemistry,  
11 natural science, even Russian language and  
12 literature. The number of faculty for each program  
13 usually ranges from one to five full-time  
14 instructional faculty. We estimate that 20 percent  
15 of our student body are majoring in those SMART-  
16 eligible programs.

17           However, due to our CIP--CIP is  
18 Classification of Instructional Program--  
19 reporting, none of our students are eligible for  
20 the SMART Grant. Historically, New College has  
21 been using one single CIP Code for reporting,  
22 240199, which stands for liberal arts and sciences.  
23 The practice of reporting only one CIP Code dates  
24 back to when New College, at a time, was part of a

1 big university system. From 1975 to 2001, New  
2 College was part of the University of South  
3 Florida, and then, in 2001, New College became  
4 independent and became an institution within the  
5 Florida State University system. And then, after  
6 we became independent, we continued using one CIP  
7 Code for reporting. This allowed the state  
8 university system to easily identify a New College  
9 student as an honor college student, and also  
10 differentiate the New College degree from other  
11 degrees awarded by other programs within the  
12 system. However, this has just incurred adverse  
13 consequences that--because of this reporting, New  
14 College students are excluded from the grant.

15           The CIP Code for a liberal arts and  
16 science, 240119, it is completely excluded from the  
17 two letters for the SMART Grants. And, as one of  
18 the University of Florida student body presidents  
19 mentioned before, we are not the only institution  
20 facing this problem. Florida Atlantic University  
21 Honor College also has this similar problem. They  
22 also use the same CIP Code for their honor college  
23 program and their students majoring in the biology,  
24 pre-med, mathematics, are equally, similarly,

1 unfairly excluded from SMART Grants.

2           So, for an institution like New College  
3 facing this problem, we would like to propose three  
4 recommendations. Any of these alternative options  
5 really will meet New College needs.

6           Number one, we are hoping the interim rule  
7 for 2006-07, if possible, and 2007-08 can be  
8 amended to lobby eligibility of the students  
9 attending public honor colleges majoring in the  
10 concentrations specified in the colleague letters.  
11 And this allows the institutions to continue its  
12 current operation with a minimum change, and the  
13 institution can report this concentration directly  
14 to the Department of Education for monitoring  
15 purposes. And, in terms of implementation costs,  
16 we think this will be the most cost effective.

17           The second proposal is that the interim  
18 rule for 2006-07, 2007-08, can delegate the  
19 determination of eligibility to the board of  
20 governors of the state university system for each  
21 state. If the U.S. Department of Education feels  
22 that it is necessary to ensure that the process of  
23 determination of eligibility is objective and in  
24 compliance with the rule, then the college proposes

1 to amend the interim rule to delegate their  
2 determination of eligibility to the state  
3 university system. The state university system  
4 work very closely with the institution within the  
5 system, and has more understanding of the academic  
6 program. So, compared to other external parties,  
7 we believe that the state university system will be  
8 highly qualified to determine the eligibility for  
9 the SMART Program.

10           The third proposal we have is that New  
11 College could change to report a CIP from one CIP  
12 to the range of CIPs that reflect our students'  
13 area of concentration. In terms of cost benefit,  
14 this would involve a major change on our campus.  
15 Another major concern raised by the college, and  
16 also by the state university system, is the  
17 auditing issue. We have been advised that it is  
18 possible--we need to have a strong justification to  
19 change the CIP Code, not just for the eligibility  
20 for SMART. So to avoid any audit criticism--if the  
21 Department of Education feels that all the  
22 institutions should go this route to report the  
23 wide range of CIP for its students, then we request  
24 the Department of Education to provide the auditing

1 rule as a guidance for us to change the CIP Code,  
2 and we will be in compliance with their rule for  
3 reporting.

4           We strongly urge the Department of  
5 Education to amend its interim rule as soon as  
6 possible to allow the flexibility for our students  
7 to be eligible for the SMART Grant. The financial  
8 burden, as we have heard from so many students, is  
9 so great for students. Any grant dollars are very  
10 precious, very important to our students. So it  
11 would help alleviate any of the financial burdens  
12 of our students.

13           So we feel strongly that SMART is a great  
14 opportunity for our students, and we believe that  
15 New College honor students should be eligible for  
16 the SMART Grant. So we urge the Department to work  
17 with us to solve this issue and ensure the SMART  
18 Grant is eligible for our students.

19           I really appreciate this opportunity to  
20 come in here to address the issue with you. I also  
21 look forward in the near future that we can work  
22 with you to solve this issue.

23           **DAVID BERGERON:** We look forward to  
24 working with you to resolve the issue. I would

1 note that we published final regulations on  
2 November 1<sup>st</sup>, reflecting the public comment we had  
3 received during the comment period related to the  
4 National SMART and Academic Competitiveness Grants.  
5 We did not make changes around the reporting--the  
6 CIP Code reporting scheme that were in the earlier  
7 rules, in the interim final rules. We think, for  
8 reasons of compliance that we need to have some  
9 data coming back to the Department that indicates  
10 that the students are enrolled in the majors that  
11 Congress indicated that the funds should be used  
12 for. We are happy to work with you to find other  
13 ways to work through the issues you have.

14 **HUI-MIN WEN:** That would be great. Thank  
15 you.

16 **DAVID BERGERON:** Thank you.

17 **DAVID BERGERON:** Elvi Reyes.

18 **ELVI REYES:** Hello. My name is Elvi  
19 Reyes, and I am with the Longy School of Music in  
20 Cambridge, Massachusetts.

21 I have been in financial aid for a long  
22 time, and I remember in the 1970s how grants went  
23 to really poor people, and then I remember in the  
24 1980s I went back to working in financial aid, and

1 it was still was going to poor people, and then,  
2 somewhere in the 1990s, I felt that there was a  
3 disconnect between the FAFSA and the tax return. I  
4 was working at a big northeastern university, and  
5 during awarding season, I would have to go home  
6 with an aspirin. I would be so angry, I would get  
7 a headache. And the problem is that people with a  
8 negative AGI paying no taxes who are self-employed  
9 are getting Pell, and it is because they have these  
10 tax accountants.

11           Now, I am going to say that in my opinion,  
12 that one of the ways to combat all these players  
13 who are really fixing up the upper-middle-income  
14 people who are not paying taxes because they can  
15 report a zero AGI, or a negative AGI, is just to,  
16 somewhere in the formula, say, "If you have a  
17 negative AGI, you are not eligible, because it  
18 means you have written off 100 million of your  
19 everyday activities of life." And then, when you  
20 ask them how they live, because you are working in  
21 a private northeastern university, then they give  
22 you these huge amounts of money that they are  
23 paying on mortgage and all kinds of different  
24 things, and so you have to give them Pell. So now

1 we have ACG on top of this.

2 I am a first generation American born in  
3 New York City, and I went to a public school, and I  
4 know that there are still neighborhoods in some of  
5 these urban areas that don't even offer some of the  
6 courses that you are asking for in the ACG. So I  
7 am sitting there--and, you know, a lot of the Pell  
8 kids that I have dealt with, they need help when  
9 they come to school. So my feeling is, here we  
10 have this upper crust of people getting Pell  
11 because they have got these tax accountants, their  
12 taxes are always a quarter inch or thicker, and I  
13 hate when I see them--they are going to get the ACG  
14 money; their kids are going to get the SMART money.

15 In my opinion, if you want to really have  
16 this program be successful, you cannot just  
17 continue to throw money at kids. If you really  
18 want a poor kid who gets Pell to also get SMART,  
19 and keep the ACG in the second year, you need to  
20 partner them with the TRIO program on campuses that  
21 have TRIO. And on the campuses that don't have  
22 TRIO, you need to add the support services that  
23 student development offers--you know, the tutoring,  
24 and the mental health, and the adjustment

1 counseling, because most Pell-eligible kids are not  
2 going to have a 3.0 at the end of the year. So it  
3 is kind of like, you are going to throw money at  
4 them for a year, and then they are just--when they  
5 don't make it, they are going to go home.

6 I just want to speak as a parent. I have  
7 one son who is at a private university with a Gates  
8 Millennium Scholarship, and I am a single parent,  
9 and thank God for that. I have another son here in  
10 Florida who dropped out of school. He sees himself  
11 making more money than kids who have graduated from  
12 some of the local schools here and who have a  
13 mountain of debt. Now, he is an independent  
14 student and he does not want to go back because he  
15 does not want to have the mountain of debt.

16 We used to say that in the global world,  
17 the United States was number one in education.  
18 Now, Canada is ahead of us, and there are, like,  
19 ten other countries in the world ahead of us.  
20 Globally, we are slowly becoming a Third World  
21 country, and if we don't open up our eyes and  
22 understand that all eligible non-citizens will be  
23 citizens--we need to give everybody the same  
24 opportunity. We need to also do what some of these

1 other countries are doing. When they give their  
2 students loans, they have kind of a sliding scale  
3 on the repayment for the rest of that person's life  
4 up to a certain number of years, and then, after  
5 that, the loan is forgiven.

6 I own a music conservatory. I had an  
7 opera student who was in a master's program tell me  
8 at an exit interview last year, "Elvi, I know that  
9 my consolidated loan debt is \$489 a month, and I  
10 know that I am going to be 71 years old when it  
11 comes time for me to finish paying it." Is that  
12 ridiculous? That totally defeats the purpose. We  
13 need to make it so that our children can have a  
14 life.

15 So I know that there are a lot of things  
16 that you cannot undo, but I do know that there are  
17 a lot of things that, together, we have to do,  
18 because we do not want to have another 1960s--I  
19 would be afraid, and I am Hispanic. I would be  
20 afraid if we go back to civil unrest in this  
21 country over education and over jobs.

22 Thank you.

23 **DAVID BERGERON:** Thank you.

24 **DAVID BERGERON:** Larry Abele.

1           **LARRY ABELE:** Good morning.

2           **DAVID BERGERON:** Good morning.

3           **LARRY ABELE:** My name is Larry Abele, and  
4 I am speaking as a private citizen. My comments  
5 are based on 32 years in higher education, serving  
6 in every capacity from faculty to, currently,  
7 provost and executive vice president. I also serve  
8 as Director of the Institute for Academic  
9 Leadership, a statewide program designed to run  
10 workshops and training for new academic  
11 administrators.

12           I am pleased to see the Spellings  
13 Commission. I am pleased to see some of the anger  
14 coming out of that last draft. We are not enemies.  
15 We are not opposed to a lot of things, and I felt  
16 that the first couple of drafts were almost acidic  
17 in their tone, especially since I might be one of  
18 the few people that agree with many of the  
19 recommendations.

20           As we are talking about access and  
21 affordability today, nobody has really said, and I  
22 did not really see it in the Commission Report,  
23 that the key in the 1940s and 1950s for the  
24 increase in educational attainment was getting

1 students whose parents were not college graduates  
2 into college and graduating, because, as you know,  
3 if your parents graduated from college, you have  
4 about a 65 percent chance of graduating. It is a  
5 terribly low number, but that is the fact. If they  
6 didn't, it is about a 15 percent chance. So, as  
7 that shift occurred, and fewer students entered, it  
8 has resulted in the OED and other data that shows  
9 relative educational attainment. So it is critical  
10 that we look at those opportunities.

11 I think it is ironic that faculty members  
12 oppose standardized testing. In fact, they require  
13 standardized testing. I have heard faculty members  
14 at virtually every school in Florida talk about  
15 their SAT scores and how they have gone up, you see  
16 press releases all the time; that is a standardized  
17 test. They practically worship it when their  
18 scores go up for incoming students. A standardized  
19 exam, I think, does three things: First, it forces  
20 the faculty to define the knowledge content that  
21 they need; second, they build the curriculum around  
22 that; and third, by giving the test, they build  
23 that feedback loop for continuous improvement; I  
24 think that is very important.

1           The state of Florida was a huge leader in  
2 this, beginning in the late 1970's. Faculty  
3 members pushed hard for an exam on core  
4 competencies. It was passed eventually, and given  
5 between 1984, and about 1994 is when it was watered  
6 down to nothing. Why was it watered down to  
7 nothing? Well, more than half of the students in  
8 the state at community colleges and universities  
9 did not pass all four units on their first try.  
10 Frankly, they could not take the political  
11 pressure. So the excuse was, "Well, you know, it  
12 is really an eighth of the class--really an eighth  
13 grade exam." Well, it is pretty pathetic if you  
14 have withdrawn an exam because half of college  
15 students with 60 hours cannot pass an eighth grade  
16 exam.

17           So I think we need some sort of exam. I  
18 do not understand different missions. There ought  
19 to be core competencies for American citizens that  
20 we are willing to state and certify that they have  
21 achieved.

22           When you talk about soaring costs as  
23 another part of your report, I don't think that you  
24 have separated out--you lumped tuition and fees.

1 Let's separate them for a minute. Tuition are the  
2 dollars that go into the academic program, fees, in  
3 this state, approximately \$300 million go into  
4 student affairs, student government. They control  
5 a large part of that money. That has been the  
6 fastest growing component in the United States, and  
7 those dollars constitute--they nationally average  
8 about \$1,700 dollars this year, per student, and  
9 many, many states, including Florida, statutorily  
10 allow students to control those dollars. So we  
11 have a beautiful new gym; we have got exquisite,  
12 well-lit intramural fields; we have regular social  
13 services and concerts. I am not saying that is  
14 good or bad, but you are lumping that into the so-  
15 called "soaring costs of college" when, in fact, in  
16 this case, the university administrators, although  
17 I think they should control it--Florida statutes  
18 allow the students to do it.

19           So there is a whole issue of how  
20 students--and they charge themselves these fees.  
21 It is not perfectly permissible for the university  
22 to impose them without student agreement, and, in  
23 fact, as I said, they often impose them on  
24 themselves. And they increase them for things like

1 expanding the gym on campus. They do not increase  
2 them, unfortunately, for expanding mental health  
3 services, or tutoring, or financial aid.

4           The last piece has to do with financial  
5 aid and the "F" that Florida gets. I think Florida  
6 gets an "F" because we spend approximately \$250  
7 million on so-called "Bright Futures," and you hear  
8 people talk about how these students earned these  
9 scholarships, these merit scholarships, because  
10 they have scored--a 970 is the minimum SAT, which  
11 is below the state average, and another piece that  
12 they do on the--it is 1270. So what happens when  
13 you then look--you can do it by ZIP Code or family  
14 income, it almost guarantees that families in  
15 excess of \$90,000 get one of these so-called  
16 "earned merit scholarships." Those students, my  
17 children, did nothing to earn those dollars. They  
18 were fortunate enough to be born into a family with  
19 two parents who invested in them heavily. I was  
20 embarrassed when my children got--they were called  
21 something different. And someone said, a  
22 legislator said, "Why didn't you give it back?" I  
23 said, "Because I certainly do not trust you to do  
24 something better with the money than I could do."

1           That is \$250 million with no need-based at  
2 all. So those three things, the standardized  
3 testing, the student-driven, free market-driven  
4 arms race for the improvement of residence halls,  
5 the improvement of recreational facilities, the  
6 improvement of social activities on campus, and  
7 calling it the Bright Futures merit when it is the  
8 luck of the birth rather than merit for more than  
9 60 percent of the students. There are clearly  
10 students in every category who are needy.

11           I think people could drive down those  
12 costs if there was a greater commitment and  
13 sacrifice, but I just do not see that coming--bikes  
14 instead of automobiles, there are lots of different  
15 ways to do it. You can look at the residence halls  
16 that are the old style with the bathrooms down the  
17 hall; they cannot fill up, while single room  
18 apartments fill up instantly.

19           So let's keep--I don't want the federal  
20 government in our business, but I would like you to  
21 keep some pressure on dealing with these issues.  
22 Thank you.

23           **DAVID BERGERON:** Thank you. We have one  
24 more witness before lunch.

1           **DAVID BERGERON:** Jeff Boyle.

2           **DAVID BERGERON:** As he is coming up, I am  
3 going to say one or two things. I am going to be  
4 leaving after this and going back to Washington,  
5 D.C. I have a meeting in the morning, and I am  
6 sorry that I am going to miss the afternoon.  
7 Others of my colleagues will be here through the  
8 afternoon to hear testimony, so I know I will get a  
9 full report when I get back to Washington, D.C.

10           I have been very happy to hear from all of  
11 you, and I look forward to reading the transcript  
12 from this afternoon. With that, Jeff.

13           **JEFF BOYLE:** Good morning. My name is  
14 Jeff Boyle. I am a financial aid director at  
15 small, rural community college. We currently serve  
16 two counties, we serve four high schools that are  
17 public, we have a charter high school that we  
18 serve, and a small Christian school. I come more  
19 as a representative of the small Christian school  
20 and someone with a knowledge of financial aid.

21           With the ACG Grant, when I look at the  
22 students that are coming out of this Christian  
23 school, when I have looked at their past  
24 performance, the ones that have come, they have

1 excelled at college. I see that the rigorous  
2 education that we are looking at for the ACG has  
3 limited them from being able to get this grant,  
4 because they do not have a foreign language; it is  
5 the only thing they do not have. I feel that with  
6 the rigorous education that we are trying to  
7 identify students who we believe are going to excel  
8 and make it through college. These students have  
9 demonstrated that, they are those students.

10           This small Christian school believed in No  
11 Child Left Behind long before it was a policy, or  
12 an idea from the President. They were already  
13 changing the way they were educating students.  
14 They were changing what was going on in their  
15 school. They do not have a teenage pregnancy  
16 problem, they do not have a drug problem, they do  
17 not have an alcohol problem, and they do not have a  
18 resource officer that has to be stationed at the  
19 door, but yet they cannot get this money because of  
20 one issue, that foreign language. It is not that  
21 the students coming out of that school would not  
22 have taken a foreign language, they simply do not  
23 have the resources to offer that foreign language  
24 at this point.

1           So I would just like to ask that we look  
2 at those rigorous standards and give some of the  
3 schools some ability to have a little bit of  
4 flexibility in that, to where some of the students  
5 say, "We absolutely know we are going to make it"--  
6 that we can get them this money. Thank you.

7           **DAVID BERGERON:** Thank you.

8           Thank you all for the testimony this  
9 morning. We will get back together at 1:00 p.m.

10 **[Recess for lunch.]**

11                           **AFTERNOON SESSION**

12           **DAN MADZELAN:** Okay. Welcome back to the  
13 second half of our third negotiated rulemaking  
14 hearing. We will pick up with the witness list  
15 where we left off.

16           **DAN MADZELAN:** First is Frank Gerbasi.

17           **FRANCIS GERBASI:** Good afternoon. My name  
18 is Francis Gerbasi, and I am the Director of  
19 Accreditation and Education for the Council on  
20 Accreditation for Nursing Anesthesia Educational  
21 Programs, and I am also with the American  
22 Association of Nurse Anesthetists.

23           The Council on Accreditation for Nursing

1 Anesthesia Educational Programs is an autonomous  
2 accreditation organization that accredits over 100  
3 nursing anesthesia programs. The Council on  
4 Accreditation is both an institutional and a  
5 specialized programmatic accreditor recognized by  
6 the U.S. Department of Education as a Title IV  
7 gatekeeper. It is also recognized by the Council  
8 on Higher Education Accreditation, or CHEA, and it  
9 is also a member of the Association for Specialized  
10 and Professional Accreditors, or ASPA.

11           The American Association of Nurse  
12 Anesthetists is a membership organization, and it  
13 represents over 30,000 certified registered nurse  
14 anesthetists across the United States. ASPA is a  
15 membership organization, also, and it represents 51  
16 accrediting groups in professional fields and  
17 disciplines.

18           I appreciate having the opportunity to be  
19 here today, and the report of the Commission on the  
20 Future of Higher Education was discussed during our  
21 recent Council on Accreditation meeting, and also  
22 during the recent ASPA meeting. The concerns I  
23 express here today reflect the concerns of the  
24 Council on Accreditation for Nursing Anesthesia,

1 and also the American Association of Nurse  
2 Anesthetists.

3           The Council on Accreditation for Nurse  
4 Anesthesia and the American Association of Nurse  
5 Anesthetists has developed an accreditation process  
6 and educational system which has helped make  
7 anesthesia 50 times safer today than it was in the  
8 1980s. The U.S. Department of Education had been  
9 part of this since the 1950s by permitting a system  
10 of accountability for patients and for the public  
11 that far exceeds the U.S. Department of Education  
12 recognition requirements.

13           However well-intentioned the Commission's  
14 proposal for a one-size-fits-all approach,  
15 accountability threatens to disrupt this effective  
16 system, increase cost, and fails to realize the  
17 intended benefits. We ask that the U.S. Department  
18 of Education carefully consider the potential  
19 harmful impacts some of the Commission's  
20 recommendations could have on the specialized  
21 accreditors like the Council on Accreditation for  
22 Nurse Anesthesia.

23           We agree with some of the aspects in the  
24 early pages of the Commission Report, without

1 agreeing with many of the proposals in the later  
2 sections. We agree that there are opportunities to  
3 enhance higher education through encouraging  
4 faculty, development of meaningful, evidence-based  
5 performance measures. To facilitate the public in  
6 decision-making, accreditors could make more  
7 information available and accessible to the public,  
8 and provide the public with more information  
9 regarding what is accreditation, and what does  
10 accreditation mean.

11           To address these issues, accreditors and  
12 the Department of Education need to work together  
13 and we need to develop a clear vision of higher  
14 education. The goals, and the plans to reach those  
15 goals, should be developed with input from all  
16 stakeholders.

17           Accreditation for Nursing Anesthesia has a  
18 long history of serving the public. First  
19 established in the 1950s, nursing anesthesia  
20 education has ensured the public with safe  
21 practitioners and competent practitioners. The  
22 quality of the program graduates is reflected in  
23 the recognition certified registered nurse  
24 anesthetists have achieved in providing high

1 quality anesthesia care.

2           Certified registered nurse anesthetists  
3 provide over 60 percent of the anesthesia care  
4 given in the United States, and over 80 percent of  
5 the anesthesia care given in rural areas. The  
6 accreditation process must address numerous, often  
7 competing, elements of public interest. There is  
8 no one single public interest. Mandating any  
9 single public interest through either legislation  
10 or regulation would disenfranchise and ultimately  
11 be a disservice to other public interests.

12           Nurse anesthesia accreditation is a  
13 discipline-specific review process, which is based  
14 on professional expertise that takes years to  
15 develop. Representatives of the public participate  
16 in the accreditation process, and we believe that  
17 it is good practice to identify and train public  
18 members. The public members are involved and  
19 contribute effectively in the decision-making level  
20 of the accreditation process, which is the most  
21 appropriate level for them to be involved in.

22           The Commission Report suggests that the  
23 accreditation process is secretive. This is simply  
24 not true. The accreditation process for nurse

1 anesthesia provides accurate and appropriate public  
2 information that does not compromise the integrity  
3 of the process. It is important to make public all  
4 final accreditation actions, but maintain a level  
5 of confidentiality that enables an accreditation  
6 process that promotes honest disclosure. It is  
7 very important that nurse anesthesia programs'  
8 efforts for improvement are not overshadowed by the  
9 need for good public relations.

10           The Commission Report suggests  
11 accreditation has not paid enough attention to  
12 program performance and student outcomes. The  
13 accreditation process provided by specialized  
14 accreditors, like the Council on Accreditation for  
15 Nurse Anesthesia has, for many years, monitored  
16 student outcomes, certification pass rates,  
17 employer evaluations, alumni evaluations. The  
18 continued success of nurse anesthesia education  
19 depends on the extent to which students master the  
20 discipline and professional content, not on how  
21 much data is collected, or the specific kinds of  
22 accountability systems that are used.

23           The Commission Report suggests  
24 accreditation is stifling innovation. Specialized

1 accreditors, like the Council on Accreditation for  
2 Nurse Anesthesia, support innovation, while  
3 assuring high quality educational programs. Over  
4 40 percent of the nurse anesthesia programs use  
5 distance education, and the Council reviews and  
6 approves those distance education offerings.

7           In addition, many nurse anesthesia  
8 programs now use simulation for some of the  
9 clinical experiences. To ensure quality programs  
10 using these innovative types of instructional  
11 methods, they are required by the Council to show  
12 comparable student outcomes to traditional  
13 instruction. The focus on innovation is not that  
14 it is being stifled, but to ensure that the quality  
15 is still there.

16           Like other specialized accreditors, the  
17 Council on Accreditation for Nurse Anesthesia does  
18 charge fees. They work to moderate the cost of  
19 accreditation. The Council believes that some of  
20 the recommendations of the Commission Report would  
21 create an undue burden on the programs and the  
22 Council, in terms of both time and also money.  
23 Without providing significant benefit, some of the  
24 issues could increase the cost, they could increase

1 litigation, maintaining an extensive data  
2 collection system, and also including public  
3 members on the onsite review teams.

4           So, in summary, the U.S. Department of  
5 Education has established recognition requirements  
6 that provide accrediting agencies with the autonomy  
7 and the freedom to establish accreditation  
8 processes that ensure quality in the institutions  
9 and the programs they accredit. We are concerned  
10 that a one-size-fits-all approach will not address  
11 the Commission's concerns, and will disrupt an  
12 effective accreditation process.

13           Specialized accreditors, like the Council  
14 on Accreditation for Nurse Anesthesia are hopeful  
15 that meetings with the accreditation community will  
16 be scheduled to discuss the Commission's  
17 recommendations so that potential harm from  
18 unintended consequences can be avoided.

19           I appreciate the time.

20           **DAN MADZELAN:** Thank you, Mr. Gerbasi.

21           **DAN MADZELAN:** Next, Paul De Giusti. And  
22 let me, since I forgot to mention it just a moment  
23 ago when a witness comes to the podium to speak,  
24 please state your name and your affiliation, or the

1 organization you are representing so that we are  
2 sure to have that in the transcript. Thank you.  
3 Paul.

4           **PAUL DE GIUSTI:** Good afternoon, Mr.  
5 Madzelan, panelists. I am Paul De Giusti, Director  
6 of Legislative and Regulatory Affairs for  
7 Corinthian Colleges.

8           Corinthian is one of the largest companies  
9 devoted to postsecondary education in North  
10 America. We operate 95 schools in 26 states in the  
11 United States, and 32 schools in 7 provinces in  
12 Canada. Our schools serve approximately 65,000  
13 students, most of whom are non-traditional  
14 students. We offer diploma programs and degrees up  
15 to the master's level in a variety of high-demand  
16 occupational fields. For instance, here in Florida  
17 we have a system called Florida Metropolitan  
18 University, which has ten campuses, and has about  
19 11,000 students. We have another smaller system  
20 called National Schools of Technology, which  
21 represents four campuses and 4,000 students.

22           Because of our emphasis on workforce  
23 preparation, Corinthian is a participant in the  
24 Coalition for a Competitive American Workforce.

1 This coalition was organized by the U.S. Chamber of  
2 Commerce, which is recognized as one of the largest  
3 business federations in the world. This coalition  
4 was formed to address the critical need of American  
5 business and industry for improvements in the  
6 educational system to prepare students to enter and  
7 advance in the workforce.

8           We are pleased that the Department has  
9 engaged in this negotiated rulemaking and  
10 willingness to address regulatory changes suggested  
11 by the Commission on the Future of Higher  
12 Education. Corinthian agrees with many of the  
13 findings and conclusions in the Commission's final  
14 report, beginning with the observation and the  
15 preamble that not everyone needs to go to college,  
16 but everyone needs a postsecondary education, and  
17 that too many students currently graduate and enter  
18 the workforce without the skill employers say they  
19 need. The Commission has laid a good road map for  
20 reform.

21           Corinthian supports a wide range of  
22 negotiated rulemaking based on the greatest extent  
23 possible on this report. We propose that the  
24 negotiated rulemaking agenda include three things.

1           First is transfer of credit. At this  
2 point I would like to ally Corinthians comments  
3 with that of Ms. Scanlon this morning. I think she  
4 was spot-on. The Commission rightly emphasizes  
5 transfer of credit. It calls for reducing barriers  
6 to transfer, and allowing students to move easily  
7 between institutions. As the final report notes,  
8 this would reduce costs, expand access, reduce time  
9 to completion, and improve institutional  
10 transparency, all important goals.

11           Two regulatory reforms would begin to  
12 significantly address this problem. First,  
13 institutions of higher education that participate  
14 in Title IV should be required to establish clear  
15 policies on transfer of credit, and to make those  
16 policies public. Second, such institutions should  
17 not be permitted to base credit transfer decisions  
18 solely on the accreditation of the institution from  
19 which the student is seeking a transfer, provided  
20 that the latter institution is accredited by an  
21 agency recognized by the Secretary.

22           Many institutions currently refuse to even  
23 evaluate the credits earned by students at other  
24 institutions, based solely on the institution's

1 accreditation. Such accreditation-based policies  
2 have no educational quality justification when  
3 institutions are accredited by agencies recognized  
4 by the Secretary. By requiring students to retake  
5 courses, the cost of education is driven up, and  
6 scarce financial resources are wasted. Moreover,  
7 the ability of the postsecondary education system  
8 to respond efficiently to workforce needs is  
9 constrained.

10           It is not an infringement on institutional  
11 autonomy to require institutions to evaluate  
12 students' credits based on legitimate academic  
13 criteria rather than an unfounded accreditation-  
14 based process. Anti-competitive rules and  
15 practices should not be allowed to substitute for  
16 an examination of what a student has actually  
17 learned and achieved. We believe that the  
18 Department has sufficient existing statutory  
19 authority to adopt regulatory changes to facilitate  
20 these policies. For instance, Section 45 of the  
21 HEA, which deals with institutional disclosures, as  
22 well as Section 496, on recognition of accrediting  
23 agencies.

24           The next subject, I think the Neg. Reg.

1 should take a look at is the 90/10 Rule. The  
2 Commission's final report makes a number of points  
3 that support regulatory reform of the 90/10 Rule.  
4 The preamble to the Commission's report states that  
5 distinctions based upon ownership structure are  
6 irrelevant, and that for-profit institutions are  
7 one of the new paradigms that have developed to  
8 adapt to the challenges at the heart of the  
9 Commission's concerns. In addition, one of the  
10 central themes of the Commission Report is access  
11 to postsecondary education, how to promote it for  
12 under-served and non-traditional groups, especially  
13 low-income, minority, and adult students.

14           The Commission focuses on the purchasing  
15 power of the Pell Grant, yet it notes that the  
16 value of the Pell Grant can be undercut by tuition  
17 increases. All these points suggest that reform of  
18 the regulations implementing 90/10 would further  
19 the goals of the Commission and, I would imagine,  
20 the Department, as well. Experience under the Rule  
21 shows that it does not measure institutional  
22 integrity and quality, but rather the socioeconomic  
23 background and status of students. Simply put, the  
24 more needy an institution's students, the more they

1 will qualify for Pell Grants and other forms of  
2 financial aid. The more aid they receive, however,  
3 the more the institution is at peril of violating  
4 the 90/10 Rule, thus the Rule gives institutions  
5 incentives to either not serve the most needy  
6 students, or to raise their tuition, results that  
7 are contrary to achieving the goals of access and  
8 affordability.

9           While we believe the 90/10 should be  
10 repealed, that is a statutory change. I understand  
11 that this is outside of what the Department can do.  
12 Nonetheless, the Department can and should revise  
13 its current regulations to lessen their contra-  
14 productive impact, and thus the degree to which  
15 they single out institutions in the face of an  
16 irrelevant factor, like ownership structure.

17           There are a number of anomalies in the  
18 current regulations that have the effect of  
19 maximizing the counting of Title IV revenues rather  
20 than recognizing the legitimate non-Title IV  
21 revenues that institutions earn. This Neg. Reg.  
22 offers an opportunity to correct these problems.

23           Lastly, transparency and accountability.  
24 These are also major themes in the Commission's

1 final report. As the Commission finds, students  
2 and parents lack good comparable information on the  
3 value the colleges will provide, and the  
4 policymakers lack data to help them decide whether  
5 the national investment in higher education is  
6 paying off. The Commission proposes that the  
7 creation of a consumer-friendly information  
8 database that would protect student privacy, but  
9 still provide a vital tool for accountability to  
10 policymakers and for consumer choice. Corinthian  
11 endorses these concepts. Indeed, as a public  
12 company, we already live with a great deal of  
13 transparency, and the national agencies that  
14 accredit most of our campuses have been at the  
15 forefront in establishing objective and  
16 quantitative accountability measures that also  
17 assist consumers to make decisions on where they go  
18 to school. There is no good reason why other  
19 higher education institutions and accrediting  
20 agencies cannot do more in this area.

21 That concludes my remarks, and I thank you  
22 very much. Any questions?

23 **DAN MADZELAN:** No. Thank you, Mr. De  
24 Giusti.

1           **PAUL DE GIUSTI:** Thank you.

2           **DAN MADZELAN:** Next we have Matthew  
3 Tuckman?

4           **MATTHEW TUCHMAN:** It's Tuchman.

5           **DAN MADZELAN:** Tuchman. Sorry. Anybody  
6 else, please correct me when I get your name wrong.

7           **MATTHEW TUCHMAN:** First, I would like to  
8 thank the Department of Education for this  
9 opportunity to speak, and I would also like to show  
10 gratitude for these series of hearings, giving the  
11 public and, more specifically, students, a chance  
12 to testify on higher education.

13                   My name is Matthew Tuchman. I am the  
14 Director of Legislative Affairs, representing the  
15 40,000 members of the student body at Florida State  
16 University.

17                   I come to you with the concerns of  
18 students at other universities, too, who attend  
19 public universities--I come to you with the  
20 concerns of public education institutions  
21 nationwide. I come to you with the message from  
22 parents of students, and the insights of families  
23 with students. I come to you with a simple,  
24 fundamental question. What would be a better

1 investment for a country than education?

2 I am here today as a fortunate and  
3 grateful man, a man who is lucky enough to solely  
4 focus on school without having to work. I am  
5 blessed to be receiving funding from Bright Futures  
6 Scholarship and the Florida Prepaid Program.  
7 Consequently, I urge you to take into consideration  
8 recent trends with respect to financial aid,  
9 comparatively acknowledging the inequalities in our  
10 K through 12 public schools, need-based financial  
11 assistance is imperative.

12 I ask for your support in mitigating  
13 student debt and rendering loan debt to a more  
14 manageable system. I cannot overemphasize my  
15 belief in the importance of accessibility and  
16 affordability in higher education.

17 I would like to show my appreciation again  
18 for this opportunity to speak and thank you for  
19 your time.

20 **DAN MADZELAN:** Thank you very much.

21 **DAN MADZELAN:** Next, Jan Friis.

22 **JAN FRIIS:** My name is Jan Friis. I am  
23 the Vice President of Government Affairs for the  
24 Council for Higher Education Accreditation, also

1 referred to as CHEA. I would like to thank the  
2 Department for the opportunity to provide this  
3 testimony.

4 CHEA is a national advocate and  
5 institutional voice for self-regulation in academic  
6 quality and accreditation. CHEA is an association  
7 of 3,000 degree-granting colleges and universities,  
8 and recognizes 60 institutional and programmatic  
9 accrediting organizations. CHEA recognizes 21  
10 specialized accreditors that the Department of  
11 Education does not recognize because they are not  
12 Title IV gatekeepers.

13 As an example, CHEA recognizes the Council  
14 on Aviation Accreditation, which accredits air  
15 traffic and professional piloting programs, among  
16 other programs. Because the majority of these  
17 programs are degree-granting, the Department of  
18 Education does not recognize this accreditor,  
19 because the aviation accreditor is not a Title IV  
20 gatekeeper. In contrast, the Department of  
21 Education recognizes the National Accrediting for  
22 Cosmetology Arts and Sciences. CHEA does not  
23 recognize this accreditor, because most of its  
24 institutions are not degree-granting.

1           I think we would all agree that it is  
2 important to review and recognize and Title IV  
3 gatekeeper, but I think we also would agree that it  
4 is important to recognize an accreditor of  
5 professional piloting and airline traffic control  
6 programs if they warrant accreditation.

7           Through these hearings you have heard a  
8 great deal about accreditation, what it is doing,  
9 and that negotiated rulemaking ought occur after  
10 the reauthorization of the Higher Education Act. I  
11 believe it is important that we review the  
12 fundamentals of accreditation for the record.

13           Accreditation is the primary symbol of  
14 legitimate institutions of higher education, and  
15 has been so for the last 100 years. It is a  
16 threshold litmus test for academic quality at an  
17 institution. There are currently 7,000 higher  
18 education institutions and 17,000 programs that are  
19 accredited.

20           Not only is accreditation required for  
21 student access to federal and state loans and  
22 grants, it is also a requirement for institutions  
23 to receive federal and state funds for research and  
24 operations. And it is a gateway for private

1 foundation and corporate support of institutions.  
2 The current national structure of accreditation has  
3 encouraged and grown with the major innovations in  
4 education, such as the development of the community  
5 colleges, the advent of distance learning, and the  
6 growth of for-profit institutions. It is a major  
7 source of protection against fraud and abuse of  
8 students and other consumers of higher education.  
9 In addition, it is currently the primary bulwark  
10 against degree mills and diploma mills.

11           This national structure is a private  
12 enterprise which is currently operated by 81  
13 recognized accrediting organizations, and that is  
14 between the Department of Education and CHEA. They  
15 have 650 full- and part-time staff. This also  
16 includes 16,000 volunteers. In the years 2004 and  
17 2005, accreditors took major actions with regard to  
18 approximately 1,200 institutions and 3,800  
19 programs. All of this was accomplished on a \$70  
20 million private budget. The federal government, in  
21 my view, could not replicate this level of action  
22 with this degree of participation from the  
23 community on the same budget.

24           The accreditation community is responsive

1 to the current climate of accountability. Its  
2 organizations have made significant progress as it  
3 relates to student learning outcomes, improving  
4 institutional performance, improving transfer of  
5 credit, and moving toward greater transparency.  
6 CHEA has set forth an accountability agenda, as  
7 given by its president, Judith Eaton, to Secretary  
8 Spellings Commission on the Future of Higher  
9 Education on April 6, 2006, which, when adopted by  
10 the accrediting community, will improve  
11 accreditation. She will discuss those suggestions  
12 at your hearing in Washington, D.C.

13           The current accreditation system is vital  
14 in maintaining the key features of higher education  
15 that have contributed to keeping the enterprise  
16 among the best in the world. The current mission-  
17 based accreditation is established among diverse  
18 institution. It allows institutional independence  
19 for academic judgment, which permits academic  
20 freedom, and that is vital to an open and free  
21 society.

22           Additional federal control of  
23 accreditation is not needed. Our current national  
24 structure of accreditation has proven to be highly

1 successful and a well-tested program of quality  
2 assurance and quality improvement. The current  
3 system of accreditation and federal interaction is  
4 an excellent example of the effective government  
5 use of the results of a private regulatory system.  
6 Accreditation is the premier national example of a  
7 reliable and responsible self-regulation  
8 organization.

9 Thank you very much.

10 **DAN MADZELAN:** Thank you, Mr. Friis.

11 **DAN MADZELAN:** Next is Gary Raab.

12 **GARY RAAB:** I would like to begin by  
13 expressing my gratitude to everyone who has allowed  
14 this event to take place today.

15 Today I present myself before you as an  
16 undergraduate of Florida State University, but more  
17 importantly, a patron of the United States of  
18 America. As a patron, it is my duty to explicate  
19 the crisis at hand; a crisis that may eventually  
20 reshape this great country, a crisis which can be  
21 resolved.

22 This extremity that I speak of is one that  
23 exists throughout our nation's graduate and  
24 professional schools, a predicament resulting from

1 the lack of federal grants and scholarships  
2 available to our nation's graduate students.  
3 Currently, a state of Florida resident enrolled in  
4 the University of Florida, College of Medicine,  
5 will incur fees of \$18,016 annually, not including  
6 costs of living. With added living expenditures,  
7 Florida in-state medical school will cost a student  
8 over \$30,000 yearly. Over the course of four  
9 years, this student will succumb to approximately  
10 \$120,000 in medical school fees.

11           Due to the high cost of tuition and lack  
12 of federal grants and scholarships, the majority of  
13 our students are forced to take out student loans  
14 that average seven percent interest rates. Once  
15 completing medical school, the doctor-to-be will  
16 then complete years of residency that are usually  
17 unpaid, still incurring the interest rate on their  
18 loans. After residency, the new medical doctor can  
19 start paying off his or her debt. However, with  
20 added interest, the original of \$120,000 now  
21 becomes over \$160,000. At this time, our doctor  
22 will be about the age of 30, and they will want to  
23 start a family, which will cause him or her to  
24 incur many other living expenses that will hinder

1 our doctor's ability to pay off his or her debt  
2 promptly, causing the seven percent interest rate  
3 to increase debt owed to hundreds of thousands of  
4 dollars.

5           Medical school debt presents an acute  
6 problem, not only for the soon-to-be M.D., but for  
7 our nation's healthcare system. In a world where  
8 doctors will owe more money than ever before, it  
9 can be a viable assumption that healthcare costs  
10 will accelerate as well.

11           It is important to note that lack of  
12 federal grants and scholarships affect not only  
13 medical students, but most United States graduate  
14 and professional students. A current state of  
15 Florida resident enrolled in the University of  
16 Florida's Levine College of Law will incur expense  
17 of approximately \$20,000 a year, including living  
18 expenses, and over \$40,000 in overall debt when he  
19 or she receives his or degree.

20           Currently, I am a scholarship student and  
21 am able to attend the Florida State University with  
22 little financial obligation. I personally have an  
23 inclination to attend a United States law school,  
24 however, fear that enormous pecuniary commitment.

1           Today I stand before you as a grateful  
2 scholarship undergraduate. Tomorrow, I hope to  
3 stand before you as an incoming law student  
4 applying for newly created federal graduate grants.  
5 Thank you.

6           **DAN MADZELAN:** Thank you, Mr. Raab.

7           **DAN MADZELAN:** Samuel Reda.

8           **SAMUEL REDA:** Hello. How are you guys  
9 doing today?

10          **DAN MADZELAN:** Well. And you?

11          **SAMUEL REDA:** Good. Fine, thank you. To  
12 start off, I would like to tell you a little bit  
13 about myself. My name is Samuel Reda. I am 22,  
14 and a senior at Florida State University. I am  
15 from Sarasota, Florida, and my future goals are to  
16 attend law school.

17                 I am here speaking because I do not want  
18 to see any young adults in the future not be able  
19 to benefit the same way that I have. I want to  
20 give back to higher education the same way my  
21 professors have given to me.

22                 Today there are over 400,000 eligible  
23 students that do not receive higher education  
24 because of cost alone. Now, I would like to ask

1 you three a question: What is the first word that  
2 comes to mind when you think about higher  
3 education? To me, this word is "opportunity."  
4 Opportunity is defined as a good chance or a  
5 favorable occasion, quoted from the Oxford American  
6 Dictionary. However, because of certain measures  
7 or circumstances, there are hundreds of thousands  
8 of students today whose opportunity is blemished.

9           The most influential reason why these  
10 students' opportunity is blemished is because of  
11 cost alone. Students today are taking out loans  
12 and graduating with more debt than ever. The  
13 average debt upon graduation is \$19,300. This  
14 amount is continually growing and unmanageable.  
15 The government has control of certain financial  
16 issues, such as loans and grants. The government  
17 also has the power to make these loans affordable  
18 by implementing a debt forgiveness policy. On  
19 behalf of the FSU student body, we support a policy  
20 of this nature. This policy would be successful if  
21 the debts were paid back at an income-based rate.

22           Institutions should increase need-based  
23 student aid and give more purchase power to the  
24 Pell Grant. Higher education should be an

1 opportunity, not a nightmare. With students'  
2 growing knowledge of this issue, they are doing  
3 what they can to make a difference.

4 Thank you, guys, for this opportunity and  
5 for your time. I hope you have a great afternoon.

6 **DAN MADZELAN:** Thank you very much.

7 **DAN MADZELAN:** Next, Anisha Singh.

8 **ANISHA SINGH:** I would like to start off  
9 by thanking the Department of Education for  
10 allowing me to speak today.

11 My name is Anisha Singh. I am currently  
12 attending Florida State University, and am majoring  
13 in political science and communications, with  
14 dreams of one day going to law school.

15 My parents came here from India in pursuit  
16 of opportunity and a better life. Fortunately, my  
17 father was able to work hard enough to afford a  
18 college education for me. I receive absolutely no  
19 financial aid, and the only answers I receive when  
20 I ask why not is that my father has a high enough  
21 income to afford my expenses in school.

22 In addition, I do not receive any  
23 scholarships other than Bright Futures. The amount  
24 of scholarships I can apply for are limited. This

1 is because, although I am a minority in this  
2 country, I am unable to qualify for any minority  
3 scholarships. Minorities in the education system  
4 are generally classified as African Americans and  
5 Hispanics, not Asians.

6           Most colleges use the FAFSA to determine  
7 if I am really need-based, however, debt is not  
8 taken into consideration for FAFSA. I feel the  
9 fact that my dad is in debt is ignored. In order  
10 to put me in school, my dad has taken thousands of  
11 dollars in parent loans because he does not want me  
12 to have to. He has other obligations and expenses,  
13 and I worry that, by the time my 11-year-old  
14 brother goes to school, my dad may not be able to  
15 pay for it because of tuition increases and other  
16 fees that are being added.

17           I also hope that other loans won't be  
18 taken out to support my brother's education,  
19 because I don't know how my dad would manage to pay  
20 that off. As I contemplate law school, even though  
21 it is a few years away, I worry that, even though I  
22 have high grades and I am working so hard to ensure  
23 my admission into a prestigious law school, that  
24 dream may not become a reality. Around the time I

1 will need the money to go to law school, my dad  
2 will be saving up to pay for my brother's college  
3 tuition and expenses, as well.

4           According to the Spellings Commission  
5 Report, from 1995-2005, average tuition and fees at  
6 public four-year colleges and universities rose 51  
7 percent after adjusting for inflation. The same  
8 report states that average debt levels for students  
9 that graduated from four-year colleges and  
10 universities total over \$19,000. By no means am I  
11 that average student because by the time I  
12 graduate, my parents will have taken quite a bit  
13 more.

14           In addition to sharing my story today, I  
15 would like to share that of my roommate, Natalie.  
16 Natalie worked every day throughout her high school  
17 career to be able to save up enough money to go to  
18 college. She had calculated how much tuition money  
19 she needed to save and accordingly worked close to  
20 full time. Natalie was one of the lucky ones.  
21 Nearly 400,000 students don't attend college simply  
22 because they cannot afford it. Many of those same  
23 students save for college only to learn they do not  
24 have enough because of skyrocketing tuition and

1 fees and decreasing aid from the federal  
2 government.

3           The Spellings Commission Report also  
4 stated that 90 percent of the fastest growing jobs  
5 in the new information service economy will require  
6 some postsecondary education. As millions more  
7 students each year pursue a degree, we need to make  
8 sure that there is a funding for these students.  
9 As the Department begins its negotiated rulemaking  
10 process, I urge you to consider the following  
11 things:

12           Simplifying the FAFSA to be less  
13 intimidating will open doors for access for more  
14 students.

15           Taking into account an applicant's debt,  
16 and not just the adjusted gross income will also  
17 allow more students the security of knowing they  
18 will be able to attend college.

19           Also, making loans more manageable and  
20 increasing federal grant aid to students who need  
21 it the most should definitely be a priority.

22           There are thousands who thirst for higher  
23 education, unable to get one because of finance  
24 issues and lack of funding from the government.

1 Then there are thousands like me, who seem to be  
2 ignored in the process, Americanized minorities  
3 with money to get by, but still find themselves  
4 waking up every morning wondering if they will  
5 always be so lucky.

6 Thank you for allowing me the opportunity  
7 to speak before you today.

8 **DAN MADZELAN:** Thank you very much.

9 **DAN MADZELAN:** Next we have Lisa Primiani.

10 **LISA PRIMIANI:** Hello. My name is Lisa  
11 Primiani, and I am a freshman at Florida State  
12 University. I am planning to study communications  
13 and political science, and one day hope to become a  
14 lobbyist and make changes in policy for things that  
15 I think are important. This is partially the  
16 reason that I am here today.

17 Student loans affect everyone. They have  
18 affected my family, but have also affected the  
19 state and country. They prevent people from giving  
20 back to the economy, and stop people from providing  
21 for the success of a competitive workforce. My  
22 family has been directly affected by student loans,  
23 and my story is one of millions. Let me share with  
24 you my personal story.

1           Ten years ago, my cousin Danielle was a  
2 student at Florida State University. During her  
3 junior year, she met a great guy named P.J., and  
4 they quickly began dating. After dating for a few  
5 years, the topic of marriage came up. PJ is the  
6 youngest of seven children and is an out-of-state  
7 student, so he paid for his college solely based on  
8 student loans.

9           After graduation, my cousin Danielle moved  
10 in with P.J., and they both put their lives on  
11 hold, because P.J. still owed an incredible amount  
12 in student loans. Even with family pressure and  
13 the desire to get married, they had to put their  
14 futures on hold because of the burden of student  
15 loans.

16           Finally, after ten years of dating, P.J.  
17 got his debt to a manageable level and proposed to  
18 my cousin. It took ten years of waiting and ten  
19 years of paying student loans for P.J. to be in a  
20 position to start a family, buy a house, be  
21 financially stable, all because of student loans.

22           They are happily married now, but Danielle  
23 and P.J. are just now starting their lives together  
24 after having to wait so long because of student

1 loans. I can only imagine the hardships that they  
2 went through, and I would never want to go through  
3 what they endured.

4 Not only for myself, but this is a problem  
5 for all current students and future graduates.  
6 Graduating college is supposed to be a new  
7 beginning, but how are you supposed to start  
8 anything if you are drowning in debt?

9 I hope you will consider ways to make  
10 student loans more manageable and realistic. For a  
11 recent graduate, a full year's salary will only  
12 make a dent in the amount of student loans they  
13 still owe. Remember that our stories and  
14 recommendations are the voices of only a fraction  
15 of millions of students that are impacted by  
16 student loans, federal financial aid, and the  
17 programs the Department will be implementing.

18 Thank you for your time.

19 **DAN MADZELAN:** Thank you very much.

20 **DAN MADZELAN:** Kimberly Copley.

21 **KIMBERLY COPLEY:** Good afternoon. My name  
22 is Kimberly Copley. I am currently a sophomore at  
23 Florida State University. I am studying nursing,  
24 and I am also studying Spanish. I hope to go on

1 and get my higher education and master's degree and  
2 pursue nursing in the field of being a nurse  
3 practitioner.

4 I am so very, very grateful to have the  
5 opportunity to stand here before you today, and I  
6 would like to share with you a story that is very  
7 near and dear to my heart.

8 Not too very long ago it was my senior  
9 year of high school, and I realized that I could be  
10 getting as good grades as I wanted, I could be in  
11 the most advanced as I could possibly be in, but,  
12 somehow, if I wanted to have this dream of higher  
13 education, I was going to have to come up with the  
14 reality of finding the funds to do so. I took out  
15 loans, I bought my own car, I started to work full-  
16 time, all the meanwhile juggling school. I went  
17 and saw my guidance counselor and started getting  
18 applications. As expensive as they may be, I  
19 applied to as many schools as possible.

20 Once I found out how expensive it was  
21 going to be, even being in Florida, which is the  
22 second lowest of any of our states as far as in-  
23 state tuition costs, still was just out of reach  
24 for what I was going to be able to afford on my

1 own. Not too much longer after that, I found  
2 myself in a hospital bed.

3 I live with a chronic illness, Crohn's  
4 disease, which is something that I have learned to  
5 deal with my entire life, but on the same token it  
6 has been something that has always brought me back  
7 to reality. As I lay there, missing days and days  
8 and days of high school of my senior year, my dad  
9 flew down--he lives out of state, in the state of  
10 Indiana, and sat down with me. We had never had a  
11 very serious conversation about college, and I was  
12 very nervous and I was ready to take on the burden  
13 on my own by staying home at a local community  
14 college. That seemed to be the only one I would be  
15 able to afford.

16 My dad sat down with me and told me--and  
17 for the first time in my life I saw him cry,  
18 because he told me that he had been saving money  
19 for me the last ten years. I, unfortunately, am  
20 the minority in a group of student leaders at FSU.  
21 The vast majority of my peers, who I represent and  
22 who I respect with the utmost diligence, graduate  
23 with unmanageable debt, graduate with 40 percent--  
24 just outrageous amounts of debt--credit card

1 loans--I mean, it is just so sad to watch because  
2 they have to put their lives on hold because they  
3 have to try and pay off these high interest loans,  
4 and because they continue to see their education  
5 get more and more out of reach.

6 I have a stepbrother who goes to school in  
7 Indiana, and my dad has had to make more  
8 adjustments for my two younger brothers and  
9 sisters, and from his budget there, because their  
10 tuition rate increased eight percent last year,  
11 which is more than double what the inflation rate  
12 was nationally.

13 So I ask you all to really take into  
14 consideration the students, and we hope that we  
15 represent the actual faces of those that are being  
16 affected at Florida State University.

17 So thank you so much for the opportunity  
18 to come here and speak. I want you to know that I  
19 take not one class, not one lab, not one hour for  
20 granted, because I have had the opportunity to have  
21 a higher education. Thank you.

22 **DAN MADZELAN:** Thank you very much. We  
23 are a bit ahead of schedule on our sign-up sheet,  
24 so we do have a couple of people that have signed

1 up for a little bit later. I will ask if they are  
2 here now.

3 **DAN MADZELAN:** First, Rebecca Thompson. I  
4 am sorry we sprung that on you.

5 **REBECCA THOMPSON:** Oh, no. It's okay.  
6 Just give me a few seconds.

7 **DAN MADZELAN:** Take your time.

8 **REBECCA THOMPSON:** Again, my name is  
9 Rebecca Thompson, and I am the Legislative Director  
10 for the United States Student Association. The  
11 USSA is the country's oldest, largest national  
12 student association, representing millions of  
13 students across the country.

14 For nearly 60 years, USSA has been the  
15 student voice on Capitol Hill, in the White House,  
16 and the Department of Education. As a coalition of  
17 student governments and statewide Student  
18 Associations, we are here again today, as we were  
19 in Berkeley and Chicago, to express our concerns in  
20 high hopes that they will be adopted in the  
21 Department of Education's negotiated rulemaking  
22 process.

23 The state of higher education today is  
24 very different from that of just 10 or 20 years

1 ago. In the past, students who dreamed of pursuing  
2 higher education had the opportunity to do so,  
3 oftentimes with much of that opportunity subsidized  
4 by the federal government. From the Pell Grant to  
5 low-interest federal loans, students could access  
6 the doors of higher education with very few  
7 barriers. Today, those doors are accessible to  
8 only the few who can afford it.

9           With the dwindling Pell Grant and low-  
10 interest loans disappearing fast, a qualified needy  
11 student has very few options. The Pell Grant has  
12 been under-funded five consecutive years. In the  
13 past year alone, the average Pell Grant award has  
14 declined by \$120. Twenty years ago, the maximum  
15 Pell Grant covered nearly 60 percent of tuition and  
16 fees. Today, the Pell Grant covers only 33 percent  
17 of those costs. Earlier this year we saw the  
18 largest cuts to student loan programs in the  
19 history of the program, which will cost students  
20 thousands more in additional loan repayment.

21           As our nation attempts to compete in the  
22 ever-changing global economy, our citizens must be  
23 highly educated to do so. The Spellings Commission  
24 reported that 90 percent of the fastest growing

1 jobs in the new information and service economy  
2 will require some postsecondary education. If the  
3 federal government continues to divest in higher  
4 education, the impact on our economy could be  
5 disastrous. One of the most frightening new trends  
6 in higher education is the rate at which many  
7 students take on student debt burdens. The average  
8 student now has over \$19,300 in student loan debt.  
9 With more and more students taking on unmanageable  
10 debt, this prevents them from buying their first  
11 home, getting married, or starting a family, all  
12 major life decisions that are put on hold simply  
13 because they spend a large portion of their income  
14 paying student loans.

15           Although the Department of Education does  
16 not have the jurisdiction over the funding of many  
17 of these programs, we ask that you do everything  
18 you can to make sure that higher education is more  
19 affordable and more accessible to students.

20           As students from across the state and  
21 country, we urge the Department of Education to  
22 prioritize the needs of students as it begins its  
23 negotiated rulemaking process. This can be done in  
24 a variety of ways.

1           First, recognize that students with  
2 families have less income to devote to loan  
3 repayments than their counterparts. Also, we must  
4 simplify the process of applying for hardship  
5 deferrals. And lastly, we ask that you cancel  
6 remaining debts for borrowers who have made income-  
7 based payments for 20 years.

8           While federal student loans are an  
9 important aspect of a students' financial aid  
10 package, increasing grant aid would make it  
11 possible for students to have significantly less  
12 debt. And, as a recent graduate myself, I have  
13 over \$35,000 in student loans and, coincidentally,  
14 my identical twin sister also has about \$35,000 in  
15 student loans.

16           We need the Department's help in saving  
17 millions of students from drowning in debt. We  
18 urge you to consider our requests. The state of  
19 higher education rests in the Department's hands,  
20 and we hope that you will help make it possible for  
21 current and future college and university students  
22 to access the doors of higher education. Thank  
23 you.

24           **DAN MADZELAN:** Thank you very much. We

1 have one more person who has signed up and, like  
2 Rebecca, a little bit later, but I will call Ahmad  
3 Abuznaid. Please restate your name for the record.

4 **AHMAD ABUZNAID:** Good afternoon. My name  
5 is Ahmad Abuznaid.

6 **DAN MADZELAN:** Sorry about that.

7 **AHMAD ABUZNAID:** No problem. My teachers  
8 did it all the time.

9 **DAN MADZELAN:** This last name gets it,  
10 too.

11 **AHMAD ABUZNAID:** I can see. Well, thank  
12 you for the opportunity. I do not have anything  
13 prepared. I just wanted to share some of the same  
14 sentiments that the other students spoke of. I am  
15 a recent graduate of Florida State University.  
16 Fortunately, I do not have any loans or any kind of  
17 debt that I am supposed to be drowning in, but I am  
18 one of the more fortunate students. My parents  
19 made a decent enough wage to be able to help me  
20 out, but I also did work 40 hours a week throughout  
21 my tenure at Florida State University.

22 I am actually of Palestinian descent, so I  
23 share some of the same sentiments as Anisha, who  
24 was just up here. I was born in Jerusalem, and

1 being here in America, you get a lot of  
2 opportunities that you do not get elsewhere, but,  
3 with that being said, there are still some issues I  
4 think we need to work on.

5           A lot of our students are struggling these  
6 days with costs, and I believe that the education  
7 here needs to be a priority of investment in  
8 propelling the future of this nation to the top.

9           So, with that being said, I just want to  
10 say that, while I am not in debt, I have a younger  
11 brother that is 11 years old, and a lot of my  
12 friends are in debt, and I can see the future of  
13 our nation struggling with this issue, and I am one  
14 student that does not want to stand for that.  
15 Thank you for your time.

16           **DAN MADZELAN:** Thank you for yours.

17           We currently have no one else signed up.  
18 So it is just about 2:00. I think we will break,  
19 let us say, until 2:15. We will be back here and  
20 see if we get some more people who want to testify  
21 this afternoon.

22           We will see you back here, or not, at  
23 2:15. We will be here. Thank you.

24 **[Brief recess.]**

1           **DAN MADZELAN:** Well, we are back from  
2 break, but we still have no additional witnesses  
3 signed up. We do know, however, that the breakout  
4 sessions currently going on here in the conference  
5 end at about 2:45, so let us take another break  
6 until about 2:45, and we will see if we get anyone  
7 signed up between now and then.

8           If we do have someone signed up before  
9 2:45, we will come back in here and let them speak.

10           So, for now, we are back on break. Thank  
11 you very much.

12 **[Brief recess.]**

13           We are now reconvening this public hearing  
14 on negotiated rulemaking agenda for this fall and  
15 winter, and our witness is Thomas Ratliff. Thomas,  
16 please restate your name for the record, and your  
17 affiliation. Thank you.

18           **THOMAS RATLIFF:** Thank you very much. I  
19 am Thomas Ratliff, Director of Student Financial  
20 Aid at Indiana State University, as well as a  
21 doctoral student in leadership and higher education  
22 at the same institution.

23           When listening to some of the witnesses

1 earlier convey their thoughts and concerns about  
2 their deep debt, it reiterated to me the whole  
3 purpose for the Higher Education Act in 1965 as a  
4 major component of our War on Poverty. I went in  
5 and looked during our break, and checked that,  
6 indeed, in 1965, the poverty level in the United  
7 States was at 15.8 percent, down consistently in  
8 the five years previous from about 20.3 percent.  
9 It continued to drop for another five years to  
10 about 10.4, and then, since then, basically has not  
11 changed.

12           We have had billions of dollars going out  
13 in federal financial aid since 1965, and our  
14 current poverty rate is at 10.8 percent, no better  
15 than what we saw in 1969. It seems that either one  
16 of two things has to happen: Either we need to  
17 stop this experiment and let higher education go  
18 back to being funded by the states and being funded  
19 by the institutions themselves, or we need to raise  
20 the bar back to where it should be.

21           The Basic Educational Opportunity Grant in  
22 1965 paid for in-state tuition and fees at most  
23 institutions. It is not close anymore. Since  
24 2001, tuition and fees have accelerated at an

1 average rate of about 10.4 percent, by some of the  
2 studies that I have looked at. Cumulatively, for  
3 public four-year institutions, they rose by about  
4 54 percent in the last five years, the reason being  
5 not because schools are greedy, not because they  
6 are wanting to pull in excess moneys, the reason  
7 being they have costs that they have to meet to be  
8 able to educate our population, and the states are  
9 pulling back their funds, because their commitment  
10 to education is not as keen as it once was.

11           The Federal Pell Grant has been stagnant  
12 and stuck at \$4,050 for too long. I know the  
13 proposal comes up on an annual basis to try to  
14 raise that. I know that there has been a push to  
15 try and double it. I know there has been a push to  
16 try to get \$100 increase mandated for the next five  
17 years. And yet, I am looking at a likelihood that  
18 \$4,050 is still going to be a magic number next  
19 year. The percentage of tuition and fees that is  
20 going to pay at most institutions will go down, and  
21 students will have less access than what they have  
22 seen in the past.

23           I do not believe we need to stop this  
24 experiment and cut the losses, because the War on

1 Poverty has not been won. I believe that it is  
2 still an admirable feat that we can go after, and  
3 something that indeed can help, but it does appear  
4 by looking at the numbers that our focus on our  
5 neediest students, perhaps, is the key point in  
6 this war to try to win.

7           Those that are below the poverty level are  
8 now being recognized as such, to some degree, by  
9 the means test, which are being added to the FAFSA  
10 this coming and were added into law this year,  
11 allowing more students the opportunity to at least  
12 be considered for simplified needs analysis, as  
13 well as the auto zero EFC, but that is just opening  
14 a little bit of a door. I think that door needs to  
15 go wider.

16           It appears that students struggle the most  
17 during their freshman year. Dropout rates for  
18 colleges are typically highest between freshman and  
19 sophomore experiences, and to be able to retain  
20 those students and help them avoid debt does make  
21 very good sense to me, that we should front load  
22 Pells, maybe even to the point of making Pell  
23 Grants only available for freshman and sophomore  
24 experiences. And saying that, which could send

1 shivers up many people's backs, including my own  
2 for a while until I considered it--with an  
3 associate's degree, students can either have the  
4 basis that they need upon which they build through  
5 loans and other options, particularly scholarships  
6 that they can prove themselves worthy of after two  
7 good years of academic demonstration in college to  
8 pay for those last two years of their bachelor's  
9 degree. If not, then at least with an associate's  
10 degree, perhaps they can pull themselves out of  
11 that poverty line, which was the underlying goal  
12 for the Higher Education Act in 1965 to begin with.

13           So it seems by doing a front load of the  
14 Pell Grant, perhaps we can amend two issues, one to  
15 help accomplish this goal of beating the War on  
16 Poverty, and two, to accomplish the goal of helping  
17 students encourage themselves through their  
18 academic accomplishments in the first two years,  
19 knowing that they will have to rely on that to help  
20 them pay for their last two years of their  
21 bachelor's degree. With that, I think that we  
22 could see some forward progress.

23           I thank you all very much for reconvening  
24 and giving me your time.

1           **DAN MADZELAN:** Thank you very much. I  
2 would also just like to state for the record that  
3 up here on the panel Carney McCullough joined  
4 Elizabeth McFadden and myself.

5           And with that, we will deconvene for a  
6 short while, and see if we have additional  
7 witnesses to come forward in the next hour or so.

8           See you shortly.

9   **[Brief recess.]**

10           **DAN MADZELAN:** I want to thank everyone  
11 who came by today to offer their testimony. I also  
12 thank our federal panel, David Bergeron, Jim  
13 Manning, Elizabeth McFadden, and Carney McCullough.  
14 This concludes the hearing on negotiated  
15 rulemaking.

16           **[Whereupon, the hearing was concluded**  
17 **at 3:50 p.m.]**

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