Ali Bane: All right. Well, welcome to session 54, an update on the Higher Education Regulations Study. My name is Ali Bane, and I am the associate director for government relations for the Advisory Committee, and I'm joined by Anthony Jones, the Advisory Committee senior policy analyst and the director of the Higher Education Regulations Study. Today we're gonna begin by introducing you to some of the requirements of and goals for the Higher Education Regulations Study, as well as some background on prior regulatory reviews that have been done on this topic. I'll be discussing the first phase of the study, and then Anthony will take you through the preliminary list of burdensome regulations that have been suggested thus far, as well as the five regulatory areas that were featured at the Advisory Committee's June 25 hearing. And we'll wrap up by bringing you up to speed on where the study is now, now that it is in its second phase.

For those of you who are not aware, the Advisory Committee on student financial assistance was created in 1986 by Congress to serve as an independent and bipartisan source of advice and counsel on student financial-aid policy, to both Congress and the Secretary of Education, so that's who we are, and in 2008, the Higher Education Opportunity Act charged the Advisory Committee to conduct a review and analysis of all regulations issued by federal agencies and that apply to all sectors of higher-education institutions. They mandated that the final report is due to Congress in about a year from now in November of 2011, and the ultimate goal is to recommend regulations in need of streamlining, improvement, or elimination. That is what Congress has asked for.

Specifically, that review and analysis will include a determination as to whether each regulation is four things, duplicative, no longer necessary, inconsistent with other federal requirements, or overly burdensome, so that's what the study will look at specifically. In carrying out the study, the Advisory Committee will adhere to three additional requirements, as outlined in the Higher Education Opportunity Act. The first one, development of a web site to collect recommendations from experts and members of the public, and, two, consultation with the Secretary of Education, other federal agencies, relevant higher-education representatives, and regulatory experts, and, finally, review panels. At least two must be convened and consulted, and they must be comprised of individuals with expertise and experience in federal regulation, so we'll be telling you a bit more later on in the presentation about where we are in fulfilling these requirements, and Anthony will go into more detail about that as well.

Prior to the Higher Education Regulations Study, there have been three large-scale reviews that have been designed to reduce regulatory burden in post-secondary education. In 1995, the Regulatory Reinvention Initiative, in 1998, the Student Financial Assistance Review, and the 2001 Fed Up Initiative, which is not only the most recent but probably the most well known here in this room. And while all three of these regulatory reviews were led by the Department of Education, the Higher Education Regulations Study is the first review conducted by an independent and impartial entity. Although post-secondary institutions are subject to a wide variety of rules and regulations from many sources, the focus of this study is only on those federal regulations emanating from the Higher Education Act, so it will not cover regulations issued under other laws or from other federal agencies, so we're not talking about research regulations or IRS regulations unless they are specifically designated under HEA.

The first phase of the study concentrated on Title IV regulations only because they comprised the bulk of the regulations stemming from the Higher Education Act. And during that first phase of the study, the Advisory Committee has done a number of things – established the Title IV review panel, created and maintained a web site, conducted telephone and in-person conferences with several experts on HEA regulations, including Department of Ed staff, held additional meetings and conferences with representatives from many of the major associations – and they've also created a preliminary list of the most cited burdensome regulatory areas. The review panel consisted of six representatives from various sectors in higher education. They met on April 9, 2009, in Washington, DC, to advise on the development of the public common web site and outreach strategy and the general scope of the study. They publicized the first phase of the study, helped gather research information and data, connected committee staff with regulatory experts, and then provided advice on the direction of the study.

The web site was developed by those review panelists and also Advisory Committee staff. It was launched in May 2009, and we will provide you with a link at the end of this presentation so you can check it out if you have not already. How it works is that users can submit comments on overly burdensome regulations directly to the Advisory Committee staff through the web site. There are very short and simple open-answer questions that ask the user to name the regulation, describe why it's burdensome, and also offer suggestions on how that particular regulation can be improved,

streamlined, or eliminated. The first submission deadline was July 15, 2009, and Advisory Committee staff reviewed and aggregated all submissions. To date, the web site has received more than 110 comments, and it continues to remain active. We're still seeking suggestions of regulations in need of streamlining, improvement, or elimination, and, again, we will provide you the link. And now I'm gonna turn it over to Anthony so he can tell you a bit more about the preliminary list of burdensome regs that have been suggested thus far.

Anthony Jones: Thanks, Ali. Before I get into the preliminary list, I want to clarify, based on some questions we received at the session we presented two days ago. A couple folks asked to clarify the committee's role and what our ties are to being a federal agency. As Ali indicated, we are an independent, bipartisan committee that was created by Congress. We advise both Congress and the Secretary of Education, and our appropriation to fund the committee is given to the Department of Ed through its appropriation, so we're housed in space within the Department of Ed. However, we are independent from the Department in that the Department does not review our reports before we submit them to Congress. We do share the final report with the Secretary at the same time that we submit the final reports to Congress, so hopefully that clarifies a little bit for you about what the committee's role is.

That actually provides an interesting opportunity, as Ali mentioned, that this is the first time that there's a reg study being conducted by an impartial independent agency. As she noted, the other three large-scale reviews were conducted by the Department itself. In this instance, since we're separate and we report directly to Congress, this is an opportunity for you to speak directly to Congress and have those recommendations that you feel are regs that are in need of streamlining, improvement, or elimination go in through a port that will go directly to Congress, so it's a unique opportunity in this situation, and that's why we wanted to take this opportunity to go through a little more specifically what we've received thus far, get your feedback on any of these items, see if there's modifications or additions to this list, and also tell you how we're gonna go about the final steps.

When we talk about looking for regs that are burdensome, there are two aspects to this. It's not only looking at the administrative burden on institutions, but also if the regulation would be burdensome in the sense that it would be a barrier to student access or persistence to completion. So it's not just that that's on the

institution. Also, a slightly clarification is that we are not looking at regulations that may be burdensome to external entities, so if it's a reg that's a burden to guarantee agencies, that's not part of this study. That would have to be something separate. So as we look through, as Ali mentioned, the 110, a little over 110, comments that received thus far, they shook down into about 35 different unduplicated recommendations that fell into four broad categories, grant and loan programs, cash management, institutional and student eligibility, and reporting and disclosure requirements.

Under the grant and loan programs, the first one that we've been dealing with is two Pells in an award year, which probably isn't gonna be much of a surprise to many people in this room, that with the areas that commenters focused on were the prescriptive nature of the Pell Grant programs, of the acceleration in the programs, and most of the commenters said that they were especially concerned how prescribed it is for looking at payments during a crossover payment period of comparing the two years, whether that's necessary, and as far as the terms of acceleration, most of the commenters have suggested that it should be just left to the percentage of a Pell earned during that award year. Once they hit 100 percent, if they're still enrolled and have remaining eligibility according to that period of enrollment, then they should get an additional amount beyond there, rather than having to do the credit-hour calculation for that one.

Also, the other area would be that in looking at aggregate limits of receiving this amount, that satisfactory academic progress, because it has a time limitation as to how long a student can receive federal Title IV funding under the Pell Grant program, that that should be part of the limit rather than doing a strict counting of maximum amounts of Pell received. When we look at the second one, the SCOG priority awarding criteria, although this one is statutory, and I should also add a point of clarification in that even things like this one, such as the SCOG priority awarding criteria, where the statute itself, not just the regulation, requires that SCOG be awarded to those with the lowest EFCs, the commenters suggested that it be left to the schools to decide those with the highest unmet need because, in certain instances, there were students who may have a very low EFC, but they have so many grants that there are other students with a slightly higher EFC who have higher unmet need, and they're asking for that to be streamlined. That would require a change in statute. Under normal – under the other three regulatory reform initiatives that have occurred before – things that required a statutory change could not be addressed. In this case, since this is going directly to Congress, we're going to maintain

this in the report so that Congress knows that the community has asked to have this reviewed as a problematic regulation.

On the third one, with ACG and national SMART Grant programs, and we know those are going to sunset, so probably as the time – if they've not – if there's no continuation or reauthorization of those programs, we'll probably exclude them from the count but would list in their concern that there was mandatory participation in these programs. A lot of the aid administrators who have commented on this one said, in the future – they know these may be going away, but they want to register that there's a concern that there is mandatory participation in certain programs, and some schools, they want to exercise the ability to elect whether or not their institution participates in each of the programs. And turning to the loan programs, far and away the number one is, as far as volume of comments received, was on pro-ration of loan limits. This was the one where, for students who are in a program longer than an academic year in length, if they're in their final portion of the program and that final portion is less than an academic year, that their annual loan limit must be pro rated. A lot of comments have come in that that's unfair to the student. These are students who are likely on track to graduate, enter the work force, have the benefit of the full education, and they have remaining costs that need to be covered and should be covered. So – and that's another one that would have to take a statutory change 'cause the law is the one that dictates that one.

Moving on to receiving loan funds at multiple schools. This is an interesting one because this is not currently in the regulations, and commenters have asked to have it added, so in this case the improvement would be clarifying. What this is really getting at is, in guidance, which is basically in the handbook, there's an indication of students who are pursuing degrees or certificates at more than one institution simultaneously – there needs to be coordination between the school, or among the schools if it's more than two, that the student receive only one annual loan limit for all attendance and that there's not duplication of certain costs in the cost of attendance items. The commenters have said that they thought that this was very important as this has increased with the increasing prevalence of online programs that students can be simultaneously enrolled and are increasingly so in degree-seeking or certificate-seeking programs, that this one was needed for clarification.

On delayed loan dispersement, really this one is just related to the fact that the commenter felt that the 30-day delay requirement is

outdated and is no longer applicable and should no longer exist, that if you're a first-time, first-year student, funds should be delivered day one rather than having a 30-day delay. Historically that goes to – there was research shown that first-time, first-year students who stayed past the 30-day window tended to stay enrolled, or had a better chance of staying enrolled, and that that first 30-day window was the strongest likelihood of leaving, so there's some back and forth as to, does that research need to be updated, or is there additional research to show that this really is no longer applicable? Regarding entrance and exit counseling, this comment had two parts, one largely was a request to make entrance and exit counseling part of the master promissory note process because, now, with everything being 100 percent DL, if students are going to have to go through the master promissory note process initially, students should receive entrance counseling as part of that process so that it's not an additional requirement on the school. So that's one suggestion regarding entrance counseling.

On the second aspect was to allow flexibility in the timing of counseling. There were some experimental sites where schools could opt when they timed counseling, and the one commenter that gave us the most information said that they chose to counsel every year, and, although that's not precluded under current regs, they felt that they wanted more flexibility as to when they did that if they could prove they were going to do more intensive counseling throughout, that they could go ahead and release the funds without having done the entrance counseling. Continuing on with the loan programs, we have a comment related to private loan certification, and this really involves one of the few that is a conflict with other federal regulations. The Truth in Lending Act requires now that students who are receiving a private or commercial loan self-certify related to their costs of other aid received, and that they're aware that other loans may be more beneficial. This is inconsistent, especially for students who may be receiving the public-health loans. For students who are in public-health programs and are receiving the federal loans that are governed by HHS, the certification officer for those loans is usually someone at the school already, so this would be an added burden for the student to also have to self-certify because the rule distinguishes non-Title IV loan as a private loan, so even though the public-health loans are federal, they still fall under this rule.

And another comment was, "There should not be self-certification." They wanted to insist to go through the financial-aid office, that there should be a financial-aid office certification

on any private loans that the student wants to pursue. When we look at preferred lending arrangements, there's been, over the past few years, a lot of discussion and regulation related to the preferred lending arrangements. This specific comment is related to its applicability to university endowment associations or foundations. Evidently there are a number of those entities that are out there that make loans to students at that school, and they want to direct students to those foundations for lending because they have the most favorable terms, according to the commenter, and want those to be exempt from the preferred-lending arrangement rules. On the cohort default-rate exemptions, this ties a little bit to the previous one regarding delayed dispersement. Even though this rule is such that if your cohort default rates are below a certain threshold you're exempt from doing the 30-day delay or the single dispersement rule for short-term or single-term-only loans, the commenter really wanted some clarifications on timing there, as well as just removing the 30-day requirement from it altogether across the board.

On loan-repayment issues, the three there are related to total and permanent disability, teacher-loan forgiveness, and rehabilitation and Title IV reinstatement for borrowers who have defaulted previously. On the total and permanent disability, the concern is really the period of time it takes for the student to prove that they're disabled. It's a three-year timeframe with documentation that's involved, and a number of folks have written in that that was a concern for the borrower. On the teacher-loan forgiveness, this one was for Perkins Loan holders at the school who are having to certify putting students who are in teaching in a forbearance, and how to anticipate their principal and interest. And the last one, on rehabilitation, students making a certain amount of payments, it seems to be there's two pieces of the reg that have different timeframes of when the payments must be received by in order to be considered rehabbed in order to reinstate Title 4.8. They're wanting that clarified and cleaned up.

And moving on to cash management. Excuse me. We have three areas under cash management, the first one being electronic delivery of funds. This is really – the commenter wanted to eliminate the requirement that you obtain the borrower's written consent in order to open a bank account on their behalf. Their argument is that it's costly because you're having to cut checks for those few students, and it's not timely, they're not getting their money in a timely manner. There has been some vocal counterpoints to that, of students who really don't – they want to have a say-so as to when a bank account is opened on their behalf

and how they'll dispose of their funds, but this one has been mentioned and will be discussed as part of the report. And, again, another one related to written consent. This should say, "written consent for applying aid to prior charges and nonallowable charges," so it's both. Basically the commenter really wanted to replace the written consent with an opt-out, that automatically Title 4.8 would cover prior charges and nonallowable charges unless the students says no. So it just would be reversing that. Again, that could be controversial in looking at issues of student advocacy, but, again, that's come in on – I believe we have two comments on that one.

And related to the last one, authorization to deliver plus funds to the student. This one is another one that is allowed on a subregulatory basis, a guidance basis. Commenters want this in the reg for clarification because, as you may know, for the parent plus funds that are delivered, if it creates a credit balance, the credit balance is supposed to go to the borrower – in that case, would be the parent. But with authorization from the parent, you can delivery those parent-loan proceeds to the student. That's not explicit in the regs, and they've asked for that clarification, and they felt that it would be protection for institutions if that was regulatory. Switching to institutional and student eligibility, the return of Title IV funds, other than some folks who said just scrap them altogether *(Laughter)* – strangely nobody asked to go back to refund and retainment – the main one there – there was two areas – one was a clarification related to students who don't begin attendance after a summer break and how you determine last date of attendance, especially if they left early, and so they wanted that incorporated into return of Title IV funds, and then the last one was the prescriptive order of how funds must returned. It was related to the teach-grant program. The commenter felt that the teach-grant was really more of an unsubsidized loan that has a service-forgiveness rather than really a grant and felt that in many cases it would be better to return funds to it than some of the other loan programs and wanted to move it among the order.

And looking at satisfactory progress with SAP and verification, we know there have been recent regulations that have made changes that have come after we got these comments, but the main SAP requirement that was discussed in the comment to us is still in there, even with these new regulations, and that was the two-year requirement for programs that are at least two years in length, that, by the end of the first two years, the student have a C requirement or be on track for graduation. They want to eliminate that altogether since the requirement is generally to ensure that the

student is on track to graduate and complete the program already. In verification, again, I kind of joked about the one with return of Title IV, but the comments have generally been, "Overhaul the entire verification regs," and that pretty much has been done, although I'm gonna imagine there's some people who may have some things that they wish would be changed about the current regs that were just published.

So we're going to look at that and ask for additional feedback based on the new regs that have been published 'cause everything we've received to date, except that the one that I'm just getting ready to mention, is all just "Change everything." The one that is to really ramp up the IRS match and eliminate any of those items from verification, and I'm not sure how that is going to work because, as Dan Medzellin and others have talked about quite eloquently throughout the conference, is that if you have the flag that this was checked through the IRS, you're not required to verify that item or collect the tax return. Of course that leaves open the things such as people who are married or were married when they filed but have since separated – you would still have to manually collect those. So that's an area that we have down, but it may not stay on because things have changed and we don't have additional information or feedback on the current regs.

The short-term programs completion and placement rates – this was really for those very short-term programs where the entire certificate program is ten weeks in length. There's an issue of calculating placement rates and CPA attestation, a timing issue on that one, and overpayments – really this was simplify a lot of people – say we got about ten, eight or ten comments on this one, wanting and overall over-award tolerance, that if things were over by $400, if there's an additional aid that comes in, it's not considered an over-award or overpayment, and you don't have to go further, except for Pell because Pell, if there's an adjustment, you need to adjust, but for all the other programs, if there's an over-award, to have a tolerance. That's the request here.

On reporting and disclosure requirements, we've received a number of comments related to all the changes, especially post-HEOA, that all the requirements are just too voluminous to be helpful to students, and that there really needs to be an analysis of what's really important or, at the very least, how can they be consolidated and reported in a central location, that maybe they'd be standardized, and standardized in the terms of that timeframes are the same. Some data's collected on an award-year basis, some is on a calendar-year basis – believe there's a couple that are even

on a federal-fiscal-year basis – and looking at consolidating those and trying to come up with a standard reporting time frame so that there's not overlapping timeframes or different ways of having to report and gather data, some that may be duplicative, and there was a real concern that it's just overwhelming to students and families.

I'm gonna sort of jump ahead – well, actually, I'll wait. I'll save that for the hearing discussion. There was also some discussion of the disaggregating by race and ethnicity for placement in employment and graduate education under IPEDS, that the commenter was a little concerned that that may enhance targeting rather than being helpful, to show how different races or ethnicities are placed or go on to grad-school education. And, lastly, the phys app was – there was a number of comments asking for it to go away *(Laughter)*, and they're pretty close in the sense that a lot of what's in COD, the COD system, is part of what you're reporting on the phys app, so making that next step to push to see if, as long as SCOG and work study can get down to the individual student reporting, that the phys app could possibly go away if that could be streamlined.

So that's generally the list of – there's a few that I haven't mentioned. There were some, such as there was a comment that came in about doing away with collecting an I9. The reason I've not put that one on there is because that's not under the HEA, and it's a requirement that applies to all employment, and we're not really gonna be able to effect a change in that one because that's a broader issue than just the student aid programs. There were some that have commented about the definitions of nontraditional student and how that's handled across all the regs. We're still working with how to address that one because it's not a specific reg issue or certain reg, so we're working on developing that, so there were a few that I haven't listed here that we've received comments on, but this is the bulk.

As Ali referenced, the Advisory Committee held a hearing on June 25 on a number of issues, when they were releasing a report, but the afternoon session of that hearing – we featured a session of having financial-aid administrators and other experts profile and , for the Advisory Committee board members, five regulations and how they impact institutions and students. I should probably clarify, the Advisory Committee is a bipartisan committee that are appointed in equal numbers by the minority and majority in the House and the Senate. We had some new members, and we felt it was good to have – so they understood what was going on with the reg study – to have some practicing aid administrators, folks from

the associations and the states, to talk about five very current topics that would have impact.

Now, gainful employment is one at the time – and still isn't, in most parts – a final regulation, and we recognize that, although this study only deals with final regulations, changes that are potentially on the horizon such as in gainful employment, it would be good for the board members to hear how schools are having to prepare for, during that proposed regulation stage. So we had some folks talk about that one. Private loan certification detailed pretty much what I explained earlier in the concerns related to private loan certification. Reporting and disclosure requirements. Again, talked about a number of things that I've already talked about, have been reported. One thing came up in the comments there that I thought would be good to add to this list, and it was to look at how these reporting requirements and how they're posted for notification and disclosed for students and their families, how that's being done, and is it really in the best interest of students to have different offices posting different types of notices and disclosing information that they're – students these days rarely go to college web sites and search for possibly campus-security statistics, et cetera, or even go to the college navigator site, that there needs to be a wholesale reassessment of – should we be through student media, or the social media, such as Facebook, and I know there was a session here looking at how schools are changing some of that.

So we're going to incorporate, a little more eloquently than I've just said it for you here, how Congress may relook at all of these disclosure requirements for students and how they may be better consumed by 15, 16, 17-year-olds and first-generation students and families from areas that don't have access to social media, as well. So that was one that I thought was a good one. Verification application issues. We had good feedback about the types of things that schools are going through and having to verify and dealing with simplification but yet still needing data, and then, lastly, the two Pell Grants in award year. We're detailing and spoke to a number of the things that have already been addressed in the list. So before I move on, any comments, questions, issues with the list – before I move on to where we're at and where we're going? Okay, maybe at the end.

So, following phase one, which was really gathering and focusing on just Title IV issues, we recognize that in order to come up with a report to Congress of the regs that were most in need of being streamlined, improved, or eliminated, we found three barriers or

issues. One was that composing a single list is a task of moving targets. By that we mean regs are constantly – they're sunsetting, they're changing, there's new regs – having one set list at any given time is difficult. Technically this list is supposed to stop with all the regs published by November 1, 2009, because that was the first final regulation negotiated rule making after the HEOA. Well, as you saw, two of those are SAP and verification, which have just been changed within a year after that, so it would be silly to talk to you all and to prepare a report for Congress without recognizing there are new regs because those are the ones that you're really dealing with, especially since both of those are changes that are coming up as of July 1, 2011, or in some cases, for verification, 2012. So we are including that, but recognize that any time you try to compose a list of most burdensome regs, it's just sort of a snapshot in time.

We also had no real usable data on level of burden associated with each regulation. Although we asked on our web site, the form for taking suggestions from the public, that if you had any data on the number of hours it takes for you institution to comply with this reg, to submit it, or the costs, programming costs, for systems – paper, printer, all of that – and we got one or two were able to do it, but we also recognize that's not a standard procedure that people are doing, and you also just don't have the time to do that because it's a matter of adapting to all the right changes and regulations, processing students, and, with the economy, making lots of adjustments, as well. And the third was it wasn't feasible to conduct a census of all regulations. Going to every school and asking which regulations are the most burdensome just isn't a feasible issue. So we were kind of scratching our heads of how we could really prioritize the regulations, and we did come across one study, conducted by the University of North Texas, where they looked at the cost of complying with the reporting and disclosure requirement, the reporting requirements at their institution, and was a large focus on the state reporting requirements, but it did include federal as well, and they really did a fantastic job of breaking it down by office to determine how many person hours were involved in complying with the regulations and requirements, as well as labor and materials, et cetera, to get to a cost, so that was something that really sort of caused us to refocus how we were doing things.

One of the things we were going to do, and it's kind of important – I'm going to tell you what we were going to do but are not – was we were going to conduct case studies in the DC area at institutions to go into certain offices – financial aid, business

office, registrar – and just take a few of the regs and try to map it out – how many hours does it take you to comply, how do you have to set up, are you a manual institution, are you highly automated, what are the programming changes – just to get a handle and to create a template so that we could build the questions for any institution to ask for any regulation. So we thought that would be good because, as the regs become moving targets, we could do that. And hopefully send that out in an interim report, let people use the template to give us more feedback on the hours and help us rank. We discussed this at the June 25 hearing that we referenced earlier and also at the NASFA conference in July. However, we've concluded they're not feasible, and I want to explain a little bit as to why.

One would be – the GAO did some studies of undercover projects at some for-profit institutions where they went in and videotaped some discussions with individuals on campus and highlighted a number of the problems where there were regulatory noncompliance issues, and the Secretary of Education announced that they were gonna do their own undercover project for institutions around the country, not just for-profit institutions, to check on their regulatory compliance. Made it a little difficult for schools to be open to talking to us about how many hours it took them to comply with the regulations, so we pretty much understood that, even though we had talked to the folks at a number of DC schools and they knew that's what we weren't about, legal counsel got a little nervous about that, so we've tried to retool and reconfigure how we're gonna go about this.

So what we're doing and we're currently working on is we're going to survey all accredited institutions in the US and bring most of the regs that have been suggested thus far and ask the relevant offices – financial aid, business office, registrar's office, et cetera – to look at the regs they have thus far, tell us how burdensome they are, and then rank them. I'm sorry – not rank them – give us the top five you think are in most need of being streamlined, improved, or eliminated – because what we want to do is see what's the most important to financial aid, what's the most important to business office, what's the most important to registrar, and possibly other offices on campus, so that we get an understanding by sector because we don't really have the ability right now to know, of the regs that have been suggested, which ones are most burdensome for four-year publics versus four-year privates versus community colleges versus for-profit schools, much less how they may affect different offices in different ways, so you'll probably be seeing, in the coming months, that we're

going to be doing sort of an awareness campaign about this study, and, as it notes here, that we're probably going to be doing this in the spring of 2011.

Knowing that a final report's due by November of 2011, spring is our definite targeted timeframe. We're gonna keep it fairly short. We're wanting it to go over no more than 30 questions. That includes each individual reg. And it's gonna be completely anonymous in the sense that we've got an independent contractor who's going to host the survey, there's no login feature, it's going to be – so we're not going to know what institution said what. All we're gonna ask are things such as, "Are you four-year public, four-year private," et cetera, "What's your general size," "What region are you located in" – not even gonna ask state – and how automated you are – "Are you manual? Are you highly automated? Are there some stovepipes?" – so that we get a sense because that can certainly affect the level of perceived burden as well.

We are convening a second review panel. It'll be in December, in a couple of weeks, actually, in DC. We have some folks that are in financial aid, we have someone from a legal counsel office in a college, we have business officers, some registrar – a number of folks, in representing the different sectors, who are coming in to not only give us a little more in-depth feedback on these regs that I've talked about today, but also – are there other areas, not only within Title IV, but other non-Title IV areas within the Higher Education Act, things such as the graduate programs, teacher quality, Title III regulations – if there's anything in those areas that we need to include. We're gonna have them look at the survey items and the structure of the survey that we're going to be doing and just see how that will be structured, is it feasible, and how to make it most user friendly for folks as they do this. But we are still seeking recommendations for regulations for the study, so we are asking you all that if you think there's something on these regs that we haven't covered, there's a different reg or needs to be added to this, to let us know.

The web site, at the bottom here – if you go to our site, which is ed.gov/acsfa, which is Advisory Committee for Student Financial Assistance, and go to the higher-education regulations section and then the community suggestions. That's where the web site is. And it literally is a web form that's about five questions – asks you what sector you represent, what's the reg that's the problem, why is it a problem, and, as Ali said, do you have any suggestions for how to fix it. So that's really what we're looking at, and this is

really the opportunity for schools to have put on the table, to report to Congress, what are some of the most burdensome regulations. And ultimately I have for you, as we wrap up, three questions. What are the items on the study? Do this list sound good, sound crazy? Is it missing anything? What other regs do you have, and what do you think of the survey? So those are my questions to you. I think we're done a little early. So any – I open the floor to questions, comments, criticisms, constructive as possible? Thank you. And if there's not anything, I thank you for your time but hope we have – feel free to come to the mic. Yes, sir.

Audience: Hey. First off, you know, from what I've seen on there, it looks like you guys really have been digging into it. It's good work you're doing. So, working at a proprietary school, I appreciate that, and I'm sure a lot of people here do, as well.

Anthony Jones: Thank you.

Audience: One thing that I wasn't sure whether it was under your umbrella was the 90-10 regulation.

Anthony Jones: It would be part of it since it's part of the regs under the Higher Education Act, yes.

Audience: Okay. One of the issues – I work at a for-profit school, we do largely vocational and technical programs, and what we've seen recently is we've seen that the ability for students – we work with the needy population – the ability for them to make out-of-pocket payments has decreased, as well as on state funding or any other external funding that they may be able to get. In that same breath, we've seen Pell go up, we've seen an extra $2,000 worth of unsub, which is counted as cash for now, but, starting in July, it's gonna be part of Title IV – I know that, for us, what that's gonna mean is that's gonna mean that we're gonna have to raise the tuition for students that already find that they can't necessarily afford to make these payments out of pocket. Is that something you've heard about, had any comments about, anything of that nature?

Anthony Jones: We have not received any comments related to that thus far, so if that's an issue that you think is very critical, please go to the web site and submit it with as much detail or links to, if there's research related to that, we will be glad to field that, but we've had no comments thus far.

Audience: Okay. Great. Thanks.

Anthony Jones: Sure thing. Anybody else want to make a comment or suggestion?

Audience: I also think you guys are doing a really fabulous job looking at everything. The presentation was very impressive. I'd like to add a comment, though, that is – one of the concerns that I'm seeing a trend in a lot of the most recent regulations, like for ACG and SMART – it seems like the federal government is making a lot of assumptions about information that we, as financial-aid administrators, have access to or have the ability to scan, read, review. For example, with ACG and SMART, that me as a financial-aid administrator can read a high-school transcript and determine what the requirements are to be eligible for ACG or for SMART grant, to determine each semester that a student is taking a class in their major that progresses them to the degree, or for the new requirement on gainful employment, that I'm going to be able to tell as a financial-aid administrator and fulfill these reporting requirements – I have access to what I can see in my system, and I don't know what everybody else can see.

I can see how many credits a student is taking per semester. I don't see what classes they're taking. I have to go several extra steps to see that, and that doesn't always mean anything to me as a financial-aid person, so I have to go and get someone from academic advising, and their office is also understaffed and very busy, or someone from the registrar's office, to interpret these things for me, or the admissions office, so the regulatory burden on the financial-aid office is really great, to not only have to understand and be able to administer these financial-aid programs, but then to involve these other offices in trying to interpret them in order to administer financial aid – it becomes very cumbersome and difficult. I hope you can take that into account as well.

Anthony Jones: So, for the benefit of folks – 'cause I was having a little trouble hearing you. I heard, but I just want to repeat back. The concern over all of the requirements to gather information in order to determine eligibility is predominantly falling to financial aid when it may be other areas of the institution that have the expertise to share that, or is it just a concern that there's more and more demands to gather additional information?

Audience: The more and more demands to gather additional information from within the institution, that me as a financial-aid administrator, I'm supposed to be able to review and interpret data that's maintained by the registrar's office or by high schools on a high-school transcript or by career services for the gainful employment, that

	I'm supposed to be able to access and interpret that data is overly burdensome, I think.
Anthony Jones:	Okay, thank you.
Audience:	Thank you.
Audience:	Hi. I think survey's a – I'm sorry.
Audience:	No.
Audience:	Go ahead.
Audience:	No.

Audience: I think survey's a great idea, so is the – are you getting any student feedback at all? Was that part of the goal at all, and do you want colleges to help you get some student feedback?

Anthony Jones: Absolutely. We would welcome that. We do have an appointed student member to the advisory committee that we've tried to work through some student associations. There's the United States Student Association, who has been at the hearings, but they haven't submitted any formal comments. So, to the extent we can get feedback from students, absolutely, we would welcome that. So if a student can go to the web site or even just, at the very least, e-mail me, whichever way would be easiest, we would love to have that feedback, absolutely. Because, as I mentioned, we're definitely looking at not only a burden on the institutions administratively, but things that may prevent or be a barrier to student access and persistence to completion. Yes, ma'am.

Audience: Quick question. How are you using information that is already being submitted as comments through the NPRN process? Because there are over 90,000 comments on gainful employment alone, 1,200 comments on the program integrity package, and that is information that the Department is already receiving, obviously, but that is information that they may not either be able to or choose not to respond to in the final regulations, which may still be burdensome or need to be eliminated or changed or so forth. I think that's information that you already have in hand, so I wanted to know what you're using that information for, if at all.

Anthony Jones: Well, to be honest with you, on the comments that come in through the negotiated rule-making process or the proposed rule process, we wouldn't be looking at those because that's part of the

negotiated rule-making process and the Department itself makes a judgment as to whether or not to make a change to the reg based on those comments, and so the final reg, which is what we deal with, already takes into account the Department's position to those comments. And as possibly redundant as this sounds, the concern would be, we need to take and present to Congress any concerns that are post, so if there are serious concerns about – that were potentially sent to the Department through the negotiated rule-making process and the Department made a decision as to how the final reg was made, and there are still concerns after that, those would need to come to us so that we could notify Congress specifically about those because we're not sure – we don't want to make a qualitative judgment as to how many there were related to each of those or did some slight changes address those concerns, so that's why we would need additional comments, so please feel free to have them send it to us through the web site or by e-mail.

Audience: The reason that I ask that is that a lot of the comments you were making through your presentation were the exact comments that were made during the NPRN process, so the burden is still there.

Anthony Jones: Sure. And some people I think have submitted those to us separately, absolutely, and that's what we would need, are the comments to come not through the process of NPRNs but directly to us, so that we may give them to Congress.

Audience: Last question. What kind of a response are you expecting to receive from this nationwide, everyone-who's-accredited-school survey, because you had 110 comments previously, and are you expecting that kind of a response because it seems like obviously a very, very, very, very small percentage that may not be truly representative of the burden at all different school types if you only get five public institutions and four proprietary institutions to respond to the thousands and thousands across the nation.

Anthony Jones: Right. Well, we're hoping to get a very large response, in the tens of thousands, hopefully. That's what we would like to see, in all honesty, because that's why we're doing this, is to get as broad a representation as possible to what the perceptions are of the most burdensome regulations, or – and I want to be careful because you may perceive a reg as burdensome, but you don't necessarily think it may need to be changed because it may be burdensome, but it needs to be there to protect the consumer, et cetera, and that's why we're gonna structure the survey to – you're gonna rank each of them as burdensome on a scale like a Likert scale, but then tell us, of those, which are the most in need of being streamlined,

improved, or eliminated. We are planning on doing a press release to one more time announce that we're taking additional suggestions, but also work with all the associations, from the presidential level at ACE to NASFA, NECUBO, ACRO, ASCU, APLU, the former Nesoldjic, all of the associations, so that they can let the members know what we're doing and how this is an opportunity for schools to submit a comment that would go directly to Congress. Yes, ma'am.

Audience: Hi, Anthony. In reference to the default rate, our school is somewhat concerned to the fact that we do have programs that we offer to students, and they're allowed to start based on the fact – they don't have high-school diplomas or GED yet, but based on the ATB, based on the six credit hours, and our concern is that they'll finish the program and because they don't have that GED earned yet and they have received student loans, that will cause a high default rate for our school, and we were just wondering if maybe that would be something taken in consideration, that maybe that's a requirement in order to receive federal student loans, is that you must have high-school diploma or GED. In view of that, we're thinking that would help the default rate.

Anthony Jones: So let me make sure I'm understanding correctly that in order to be eligible for Title 4.8, to make a further exclusion that it not be students that have completed ATB, but they must have a high-school diploma or GED.

Audience: Right. Before receiving federal funds. We're okay with the Pell Grant, but because of loans, that will cause that student to go in default. If they're not working, if they're unable to get a job, they're not able basically to graduate until they earn their GED, they can complete the course, but they will not graduate until they earn the GED, so therefore they will not get the job because the person that they're trying to go through to be employed, they have no proof that they completed that course.

Anthony Jones: We've got a little bit of that down. If you don't mind, to either e-mail me or put that on the web site, because I want to be sure I capture it clearly, so if we could have contact, I'll make sure that I get that recorded. Thank you. Anyone else?

Audience: Sort of a question comment, and that is – are you guys actively seeking comments from service providers who may represent – especially like software companies, for example, that might represent a lot of different schools and have to build their software packages, for example, around these regulations?

Anthony Jones: We haven't gone to software providers directly to solicit feedback. We have talked to school representatives to say, "However there's a burden, whether it's at a technological level – are there problems with programming a lot of the changes? What are the issues?" – we're mainly going through the schools to get that, but it's a good suggestion to maybe contact certain service providers. I get a little nervous about doing that if we aren't able to contact all, that it looks like we're being discriminatory, but the other thing is, the web site is open to the entire community, so if you know of folks who would probably have some feedback, if they can go to the web site and give us the feedback related to that specific niche group, that would be great. Thank you for that. Anything else? All right. If not, thank you very much. I appreciate your time and attention. *(Applause)* We'll be up here for a little bit longer. Thank you.

[End of Audio]