

The



Torch

July 31, 2015

A bi-weekly report from the Coalition of Higher Education Assistance Organizations

Top News

- [**List of Congressional Supporters for Perkins Loans Continues to Grow—What You Can Do to Help!**](#)

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COHEAO

- [**COHEAO Mid-Year Conference a Success, CAP Graduates Recognized**](#)
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- [**Sign Up Today for August 18 COHEAO Webinar, “One Stop Shop”**](#)
COHEAO is pleased to announce our next webinar, "One Stop Shop," which is set for **Tuesday, August 18, from 2:00- 3:30 P.M. Eastern Time.**
- [**Reminder to COHEAO Institutional Members: Please Send Dues Payments**](#)
On May 5, institutional membership dues invoices were sent out to the primary account holders for each institutional membership.

Congress

- [**Must-Pass Bills, ESEA Conference Loom for Congress Following August Recess**](#)
The House has left for its 40-day summer recess, while the Senate will work through next week.
- [**House Subcommittee Examines Recent FCC Actions, Including TCPA**](#)
The House Subcommittee on Communications and Technology convened an oversight hearing on the Federal Communications Commission (FCC) this week.
- [**Bills Introduced to Streamline FAFSA**](#)
Representatives Jared Polis (D-CO), Phil Roe (R-TN), Joe Heck (R-NV), and Mark Pocan (D-WI) introduced legislation to streamline the process by which students apply for federal financial aid for college.
- [**Polis and Young Introduce ISA Legislation**](#)
Representatives Todd Young (R-IN) and Jared Polis (D-CO) introduced the *Investing in Student Success Act of 2015*.
- [**Brown Introduces Bill Prohibiting Title IV Funds for Marketing and Recruiting**](#)
This week, Senator Sherrod Brown (D-OH) introduced the *Protecting Financial Aid for Students and Taxpayers Act* – legislation to prohibit the use of Title IV funds for advertising, marketing, and recruitment.

- [**Bipartisan Teacher Loan Repayment Act Introduced in Both Chambers**](#)
Senator Orrin Hatch (R-UT) along with Sen. Mark Warner (D-VA), and Reps. Suzanne Bonamici, (D-OR), Susan Brooks (R-IN), Richard Hanna (R-NY) and Derek Kilmer (D-WA) introduced the *Teacher Loan Repayment Act* (TELORA) to improve federal loan assistance programs and provide teachers with clear and tangible incentives to enter and remain in the classroom.
- [**Senate HELP Holds Hearing on Campus Sexual Assault, Next Hearing Aug. 5**](#)
On Wednesday, the Senate Committee on Health, Education, Labor, and Pensions (HELP) held a hearing, “Reauthorizing the Higher Education Act: Combating Sexual Assault.”
- [**Need-Based Education Aid Act Passes House, Moves on to White House**](#)
On Monday, the House passed S. 1482, *The Need-Based Education Aid Act*, by a vote of 224-154. The legislation already passed the Senate on July 14 by unanimous consent.
- [**Senate HELP Holds HEA Hearing on Innovation**](#)
Last week, the Senate Committee on Health, Education, Labor and Pensions held a hearing, “Reauthorizing the Higher Education Act: Exploring Barriers and Opportunities within Innovation.”
- [**House Drops First Four HEA Bills, All Are Bipartisan**](#)
Last week, multiple members of the House Committee on Education and the Workforce introduced a new higher education bill and re-introduced three others.

White House & Administration

- [**Duncan Calls for More Accountability in Higher Education**](#)
On Monday, the Secretary of Education, Arne Duncan, gave a speech at the University of Maryland Baltimore County that focused on greater accountability within higher education and college affordability.
- [**Obama Administration Announces Pilot Program To Experiment with Pell Grants for Prisoners**](#)
Today, Attorney General Loretta Lynch announced that the Department of Justice is lifting the ban on Pell Grants for prisoners and starting a pilot program that will give a limited number of eligible prisoners the opportunity to receive federal funding for obtaining a bachelor’s or professional degree.
- [**CFPB Orders Discover to Pay \\$18.5 Million for Student Loan Servicing Practices**](#)
Last Wednesday, the Consumer Finance Protection Bureau (CFPB) took action against Discover Bank and its affiliates for its private student loan servicing practices.
- [**CFPB Takes Action Against Financial Aid Website**](#)
Last Thursday, the CFPB filed a complaint and a proposed consent order in federal court regarding Student Financial Aid Services (SFAS), a company that offers fee-based assistance to consumers filling out the federal government’s Free Application for Student Aid (FAFSA).
- [**Meredith Fuchs Named Acting Deputy Director of CFPB**](#)
Meredith Fuchs, the General Counsel of the CFPB, has been named Acting Deputy Director of the CFPB effective August 1, replacing Steve Antonakes.
- [**Trump Chimes in on Student Debt**](#)
Donald Trump, on his version of a campaign trail, echoed one of Sen. Warren’s (D-MA) major arguments, and criticized the federal government for earning a profit from federal student loans.
- [**New IFAP and Federal Register Announcements**](#)
Recent additions to the Information for Financial Aid Professionals (IFAP) website and *The Federal Register* have been made that may be of interest to COHEAO members including a request for comments on the Federal Perkins/NDSL Loan Assignment Form.

Industry

- [NASFAA Report Shows Increase in Number of Students Using Financial Aid](#)
The National Association of Student Financial Aid Administrators' (NASFAA) held a briefing on Tuesday to provide an overview of the 2015 federal aid programs and to discuss findings from its annual "National Student Aid Profile."
- [Sallie Mae Finds Parents Out-Of-Pocket Spending No.1 Source of College Funding](#)
According to "How America Pays for College 2015," a national study conducted by Sallie Mae, parental out-of-pocket spending has become the number one source of college funding.
- [Student Debt Protestors Target NASFAA Convention Attendees](#)
Last week, a small group of protestors (reports ranged from 35-50) from the Occupy-inspired Student Debt Collective disrupted a parade of attendees of the National Association of Student Financial Aid Administrators (NASFAA) conference in New Orleans.
- [Pew Study Finds 8 in 10 Americans Carry Debt](#)
A new report by Pew Charitable Trusts found that Americans' debt has increased over the past three decades, due particularly to home mortgages and student loans.

Attachments

- [COHEAO Commercial Members](#)
- [COHEAO Board of Directors](#)
- [Summary of Senate HELP Hearing on Campus Sexual Assault](#)
- [Summary of Senate HELP Hearing on Innovation](#)

Top News

List of Congressional Supporters for Perkins Loans Continues to Grow—What You Can Do to Help!

Heading into the August Recess, H. Res 294, a resolution expressing support for Perkins Loans sponsored by Reps. Luke Messer (R-IN) and Mark Pocan (D-WI), has grown to 46 sponsors. Additionally, a Dear Colleague Letter organized by Rep. Louise Slaughter (D-NY) has more than 80 signatories.

These efforts show that, with a little bit of prodding and explanation, the support for Perkins Loans is bipartisan and comes from all of the country. H. Res 294 is designed to illustrate the support that exists in Congress for Perkins Loans and the resolution is very much doing its job. However, it is important for Perkins advocates to build upon these efforts.

Time is running short and every state is important. If you are interested in joining or organizing a group from your state or region for a conference call with education staff in the appropriate House or Senate offices, please email Jan Hnilica (kreddick@ncmstl.com) or Karen Reddick (kreddick@ncmstl.com).

Official letters of support from colleges and universities, as well as state, regional, and national organizations, are also extremely helpful. If your college or university has formally submitted a letter to any Member of the Congress on the extension of Perkins Loans, please send the letter to Hannah Allen (hallen@wpllc.net). Please also do the same for any letters of support from state, regional or national organizations.

In addition, a separate Dear Colleague letter to the leaders of the House Education and the Workforce Committee was signed by about 85 House members and transmitted this week. Rep. Louise Slaughter (D-NY) organized the letter, which expresses strong support for continuing the Perkins Loan Program.

For sample letters to Congress, summary documents, and additional information on Perkins Loans, please visit COHEAO's advocacy page: <http://www.coheao.com/advocacy/the-future-of-perkins-loans-what-you-can-do-to-help/>

COHEAO

COHEAO Mid-Year Conference a Success, CAP Graduates Recognized

More than 70 campus loan administrators and their vendors gathered in Chicago last week for the COHEAO Mid-Year Conference. We would like to thank all conference delegates for their support.

The conference featured in-depth discussions on efforts to preserve the Perkins Loan Program, regulatory issues in Perkins Loans, the Consumer Financial Protection Bureau, increasing liability under the Telephone Consumer Protection Act, developing institutional loan programs, and best practices in credit reporting, among others. In-depth presentations and interactive discussions drove the conference, which featured remarks from Gail McLarnon of the Department of Education and Vicky Shipley of NCHER.

The conference is a showcase of not only COHEAO's efforts to preserve and improve Perkins Loans, but also the many other areas where our organization is working on issues affecting our members. The upcoming COHEAO Annual Conference is very similar, with a bit more of a focus on Washington issues.

The COHEAO Annual Conference is scheduled for January 31-February 3 at the Ritz Carlton Pentagon-City, which is just across the river from Washington, DC.

The Mid-Year also allowed time for the organization to recognize recent COHEAO Achievement Program (CAP) graduates. The COHEAO Achievement Program (CAP) recognizes COHEAO members for their participation in professional development activities such as conferences and webinars. Additional information on the CAP program is available online: <http://www.coheao.com/about-2/coheao-achievement-program-cap/>

The following CAP graduates were recently announced: Paola Di Domenico, Northwestern University; Lynn Heineman, Account Control Technology Daniel Pelayo, University of Illinois; Mary Ann Mickus, RMS—Recovery Management Services, Inc; Andrea Pelligrini, University of Illinois; Victoria Pirrung, Enterprise Recovery Systems; Jim Vahalik, National Enterprise Systems; Joe Weglarz, Marist College



From Left: Jim Vahalik, National Enterprise Systems,;Paola Di Domenico, Northwestern University; Victoria Pirrung, Enterprise Recovery Systems; Joe Weglarz, Marist College

Sign Up Today for August 18 COHEAO Webinar, “One Stop Shop”

COHEAO is pleased to announce our next webinar, "One Stop Shop," which is set for **Tuesday, August 18, from 2:00- 3:30 P.M. Eastern Time**. The webinar will feature a presentation from Dan Odykirk, Manager of Central Michigan University's Student Service Court, a one-stop shop for students and employees of the university. [Register Today!](#)

Customer service is an important part in the retention and success of students on college campuses. This webinar will explore the origins and concepts of Central Michigan University's Student Service Court, the one stop shop that brings together the services of the Registrar's Office, Student Account Services and University Billing and the Office of Scholarships and Financial Aid.

Advisors have a thorough background in each of these areas to provide students with answers and services regarding student accounts, enrollment, and financial aid. The webinar will look at the strategy, implementation, and obstacles for enacting this type of campus service.

[Sign up today](#) for a webinar you will not want to miss! Contact Hannah Allen with any questions: hallen@wpllc.net.

Reminder to COHEAO Institutional Members: Please Send Dues Payments

On May 5, institutional membership dues invoices were sent out to the primary account holders for each institutional membership. Dues may be paid by logging into your COHEAO account: navigate to “Manage Profile,” select “Invoices” under Invoicing, Payments & History. On this page, be sure to select the dues tab and your open invoice should appear with an option to submit payment.

If you are the primary point of contact for your college or university’s COHEAO membership and you did not receive a notice of an open dues invoice please contact Michelle Cravez at mcravez@wpllc.net. Feel free to reach out to Michelle if you have any other questions pertaining to membership dues, how to submit payment or view open invoices. Institutional membership dues were due by **July 1**.

Congress

Must-Pass Bills, ESEA Conference Loom for Congress Following August Recess

The House has left for its 40-day summer recess, while the Senate will work through next week. Before departing, the House passed a bill funding transportation projects for another three months, which the Senate passed yesterday.

The latest Congressional punt set up a triple play, as one House appropriator called it, of votes in the fall on a long-term transportation reauthorization measure, on all of the appropriations bills funding the government for FY2016, and on a bill raising the debt ceiling or suspending it again.

On the debt ceiling, the Secretary of the Treasury Jack Lew sent a letter to Congress this week stating that although the ceiling was breached on March 16, the usual “extraordinary measures” being taken by Treasury will keep the country able to meet its obligations until at least late October, probably a little longer. With a short-term continuing resolution expected to be passed around Sept. 30 to keep the government open, there could be one vote or package of votes on all three big issues in November or December.

In terms of education policy, the most substantial policy discussions are also expected in the fall. The most examined development was the meeting of Capitol Hill education leaders. House Education and the Workforce Committee Chairman John Kline (R-MN), Senate HELP Committee Chairman Lamar Alexander (R-TN), HELP Ranking Member Patty Murray (D-WA), and Education and the Workforce Ranking Member Bobby Scott (D-VA) met Thursday to discuss plans for a conference committee to resolve differences between the Every Child Achieves Act (S 1177) and the Student Success Act (HR 5).

They agreed that Chairman Kline will chair the proceedings. However, it’s clear there is a ways to go before the House and Senate are able to develop a compromise bill that both chambers can pass before year’s end. It’s not clear when conferees will formally be appointed or how many there will be, but Committee staff are already getting organized.

For HEA reauthorization it means more delays. Alexander and Murray are receiving significant praise for their work on ESEA and it is clear both chambers of Congress would love to point to the reauthorization of a bedrock education law as an example of being able to “get things done.” However, it is clear there

is a long way until “done” on ESEA reauthorization, which means the need for an extension on HEA is a certainty.

The House and Senate staff focused on higher education issues for the HELP and Education and the Workforce Committees will continue to be able to work on reauthorization. However, even these higher education specialists will often be pulled into ESEA matters and their counterparts in the personal Congressional offices will spend the majority of their time on K-12 policy in the coming months. A year-long extension on HEA would make the most sense, but there has been little talk of a timeframe to date.

House Subcommittee Examines Recent FCC Actions, Including TCPA

The House Subcommittee on Communications and Technology convened an oversight hearing on the Federal Communications Commission (FCC) this week. Chairman Tom Wheeler and Commissioner Ajit Pai, a Republican commissioner, were the witnesses.

Reviewing recent activities, Wheeler discussed the FCC’s declaratory ruling on the Telephone Consumer Protection Act (TCPA), which restricts businesses from calling their customers on cell phones: “Over the past several years, hundreds of thousands of consumers have made their voices heard by complaining to the Commission about unwanted telephone calls – calls they didn’t ask for, that they don’t want, and that they can’t stop.”

He later added, after pointing to increased complaints on TCPA as a reason to further restrict these calls: “Last month, the Commission moved to modernize our regulations to catch up with today’s technology and to protect consumers against unwanted robocalls and spam texts. In a package of declaratory rulings, the Commission affirmed consumers’ rights to control the calls they receive. As part of this package, the Commission also made clear that telephone companies face no legal barriers to allowing consumers to choose to use robocall-blocking technology.”

Pai did not mention the TCPA ruling in his testimony, which focused on spectrum auctions, broadband access, and AM radio revitalization—three issues generally of more importance to Subcommittee members. However, Rep. Leonard Lance (R-NJ) did raise concerns with the recent TCPA ruling. Pai agreed with Lance, indicating the new rules will preclude businesses with an existing relationship from contacting their customers. He also noted the increase in TCPA litigation. Wheeler noted there are some exemptions (pharmacies, for instance), and said the Commission was not to blame for the private right of action, or ability to sue, Congress included in the law.

One area that raised bipartisan concerns—the impact of the ruling on Congress itself. At the end of the hearing, Ranking Member Anna Eshoo asked if the new rules might impact her office’s ability to conduct tele-town halls. Wheeler indicated the ruling may not allow the companies that conduct tele-town halls to contact Eshoo’s constituents via an auto-dialer. Eshoo, Rep. Ben Lujan (D-NM) and Subcommittee Chairman Greg Walden (R-OR) all expressed serious concerns with this issue. Walden asked if an iPhone could be considered an auto-dialer—Wheeler said no, but Pai said the rules were ambiguous. Walden closed the hearing by indicating there was bipartisan concern on the issue, and the Subcommittee would continue to examine it.

Additional information on the hearing is available online:

<http://energycommerce.house.gov/hearing/continued-oversight-federal-communications-commission>

Bills Introduced to Streamline FAFSA

Representatives Jared Polis (D-CO), Phil Roe (R-TN), Joe Heck (R-NV), and Mark Pocan (D-WI) introduced legislation to streamline the process by which students apply for federal financial aid for college. *The Simplifying the Application for Student Aid Act* would allow students who are filling out the Free Application for Federal Student Aid (FAFSA) application to use family income data from two years prior, rather than one year prior. The bill is intended to help students apply for financial aid earlier so they can better prepare for their college costs.

Likewise, Sen. Cory Booker (D-NJ) reintroduced legislation in the Senate that will also streamline the college financial aid application process. *The Simplifying Financial Aid for Students Act*, would allow also allow students who are filling out the FAFSA to use family income data from two years prior one year for the estimation and determination of their financial aid eligibility. The bill would also increase the income threshold to qualify for zero expected family contribution from an annual household income of \$23,000 to \$30,000.

Simplifying the FAFSA, particularly through the use of prior-prior year data, is gaining momentum in Washington. HELP Chairman Lamar Alexander (R-TN) would simplify the FAFSA to two questions, the Gates Foundation has called for a shortened form and differences for 1040 tax filers and those that make use of tax schedules, and NASFAA released its recommendations for streamlining the process this week.

The new NASFAA report emphasizes the importance of “prior-prior” in helping families plan, as well as calling for further use of the IRS Data Retrieval Tool (DRT) for completing the FAFSA. For any remaining components necessary for determining the “Expected Family Contribution,” NASFAA calls for a three-track approach depending upon the applicant’s family finances. Some advocates argue that the Department already has the authority to implement “prior prior” year data usage, but thus far it is awaiting HEA reauthorization

- For more information on the House legislation, see: <http://polis.house.gov/news/documentsingle.aspx?DocumentID=397900>
- For more information on the Senate legislation, see: <http://www.politico.com/story/2015/07/cory-booker-bill-would-reform-fafsa-120681.html>
- For the NASFAA report on FAFSA simplification, see: http://www.nasfaa.org/uploads/documents/fafsa_report_715.pdf

Polis and Young Introduce ISA Legislation

Representatives Todd Young (R-IN) and Jared Polis (D-CO) introduced the *Investing in Student Success Act of 2015*. The bill creates a legal framework for Income Share Agreements (ISAs) used to pay for postsecondary education.

The legislation does not does not create any new programs or remove existing aid options. It is simply intended to clarify the legal treatment of these contracts, allowing more students to have access to this funding option. In announcing the introduction of the legislation, the bill’s sponsors highlighted the following consumer protections that would be implemented by the Consumer Financial Protection Bureau:

- Students only have to make payments if they are making more than \$18,000 per-year (adjusted for inflation)
- Students cannot agree to payments higher than 15 percent of income for shorter-term contracts (15 years or less), with the cap decreasing to 7.5 percent for the longest contracts allowed (30 years);
- Funders must disclose to students how their monthly payments would compare under the ISA (at various hypothetical afterschool income levels) to payments on a loan for the same amount of money and the same length of time; and
- A minimum standard to prevent unfair contracts—ones where the ISA provider is not appropriately sharing risk with the student.

For more information, see: <http://polis.house.gov/news/documentsingle.aspx?DocumentID=397901>

Brown Introduces Bill Prohibiting Title IV Funds for Marketing and Recruiting

This week, Senator Sherrod Brown (D-OH) introduced the *Protecting Financial Aid for Students and Taxpayers Act* – legislation to prohibit the use of Title IV funds for advertising, marketing, and recruitment. The bill also prevents U.S. Department of Defense (DOD) and U.S. Department of Veterans Affairs (VA) educational benefits from being used for marketing expenditures

The press release indicates the bill is targeted at the for profit sector: “Brown’s legislation would help ensure that colleges and universities – especially for-profit educational companies –use federal student assistance and taxpayer dollars for education.”

Additional information is available online: <http://brown.senate.gov/download/?id=2EBBEEFA-E8CA-43A9-9506-BBB9119E781B>

Bipartisan Teacher Loan Repayment Act Introduced in Both Chambers

Senator Orrin Hatch (R-UT) along with Sen. Mark Warner (D-VA), and Reps. Suzanne Bonamici, (D-OR), Susan Brooks (R-IN), Richard Hanna (R-NY) and Derek Kilmer (D-WA) introduced the *Teacher Loan Repayment Act* (TELORA) to improve federal loan assistance programs and provide teachers with clear and tangible incentives to enter and remain in the classroom.

The bill’s sponsors highlighted the following provisions in announcing the legislation. Notably, the bill would eliminate Perkins Loan cancellations for teachers in its efforts to consolidate the repayment assistance benefits designed for educators.

Streamline Existing Programs

- *TELORA would eliminate the current patchwork of loan assistance programs and instead replace them with one streamlined federal program that provides all eligible teachers with a monthly loan payment. Each loan payment would count towards PSLF, resulting in full loan cancellation for teachers after ten years.*

Provide Teachers with Real Financial Benefit

- *Under this legislation, the federal government (as administered through the states) would put \$250-400 towards every eligible teacher’s loan payment each month up to a total of \$23,400. If this monthly payment is less than this stated range, the remaining money would*

go towards paying down the loan principal. These payments would be non-taxable, providing teachers with substantial financial relief every month.

Incentivize Teachers to Work in the Neediest Schools

- *Only teachers who choose to work in Title-I schools (schools enrolling at least 40 percent of children from low-income families) would be eligible to receive loan forgiveness under TELORA. This would provide teachers with an extra incentive to work in the most challenging schools where students need them most.*

How It Works

The payments for TELORA would ramp up every year, rewarding teachers who choose to stay in the classroom long-term. To implement TELORA, states would report the number of eligible teachers to the federal government, designated federal funds would then be sent to state agencies, and then those state agencies would pay federal funds to the lenders directly.

For more information, see: <http://kilmer.house.gov/media-center/press-releases/house-senate-leaders-introduce-bill-to-incentivize-and-aid-teachers>

Senate HELP Holds Hearing on Campus Sexual Assault, Next Hearing Aug. 5

On Wednesday, the Senate Committee on Health, Education, Labor, and Pensions (HELP) held a hearing, “Reauthorizing the Higher Education Act: Combating Sexual Assault.”

The hearing consisted of two panels, the first made up of four senators who co-sponsored the *Campus Accountability and Safety Act* (CASA) to discuss how to handle campus sexual assault and go over the specifics of the revised bill they reintroduced this year.

Chairman Lamar Alexander (R-TN) announced that the next HEA reauthorization hearing will take place on Wednesday, August 5, at 10 AM ET and will discuss opportunities to improve student success.

A detailed summary of the campus sexual assault hearing is attached to this week’s edition.

For more information on the next HEA hearing, see:

<http://www.help.senate.gov/hearings/reauthorizing-the-higher-education-act-opportunities-to-improve-student-success>

Need-Based Education Aid Act Passes House, Moves on to White House

On Monday, the House passed S. 1482, *The Need-Based Education Aid Act*, by a vote of 224-154. The legislation already passed the Senate on July 14 by unanimous consent.

The legislation reauthorizes provisions relating to the application of antitrust laws to the award of need-based educational aid. It would also allow colleges who practice need-based admissions to collaborate on the financial aid formulas they use for determining the amount of money students admitted on a need-blind basis can pay to attend. The President is expected to sign the legislation in the coming weeks.

For more information, see: <https://www.govtrack.us/congress/bills/114/s1482>

Senate HELP Holds HEA Hearing on Innovation

Last week, the Senate Committee on Health, Education, Labor and Pensions held a hearing, “Reauthorizing the Higher Education Act: Exploring Barriers and Opportunities within Innovation.” In his opening statement, Chairman Lamar Alexander (R-TN) explained that the purpose of the hearing was to answer how Congress can end practices by the federal government that discourage innovation and encourage institutions to meet students’ changing needs.

Alexander expressed his concern that federal regulations and the current accreditation process are hindering innovation. Committee members agreed with the witnesses that innovations such as competency based education (CBE) and online learning could make college more accessible and useful in today’s work environment.

Witness Jamie Merisotis, president and chief executive officer of the Lumina Foundation, urged Congress to broaden their definition of a post-secondary provider and explained that current regulations and legislation are not adapting to the changing higher education environment. Dr. Paul LeBlanc, president of Southern New Hampshire University, provided examples of how current legislation often constrains innovation, such as Title I requiring students to have regular and substantive time with faculty members, a rule clearly written before advancements in online education. He also said tying Title IV funds to time and “credit hours” inhibits CBE programs. LeBlanc did not argue for a total overhaul of HEA and warned that many innovations, such as CBE, are still too new to create good policy. Instead, he recommended that Congress create safe innovation environments and expand the Department of Education’s Experimental Site authority. Dr. Barbara Gellman-Danley, president of the Higher Learning Commission, assured the committee that accreditors are not barriers to innovation but that federal regulations and interference by the Department of Education and Office of the Inspector General keep accreditors from assessing and dealing with innovation.

Senators Elizabeth Warren (D-MA) and Michael Bennet (D-CO) commented on the lack of incentives for colleges to keep costs low, and argued for skin in the game policies that hold colleges accountable and pressure schools or improve affordability. Overall, the tone of the hearing was optimistic as both committee members and panelists agree that new innovations such as CBE and non-institutional boot camps have the potential to provide a high quality higher education at a lower price than traditional colleges. LeBlanc stressed that although there is much promise in CBE, it is important for congress to understand that the innovation is in its infancy, suggesting all involved still have much to learn before the government can create sound policies.

A full summary of the hearing is attached to this week’s edition.

House Drops First Four HEA Bills, All Are Bipartisan

Last week, multiple members of the House Committee on Education and the Workforce introduced a new higher education bill and re-introduced three others. All four bills have bipartisan support.

The new legislation, the *Flexible Pell Grant for 21st Century Students Act*, was introduced by Reps. Elise Stefanik (R-NY), Carlos Curbelo (R-FL) and Higher Education and Workforce Training Subcommittee Ranking Member Rubén Hinojosa (D-TX). The bipartisan legislation is intended to modernize the Pell Grant program and help students complete a postsecondary education more quickly and at a lower cost. Essentially, it is “year-round Pell” with a few new provisions. Here are the highlights from the Committee:

H.R. 3180:

- Provides students the flexibility to draw Pell Grant funds at an accelerated pace in order to pay for additional courses within an award year.
- Encourages students to complete degrees more quickly, leading to less debt and faster entry into the workforce.
- Maintains maximum lifetime Pell Grant award eligible students can receive over the course of their education.
- Assists students in making informed decisions about their academic progress by directing the Secretary of Education to provide an individualized federal financial aid status reports to each student annually.

Reps. Joe Heck (R-NV), Phil Roe (R-TN), Jared Polis (D-CO), and Mark Pocan (D-WI) re-introduced the *Simplifying the Application for Student Aid Act* to streamline and improve the student aid application process. Here are the highlights from the Committee

H.R. 3177:

- Allows students to use family income data from two years prior to the date of the FAFSA application. This process will help students apply for financial aid earlier so they can better prepare for their college costs.
- Improves the ability to link between the online FAFSA form and income tax data stored by the Internal Revenue Service to automatically input income data into the FAFSA form, reducing the need to manually input information that often prevents low-income students from applying for aid.
- Strengthens the integrity of federal financial aid by providing institutions more time to verify the income of their students.

Higher Education and Workforce Training Subcommittee Chairwoman Virginia Foxx (R-NC), and Reps. Luke Messer (R-IN) and Gregorio Sablan (D-MP), re-introduced the *Strengthening Transparency in Higher Education Act* to provide students and families with the information they need to make informed decisions about higher education. The legislation is intended to provide a more complete picture of all student populations, streamline existing transparency efforts at the federal level to reduce confusion for students, and require better coordination by federal agencies to avoid duplication and confusion.

H.R. 3178:

- Requires the secretary of education to create a consumer-tested College Dashboard that would display only key information students need when deciding which school to attend.
- Ensures the College Dashboard includes information on the completion rates of all students, including contemporary students and Pell Grant recipients.
- Instructs the secretary of education to provide a link to the College Dashboard page of each institution listed on a student's FAFSA to make sure students know this information is available.
- Directs the secretary of education to coordinate with other federal agencies to ensure all published higher education data is consistent with the information available on the College Dashboard.
- Improves current policies governing institutional net price calculators to give students a more accurate picture of the total cost of attending a particular institution.

- Streamlines and eliminates unnecessary information and federal transparency initiatives.

Finally, Reps. Brett Guthrie (R-KY), Rick Allen (R-GA), and Suzanne Bonamici (D-OR) re-introduced the *Empowering Students Through Enhanced Financial Counseling Act*, which promotes financial literacy through enhanced counseling for all recipients of federal financial aid.

H.R. 3179:

- Ensures borrowers, both students and parents, who participate in the federal loan program receive interactive counseling each year that reflects their individual borrowing situation before they accept their loan.
- Provides awareness about the financial obligations students and parents are accumulating by requiring borrowers to consent each year before receiving federal student loans.
- Informs low-income students about the terms and conditions of the Pell Grant program through annual counseling that will be provided to all grant recipients.
- Directs the secretary of education to maintain and disseminate a consumer-tested, online counseling tool institutions can use to provide annual loan counseling, exit counseling, and annual Pell Grant counseling.

The announcement emphasized the bipartisan nature of this package of bills. In part, it said:

Recognizing the need for commonsense reforms to strengthen higher education, members on both sides of the political divide are putting forward ideas to simplify and improve the student aid process and empower students and families to make informed decisions...

The American people need solutions that will help more individuals affordably access and complete higher education and compete in the workforce. These ideas are a good step in the right direction and will be an important part of a larger effort to reauthorize the Higher Education Act.

For more information, see:

<http://edworkforce.house.gov/news/documentquery.aspx?DocumentTypeID=1925>

White House & Administration

Duncan Calls for More Accountability in Higher Education

On Monday, the Secretary of Education, Arne Duncan, gave a speech at the University of Maryland Baltimore County that focused on greater accountability within higher education and college affordability.

“We must shift incentives at every level to focus on student success, not just access,” Duncan said during his speech.

Duncan criticized accreditors for approving schools that continue to graduate a low percentage of its students. He also blamed states for reducing their funding of higher education.

“This pattern of state disinvestment — and the expectation that the federal government will cover the shortfall — has to end. States, as well as Washington, need to remember that higher education is a public good,” he said. Later in the speech, the Secretary discussed the impact of transparency: “With

the launch of the College Scorecard, the voluntary adoption of the Financial Aid Shopping Sheet by more than 3,000 institutions, and additional comparative information on outcomes and college value we will make available later this summer, consumers will have much better information about their college choices. Transparency will also drive accountability to improve results.”

He covered a lot of ground, but the biggest take-away was that the goal of all those within higher education, including those working on student aid, should be to do a better job of helping students complete their studies for a degree or other credential. It's a recognition of a fact anyone associated with student lending knows -- the borrowers most likely to default are those who fail to complete.

The following is an excerpt from his speech:

But cost and debt are just one part, one part of this fight.

Student debt is a burden for too many students, but most ultimately repay their loans, and for those who get their degree, college is an excellent investment. By some estimates, a bachelor's degree increases lifetime earnings on average by about a million dollars.

The degree students truly can't afford is the one they don't complete, or that employers don't value.

Students who drop out of school are three times as likely to default on their student loans as those who graduate. In fact, the amount of debt is not the main reason people default. The typical defaulted borrower is carrying less than \$9,000 [dollars] in debt.

For a blog posting from the Department of Education on Duncan's speech, see: <http://www.ed.gov/blog/2015/07/the-future-of-higher-education-in-america/>

Obama Administration Announces Pilot Program To Experiment with Pell Grants for Prisoners

Today, Attorney General Loretta Lynch announced that the Department of Justice is lifting the ban on Pell Grants for prisoners and starting a pilot program that will give a limited number of eligible prisoners the opportunity to receive federal funding for obtaining a bachelor's or professional degree.

Speaking at Goucher College's Prison Education Partnership at the Maryland Correctional Institute, Lynch said, "We know from research that incarcerated individuals who participate in correctional education — including remedial, vocational and postsecondary programs — are more likely to stay out of prison; more likely to seek, gain and maintain employment; and substantially more likely to remain crime-free."

Under the Second Chance Pell Pilot Program, prisoners will be able to receive Pell-financed instruction from a select number of schools as early as Fall 2016. The program seeks to help prisoners who are eligible for release within five years. Officials have not provided a cost estimate for the program.

There are no indications that Congress is about to officially remove the ban on Pell for prisoners, but the Obama administration used its authority under the Experimental Sites Initiative to work around current

law. Rep. Chris Collins (R-NY) has already introduced legislation, the *Kids Before Cons Act*, to block the administration's plans.

"*The Kids Before Cons Act* closes the loophole the Obama Administration is trying to exploit, and protects taxpayers from footing the bill for criminals' educations," Rep. Collins said. "This legislation ensures that Pell grants will be used for their intended purpose of assisting financially disadvantaged students struggling to attain a college education."

- For more information on the Second Chance Pell Pilot Program, see: <https://www.ed.gov/news/press-releases/us-department-education-launches-second-chance-pell-pilot-program-incarcerated-individuals>
- For more information on the Kids Before Cons Act, see: <http://chriscollins.house.gov/media-center/press-releases/rep-collins-reed-and-gibson-introduce-kids-before-cons-act>

CFPB Orders Discover to Pay \$18.5 Million for Student Loan Servicing Practices

Last Wednesday, the Consumer Finance Protection Bureau (CFPB) took action against Discover Bank and its affiliates for its private student loan servicing practices. The Bureau claims that Discover overstated the minimum amounts due on billing statements and denied consumers information they needed to obtain federal income tax benefits.

The CFPB also accused the company of violations under the Fair Debt Collection Practices Act (FDCPA), including calling consumers early in the morning and late at night. The CFPB said FDCPA applied to Discover, generally a first-party creditor, because of its acquisition of the Student Loan Company and its underlying assets from Citigroup.

The CFPB's order requires Discover to refund \$16 million to consumers, pay a \$2.5 million penalty, and improve its billing, student loan interest reporting, and collection practices.

For more information, see: <http://www.consumerfinance.gov/newsroom/cfpb-orders-discover-bank-to-pay-18-5-million-for-illegal-student-loan-servicing-practices/>

CFPB Takes Action Against Financial Aid Website

Last Thursday, the CFPB filed a complaint and a proposed consent order in federal court regarding Student Financial Aid Services (SFAS), a company that offers fee-based assistance to consumers filling out the federal government's Free Application for Student Aid (FAFSA).

The Bureau alleges that the company, which until recently operated FAFSA.com, "lured in consumers with misleading information about the total cost of its subscription financial services and hit them with undisclosed and unauthorized automatic recurring charges." Under the proposed order, the company would halt practices the Bureau deems illegal and pay \$5.2 million, most of which would be refunded to consumers by the CFPB.

"Student Financial Aid Services, Inc. made millions of dollars at the expense of consumers through its illegal recurring payment scheme," said CFPB Director Richard Cordray. "Our enforcement action will

put money back in the pockets of consumers who were misled while seeking to access federal student aid.”

The Bureau claims that the company began to bill consumers for an annual subscription without the consumer’s knowledge as soon as they entered their payment information for certain financial advisory services. These recurring charges typically ranged from \$67 to \$85 each year and were renewed annually automatically.

In response to the CFPB action, SFAS responded:

“SFAS did nothing illegal or wrong – and the CFPB provided no evidence to support any of its claims regarding alleged illegal or unethical activity. SFAS settled these unsubstantiated allegations to avoid protracted litigation. SFAS is not aware of a single consumer complaint to the CFPB about its services. In fact, the company has received overwhelmingly positive feedback that its services have helped secure the financial aid necessary for more than 2.2 million students to pursue the dream of college. The company’s commitment to this goal is reflected in its decision to transfer the FAFSA.com domain to the Department of Education after more than a year of collaborative discussions. In addition, SFAS has helped tens of thousands of low-income students on a pro bono basis with services that help navigate government applications that are every bit as complicated and confusing as tax forms.”

For more information, see: <http://www.consumerfinance.gov/newsroom/cfpb-takes-action-against-student-financial-aid-services-inc-for-illegal-recurring-billing-scheme/>

Meredith Fuchs Named Acting Deputy Director of CFPB

Meredith Fuchs, the General Counsel of the CFPB, has been named Acting Deputy Director of the CFPB effective August 1, replacing Steve Antonakes. Fuchs had previously announced her intention to leave the agency, but will stay with the agency as both General Counsel and Acting Deputy Director until Director Cordray appoints a permanent Deputy Director and a new General Counsel. David Bleicken, who now serves as Deputy Associate Director of the Division of Supervision, Enforcement, and Fair Lending, will replace Antonakes on August 1 as Acting Associate Director of the Division.

For more information, see: <http://www.consumerfinance.gov/newsroom/meredith-fuchs-named-acting-deputy-director-of-the-consumer-financial-protection-bureau/>

Trump Chimes in on Student Debt

Donald Trump, on his version of a campaign trail, echoed one of Sen. Warren’s (D-MA) major arguments, and criticized the federal government for earning a profit from federal student loans.

“That’s probably one of the only things the government shouldn’t make money off — I think it’s terrible that one of the only profit centers we have is student loans,” Trump said in an interview with *The Hill*.

“One of the biggest questions I get is from people in college [about student loans],” he said. “They’re in college — they’re doing well but they’ve got student loans up to the neck. They’re swimming in these loans.”

For more information, see: <http://thehill.com/policy/finance/248913-trump-why-is-federal-government-making-money-on-student-loans>

New IFAP and Federal Register Announcements

Recent additions to the Information for Financial Aid Professionals (IFAP) website and *The Federal Register* have been made that may be of interest to COHEAO members including a request for comments on the Federal Perkins/NDSL Loan Assignment Form.

FSA IFAP and Federal Register Announcements:

- [Request for Comments on the Federal Perkins/NDSL Loan Assignment Form](#)
- [Dear Colleague on Live Internet Webinar - Software Developers August 2015 Webinar](#)
- [Dear Colleague on Protecting Student Information](#)
- [FSA ID/PIN Replacement - FSA ID Must Only Be Created by FSA ID Owner](#)
- [150% Direct Subsidized Loan Limit: Electronic Announcement #18 - Implementation of Loss of Interest Subsidy Based on Enrollment](#)
- [eCampus-Based Application for the Fiscal Operations Report for 2014-2015 and Application to Participate for 2016-2017 \(FISAP\) Now Available](#)
- [2015-2016 SAR Comment Codes and Text Guide \(July 2015 Update\)](#)
- [Loan Servicing Information - Federal Loan Servicer Team Change](#)
- [eCampus-Based \(eCB\) Electronic Signature \(eSignature\) Reminder](#)
- [2015-2016 Federal School Code List of Participating Schools \(August 2015\)](#)

Industry

NASFAA Report Shows Increase in Number of Students Using Financial Aid

The National Association of Student Financial Aid Administrators' (NASFAA) held a briefing on Tuesday to provide an overview of the 2015 federal aid programs and to discuss findings from its annual "National Student Aid Profile."

The report was the subject of a briefing NASFAA held for House staff working on education issues. The event and report are designed to familiarize these legislative assistants with the student aid programs, including Perkins Loans. The report includes detailed information on recipients and benefits.

According to the report, the number of students applying for federal financial assistance increased by 62 percent, from 19.4 million in the 2007-2008 academic year to 31.4 million in the 2011-2012 school year. The overall amount of Title IV financial aid awarded to students has also increased significantly. From the 2001-2002 to 2011-2012 academic year, the total amount of aid has increased 140 percent, from \$72.3 billion to around \$173.8 billion.

For more information, see: http://www.nasfaa.org/uploads/documents/2015_national_profile.pdf (The Perkins Loan information begins on page 10)

Sallie Mae Finds Parents Out-Of-Pocket Spending No.1 Source of College Funding

According to "How America Pays for College 2015," a national study conducted by Sallie Mae, parental out-of-pocket spending has become the number one source of college funding.

This year's report—now in its eighth year—found parent income and savings covered the largest share of college costs, 32 percent, surpassing scholarships and grants (30 percent) for the first time since 2010. Families covered the balance of college costs using student borrowing (16 percent), student income and savings (11 percent), parent borrowing (6 percent), and contributions from relatives and friends (5 percent).

The report found that after four years of relatively stable spending, families spent 16 percent more money on college in the 2014-2015 academic year, for an average cost of \$24,164, including tuition, room and board, living expenses, and other direct and indirect costs. However, fewer families reported feeling worried that economic factors would affect their ability to pay for college, fewer eliminated colleges from consideration due to cost, and fewer took actions (cost-saving measures) to control college costs.

The report indicates that 62 percent of families did not borrow any of the money they used to finance college during the 2014-2015 academic year. Among those who did borrow, students were primarily responsible for borrowing, with students signing for nearly three-quarters of the funds borrowed.

Of the students who did borrow, 89 percent completed the FAFSA, compared to 78 percent of non-borrowers; 73 percent of students worked while attending school, compared to 68 percent of non-borrowers; and 68 percent of students reduced personal spending, compared to 55 percent of non-borrowers.

Data also shows that working students are now the norm, with nearly 74 percent of students working during the year to help cover costs. Most worked year-round, and worked an average of 22 hours per week.

For more information and the full report, see: <http://news.salliemae.com/press-release/research/parent-out-pocket-spending-no-1-source-college-funding-according-how-america->

Student Debt Protestors Target NASFAA Convention Attendees

Last week, a small group of protestors (reports ranged from 35-50) from the Occupy-inspired Student Debt Collective disrupted a parade of attendees of the National Association of Student Financial Aid Administrators (NASFAA) conference in New Orleans. The protestors demanded debt free college for all students. Many administrators told the activists they were protesting the wrong people.

One administrator yelled back to the protestors, "We give scholarships to students. I don't get your argument." Another administrator said, "I work at a low-cost community college, sweetheart. Maybe you should research who we are before you protest." Meanwhile, other administrators responded by sharing their support for free college.

The Debt Collective also created a fake Twitter account that appeared to be an official NASFAA account to push out their message and claim that its debt-free college proposal had won the NASFAA "Big Idea" contest at the conference. It also expressed its displeasure with a debate style general session at the conference where delegates voted in a debate on the existence of a "student debt crisis." The "noes" won the debate, which did not sit well with the protestors.

Justin Draeger, president of NASFAA, said he was confused as to why the group chose to protest the meeting. "As far as I can tell, they're advocating for debt-free education, which is great. I admire that

there is a grassroots effort trying to get at a debt-free education. But after watching them troll our Twitter account, steal our logo and set up a fake account, their tactics sort of muddy their message.”

For more information, see: <http://chronicle.com/article/Debt-Protesters-Disrupt/231771/>

Pew Study Finds 8 in 10 Americans Carry Debt

A new report by Pew Charitable Trusts found that Americans’ debt has increased over the past three decades, due particularly to home mortgages and student loans. Eighty percent of Americans hold at least some form of debt, and nearly 7 in 10 say debt is a necessity in their lives, even though they would prefer not to have it.

The report, “The Complex Story of American Debt,” shows that debt is a routine but also complicated aspect of U.S. households’ overall financial health. The report provides a comprehensive look at how families of different generations, races, and ethnicities hold debt; their attitudes toward it; and how it relates to their overall financial health.

“The typical American family’s debt levels are high, and that can cause financial problems—but that is not the full story,” said Diana Elliott, research manager for Pew’s financial security and mobility project. “Our findings show that debt can also be an important component of overall financial health, provided it is sustainable and is used to support investments in families’ futures.”

The study also found black and Hispanic Americans regret their student loan debt more than white borrowers. The survey found about 51 percent of black and 52 percent of Hispanic millennial and Generation X student-loan borrowers said they would have financed their education a different way so they would owe less money. Ten percent of black debt holders said they wouldn’t go to school if they could do it over again, in comparison to seven percent of white borrowers. The Pew report defines millennials as those born between 1981 and 1997, and Generation X as those born between 1965 and 1980.

These findings are not surprising considering the fact that minority graduates are far less likely to have completed the degrees they borrowed money for according to statistics. The Pew report found that 44 percent of black Generation X and millennial households reported having student debt, compared with 35 percent of white households.

Among the report’s key findings:

- **8 in 10 Americans have debt, with mortgages the most common liability.** Although younger generations of Americans are the most likely to have debt (89 percent of Gen Xers and 86 percent of millennials do), older generations are increasingly carrying debt into retirement. Eighty percent of baby boomers and more than half (56 percent) of retired members of the silent generation hold some form of debt.
- **Gen Xers have higher mortgage debt than other generations at similar ages in part because of when they purchased their homes.** During the runup in housing prices before the Great Recession, Gen Xers were in their prime homebuying years. The typical Gen Xer in his or her mid-30s had more than twice the mortgage debt that boomers had at the same age.
- **Americans feel conflicted about debt: Nearly 7 in 10 (69 percent) said debt is a necessity in their lives, even though they prefer not to have it.** A similar percentage (68 percent) also

believes that loans and credit cards have expanded their opportunities. However, a generational divide in attitudes toward debt is emerging, with younger Americans being more debt-averse.

- **Debt can be good and bad for Americans' financial health and sense of security, depending on age.** For older Americans, lower levels of debt indicate greater financial security, especially because they are most likely to be living on a fixed income. But among those of working age, the story is more complex: Compared with their peers with less income and wealth, Americans with higher incomes and net worth have more debt but also healthier balance sheets overall. This is probably because affluence facilitates greater access to sustainable forms of credit, such as “prime” home mortgage loans, that can help a household build wealth.

For more information, see: <http://www.pewtrusts.org/en/about/news-room/press-releases/2015/07/29/pew-finds-complex-relationship-between-debt-and-financial-security-and-mobility>

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HEARING BRIEF

SENATE HELP COMMITTEE HIGHER EDUCATION ACT HEARING: COMBATING CAMPUS SEXUAL ASSAULT

Prepared by:

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Michelle Cravez (mcravez@wpllc.net)

July 30, 2015

On Wednesday July 29th, the Senate Committee on Health, Education, Labor and Pensions (HELP) held a hearing, “Reauthorizing the Higher Education Act: Combating Sexual Assault.” This was the seventh hearing on reauthorizing the *Higher Education Act*.

MEMBERS PRESENT

Chairman Lamar Alexander (R-TN); Ranking Member Patty Murray (D-WA); Sen. Susan Collins (R-ME); Sen. Bill Cassidy (R-LA); Sen. Al Franken (D-MN); Sen. Michael Bennet (D-CO); Sen. Sheldon Whitehouse (D-RI); Sen. Tammy Baldwin (D-WI); Sen. Bob Casey (D-PA); Sen. Chris Murphy (D-CT); and Sen. Elizabeth Warren (D-MA).

WITNESSES

PANEL I

- [Senator Claire McCaskill \(D-MO\)](#)
- [Senator Dean Heller \(R-NV\)](#)
- [Senator Kirstin Gillibrand \(D-NY\)](#)
- [Senator Kelly Ayotte \(R-NH\)](#)

PANEL II

- [The Honorable Janet Napolitano](#), President, University of California, Oakland , CA
- [Dana Bolger](#), Co-Founder, Know Your IX, Washington, D.C.
- [Dolores Stafford](#), Executive Director, National Association Of Clery Compliance Officers and Professionals, President & CEO, D. Stafford & Associates, Rehoboth Beach, DE
- [Mollie Benz Flounlacker](#), Associate Vice President, Federal Relations, Association of American Universities (AAU), Washington, D.C.

OPENING STATEMENTS

Senator Collins opened by explaining that Chairman Alexander had asked her to serve as Chairperson for the hearing since he was unexpectedly delayed in Tennessee to attend a friend’s funeral. He asked that Senator Collins read his opening statement and include it in the record.

[Alexander](#) stated that the HELP Committee’s work to reauthorize the *Higher Education Act*

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(HEA),” is to ensure that any federal law or regulation will help the nation’s 6,000 colleges and universities create a campus environment that makes students safer from sexual assault.” However, he also warned the Committee that duplicative laws and regulations had to be eliminated so that “instead of spending unnecessary time filling out forms, colleges have more time to counsel students and create a safer environment.” Second, campuses must better coordinate with law enforcement agencies, “but not turn colleges into law enforcement agencies.” And third, “establish procedures that are fair and that protect the due process rights of both the accused and the accuser.” He also praised the bipartisan work of Senators McCaskill, Heller, Gillibrand and Ayotte—the original four cosponsors of the *Campus Accountability and Safety Act* (CASA). He noted that he was working with Ranking Member Murray to try and include key aspects of this legislation into the Committee’s effort to reauthorize the HEA. Alexander concluded his statement by noting, “there are some protections in current law, but we have seen examples of both sides feeling like the process was not fair for them so we need to look at if there are additional things we can do to fix that.”

Senator Collins then gave her opening remarks and agreed that sexual assault on college campuses is a very serious issue and that consensus on how to address it must be reached. She went on to say that she raised the issue during a lunch on Tuesday with her summer interns, and they had agreed with some of the key aspects of CASA. This included: 1) the need for mandatory training for all students on campus; 2) the need for a confidential advisor for victims; and 3) the need for transparent disciplinary procedures. Collins also highlighted the two federal laws that focus on student safety that colleges and universities have to follow—Title IX and the Clery Act. She noted that in 2013, Congress updated the Violence Against Women Act (VAWA) which included amendments to the Clery Act championed by Senator Casey. Many of the additions to the Clery Act focused, in part, on prevention and training to prevent sexual assaults on college campuses. On July 1st the Department of Education released new regulations to implement the Clery Act amendments to ensure that campuses have transparent and fair policies and procedures in place to not only prevent and respond to sexual assault, but also domestic violence, dating violence, and stalking.

In her remarks, Ranking Member Murray thanked all the witnesses and noted their wide array of perspectives and especially thanked the four Senators who would be speaking shortly for their hard work to craft a bipartisan piece of legislation focused on combating violence on campuses. She also thanked Chairman Alexander for joining her and involving the HELP Committee in this debate leading up to their work to reauthorize HEA. Murray’s statement noted the need to change cultural norms and “break down social norms that implicitly sanction sexual violence.” She added that “basic human rights are being violated on college campuses and the “current systems and campus climates encourage under-reporting rather than action.” She acknowledged several of the witnesses’ efforts in forcing a “national conversation” on these issues. “We have done far too little in Congress over the years to support survivors,” stated Murray, and she views the reauthorization process as a “critical opportunity for continued and urgently needed progress.”

WITNESS STATEMENTS

Panel I

Senator Claire McCaskill began by expressing her passion to combat violence against women based on her experience as a mother and former prosecutor of sex crimes. She explained that over the past 15 months, she has worked with her Senate colleagues to incorporate the feedback of over 60 organizations, including groups representing survivors, students, colleges and universities and their associations, law enforcement, victim advocacy and researchers to improve last year's version of CASA which was introduced in the last Congress in July, 2014. The updated version of CASA (S. 590) was reintroduced in February 2015 with an even larger bipartisan coalition. Currently, the bill has 33 cosponsors, 12 Republicans and 21 Democrats. McCaskill stated that for her it is a priority to ensure that victims are given adequate support and [they] feel empowered to make informed decisions regarding the adjudication and disposition of their cases. CASA establishes new campus resources and support services for students who are survivors of sexual assault. Specifically, institutions of higher education would be required to designate Confidential Advisors to assist survivors of sexual assault. The Confidential Advisor would coordinate support services for survivors and would also provide critical information about options for reporting these crimes to campus authorities and/or local law enforcement. The Senator opined that this newly created position—that would work solely at the direction of the survivor and provide important information on reporting sexual assault—“is the most important aspect of the bill.” Lastly, McCaskill noted new provisions in the bill that would require colleges to provide more transparency about the institution's judicial system for both victims and alleged offenders which would allow individuals to “participate on a level playing field.”

Senator Dean Heller echoed Senator McCaskill's passion on the need to stop sexual assaults on campus and shared information about the variety of groups and institutions he has met with in Nevada to improve CASA and make it “workable.” He noted that today, there are over 100 colleges and universities under investigation for violations of Title IX in their handling of campus sexual violence. And he noted that “the reality is there are many more survivor stories that have not been heard.” For Heller, one of the most important provisions of the bill is the campus climate survey. This survey will “improve access to accurate, campus-level data by allowing students to anonymously share their experiences related to sexual assault.” This anonymous, online survey will help determine the scope of sexual assault on campus and the effectiveness of current institutional policies on this issue. The Department of Education will be responsible for developing this survey, as well as picking up its cost. According to Heller, “Schools just need to ensure an adequate, random, and representative sample of students take the survey.” The survey results will be reported to Congress and published on the Department of Education's website allowing for the American public to compare the campus climate of all schools.

Senator Kirsten Gillibrand began by highlighting her colleagues' statements that colleges and universities have consistently underplayed and underreported campus sexual violence and declared that CASA “would flip the incentives, so that for the first time, it would be in the

schools' best interest to actually solve this problem, and to do it aggressively." She noted colleges and universities routinely withhold diplomas if students do not pay their fees or cheat on a test; however, "the statistics for students who have violated other students – who have sexually assaulted them and raped them – show that only one-third are actually expelled for that crime." If CASA were to become law, schools would be held accountable for reporting their sexual assault statistics – accurately and publicly. In addition to the campus climate survey, "every college and university in the country would be required to have a memorandum of understanding (MOU) with local law enforcement to clearly delineate responsibilities."

Senator Kelly Ayotte reiterated the strong bipartisan support behind CASA and described campus sexual assault as "an epidemic in this country" and as a "serious public safety issue." She elaborated more on the required MOU between institutions of higher education and the entity that has jurisdiction to report as first responder to a campus emergency. Ayotte stated that "the goal of the MOU is to foster dialogue between the school and law enforcement before a serious incident takes place." The Senator also highlighted the provisions in CASA that improve and strengthen how colleges investigate and handle sexual assault allegations to ensure consistency and fairness to both the victim and alleged offender. Specifically the legislation would require proper training for college officials who are responsible for investigating sexual assaults need to be properly trained and would require all schools to use a uniform process for campus student disciplinary proceedings that would ensure greater coordination between schools and local law enforcement—if the survivor decides they want to report to local police. Lastly, Ayotte stressed that "under our legislation, athletic departments or other subgroups would no longer be permitted to handle complaints of sexual violence."

Panel II

Janet Napolitano was asked to testify about the efforts of the University of California (UC) to prevent and respond to incidents of sexual violence on their 10 statewide campuses. She shared that in June 2014, a system-wide Task Force was formed to develop recommendations for implementing strategies to support prevention, response, and reporting of sexual violence "based on evidence-informed solutions and approaches, and to identify steps to improve UC's current processes in order to drive cultural change in sexual violence." By September 2014, the Task Force identified seven initial recommendations that form the foundation for UC's model. They include: 1) Establishing a consistent "response team" model on all campuses. 2) Adopting a system-wide investigation and adjudication standards, including sanctions. 3) Developing a comprehensive training and education plan for the entire UC community including students, staff and faculty that focuses on prevention and intervention and is specifically tailored to each population and includes on-going education. 4) Implementing a comprehensive communication strategy to educate the community and raise awareness about UC programs. 5) Establishing an independent, confidential advocacy office for sexual violence on each campus that is available to student survivors on all campuses. 6) Creating a comprehensive system-wide website to provide general content, information and resources to all campus populations. 7) Developing a system-wide standard data collection system that leverages current information collected, which will allow the campuses and the University system to better track claims of sexual assault and foster accountability and transparency. Implementation of these recommendations began in January

2015, and Napolitano expects this process to be completed by January 2016. She also noted that UC is already in voluntary compliance with many of the provisions of CASA.

Napolitano also provided recommendations to the HELP Committee on their upcoming HEA reauthorization efforts. She advised that federal legislation “must be flexible enough to allow for institutional differences, yet strong enough to ensure full accountability.” She also stated that existing rules and regulations now in place through HEA must be better coordinated. She recommended that ED begin—even before federal legislation is enacted—to streamline its internal procedures to better guide institutions toward full compliance with current laws and regulations. Lastly, she counseled that any new laws or regulations must not “undo” or contravene programs and policies institutions have implemented that are based on sound research and represent best practices for action.

Dana Bolger spoke about her experiences as an undergraduate at Amherst College where she was a victim of sexual assault. Like so many students who experienced sexual or dating violence she was discouraged from reporting, denied counseling and academic accommodations, and pressured to take time off. These outcomes each violate Title IX. She noted that research shows that one in five women will experience either sexual assault or attempted sexual assault during her time in college, and the financial burdens, in addition to the psychological harm, can be staggering. Bolger’s recommendations for HEA reauthorization include building on existing federal protections for survivors of gender-based violence. Specifically she noted several key remaining obstacles: lengthy federal investigations that conclude with little more than a slap on the wrist; widespread opacity; and campus policies that discourage student survivors from reporting. Bolger also strongly advocated for increased funding for the Office of Civil Rights (OCR) within ED. Currently OCR is investigating 124 institutions which is triple its caseload since 1980; however, its current staff is only half the size. Increased funding would allow OCR to provide additional technical assistance to schools on how to enter into compliance with Title IX; better disseminate information to students about their rights and how to access them; and improve campuses safety. Bolger also recommended that OCR be given the authority to levy fines on institutions that violate Title IX which would give the agency the increased leverage necessary to hold schools accountable, without devastating programming and financial aid for students. Lastly, Bolger spoke out against “mandatory referral” laws fearing that even with the best of intentions, these laws would actually decrease reporting rates and deprive survivors of the on-campus support they so desperately need.

Much of **Dolores Stafford’s** testimony explained the various requirements placed on institutions by Title IX as well as the Clery Act and the new amendments approved in the VAWA 2013. She emphasized that “campuses earnestly want to comply with the Clery Act, and many see it as a basement – not a ceiling – of campus safety efforts;” however more guidance from ED is desperately needed. She explained that for a majority of the disclosure requirements in the Clery Act, campuses are not required to adopt specific policies or procedures. The VAWA amendments, however, introduced a series of very specific mandates related to policies, procedures and practices campuses must describe in their compliance documents and implement in their day-to-day operations. As a result, campuses are going to need significantly more guidance and resources than what has been provided in the past, and they yearn for such guidance and resources. She concluded by stating that “Many of the new requirements proposed

by the Campus Accountability and Safety Act are laudable and have great potential to enhance existing safety on campus.”

Mollie Benz Flounlacker opened her remarks by stating that AAU member university presidents and chancellors have long identified sexual assault on their campuses as an extremely important issue that “they need to address head-on.” According to Flounlacker, over the past two years at least, AAU has spent more time with its membership addressing this issue than almost any other issue. As a result, AAU decided that the best way to help its members address this issue was to develop and implement a sexual assault climate survey for its members that would enable them to better understand the attitudes and experiences of their students with respect to sexual assault. The association will publicly release the aggregate results this fall. Flounlacker also stated that AAU supports the goals of CASA, including most of the core requirements. “Our goal is to help ensure that any new requirements in CASA complement existing requirements to better protect students and help schools understand their responsibilities.” Flounlacker then went on to share some of AAU’s concerns with CASA’s language as written. First, while “strongly supporting” giving survivors of sexual assault access to a confidential advisor, Flounlacker went on to say that “Any requirements that the advisor act in an investigatory role rather than a mental health or trauma-counseling role would compromise confidentiality under both state laws as well as FERPA.” She also shared AAU’s concerns about the requirement for the Secretary of Education to develop a single campus climate survey instrument, without the input of higher education experts, for use at all institutions. She said, “It is important that schools have control over survey administration, including incentive options, among other issues, in order to ensure that the survey meets the unique and local circumstances of the college and thus helps administrators better understand students’ experiences.” Other areas noted that need further consideration include expansion of the Clery Act requirements as well as better clarification of the roles and responsibilities of the OCR.

MEMBER QUESTIONS

Sen. Collins first expressed her support of confidential advising and said she was surprised to hear the process is not as straightforward as one would expect. She said CASA’s confidential advisor provision appears to be in conflict with federal regulations. She asked, “How can colleges and universities provide the confidential services and advising that many of us think are vital to students, while balancing and meeting the requirements of federal, and sometimes state law, and the desire to respond effectively?”

Flounlacker said, “Potential conflict with Title IX is a real concern, and one that we’ll have to address in this legislation to get this right.” For example, she said the CASA legislation would require advisors to inform survivors of their rights and campus procedures, and that advisors may liaise with an institution to make accommodations for a student, but that the law explicitly states accommodations should not trigger an investigation. However, she said many schools believe accommodations are a sufficient reason to start an investigation and that Title IV requires institutions to track accommodations. Flounlacker suggested that it is best for advisors to let survivors know who to contact to get an accommodation rather than making these solutions themselves.

Collins then asked Bolger what suggestions she has to encourage students to participate in climate surveys. Bolger recommended greater education, outreach and training efforts along with working off of existing structures such as athletic programs, fraternities and sororities.

Ranking Member Murray asked Bolger what the most important step universities can take to create a survivor-focused approach. Bolger said schools need to better explain to survivors what they can expect to receive out of a reporting process and to ensure that students are aware of the availability of accommodations and how to access them. Murray then asked Napolitano how the UC system has made an effort to improve their response to sexual assault while also working to create a culture of prevention. Napolitano said students must be made aware of the issue and the resources available to them from the first day they arrive on campus. She spoke about the State of California's "Yes Means Yes Law" and said that the UC system had already adopted this policy a year prior to the state enacting the law. Bolger agreed with Napolitano and added that while affirmative consent is important, it is only successful if there is education for students regarding the definition of consent and how to obtain it. She said training needs to not only include students, but also those who are hearing and investigating sexual assault cases.

Senator Cassidy brought up a statistic that Senator Gillibrand had circulated stating that 41 percent of colleges surveyed have not conducted a single investigation of sexual violence on their campus in the last five years. He said this statistic indicated to him that the problem is with universities not communicating with students that sexual assault is reportable and asked Flounlacker if this was a fair statement. Flounlacker said she was unsure whether this statistic was true, but that university presidents recognize the need for better data, which is where climate surveys can help play a role. Cassidy then asked Napolitano how to deal with issues in which the alleged perpetrator is wrongly accused. Napolitano said this is something the University of California is looking into and is considering the kind of support schools should provide to both a respondent and complainant. Cassidy followed up by asking if cases should be dealt with in a civil or criminal court instead of within the university system. Napolitano replied that she believes mandatory referrals would deter many complainants from coming forward at all.

Senator Bennet asked Bolger about her thoughts on mandatory referral laws. Bolger explained that many survivors say that if they were forced to go to the police, they would not report the crime at all. She said nine in 10 victims say that if their reports were turned over to the police without their consent, fewer victims would report. Bolger recommended empowering survivors with the right to decide who receives their reports. Bolger also spoke about how she believes there is a gap between responding to sexual assault and other forms of gender based violence (dating violence, stalking, intimate partner violence). She said new components of the Clery Act will require schools to report these instances, but it is important for schools to understand that policies for survivors of dating violence can look very different than those for victims of sexual assault. Bennet then asked if there was a university that could serve as a model to other schools in how to deal with sexual assault. Flounlacker said there was not and that this is why the section of CASA legislation that calls for a discretionary grant program is important as it will provide money to research better awareness and prevention methods. Bolger added that climate surveys can also help in gathering this kind of data and information.

Senator Warren focused her questions on efforts conducted to prevent assault. She asked Stafford what efforts her staff conducted at George Washington University that proved effective. Stafford said education is key for prevention and that education efforts should be expanded to focus on men as well, starting early in high school before students reach the college campus. She suggested education was needed regarding the definition of consent. Bolger added that prevention education should start as early as middle school and continue throughout students' college careers. She said education should cover consent as well as healthy relationships. She said many schools are trying online prevention education, but asserted that online prevention education does not work. Napolitano chimed in and suggested in-person education along with online supplements, peer-to-peer programs and bystander education. Warren then asked how the federal government can be helpful in making campuses safer. Stafford said the federal government needs to address the issue of MOU's in CASA. She said she would like to see regulations that force the hands of local and state police agencies to engage with campus police agencies. Bolger added that OCR needs to continue to "step up."

Senator Baldwin asked witnesses to share lessons they have learned in developing and implementing campus climate surveys. Napolitano referred back to her testimony and her comment on flexibility and recognizing differences in campuses and how this might reflect the content in climate surveys. Baldwin asked Flounlacker to expand on how she might alter the climate survey from campus to campus. Flounlacker said schools have no legal authority to force students to participate in climate surveys but there are a number of strategies that schools can implement to increase the response rate. She reiterated that schools need to be responsible for administering the survey, rather than ED as suggested in CASA.

Senator Casey asked Bolger why survivors find it challenging to report assault. Some of the reasons Bolger listed are that the victim may know the offender; they may come from over-criminalized communities; or they may be undocumented citizens. She said it is important that schools are open and transparent about what can happen when students report assault. Napolitano added that victims are reluctant to report because they are unsure of confidentiality.

Chairman Alexander mentioned that he was interested in learning more about how Title IX and The Clery Act's rules and regulations could be improved and how they might conflict with one another. He asked the witnesses to report back to the committee with their answers before September. Flounlacker said that ED should not issue additional guidance without comment to allow stakeholders the time to ask questions and provide important expertise. Stafford said to make sure campuses do not turn into law enforcement agencies. Alexander then asked, "What can we do or not do to make sure that collages are fair and protect the due process rights of both the accused and the accuser?" Napolitano once again mentioned that this is something UC is exploring and said there is a difference between disciplinary proceedings at a school and criminal proceedings. She said schools must be fair, but as one might imagine, it is a difficult issue. Bolger responded that Title IX already requires schools to be fair and equitable in handling cases.

Sen. Whitehouse asked the witnesses to respond to his comments in writing. He said there is not enough coordination between The Clery Act and Title IX processes and the ordinary and proper course of a law enforcement investigation. He stated that Congress needs to find a way to disentangle those. He asked the witnesses to submit their thoughts in writing on how to better

accommodate the law enforcement process. Whitehouse said the sooner law enforcement is involved the better and that a lot can be learned from the changes in law enforcement regarding domestic violence cases. He said he believes victims are poorly informed about the reality of law enforcement intervention and that there should be a conversation held between a law enforcement officer, a confidential advisor, a Clery compliance officer and a victim to help walk the survivor through his/her real prospects and risks when launching an investigation.

CONCLUSION

After a lengthy and substantive hearing, Alexander thanked the witnesses and said the next hearing on HEA, “Reauthorizing the Higher Education Act: Opportunities to Improve Student Success” is scheduled for Wednesday, August 5 at 10 AM ET.

For more information about the hearing, including written testimony and an archived webcast, go to: <http://www.help.senate.gov/hearings/reauthorizing-the-higher-education-act-combating-campus-sexual-assault>.



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HEARING BRIEF

SENATE HELP COMMITTEE HIGHER EDUCATION ACT HEARING: EXPLORING BARRIERS AND OPPORTUNITIES WITHIN INNOVATION

Prepared by:

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July 22, 2015

On Wednesday July 22, the Senate Committee on Health, Education, Labor and Pensions (HELP) held a hearing, “Reauthorizing the Higher Education Act: Exploring Barriers and Opportunities within Innovation.” This was the sixth hearing on reauthorizing the Higher Education Act.

MEMBERS PRESENT

Chairman Lamar Alexander (R-TN); Ranking Member Patty Murray (D-WA); Sen. Bill Cassidy (R-LA); Sen. Al Franken (D-MN); Sen. Michael Bennet (D-CO); Sen. Sheldon Whitehouse (D-RI); Sen. Tammy Baldwin (D-WI); and Sen. Elizabeth Warren (D-MA).

WITNESSES

- **Jamie Merisotis**, President and Chief Executive Officer, Lumina Foundation
- **Dr. Barbara Gellman-Danley**, President, Higher Learning Commission
- **Dr. Paul LeBlanc**, President, Southern New Hampshire University
- **Michael Horn**, Co-Founder and Executive Director, Education Programs, Clayton Christensen Institute

OPENING STATEMENTS

Chairman Alexander first complimented his committee on their work in passing ESEA last week, noting he was particularly pleased with the committee’s bipartisan effort. He explained that the HEA reauthorization process will mirror that of ESEA, and that after consulting with committee members, he and Ranking Member Murray will suggest a draft of a bipartisan bill in the early fall. The Committee will then have time to debate, amend it, and then bring it to the Senate floor.

In his opening statement, the Chairman said that Congress needs to help colleges and universities meet the needs of the changing population of today’s students and that they need to consider new innovative providers of higher education. He explained that the purpose of the hearing was to answer how Congress can end practices by the federal government that discourage innovation and encourage institutions to meet students’ changing needs. Alexander praised new

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competency-based education (CBE) models. He also said the federal government and the current accreditation process might be hindering innovation.

Ranking Member Murray also began by commending the committee on their efforts for passing ESEA. She said, “I hope we will be able to continue that bipartisan spirit in our work on higher education.”

In her remarks, Murray expressed concern over the growing cost of higher education and voiced her interest in innovative ways that help break down socioeconomic barriers and make college more accessible to the changing population of students. She spoke about the promise of CBE programs that focus on student learning, rather than credit hours. Although Murray shared her interest and support of new innovation within higher education, she warned that the government should tread carefully and make sure new ideas are backed with proven results and research.

WITNESS STATEMENTS

Jamie Merisotis gave three steps that Congress should take in approaching HEA reauthorization. First, he said policymakers should create policies that support and expand pathways to high quality degrees and credentials and allocate funds to providers who best serve students. When doing so, he said Congress should broaden their definition of a post-secondary provider. Second, Merisotis suggested the federal government focus on educational quality, particularly on outputs, or demonstrated competencies, rather than time or credit hours. He said the third step in fostering productive innovation needs to include efforts to lower costs, which also must be more transparent, predictable, and accessible.

Barbara Gellman-Danley began her testimony by assuring the committee that accreditors are not barriers to innovation. She said that accreditors have tried to include innovative methods in teaching and assessment in the accreditation process but that disagreements between the Department of Education and the Office of the Inspector General have gotten in the way. She said that good innovation cannot be legislated and that the federal government needs to provide more freedom to regional accreditors. She suggested a new Experimental Sites project for accreditors.

Paul LeBlanc told the committee that current regulations and legislation is not adapting to today’s technological innovation. He said that many innovations have not yet made a substantial impact because they are in their infancy and that experts still have a lot to learn from them. He provided examples of how current legislation often constrains innovation, such as Title I requiring students to have regular and substantive time with faculty members, a rule clearly written before advancements in online education. He also said tying Title IV funds to time and “credit hours” inhibits CBE programs. LeBlanc did not argue for a total overhaul of HEA and warned that many innovations, such as CBE, are still too new to create good policy. Instead, he recommended that Congress create safe innovation environments and expand the Department of Education’s Experimental Site authority. He also suggested giving accreditors a “safe space” to expand innovation and focus on outcomes.

Michael Horn began by defining disruptive education as “the process that makes services far more affordable and accessible to all.” He said that online learning was the first disruptive

innovation in higher education. Horn focused his testimony on potentially disruptive organizations centered on online learning that are emerging outside the traditional higher education sphere. He mentioned General Assembly, an educational institution that offers full-time immersive programs, classes, workshops, and long-form courses on relevant workforce skills, noting the organization has a 95 percent placement rate in field of study. He also spoke about Udacity, another institution that is purely online based and offers “nano-degrees” now endorsed by several employers. Horn indicated disruptors pose problems to the existing regulatory system in place, suggesting traditional accreditation was not built to assess these new kinds of providers. He said another challenge is that these programs are emerging in a variety of fields and that government-mandated assessments are likely stunting innovation. Instead, he suggested creating new financing mechanisms and employer-led de facto accreditation to ensure quality. Horn said, “These innovations collectively challenge the definition of higher education enshrined in current law, as they are programs and courses and not institutions.”

MEMBER QUESTIONS

Chairman Alexander asked Horn if Udacity students are able to use financial aid to pay for their education. Horn answered that they are not. The chairman then asked Gellman-Danley to identify the federal regulations that keep accreditors from assessing and dealing with innovation. Gellman-Danley said there were hundreds of regulations and agreed to provide a list in the future for the committee. Alexander then proceeded to question LeBlanc. In their exchange, LeBlanc once again emphasized that current assessment of CBE is not a solid foundation for policymaking. Alexander questioned how to depart from the credit hour and responsibly adopt CBE. LeBlanc said that there is not currently an agreed upon taxonomy for CBE and more time is needed to learn from these innovations before making policies. Alexander then questioned Gellman-Danley on why the Higher Learning Commission (HLC) stopped reviewing colleges’ applications for CBE programs that use direct assessment, an approach that does not rely on the credit hour. Gellman-Danley said HLC was supportive of direct assessment, but that the Department of Education interfered.

Ranking Member Murray asked LeBlanc to expand on his suggestion for Congress to create safe spaces to experiment with innovation and how to ensure these innovations safeguard student interests. LeBlanc referred to experiments in the 1990’s with distance education as an example of innovation that also led to abuse. He argued that experimental projects today require greater transparency and demanded more data from the higher education community. LeBlanc said these safe spaces need better and more rigorous assessment and recommended giving accreditors the ability to more broadly utilize data analytics. He said there is not a student information system in the market today or a financial aid system that can handle CBE, suggesting underlying systems and processes will need to be drastically overhauled to accommodate innovation in the delivery of higher education. Murray then asked Merisotis how important it is for innovations to bring down higher education costs. Merisotis responded, “The fundamental problem is that the model of higher education is centered around the institution and needs to be centered around the student.”

Senator Cassidy asked why the CBE model is easily implemented in medical school but not in other schools. LeBlanc said that the paradigm of rigorous competency exists in areas that we care about the most, such as training doctors, veterinarians, and pilots. Merisotis said that a

system needs to be developed where students can earn credentials that are both content-specific and generalized.

Senator Warren used the brunt of her time to grill LeBlanc, referencing his comments from a hearing two years prior when the Senator questioned the university president on the institutions financial surplus from its online programs. Once again, LeBlanc defended the university, arguing that cross-subsidization is common in higher education and that in this case, the surplus was used to benefit low-income students. Warren then asked Merisotis if current federal regulations provide colleges with enough of an incentive to reduce costs for students. Merisotis responded that they do not. He said that instead of incentives to lower tuition, there should be a system that rewards institutions that do a better job of serving students. Warren came close to endorsing the famed “Bennet Hypothesis.” She said with the federal government providing money through loans and grants, schools virtually have no skin in the game and are under no pressure to improve affordability.

Senator Bennet continued Warren’s conversation on affordability and commented on the lack of incentives for colleges to keep costs low. Bennet said he does not understand why higher education is treated differently than job training.

Senator Baldwin asked if there was enough information from experimental sites that innovation is working and meeting the needs of low-income students. Horn said he does not believe there is enough evidence and highlighted the importance of expanding a few innovations. However, he also suggested Congress must be careful not to open the “floodgates of federal aid” to undeserving institutions and have another “online debacle.” Horn spoke about his organization’s quality value index proposal that would allow institutions to get more of financing from Title IV dollars. He suggested that the Department of Education set up four or five controlled experiments that test these new innovations.

Senator Franken shared his concern about repeating the “internet debacle.” Horn said experts can learn a lot from past experiences, particularly that incentives matter. He explained that in this particular case, universities were incented to increase enrollments instead of focusing on outcomes.

Senator Whitehouse said that accreditation is being used to keep out competitors, keep in incumbents, and suppress innovation.

CONCLUSION

Chairman Alexander thanked the witnesses and said that Congress needs to help colleges innovate to keep up with the changing student population. He agreed with the panelists that Congress might need to consider new provider of education that do not fit the traditional higher education mold. Alexander announced that the next hearing on HEA reauthorization will be held July 29 and will address the issue of combating campus sexual assault.

For more information about the hearing, including written testimony and an archived webcast, go to: <http://www.help.senate.gov/hearings/reauthorizing-the-higher-education-act-exploring-barriers-and-opportunities-within-innovation>