

U.S. DEPARTMENT OF EDUCATION  
OFFICE OF POSTSECONDARY EDUCATION

PUBLIC REGIONAL HEARING ON  
NEGOTIATED RULEMAKING

Monday, June 15, 2009  
8:58 a.m. - 3:51 p.m.

Community College of Denver  
St. Catejan's Church  
900 Auraria Parkway  
Denver, Colorado

P R O C E E D I N G S

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MR. BERGERON: Good morning. By my watch it may be still a minute or two before 9:00, but we're going to go ahead and get started.

I'm David Bergeron. I direct policy for the Office of Postsecondary Education at the U.S. Department of Education. With me is Zakiya Smith, from our Office of our Under Secretary; and Sally Wanner, from our Office of General Counsel. We will be starting this hearing off this morning, and others of my colleagues will be joining us or taking our place from time to time as the day goes on and it's necessary. So, we'll change name tents so you know who people are as we do that.

First of all, I'd like to thank our host here at the Community College of Denver and Metropolitan State and University of Colorado at Denver. As you know, this is kind of a unique campus where there are three institutions that share the same location. Ever since I got involved in collecting campus crime statistics, I've always been fascinated by this campus. It presents a unique experience for us because it is very different than your traditional college campus.

1           We do have a sign interpreter here with  
2 us, and if at any point during the morning or  
3 during the day there's somebody who needs that  
4 service, please let us know and we will have her  
5 come and join us through the morning.

6           On May 26, 2009, we published a Federal  
7 Register Notice announcing our intention to  
8 establish Negotiated Rulemaking Committees and that  
9 we would have hearings at three locations here in  
10 Denver. We will also have a hearing later in the  
11 week at the University of Arkansas at Little Rock,  
12 and then next week we'll be having a hearing at the  
13 Community College of Philadelphia.

14           Those hearings will provide the public and  
15 anyone who's interested the opportunity to tell us  
16 what they think we should be doing in terms of our  
17 regulations for the Federal Student Aid programs.  
18 These hearings are important to us because they  
19 form the basis on which we make decisions about  
20 what to include in our next round of Negotiated  
21 Rulemaking.

22           Subsequent to these hearings, we will be  
23 beginning to take some time and consider the  
24 comments we receive in forming a final negotiated

1 agenda. We will then do a subsequent Notice in the  
2 Federal Register, announcing our intention to form  
3 specific committees and what those committees will  
4 be dealing with, and inviting members of the public  
5 to nominate people to serve on those Negotiating  
6 Committees. We anticipate that we will begin  
7 negotiations in September, but a lot will depend on  
8 how this process goes and the kind of input we get,  
9 particularly the kinds of issues and the urgency of  
10 those issues that people see.

11 In addition to these public hearings, we  
12 will be hosting two forums tomorrow, one that will  
13 deal with issues around simplification of the  
14 process of applying for aid and the kinds of  
15 communications that the Department has to help  
16 improve college planning, preparation, and access.  
17 We will also be having a forum on how we can  
18 leverage our postsecondary education programs to  
19 foster student educational persistence and degree  
20 attainment.

21 With that introduction, I will begin to  
22 hear from folks who have signed up to testify,  
23 unless Sally or Zakiya have anything they would  
24 like to add.

1           With that, then, I will invite Bob Collins  
2 from Apollo Group to come to the podium and say  
3 what he would like to say.

4 Good morning, Bob.

5           MR. COLLINS: Good morning, David.

6           My name is Bob Collins. I'm the Vice  
7 President of Student Financial Aid for the Apollo  
8 Group, which includes the subsidiaries University  
9 of Phoenix and Western International University.

10           I've been a practicing student financial  
11 aid administrator since 1981 at various colleges  
12 and universities in the public and private for-  
13 profit sector. In fact, my career started here on  
14 this campus.

15           I'm also fortunate to have served on three  
16 U.S. Department of Education Negotiated Rulemaking  
17 Committees since 2002. Thank you for the  
18 opportunity to provide my experience and thoughts  
19 to this important regulatory process.

20           Allow me to address the topics identified  
21 in the Federal Register related to program  
22 integrity:

23           Satisfactory academic progress. I  
24 understand the issue of student academic progress,

1 or SAP, is coming forward as it relates to the  
2 year-round Pell Grants administration. First and  
3 foremost, the current SAP regulation is a template  
4 that allows institutions the flexibility to  
5 structure a program that is in the best interests  
6 of both students and institutions, and it meets the  
7 quantitative and qualitative measurement  
8 requirements of the statute. If that is true, and  
9 given that there does not seem to be a clamor in  
10 the higher education community to tinker with its  
11 provisions, why change it?

12           The year-round Pell provision in the  
13 Higher Education Act is designed to allow low-  
14 income students the ability to afford continuous  
15 enrollment opportunities and accelerate their  
16 education program completion. We believe that the  
17 existing SAP standards provide adequate safeguards  
18 that are consonant with the objectives of the new  
19 Pell provisions.

20           As for the definition of "credit hour," I  
21 believe that oversight responsibility belongs with  
22 the accrediting agencies, who can best determine  
23 whether academic outcomes are being achieved.  
24 Providing access to education for the over 70

1 percent of students who must work while going to  
2 school means that colleges need the flexibility to  
3 provide alternatives in scheduling. Scheduling  
4 alternatives may challenge old modes of  
5 measurement, but they are imperative to innovations  
6 that benefit students.

7           With respect to incentive compensation, to  
8 the Apollo Group the issue boils down to one word:  
9 clarity. Historically, these laws adopted in 1992  
10 were not accompanied by any clear guidance until  
11 2002. Between 1994 and 2002, the regulations did  
12 little more than restate the extraordinarily broad  
13 and vague wording of the statute itself. Without  
14 any clear and official guidance, schools had no  
15 idea what was permitted or prohibited with regard  
16 to recruiter compensation. In light of this  
17 confusion, the 2002 Safe Harbor Regulations brought  
18 about the necessary clarity that the Department and  
19 schools desired. As long as we understand what is  
20 expected, we are more than willing to work with the  
21 Department to implement this provision.

22           Regarding gainful employment in a  
23 recognized occupation, the gainful employment  
24 provisions in the law are legacies left over from a

1 period in higher education that has long since  
2 ceased to exist. These provisions apply  
3 predominantly to the proprietary sector. However,  
4 it must be noted that in today's higher education  
5 marketplace, for-profit postsecondary institutions  
6 are no longer just trade, technical, or vocational  
7 schools. Many, like the University of Phoenix, are  
8 comprehensive universities providing higher  
9 education, which doesn't fall neatly into narrow  
10 job categories.

11           To graduate teachers, for example, we must  
12 provide a wide array of liberal arts courses, and  
13 we have graduated thousands of teachers nationwide.  
14 Our newer environmental science programs at the  
15 Bachelor's and Master's level will open doors to  
16 green jobs of the future and should not be limited  
17 by narrow definitions.

18           The University of Phoenix, like many other  
19 schools of its type, is regionally accredited and  
20 offers teacher's education and nursing programs,  
21 doctoral programs, and degrees in numerous other  
22 disciplines that are not just trade and technical  
23 in nature.

24           The federal government's role



1 traditionally has been to support the broadest  
2 student choice of study possible and to avoid  
3 federal intrusion into curricular matters. Any  
4 limitation of study, particularly those derived  
5 from lists of occupations that are based on  
6 yesterday's jobs, not the jobs of the future,  
7 places limitations on educational opportunities for  
8 students. Certainly, students educated in liberal  
9 arts programs are gainfully employed in recognized  
10 occupations, yet for-profit providers have been  
11 historically shut out from offering these degrees.  
12 Any constricted interpretation of the program of  
13 study provisions, based on a narrow definition of  
14 what constitutes "gainful employment" to a  
15 recognized occupation, would run counter to the  
16 President's stated priority of making postsecondary  
17 attainment a national hallmark by 2020.

18           As policymakers still continue to believe  
19 these provisions are necessary at all, my strong  
20 recommendation is to leave well enough alone and  
21 maintain the current correlation to the Directory  
22 of Occupational Titles maintained by the U.S.  
23 Department of Labor. Any efforts to rein in the  
24 scope of this provision would be contrary to the

1 President's stated education policy goals.

2           On state authorizations, states have  
3 historically exercised their prerogative to find  
4 their own regulatory environment, and institutions  
5 of all types have learned to accept and operate  
6 within defined state-proscribed boundaries. Some  
7 states have a very active regulatory oversight  
8 structure, and others have little or none.

9           They do not act in a vacuum, however, as  
10 states are but one step in our regulatory triad.  
11 Regional and national accreditors are actively  
12 engaged in maintaining program integrity in all 50  
13 states; and the Federal Government, of course,  
14 continues its oversight of all institutions. This  
15 system has proven to be relatively successful, and  
16 we see no reason to force change and upheaval in a  
17 system that seems to be working.

18           In states where authorization requirements  
19 have not been specifically set, changes to those  
20 policies should be addressed by state legislators  
21 and governors, not the federal government.  
22 Imposing a top-down requirement on states could  
23 impede state-level efforts as well as potentially  
24 complicate regulatory compliance.

1           Regarding the definition of "high school  
2 diploma," regulatory guidance is welcome on this  
3 matter to curb fraud and abuse, and a more easily  
4 understood definition of a high school diploma  
5 could be a key tool in our collective efforts to  
6 ensure that fully qualified students attend our  
7 institutions. Perhaps something as simple as a  
8 national registry of known related fraudulent  
9 activities would be a good start.

10           On other matters that should be addressed,  
11 I wish to bring attention to the potential  
12 unintended consequences of the 90/10 provisions: A  
13 requirement that no more than 90 percent of a  
14 proprietary institution's revenue may be derived  
15 from Title IV funds on a cash basis of accounting.  
16 These provisions only apply to the proprietary  
17 sector, and many quality proprietary institutions  
18 are feeling pressure to raise tuition after the  
19 recent federal loan limits simply so they will not  
20 be forced out of compliance with the 90/10  
21 requirements.

22           The current economic recession and the  
23 frozen credit markets, as well as the inability of  
24 schools to deny a student federal loan, have

1 combined to put proprietary institutions with  
2 tuition rates below the annual loan limits at great  
3 risk of losing their institutional eligibility.  
4 The recent legislation and negotiated rulemaking  
5 offer very little and only temporary relief. This  
6 is a significant issue and needs to be addressed  
7 sooner rather than later. Since the current laws  
8 are so prescriptive, I understand the Department is  
9 limited in its capacity, and this should be  
10 addressed by Congress in statute.

11 In the interest of keeping this testimony  
12 brief, I'll defer further comments and supplement  
13 my response and written commentary as instructed in  
14 the Federal Register, as necessary.

15 Again, thank you for this opportunity, and  
16 I'm happy to answer any questions you have today.

17 MR. BERGERON: Thank you, Bob.

18 Sally, do you have any questions?

19 Zakiya?

20 As Bob knows--he's been through this before--we  
21 do occasionally ask questions of our witnesses when  
22 we need clarifying information.

23 I was curious to--you noted that with  
24 regard to credit hours as is principally in your

1 view something that accreditors should consider, I  
2 was wondering if your accreditor provides you with  
3 any standards or definitions or an explanation of  
4 how they evaluate "credit hour" for their purpose.  
5 So, do you have any insight into that?

6 MR. COLLINS: The accrediting agency is  
7 responsible for the quality of the education  
8 programs. Certainly, we've had numerous  
9 accreditation visits to review our curriculum and  
10 programs and our structure. And it's not just--  
11 since the University of Phoenix is nationwide, it's  
12 not just the Higher Learning Commission that is the  
13 regional accrediting agency that reviews our  
14 programs of study. Each of the states in which we  
15 operate in other regions, they also have the  
16 opportunity to review our curriculum and programs.

17 MR. BERGERON: I was just curious whether  
18 they, the Higher Learning Commission, provide you  
19 any clear guidance or definition that helps you  
20 determine--understand how they will evaluate your  
21 programs against credit hour standards.

22 MR. COLLINS: I'm not the chief academic  
23 officer.

24 MR. BERGERON: That's fair. That is fair.

1           MR. COLLINS: I'm not certain of that, but  
2 I am aware that, you know, the programs we offer  
3 generally meet all of the other traditional  
4 university components.

5           MR. BERGERON: Okay. Thank you, Bob.

6           MS. WANNER: Thank you.

7           MR. COLLINS: Thank you.

8           MR. BERGERON: Our next person testifying  
9 is Charles Lenth.

10           MR. LENTH: Good morning. I'm Charles  
11 Lenth, Vice President of Policy Analysis and  
12 Academic Affairs with the National Association of  
13 State Higher Education Executive Officers,  
14 generally called "SHEEO." We are located in  
15 Boulder, Colorado.

16           I am pleased to provide written testimony  
17 and speak on behalf of my association and its  
18 leadership. In the interest of time, I will  
19 shorten my written statements just a bit.

20           The 57 members of SHEEO, the SHEEO  
21 Association, are the executive officers of agencies  
22 and boards who govern, coordinate, and play other  
23 policy roles for higher education at the state  
24 level. Nearly one-third of SHEEOs also serve as a

1 state-level financial aid or loan guarantee agency,  
2 others exercise coordinating or budgeting roles  
3 relative to state financial aid, and all have a  
4 deep concern for both the integrity and the  
5 operations of the Federal Title IV programs.

6 Higher education has become a joint  
7 federal-state responsibility in ways that were not  
8 anticipated when the U.S. Constitution put  
9 education in the category of responsibilities left  
10 to the states. This has benefited and continues to  
11 benefit students, the states, and the nation as a  
12 whole. SHEEO's vision of this relationship is that  
13 it needs to be a partnership built on mutual  
14 respect, mutual support, and mutual commitment.  
15 Such a partnership is essential to support the  
16 teaching, research, science, scholarship, public  
17 service, and other contributions of higher  
18 education to the prosperity and health of our  
19 nation.

20 As an organization, we applaud the federal  
21 government's increasing commitment to ensuring and  
22 expanding access to postsecondary education through  
23 Title IV programs. States, like the federal  
24 government, provide and promote access through a

1 variety of programs and mechanisms. States also  
2 recognize and are moving to address the need to  
3 foster student success and improve rates of degree  
4 and certificate completion.

5           Last summer, 96 current and former SHEEOs  
6 signed an open letter to presidential candidates,  
7 outlining the challenges ahead and calling for a  
8 new national commitment to reverse our nation's  
9 sagging education attainment and ensure global  
10 competitiveness. That statement and a published  
11 version, "Second To None in Higher Education,  
12 Second to None in Attainment, Discovery and  
13 Innovation: The National Agenda for Higher  
14 Education," are available on the SHEEO Web site.

15           In our view, President Obama's call to be  
16 the first in the world in educational attainment  
17 and his administration's commitment to Title IV  
18 programs herald a new era in the federal-state  
19 partnership. SHEEOs do not shy away from the  
20 boldness of the President's goal. Our association  
21 has joined with others in arguing that states  
22 together need to graduate or credential an  
23 additional one million more students a year in  
24 order to match the now leading nations of the



1 world.

2           This goal will necessitate a dramatic  
3 increase in completion rates as well as expanded  
4 commitment to reach adults, underprepared and  
5 underserved populations more effectively than in  
6 the past. Such commitments and program  
7 improvements in turn necessitate strong state roles  
8 in developing student data and information systems,  
9 collaborative financing mechanisms, more effective  
10 and lower-cost academic and administrative support.  
11 And through these and other measures, ensure  
12 academic programs of higher quality and affordable  
13 cost. Such challenges, we believe, can only be met  
14 by the federal and state governments working  
15 together more effectively and more consistently  
16 than in the past.

17           Part of a new, more effective partnership  
18 between the federal government and state  
19 governments is surely to make the many parts of our  
20 complex federal higher education system work more  
21 effectively. Rulemaking is an important tool for  
22 this purpose. SHEEOs have been active participants  
23 in the rulemaking groups that recently focused on  
24 questions raised in the implementation of the HEA

1 authorization under the Higher Education  
2 Opportunity Act of 2008. Similarly, SHEEOs have  
3 participated in early rulemaking sessions and would  
4 welcome roles at the table in any future sessions.

5 SHEEO's past participation in rulemaking  
6 also helps us to understand its limitations. By  
7 its nature, the process is constrained by the  
8 limited focus and by the requirement to reach  
9 consensus decisions across a wide range of  
10 interested partners. In many instances, it seems  
11 to us, the process is focused on questions that are  
12 certainly of concern to states, but not necessarily  
13 of a policy level importance. Similarly, the  
14 process is limited by the need to treat all parties  
15 and interests as essentially comparable and then  
16 deferring to the Department for any decision-making  
17 if consensus is not reached.

18 These limitations notwithstanding, SHEEO  
19 takes a deep interest in the six or seven topics  
20 that the Department listed in the May 26th Federal  
21 Register. All of the topics listed are areas of  
22 direct and continuing state involvement or  
23 interest, or point to new areas where states could  
24 benefit from additional federal policy guidance.

1           While today's hearings are not the  
2 occasion for lengthy substantive discussion, let me  
3 make a few comments on the importance of each of  
4 these areas to states and state policy roles:

5           One, regulations governing foreign  
6 schools, including those in the implementation of  
7 HEOA. The increasing globalization of higher  
8 education brings states face to face with a set of  
9 policy issues that go well beyond the activities of  
10 traditional international programs. Both American  
11 and foreign-born students are increasingly mobile,  
12 raising questions related to immigration or visa  
13 status, financing, liability, consumer protection,  
14 and other areas of state interest. U.S.  
15 institutions, including state-funded public  
16 institutions, are increasingly engaged in programs  
17 and investments abroad, often under unclear  
18 jurisdiction.

19           Most importantly, globalization demands  
20 that states compete in a much broader, more complex  
21 higher education marketplace, a challenge that some  
22 other nations address through what are, in essence,  
23 national higher education export and import  
24 strategies. These are designed to help

1 institutions compete globally. For example,  
2 Australia, for some years, has had an active effort  
3 to attract students to its institutions; and, on  
4 the other hand, the new government in India is  
5 proposing to continue rather severe restrictions on  
6 the activities of American institutions in that  
7 country.

8           These are issues--these and other areas  
9 are areas that the states simply cannot and are not  
10 prepared to act on alone, and it's not appropriate  
11 for them to act alone in many ways. States need  
12 federal leadership and assistance in this area.  
13 How far rulemaking can go and what other mechanisms  
14 we need to think about, it seems to me, are  
15 questions to be considered.

16           Two, satisfactory academic progress.  
17 States and SHEEOs are engaged in a variety of  
18 strategies to improve the preparation of students  
19 for postsecondary education, ensure smooth  
20 transitions, and increase program completion rates.  
21 Satisfactory academic progress criteria for  
22 purposes of Federal Title IV programs relate  
23 directly to these efforts. Moreover, there is a  
24 growing recognition within states that more must be

1 done both to provide students with the academic and  
2 other support services needed, and to hold  
3 institutions and students appropriately accountable  
4 for the results. If rulemaking in this area is  
5 undertaken, SHEEOs and state academic affairs  
6 officers would be appropriate participants.

7           Three, incentive compensation for  
8 recruiting and admissions activity. States play a  
9 variety of roles in preventing fraud and providing  
10 consumer protection in higher education as in other  
11 areas. Whether through the SHEEO agency or under  
12 the authority of the state Attorney General, these  
13 roles are both a legal obligation and important  
14 components of the regulation of postsecondary  
15 education. The forms of compensation allowable  
16 under program participation in Title IV may appear  
17 to be outside the boundaries of this state  
18 authority, but to the extent that abuses or fraud  
19 or consumer complaints occur, they are likely to  
20 involve state as well as federal laws and  
21 enforcement.

22           Four, gainful employment in recognized  
23 occupations. While I acknowledge and, to a large  
24 extent, agree with the comments of the previous

1 speaker about the need to reconsider many of the  
2 traditional definitions and constraints in this  
3 area, I would like to make several other comments  
4 on this. Documentation of employment by those who  
5 complete federal education and training programs is  
6 done in different ways in different states. SHEEO  
7 offices may or may not be involved in these  
8 efforts. But those efforts aside, a growing number  
9 of states and SHEEO agencies are involved in a more  
10 comprehensive tracking of students from  
11 postsecondary education into the workplace. This  
12 generally requires the involvement of state labor  
13 market information offices, which operate within  
14 differing agency structures. In other words, it's  
15 an area of growing importance to states where there  
16 remains a lot of complexity and competing ways to  
17 go about this. There is a growing need to bring the  
18 various federal agencies together and their  
19 requirements into better alignment, and to  
20 coordinate this with the growing interest of states  
21 in doing--in providing better data in this area.

22           Five, state authorization as a component  
23 of institutional eligibility. This topic, too,  
24 raises extremely complex issues due to the variety

1 of roles states play relative to institutional  
2 operation and degree-granting authority. Suffice  
3 it to say that SHEEOs and other state authorities  
4 need to be included in any rulemaking on this  
5 topic, along with a balanced representation of  
6 postsecondary providers who enroll students across  
7 state lines. Accrediting agencies, as we mentioned  
8 earlier, also need to be part of this balanced  
9 participation.

10           Six, definition of "credit hour" for  
11 program eligibility. Again, starting from a  
12 relatively confined framework, the federal  
13 government really plays--and the National Center of  
14 Education Statistics, in particular, really play  
15 very important roles in establishing consistent  
16 definitions for many of the data elements widely  
17 used in higher education. Many of these  
18 definitions, including those around credit hours,  
19 are used directly by states in funding formulas,  
20 allocation mechanisms, program review and approval,  
21 and other functional or administrative areas.  
22 States also defer to accrediting agencies many  
23 times in making their definition or in using the  
24 definitions that are available.

1           Credit hour definitions under Pell and  
2 other Title IV programs are one of the many factors  
3 states typically take into account. Federal and  
4 NCES leadership in this area are needed and  
5 important, particularly as students and programs  
6 use other types of metrics for student eligibility  
7 and progress such as competency assessments as a  
8 substitute for contact hour or seat-time  
9 measurements. Maintaining some consistency between  
10 state and federal definitions as these definitions  
11 change over time is also important.

12           Let me conclude by saying that SHEEO as an  
13 association and SHEEOs in their respective state  
14 roles welcome opportunities to be full participants  
15 in the Department's rulemaking actions. I suspect  
16 that we all realize, however, that we need to take  
17 steps that go well beyond the purposes and realms  
18 of rulemaking. What we need is a recommitment to  
19 work together more effectively to meet increasingly  
20 urgent national state and local needs. Immense  
21 progress has been achieved when the federal  
22 government marshals the efforts of institutions and  
23 leverages the resources of states to expand  
24 educational opportunity and provide the basis for



1 growth and innovation in the economy. It is time  
2 and it is imperative that we make this partnership  
3 work even better.

4 Thank you for this opportunity to testify on behalf  
5 of SHEEO, and I would be pleased to respond to any  
6 questions.

7 MR. BERGERON: Thank you, Charlie.  
8 Sally, do you have any questions?

9 MS. WANNER: Could you say a little bit  
10 more about the need for state and federal  
11 involvement in the strategies to export or import  
12 our education abroad?

13 MR. LENTH: Sure.  
14 It seems to me that a beginning point in this area  
15 is to recognize that our educational relationships  
16 with other countries are really part of our foreign  
17 policy in many important respects, and that always  
18 has been a role of the federal government, and  
19 needs to be.

20 Our challenge, relative to the countries  
21 that have more of a ministerial structure for all  
22 levels of education--well, higher education in  
23 particular, is that we struggle to know who is in  
24 the lead, so to speak. And it's not just the

1 federal government and states; it is large  
2 institutions and other types of providers that are  
3 now actively engaged in this area.

4           There are very large organizations trying  
5 to bring the parts of this together, but my point  
6 of view is that neither the federal government nor  
7 the states have been as active as we need to be to  
8 be really competitive with some of the other  
9 nations in the way they're going about this. I  
10 mentioned two instances of this.

11 But we struggle, for example, when we try to relate  
12 to the activities of the European Union in higher  
13 education. I just think it's an area that needs  
14 more conversation and discussion, and, again, in  
15 which I suspect we'll have to come up with some way  
16 for the federal government and state governments  
17 and institutions to work together a little more  
18 effectively.

19           MS. SMITH: Thanks.

20 Relating to those two instances abroad, can you  
21 speak more about what they are? Because I'm not  
22 sure I'm familiar with the India example that you  
23 shared about foreign--

24           MR. LENTH: I literally just took two

1 examples off the top of my head.

2 MS. SMITH: Okay.

3 MR. LENTH: But I'm willing to talk and  
4 share what I know, at least.

5 MS. SMITH: Sure.

6 MR. LENTH: I mean, Australia, along with  
7 other countries, has been actively promoting access  
8 to its institutions by citizens of other nations  
9 and recruiting them in very helpful ways. We, for  
10 a combination of good reasons, have traditionally  
11 been open, but more recently been more restrictive  
12 and not done much to really promote that sort of  
13 activities beyond some programs that have been in  
14 place for many, many years. And, by the way, were-  
15 -have been very, very effective.

16 But that said, looking at the numbers,  
17 students are going to a variety of other countries  
18 in higher numbers than they used to, and our  
19 numbers tend to go up and down. And we are, in  
20 economic terms, highly dependent upon many of those  
21 students, particularly in many important fields,  
22 both in this country and in their own nations.

23 With respect to the restrictions and other  
24 things, there I would make the point that it seems

1 to me as a nation we need to be engaged with those  
2 countries that are, in essence, opening up the  
3 higher education markets and bringing some, not  
4 uniformity, but ways to articulate the systems more  
5 effectively across national boundaries rather than  
6 following the direction that India appears to be  
7 going in at this time, which is to sort of close  
8 down its borders. But in both instances, we need  
9 to be engaged and we need good federal leadership,  
10 it seems to me.

11 MS. SMITH: Thank you.

12 MR. BERGERON: One last one for me,  
13 Charlie, and that is that you mentioned the need  
14 for better alignment with state needs around I'll  
15 call it "workforce development," you know, gainful  
16 employment kinds of things, and spoke to the issue  
17 of other federal agencies. I suspect--I have my  
18 list of federal agencies. I was wondering if you  
19 had a list that we should be coordinating with.

20 MR. LENTH: I happened, a couple of weeks  
21 ago, to go to the national meeting of the Labor  
22 Market Information Specialists and had--and was  
23 really able to understand their point of view more  
24 fully, I think. And there were a number of federal

1 agencies represented there: the Bureau of Labor  
2 Statistics and Department of Labor and others.

3 I don't know how you face it in the D.C.  
4 area, but sort of out in the states, we don't work  
5 together nearly as well as we should in most areas.  
6 But the leading examples of Connecticut and  
7 Kentucky and several other states really illustrate  
8 how much benefit can come from working with those  
9 sources, those data providers, who know the  
10 workforce education data.

11 I believe, and I don't mean to contradict  
12 the previous speaker, but the federal government  
13 did education and the economy, economic  
14 development, a lot of good by putting into place  
15 early, fairly well-defined prescriptions for  
16 looking at employment after education and training.  
17 I think what we face is a challenge to do more of  
18 that, involving more fields and more types of  
19 programs, but not to do it in an onerous way. And  
20 I actually think there are ways to do that.

21 MR. BERGERON: Thank you, Charlie.

22 Anyone else?

23 MS. SMITH: No, thank you.

24 MR. BERGERON: Thank you.

1           The next person coming to present to us is  
2 Jim Simpson.

3           MR. SIMPSON: Good morning. I'm Jim  
4 Simpson, Associate Vice President at Florida  
5 Community College at Jacksonville.

6           Florida Community College is a public  
7 four-year college serving over 82,000 students in  
8 Northwest Florida. We are pleased to offer the  
9 following comments as the Department of Education  
10 begins the process to improve accountability in  
11 Student Financial Aid Programs. Specifically, my  
12 comments are going to revolve around three areas:  
13 standards of academic progress, gainful employment,  
14 and definition of a high school diploma.

15           Americans want access to higher education  
16 for themselves and for their children. The  
17 dissonance between what Americans hope for and the  
18 lack of student success achieved by all sectors of  
19 public education is significant. There is a need  
20 to change the regulatory requirements for standards  
21 of academic progress in order to ensure the ongoing  
22 eligibility of Federal Student Financial Aid. But  
23 there's also a need to structure those regulatory  
24 standards to also increase the likelihood of

1 student success towards achieving their own  
2 educational and personal goals.

3           With these two goals in mind, we recommend  
4 the following two changes in determination of  
5 satisfactory academic progress. Although access to  
6 higher education is virtually universally  
7 available, many students who start in higher  
8 education programs drop out prior to completing  
9 their degree or achieving their individual academic  
10 goals. The educational philosophy of having  
11 standards of academic progress is to ensure that  
12 students are making progress towards academic goals  
13 and to serve as a mechanism to provide information  
14 to an institution that allows that institution to  
15 assist students who are not satisfactorily  
16 progressing.

17           Educational research demonstrates that the  
18 earlier the intervention happens, the more likely  
19 the student is to be successful; and determining  
20 academic progress at least once a year--at a  
21 minimum of at least once a year--does not lend  
22 itself to sound educational practice. FCCJ  
23 recommends that institutions monitor satisfactory  
24 academic progress at the end of each term, and in

1 programs that are less than one year old at the 25  
2 percent, 50 percent, and 75 percent length of  
3 program.

4           In America's community colleges, over 50  
5 percent of all first-time-in-college students  
6 tested are unprepared for the academic demands of  
7 college-level courses and programs. The percentage  
8 of underprepared students in higher education has  
9 not changed significantly across the United States  
10 in the last two decades. A high school diploma is  
11 not, nor has it been by itself, an indicator of a  
12 student's ability to benefit. Without a college  
13 entrance testing, how can we determine if a student  
14 is truly college-ready? Without required  
15 remediation of unprepared students, how can we  
16 expect those students to perform at the  
17 postsecondary level?

18           FCCJ recommends that all postsecondary  
19 institutions have entrance testing requirements  
20 that are consistent with the requirements for  
21 publicly supported postsecondary institutions in  
22 the state in which they're locally located. FCCJ  
23 also recommends that students who do not test into  
24 college-ready status receive remediation per the



1 requirements placed on publicly supported  
2 postsecondary institutions in the state in which  
3 the institution is located.

4           In regard to gainful employment, I'd have  
5 to agree with our previous speaker: We feel that  
6 all prospective students are entitled to accurate,  
7 detailed, and comprehensive information about  
8 recent job placement and earning history in order  
9 to make more informed choices before they invest in  
10 education or training.

11           In Florida, all public-supported community  
12 and state colleges are held accountable for the  
13 gainful employment of our graduates. This  
14 information is collected by the Florida Education  
15 and Training Placement Information Program,  
16 lovingly known as "FETPIP."

17           FETPIP is a data collection and consumer  
18 reporting system established by Florida statute to  
19 provide follow-up data on former students.  
20 FETPIP's automatic matching method of data  
21 collection replaces conventional survey-type  
22 techniques and provides third-party verification of  
23 employment status and the earnings of graduates  
24 from Florida's numerous public and independent

1 institutions.

2           We recommend the use of wage record data  
3 to track postsecondary employment and earnings of  
4 graduates. Linking wage records to student  
5 graduate files will provide all types of rich  
6 information sources for all types of institutions  
7 to gain insights into the effectiveness of their  
8 educational programs. The data made available from  
9 the state's wage record systems, like FETPIP or  
10 California's PEETS, can be used to address a wide  
11 range of needs. These include responding to  
12 federal and state accountability measures;  
13 providing information on postgraduate earnings and  
14 employment rates; and, more importantly, providing  
15 consumers with an accurate third-party information  
16 about employment and earnings of graduates from an  
17 institution.

18           In regard to the definition of a "high  
19 school diploma" as a condition of receiving student  
20 --or Federal Student Financial Aid, Florida public  
21 community colleges and state colleges do not accept  
22 self-reported high school diploma or GEDs. Each  
23 student admitted to a Florida public institution  
24 must provide proof that that student graduated with

1 either a standard high school diploma or GED.  
2 Institutions that accept self-reporting information  
3 run the risk of accepting students ill-prepared for  
4 college-level course work.

5           Basing ability to benefit on self-reported  
6 high school completion without credential  
7 verification is not in the students' nor the  
8 taxpayers' best interests. We believe that  
9 institutions of higher education accepting Federal  
10 Financial Student Aid funds have the responsibility  
11 to ensure that students receiving those funds have  
12 the ability to benefit and are able to successfully  
13 complete college-level work. Colleges can make  
14 this determination by requiring verification of  
15 high school diplomas.

16           In concluding my remarks, I'd like to put  
17 a human face on what happens when schools take  
18 advantage of lax regulations. This is one of the  
19 reasons I flew from Jacksonville to Denver to speak  
20 to you today. At FCCJ, we see many students who  
21 seek admission to our programs and want to transfer  
22 credits at other institutions. It's always  
23 difficult to tell some of these students that they  
24 need to take remedial classes before they can take

1 college credit classes.

2           We had a student come to us with a special  
3 high--special education high school diploma who had  
4 attended a for-profit university and was seeking  
5 admission to one of our selective access programs.  
6 Although the student and their family told the  
7 university in question that the student had a  
8 special education diploma, they accepted her into a  
9 college credit program. The student and their  
10 family took out large loans to pay for the tuition  
11 and fees, and the student made the academic honor  
12 roll by earning A's and B's, including an A in  
13 College Algebra, this despite later test results  
14 from FCCJ that placed the student at an elementary  
15 school level in mathematics, language, and reading.

16           Since the student tested at the elementary  
17 school level and did not have a standard high  
18 school diploma or GED, they could not be considered  
19 ready for college-level work. After counseling and  
20 more testing, we encouraged the student to work on  
21 their GED, and they were re-administered an easier  
22 assessment according to our state guidelines for  
23 entry into the GED program. A ninth-grade level is  
24 required to take the GED classes, and the student

1 tested overall at the sixth grade, seventh month.

2 Under state law, none of the student's  
3 scores would have gained them entry into any credit  
4 or non-credit program offered by a public  
5 institution in the state of Florida. This student  
6 and their family took out \$16,000 in student loans  
7 to pay for a two-year degree from a for-profit  
8 university that was clearly only interested in  
9 tuition money obtained from federally backed  
10 student loans. This student has been unable to  
11 find employment beyond a minimum wage entry job and  
12 will have great difficulty paying off the student  
13 loans that their family took out.

14 Verification of a high school diploma with  
15 an accurate assessment of academic preparedness  
16 would have quickly brought to light the challenges  
17 that this student faced. The parents of this  
18 student are to be commended for their desire to  
19 better their daughter's education, but it is a  
20 travesty that they were encouraged to take out huge  
21 student loans when their daughter has almost no  
22 chance of getting a job that would allow the  
23 eventual repayment of those loans.

24 Tighter federal requirements are needed to

1 prevent more aspiring students from facing a  
2 lifetime of financial burden that they have little  
3 or no chance of repaying.

4 Thank you for allowing me the privilege to  
5 speak before you. If you have any questions, I'll  
6 be happy to take them.

7 MR. BERGERON: Let me ask you a couple and  
8 make a comment before I do.

9 One of the things that is in the Higher  
10 Education Opportunity Act that we're just finishing  
11 the process of regulating around--or this phase of  
12 the process because we go public comment period--is  
13 to deal with the last kind of circumstance you  
14 described in the sense that, you know, our higher  
15 education system or postsecondary education system  
16 really doesn't do particularly well for students  
17 with certain kinds of disabilities, particularly  
18 intellectual disabilities, and one of the things in  
19 the Higher Education Opportunity Act is some  
20 provisions to address that and give students  
21 eligibility for Pell Grants and other student aid,  
22 but not student loans, so that they can pursue  
23 programs that are specifically designed to address  
24 the needs of those students.

1           And so I think that there are some things  
2 coming down the line that will, you know, provide  
3 an alternative for families, for students and  
4 families, in that circumstance, and I do think that  
5 there's significant promise to that approach.

6           With regard to your point about monitoring  
7 set more often, particularly for, you know, the  
8 very short intervals for short-term programs, I  
9 would like you to address, if you might, the  
10 response, the likely response, of some others of  
11 your colleagues, which would be that this is  
12 burdensome, this is just too hard to do. And could  
13 you speak to how you think that can be addressed as  
14 we go forward to regulate.

15           MR. SIMPSON: I can speak from the  
16 perspective of our own institution. We currently  
17 assess student academic progress once a term or at  
18 the benchmarks I just described. The reason for  
19 that is that, again, we want the students to be as  
20 successful as possible. We see a linkage of the  
21 student financial aid. But, more importantly, it  
22 was an impetus for us to begin earlier  
23 interventions with our students.

24           Is it onerous? I would say not, if you

1 look at your overall mission, which is to ensure  
2 that students are going to be successful or as  
3 successful as you can hopefully make them with the  
4 resources that you have. So, in that regard, I  
5 don't think it's an onerous responsibility for an  
6 institution. I think it's in that institution's  
7 best interest and in the client's best interest for  
8 whom they're serving.

9 MR. BERGERON: And so your satisfactory  
10 academic progress approach triggers an  
11 intervention?

12 MR. SIMPSON: Yes.

13 MR. BERGERON: Right. So, it's really  
14 even more than it is used to monitor for purposes  
15 of determining aid eligibility. It's really an  
16 educational approach to trigger--

17 MR. SIMPSON: That's correct. We took the  
18 opportunity to leverage and to use it as an  
19 intrusive intervention strategy.

20 MR. BERGERON: That's very helpful. Thank  
21 you.

22 Thank you. Our next presenter is Pamela  
23 Swanson.

24 Good morning, Dr. Swanson.



1 DR. SWANSON: Good morning. Thank you for  
2 allowing me to speak to you this morning.

3 I'm here really for the purpose of  
4 offering you a perspective from an employer of  
5 students from the University of Phoenix. And I  
6 currently serve as Deputy Superintendent for Adams  
7 County School District 50. It's an urban school  
8 district just to the west of us here. We have  
9 about 10,000 students, primarily Latino students,  
10 but we do have over 44 languages and a high poverty  
11 level, and so we face many of the challenges that  
12 urban school districts face.

13 I have been in partnership with--and our  
14 district has, with the University of Phoenix for at  
15 least the past five years; and, during that time,  
16 we've been very successful in working with students  
17 who have exited the programs, the preparation  
18 programs specifically, for teacher education and  
19 for administration, educational administration.  
20 I'm sure I don't need to echo what you already know  
21 about teacher turnover and supply and demand as a  
22 nation in terms of quality educators for our  
23 students.

24 I believe the rigor, along with the

1 flexibility, that the university provides to its  
2 adult students to be able to accomplish advanced  
3 degrees specifically, and now with a Teacher Ed  
4 Program to be able to enter the field of education  
5 is superior, and we've had great success. And I  
6 think it also offers more of a seamless transition  
7 because of the practical application aspects of the  
8 programs.

9           For our educators, and also our hope now  
10 with our high school juniors and seniors maybe  
11 wanting to enter the field of education, we're  
12 really hopeful that we can continue to have great  
13 support from the state and federal government to be  
14 able to provide support for our students entering  
15 into the University of Phoenix and other  
16 institutions of higher learning.

17           And I'd be happy to answer any questions  
18 you may have.

19           Oh, one additional thing: 2007, we  
20 started our own district cohort with the University  
21 of Phoenix, and now we have a Grow Your Own  
22 Program, and we're finding great success with that,  
23 as well. And our first graduating class will be  
24 walking this Saturday with Master's degrees.

1 MR. BERGERON: Thank you. No questions.  
2 Thank you.

3 DR. SWANSON: Thank you.

4 MR. BERGERON: Randall Swanson.

5 MR. SWANSON: Good morning. My name is  
6 Randy Swanson, and I do appreciate the opportunity  
7 to talk with you today about the University of  
8 Phoenix.

9 I have two roles, actually. One is that I  
10 am a consultant and senior partner in Swanson  
11 Group, LLC, which what happens is we work to  
12 support people achieving their potential through  
13 their most valuable resource, and that's people.  
14 And so, given the opportunity to work with the  
15 University of Phoenix to create the best  
16 opportunity for success for our company and as well  
17 as the companies that people work with, it's been  
18 an honor to work with the University of Phoenix.

19 I also have 33 years in public education.  
20 I have been a teacher, administrator, principal, so  
21 I think I have a little bit of background on what  
22 the University of Phoenix can do for our students  
23 and what the students can do for public education.  
24 I work in the Master's Program and get to teach

1 with all of the adults who come through the program  
2 in educational administration and curriculum  
3 instruction.

4           So, just a couple of things about the  
5 University's program. It's been an outstanding  
6 program in providing flexibility for students to  
7 become more than they wanted to be. It gives them  
8 opportunities that they wouldn't have in  
9 traditional institutions because of time  
10 commitments. But the working adult gets an  
11 opportunity to grow and develop and become whatever  
12 it is that they choose, especially in the  
13 educational field. It makes a big difference in  
14 their lives.

15           The University of Phoenix has developed an  
16 academic rigor that is absolutely second to none.  
17 I have been an adjunct professor at two other  
18 institutions and find that the University of  
19 Phoenix rigor is as good as it gets. And students  
20 who use that academic rigor to their best abilities  
21 come out with a quality education that they can  
22 apply in any direction. I'm very proud of what it  
23 has afforded to most of the students that we work  
24 with.

1           It also allows them practical application.  
2 You know, in some students--in some institutions,  
3 students get the knowledge base, but they don't get  
4 to apply the program. And because they're not--  
5 they don't have the ability to use that application  
6 on a regular basis because they're not working  
7 directly in the programs as they are with the  
8 University of Phoenix, they usually don't get to  
9 make that application until after graduation of  
10 which there's still a learning process that goes  
11 on. And while students who graduate from the  
12 University of Phoenix continue to grow and develop  
13 as they go in through their--the jobs that they  
14 choose, they still have that practical application  
15 that makes a difference for what they need to do as  
16 they come out.

17           I place a lot of those students. The  
18 students that we work with--I work with public  
19 education as well as high school districts, school  
20 districts, all across the State of Colorado and  
21 even some out of state. We place these students in  
22 quality jobs because they're qualified, because the  
23 university has done an outstanding job of training  
24 these individuals to be productive in this society.

1           And I have to tell you, I kind of have a  
2 selfish reason why I support the University of  
3 Phoenix. Saturday, my daughter will be graduating  
4 with her Master's degree from the University of  
5 Phoenix, and I'm truly honored to have her been a  
6 part of that university. And the knowledge base  
7 that she's developed will carry her on through the  
8 rest of her life.

9           I'd be happy to answer any questions at  
10 this time.

11           MR. BERGERON: No questions. Thank you.

12           MR. SWANSON: You're welcome.

13           MS. SMITH: Thank you.

14           MR. BERGERON: Michael Goodwin.

15 Good morning, Michael.

16           MR. GOODWIN: Good morning. First, I'd  
17 like to say thank you for letting me speak.

18           I came up in--to speak on behalf of the  
19 students, and mainly the older students. I,  
20 myself, just received my Bachelor's and am going on  
21 to my Master's. And without the universities and  
22 the ease that they can allow us to get into them,  
23 us older people would not have that chance.  
24 Also, you know, we're trying to balance a job;

1 we're trying to balance our students. And so I'm  
2 not sure what's going on with the changes, but my  
3 recommendation are, unless it's going to become  
4 easier for the student--because we're looking at  
5 higher education and I hear a lot of talk about  
6 younger students, but there's a lot of people that  
7 are a little bit older that would love to get back  
8 into it; and, without this opportunity, we wouldn't  
9 be able to.

10 I, myself, went 15 years before going back  
11 to college because I had no idea how or what to do  
12 or how to do it. So, I'm just trying to speak on  
13 behalf of--whatever changes are involved, I just  
14 want to make sure that the student is take care of  
15 and not just the universities and not just the  
16 colleges, but I want the students to be looked at,  
17 because it's the student that's going to make the  
18 difference.

19 So--and I think that's it. Just a real  
20 quick speech.

21 Any questions I can answer?

22 MS. SMITH: Thank you, Michael.

23 And I just wanted to say a comment about the new  
24 initiative that the President is very committed to

1 helping adult learners come back to school. And  
2 there is "opportunity.gov," which is a Web site, in  
3 a joint collaboration with the Department of Labor  
4 that was recently launched to help especially adult  
5 learners who have been recently laid off. So,  
6 that's a commitment of the Administration, is to  
7 really help adult learners.

8 MR. GOODWIN: It's a very nice thing to  
9 do, so--and I know three people that have gone  
10 through it that would not otherwise have been able  
11 to not knowing this chance, so thank you.

12 MR. BERGERON: Thank you, Michael. We  
13 appreciate your coming. Always good to have a  
14 student perspective.

15 MS. SMITH: Yes.

16 MR. BERGERON: Sharon Parrott, are you  
17 ready to speak? She kind of looked surprised.  
18 When I was handed the note they said that we--that  
19 you were willing to come to be fit in.

20 MS. PARROTT: Well, I was willing to come  
21 before the break if you wanted.  
22 Good morning.

23 MR. BERGERON: Good morning. I'm trying  
24 to get my schedule back in line and I figured you



1 would be ready.

2 Thank you. Good morning.

3 MS. PARROTT: I'm trying. Okay.

4 Well, good morning. I'm Sharon Thomas  
5 Parrott. I'm Senior Vice President for Government  
6 Affairs and Chief Compliance Officer at DeVry Inc.,  
7 which is the parent company for higher education  
8 institutions, including DeVry University and it's  
9 Keller Graduate School of Management; Ross  
10 University School of Medicine and Veterinary  
11 Medicine; Chamberlain College of Nursing; Apollo  
12 Colleges; Western Career Colleges; Fanor in Brazil;  
13 and as well as Advanced Academics, a regionally  
14 accredited virtual high school; and Becker  
15 Education, providing test preparation for CPA and  
16 CFA post-baccalaureate certification programs.

17 It's my pleasure to have the opportunity  
18 to speak to you today on behalf of our more than  
19 100,000 students enrolled in one of our nursing,  
20 health sciences, business technology, and  
21 management programs. We also plan to provide  
22 detailed written testimony on the specific issues  
23 outlined in the May 26 Federal Notice, and hope as  
24 well to participate in Neg-Reg panels convened as a

1 result of those hearings.

2           The DeVry Education Network of Colleges  
3 and Universities prepare students for meaningful  
4 and fulfilling careers by focusing on academic  
5 rigor and workforce needs. While some institutions  
6 take justifiable pride in educating Nobel Prize  
7 winners, we take pride in educating those who start  
8 and manage businesses, maintain the technologies to  
9 support our country's businesses, implement  
10 designs, provide valuable health care services,  
11 service family practitioners in urban and rural  
12 America, and monitor and troubleshoot operations.

13           Our student body is diverse, with many  
14 being first-time, first-generation, traditional  
15 recent high school graduates seeking a career-  
16 oriented college experience close to home; working  
17 adults looking to advance their careers; adult  
18 learners eager to re-enter higher education; and  
19 aspiring nurses and physicians seeking to close the  
20 gap in health care workers. It's important to note  
21 that our diverse population represents an  
22 opportunity for the nation to incrementally  
23 increase educational attainment and prosperity.

24           These so-called "nontraditional students"

1 include those who are not bound by a traditional  
2 academic calendar, who stop out on more than one  
3 occasion to balance work and family, who migrate  
4 from school to school to find the institution that  
5 best fits their needs, and move from job to job or  
6 career to career. They are fast becoming the  
7 traditional description of America's typical higher  
8 education population.

9       Our current economic challenges make it  
10 imperative that our Federal Financial Aid Programs  
11 support the access that all students require to be  
12 successful. We look forward to once again working  
13 with the Department of Education on the regulatory  
14 issues that have brought us together today.  
15 Higher education is in a period of rapid evolution.  
16 Financial considerations are intruding on all  
17 areas. Students are decrying rapidly raising  
18 tuition, faculty are demanding higher pay and  
19 improved benefits, inflation affects occupancy cost  
20 and other expenses, and taxpayers demand smaller  
21 tax increases and more accountability.

22       Earlier warnings, almost 20 years ago, of our  
23 nation's state of unreadiness to deal with a  
24 declining educational attainment and the resulting

1 economic hardships are coming to pass. The lack of  
2 preparedness of our workforce coupled with the  
3 increasingly high skill level demands of the 20th  
4 Century economy is on a dangerous convergence of  
5 trends.

6       Serving the needs of current and future  
7 students and their employers requires an effective  
8 and efficient allocation of higher education  
9 resources. Private investment represents an  
10 additional source of educational capital, which  
11 together with public and philanthropic sources can  
12 help our society serve its growing educational  
13 needs.

14       Our self-interest, our national security, our  
15 ability to compete in the world marketplace will  
16 require that more of our population receive a  
17 quality education. Many students will require more  
18 financial assistance in the future, not less. Yet,  
19 the return on America's investment if we apply a  
20 student-centric higher education funding approach  
21 can yield significant benefit for our country.  
22 In a recent report by CEOs for Cities, researchers  
23 found that "increasing the four-year college  
24 attainment rate in each of the nation's 51 largest

1 metropolitan areas by one percentage point would be  
2 associated with \$124 billion increase in aggregate  
3 annual personal income." If we're going to regain  
4 our competitive prominence around the world and  
5 emerge from this economic crisis renewed, prepared,  
6 and resolved, democratizing higher education  
7 through genuine student access and opportunity in  
8 an accountable but nimble environment is a must.

9       In my 37 years in higher education, I've had  
10 the good fortune to be both a professor and  
11 administrator in public, independent, and privately  
12 funded institutions, along with a number of years  
13 at the U.S. Department of Education. In 1982, I  
14 came to DeVry to establish a regulatory compliance  
15 program designed to ensure federal and state  
16 program accountability. Twenty-seven years later,  
17 that regulatory oversight has exponentially grown  
18 to include federal and state education departments,  
19 the Securities and Exchange Commission, and the New  
20 York Stock Exchange.

21       We believe strongly that consistent guidelines  
22 should be established to assist all institutions in  
23 the sound administration of their educational and  
24 student finance programs. We believe just as

1 strongly that performance, not sector, should be  
2 the basis of any unique requirements.

3       Solutions that focus on reducing student access  
4 rather than improving program accountability can  
5 have catastrophic effects on this nation.  
6 Likewise, solutions that do not harshly and swiftly  
7 punish abusers of students and student financial  
8 aid programs regardless of sector will have a  
9 devastating effect on our programs and on America's  
10 students. The following recommendations are made  
11 to preserve access and choice and to ensure  
12 educational opportunity while demanding  
13 accountability.

14       Equal and fair performance-based criteria must  
15 be developed and used to determine which  
16 institutions should participate in Title IV  
17 programs and to determine that level of  
18 participation. It is vital that any plan based on  
19 performance include the development of effective  
20 and equitable criteria and the ability of  
21 institutions and regulatory bodies to manage and  
22 enforce the plan.

23       We support the recent HEA amendments, which  
24 require strong foreign medical school Title IV

1 eligibility requirements, including at least a 75  
2 percent examination pass rate. To be licensed to  
3 practice medicine in the United States, the  
4 Educational Commission for Foreign Medical School  
5 Graduates requires students to pass--to take and  
6 pass the United States Medical Licensing Exam. Our  
7 medical school, Ross University, is proud that our  
8 pass rate for first time test-takers on the U.S.  
9 MLE is over 90 percent. We are looking forward to  
10 the Neg-Reg process and working with you.

11       With respect to the suggested program integrity  
12 and forum topics, we offer the following comments  
13 and welcome the opportunity for dialogue with a new  
14 administration that result in a clearer  
15 understanding of and mutual support for student-  
16 centric rules and regulations.

17       Although some have suggested that recent  
18 changes in the Higher Education Act serve to loosen  
19 incentive compensation safe harbor regulations, we  
20 believe, as was mentioned earlier, that they've  
21 actually clarified the rules and given institutions  
22 and the Department much needed guidelines for  
23 compliance as well as program review and audit.  
24 We believe strongly in the triad: the complementary

1 but unique roles of state authorization,  
2 accreditation, and the U.S. Department of  
3 Education. Working together and sharing  
4 information as was mandated in HEA of 1992 --which  
5 I will say I was a part of as well--has  
6 strengthened all three and improved oversight based  
7 on each one's area of expertise.

8 I think we can all agree that simplification of  
9 the higher--of the financial aid application  
10 process, including a verification system that  
11 utilizes information that the federal government  
12 has at its disposal, should be implemented as soon  
13 as practical. The complicated and inefficient  
14 system we now force students to use is a deterrent  
15 to college attendance. It overwhelms and  
16 discourages our most at-risk students and their  
17 families, resulting too often in them giving up.  
18 One of the institutions in the DeVry Education  
19 Network is Advanced Academics, a regionally  
20 accredited virtual high school, that serves  
21 students in more than 200 school districts across  
22 the United States by requiring--by providing  
23 everything from credit recovery through advance  
24 placement coursework, as well as full high school



1 diplomas.

2       We agree that the Department should set  
3 standards for the definition of a "high school  
4 diploma" used to determine eligibility for  
5 financial aid. The most direct road to increasing  
6 college completion is increasing valid high school  
7 graduation.

8       Dual enrollment programs such as the DeVry  
9 University Advantage Academy, which operates with  
10 the Chicago Public Schools and the Columbus Public  
11 Schools, provides such a pathway to college  
12 completion. This program allows public school  
13 students to take their junior and senior year  
14 courses from certified high school teachers while  
15 simultaneously taking college courses from DeVry  
16 professors.

17       At the end of two years, including two  
18 summers, students graduate with both a high school  
19 diploma and an associate degree at no cost to them  
20 or their families and without using federal or  
21 state student financial aid, and we do that on the  
22 Carnegie Credit Hour. Our graduation rate is more  
23 than 90 percent with one-third getting started  
24 right in their careers after graduation and two-

1 thirds going on for their Bachelor's degrees.  
2 About 40 percent of those go on for their  
3 Bachelor's degrees at DeVry University. Sixty  
4 percent go on to other four-year institutions, many  
5 of them in the State of Illinois or Ohio.

6 In my 27 years at DeVry Inc., I would have to  
7 say that working with the Chicago Public Schools  
8 under Secretary Duncan's leadership to create the  
9 Advantage Academy has been one of my proudest  
10 accomplishments.

11 Again, thank you for the opportunity to testify  
12 before you today. We look forward to working  
13 closely with the Department and the greater higher  
14 education community during the Negotiated  
15 Rulemaking process. We share President Obama's  
16 vision of meeting the educational needs of our  
17 youngest citizens from cradle to grave--and career.  
18 Not grave. Cradle to career. Scratch that. This  
19 can only be accomplished if all sectors of  
20 education work as critical components of a diverse  
21 system that provide students different paths to  
22 success.

23 Thank you. And I'll take any questions if you  
24 have them.

1 MR. BERGERON: Thank you, Sharon.

2 Anything, Sally?

3 MS. WANNER: Is the high school program, is  
4 that a charter school, a public charter school? Is  
5 that what you said?

6 MS. PARROTT: The Advantage Academy?

7 MS. WANNER: Yes.

8 MS. PARROTT: Or the Advanced--the Advantage  
9 Academy in Chicago is--has actually been designated  
10 as a Chicago Public School, that portion of it that  
11 is the high school courses. It resides at our  
12 DeVry University campus in Chicago.

13 MR. BERGERON: Sharon, I know from working with  
14 you over the years that you're a very strong  
15 advocate of the triad and would ask you the  
16 question: How do you think that we as a federal  
17 government should respond in circumstances where  
18 states have chosen, for example, to loosen or  
19 eliminate their oversight of institutions because  
20 of budget concerns, or where we identify weakness  
21 with an accreditor, where we--you know, while we  
22 haven't withdrawn their recognition, we would like  
23 to bolster our oversight to address any weaknesses  
24 there? Could you speak a bit about how you see

1 that working in an environment where, candidly,  
2 there are fiscal pressures not just on  
3 institutions, but it falls to states and to  
4 accreditors, then. And should there be some  
5 mechanism built into our regulatory structure that  
6 is in place to address that?

7 MS. PARROTT: Well, I think we have a unique  
8 vantage point because we operate nationally--

9 MR. BERGERON: That's why I'm asking you the  
10 question.

11 MS. PARROTT: --and so with lots of different  
12 state bodies, all of whom are slightly different.  
13 The way we have approached it is to find the one  
14 that is most difficult that we operate in and  
15 regulate ourselves to that standard, because if  
16 we're at that standard, we've hit the hardest one;  
17 and anything that is perhaps more reasonable, I'll  
18 say, than that, we are able to accommodate.  
19 I think this kind of communication will foster  
20 that. I think if you have an accrediting body, be  
21 it regional, national, programmatic that you think  
22 you need to have that conversation with, I think  
23 that is a very valid conversation to have. I think  
24 that for the Department of Education, though, to

1 become the academic quality gatekeeper sounds too  
2 much like a Ministry of Education to me and very  
3 much different from what--how we defined education  
4 in this country.

5 I think that with the states there have been a  
6 variety of things going on. Some of them have  
7 reviewed the recognition criteria of accrediting  
8 bodies and determined that they could use that same  
9 criteria to make decisions with respect to  
10 authorization to operate. None of them, to my  
11 knowledge, have given up their consumer protection  
12 responsibilities, however, which I think that when  
13 you look at what each does, the blending of the  
14 three and the communication between the three,  
15 which could probably be even better than that  
16 mandated in '92, would be useful.

17 I think we can always do better in all three  
18 areas, and the fourth area being the institutions  
19 themselves, but I really do believe that there are  
20 unique advantages to all of the three. And what I  
21 guess I've seen over the years is more a similar  
22 reaction to institutions by the three than I've  
23 seen diverging.

24 So, anything else?

1 MR. BERGERON: Thank you, Sharon.

2 MS. PARROTT: Thank you.

3 MR. BERGERON: Louis Torres.

4 MR. TORRES: Good morning.

5 MR. BERGERON: Good morning. Welcome.

6 MR. TORRES: I'm Louis Torres, and I'm the  
7 Deputy Provost at Metropolitan State College of  
8 Denver. I'm going to talk about the planning and  
9 development financial assistance for emerging  
10 Hispanic-serving institutions. I've submitted this  
11 in writing, by the way, but--

12 MR. BERGERON: Okay.

13 MR. TORRES: --in consideration of time, I've  
14 cut some of that.

15 Metropolitan State College of Denver recommends  
16 that the U.S. Department of Education consider  
17 providing funding specifically for emerging  
18 Hispanic-serving institutions--or emerging HSIs--to  
19 develop plans by which to sooner become HSIs than  
20 they would without such funding. Currently, Title  
21 V provides funds to those institutions that are  
22 already Hispanic-serving institutions with at least  
23 25 percent Hispanic enrollment, and Title III  
24 provides funding for its strengthening institutions

1 programs. However, we believe that funding for  
2 those institutions seeking HSI status would greatly  
3 accelerate the enrollment of Hispanic students and  
4 their increased retention.

5       The largest and most successful association  
6 advocating for Hispanic higher education is the  
7 Hispanic Association of Colleges and Universities,  
8 or HACU. While HACU states that there are no  
9 definitive statistics as to the number of HSI  
10 institutions, it lists 218 HSI member institutions  
11 in 14 states and Puerto Rico. Of these, 32 are in  
12 Puerto Rico; by definition, Hispanic-serving, of  
13 course. That means there are 186 HSIs who are HACU  
14 members in 14 states in the U.S. mainland.  
15 In addition, HACU also indicates that it has 99  
16 associate member institutions and 55 partner  
17 institutions, not HSIs, but HACU members  
18 nonetheless. That means there are at least 154  
19 HACU members in varying degrees of seeking to  
20 become Hispanic-serving institutions, including  
21 Metropolitan State College of Denver.

22       None of these institutions or similar  
23 institutions not belonging to HACU is eligible to  
24 receive funding from the U.S. Department of

1 Education to develop and implement plans necessary  
2 to accelerate becoming an HSI. To receive HSI  
3 designation, student--Hispanic student enrollment  
4 in a higher education institution must reach 25  
5 percent; and, until recently, at least 50 percent  
6 of the Hispanic students had to be low-income.

7 Funding is set aside in Title V for HSIs by the  
8 U.S. Congress. For this past year, it was expected  
9 that upwards of \$175 million was to be so set  
10 aside. Between 1995 and 2005, more than \$550  
11 million has been awarded to more than 185 HSIs.  
12 The current number of HSIs getting Federal Title V  
13 funding is 173, according to the U.S. Department of  
14 Education.

15 According to the Developing Hispanic-Serving  
16 Institution Program, this program helps eligible  
17 institutions enhance and expand their capacity to  
18 serve Hispanic and low-income students by providing  
19 funds to improve and strengthen the academic  
20 quality, institutional stability, management, and  
21 fiscal capabilities of eligible institutions.  
22 Also, and very importantly, funds are available to  
23 HSIs through other federal departments. For  
24 example, the U.S. Department of Agriculture has the



1 Hispanic-Serving Institutions National Program,  
2 whose mission is to provide mutually beneficial  
3 partnerships between the U.S. Department of  
4 Agriculture and Hispanic-serving institutions.

5       HSIs are crucial to the education of Hispanics.  
6 The first major statistical study of HSIs was the  
7 report "Hispanic-Serving Institutions: Statistical  
8 Trends From 1990 to 1999." It states Hispanic  
9 Americans' enrollment in all higher education  
10 institutions, from community colleges through  
11 graduate school, increased by 68 percent in just  
12 nine years. As of 1999, HSIs enrolled only 10  
13 percent of all students in the U.S.; however, they  
14 accounted for 45 percent of all Hispanic college  
15 students. So, a high number of Hispanics  
16 concentrate in a small number of HSIs.

17       Even more dramatic is the impact of HSIs on  
18 Hispanic graduation. The total number of degree  
19 recipients at HSIs who are minorities grew by 87  
20 percent between 1991 and 2000. The number of  
21 Hispanic degree recipients in these institutions  
22 grew by 95 percent, more than the increase in the  
23 number of recipients from any other racial or  
24 ethnic group. So, those are comments about current

1 HSIs.

2       However, for those striving to become HSIs, or  
3 emerging HSIs, no such federal funding program  
4 exists. This is a situation in which Metropolitan  
5 State College of Denver finds itself. Beginning  
6 with the development of a Hispanic-Serving  
7 Institution Task Force in April 2007, we have been  
8 engaged in large-scale directed planning to develop  
9 as a Hispanic-serving institution with special  
10 emphasis on what the word "serving" means in this  
11 context.

12       With approximately 13 percent Hispanic, but in  
13 a metropolitan area where the K through 12 student  
14 population is well over 25 percent, we have asked  
15 what will be the place of the Hispanic community at  
16 Metro State as this community becomes an  
17 increasingly large share of the population in our  
18 service area?

19       The mission of the ongoing HSI Task Force is to  
20 engage the Metro State community in creating the  
21 methods and processes by which the college could  
22 plan for and achieve federal designation as a  
23 Hispanic-serving institution with at least 25  
24 percent Hispanic students within as short a time as

1 possible. Further, the mission of the larger HSI  
2 initiative is to equitably educate the students  
3 within the geographical area Metro State is  
4 legislatively intended to serve, including, of  
5 course, Hispanics.

6 So, we see that Metropolitan State College of  
7 Denver is similar to many other institutions in  
8 Colorado and nationally that are in a demographic  
9 area conducive to HSI status, that are striving to  
10 become an HSI, and that have developed a plan to  
11 achieve this goal.

12 We began the specifics of planning such an  
13 effort in April of 2007. Over 55 Metro State  
14 employees nominated themselves or were nominated by  
15 others to serve on the proposed HSI Task Force. We  
16 arrived at over 50 developed recommendations and a  
17 document nearly 400 pages in length. Sixteen of  
18 these recommendations became our top priorities,  
19 all 16 of which, in one way or another, were added  
20 to the college's budget for this current year, for  
21 the 2008-2009 academic year. This experience is  
22 what leads us to emphasize to the Department of  
23 Education that institutions striving to become HSIs  
24 should be eligible for developmental funding while

1 in the process of reaching that goal.

2       The need for planning and development funds can  
3 be seen in examples of how Metro State has  
4 initiated its efforts to increase the enrollment of  
5 Hispanic students and to further retain them. For  
6 example, within the past year, the Office of  
7 College Communications has devoted at least  
8 \$117,000 to promote Metro State as the top choice  
9 for Colorado's Latino students with marketing and  
10 communication efforts aimed specifically at this  
11 demographic.

12       Initiating one of the HSI Task Force  
13 recommendations, this office implemented an  
14 integrated marketing and advertising campaign that  
15 included direct-mail postcards; billboards along  
16 Federal Boulevard; bus boards on Denver Public  
17 Schools' buses; and print, radio, and television  
18 ads targeting the Latino market. While no one  
19 effort can claim credit for an increase in student  
20 enrollment, the effect of this marketing and  
21 communication effort can be seen, at least in part,  
22 by the increase in Hispanic students from Spring  
23 semester 2008 to Spring semester 2009. During this  
24 period, Hispanic student enrollment increased 9.6

1 percent, double the white student enrollment  
2 increase of 4.9 percent. And there are several  
3 other examples that I have given in the written  
4 comments about efforts that we are engaging in to  
5 increase the enrollment and retention of these  
6 students.

7 Our college has a long history of providing  
8 increased access and success for Hispanic students.  
9 Among many other examples, Metro State serves as  
10 the only institution in Colorado offering a teacher  
11 licensure for elementary and secondary education in  
12 the curriculum of Chicana and Chicano Studies. Our  
13 Hispanic students have a second-year retention rate  
14 higher than the college average for the cohort of  
15 full-time, first-time-to-college, degree-seeking  
16 freshmen, which shows great promise for overall  
17 persistence.

18 Also, as one of the Hispanic-Serving  
19 Institution Task Force Reports revealed, our  
20 Hispanic students are majoring across the breadth  
21 of departments with, for example, an  
22 overrepresentation--according to their percentages  
23 in the college--in such fields as accounting,  
24 management, speech communications, political

1 science, and psychology, among others.

2       So, these examples of Metro State's proactive  
3 efforts to become an HSI serve to highlight the  
4 need for planning and development funds from the  
5 U.S. Department of Education, which would allow us  
6 and numerous other colleges and universities to  
7 establish an infrastructure for emerging HSIs to  
8 become successful to recruit and retain Hispanic  
9 students.

10       While some colleges and universities have  
11 allowed shifting demographic trends to create their  
12 future for them, others have successfully set out  
13 on a path to design and create their future for  
14 themselves. By providing funds for such planning  
15 and development, the U.S. Department of Education  
16 could hasten the day when Hispanic attendance,  
17 persistence, and graduation rates truly mirror  
18 their overall population.

19       Thank you for the opportunity to testify, and I  
20 would be glad to take any questions.

21       MS. WANNER: If there were a way to increase  
22 funding like you're speaking about, what criteria  
23 would you want the Department to use? Would it be  
24 that the institution wants to serve Hispanics or

1 that it's in a demographic area with lots of  
2 Hispanics? If we didn't use a 25 percent ruler,  
3 what would we use?

4 MR. TORRES: We think that the 25 percent rule  
5 is fine for the HSI institutions, but planning and  
6 development funds for those with a reasonable  
7 number--we have, for example, 13 percent--a  
8 reasonable number of Hispanic students already  
9 enrolled and successes at enrolling and retaining  
10 those students and, of course, the surrounding  
11 demographic area. But, also, we think that funds  
12 are necessary for planning, for developing, for  
13 figuring out how to do this, setting a timeline and  
14 really, really reaching it.

15 There would be criteria, of course, necessary,  
16 but from our experience in our institution and in  
17 this area that we serve, we know that we can do it.  
18 We need assistance. And so many other institutions  
19 are very similar to us that need that assistance,  
20 the financial assistance and other assistance that  
21 the U.S. Department of Education could provide to  
22 help us reach that goal.

23 MR. BERGERON: But the current programs,  
24 whether it's HSI or any of the other programs that

1 we have that have racial/ethnic characteristics of  
2 student enrollment determining institutional  
3 eligibility really are intended to support those  
4 institutions in that state, because otherwise you  
5 have issues of having federal programs that target  
6 specific racial or ethnic groups, which I think are  
7 unconstitutional, although I'll leave that to my  
8 lawyer to tell me I am wrong.

9       So, we have programs that--most of our programs  
10 are without regard to race or ethnicity of the  
11 student recipient. Think about the Federal TRIO  
12 programs or GEAR UP, for example, which are  
13 intended to increase access and persistence in  
14 postsecondary education. And they operate based on  
15 objective criteria: income of family and first-  
16 generation status of the family. Never do we use  
17 racial or ethnic criteria.

18       I don't know that there's a question buried in  
19 there somewhere, but it's a puzzle for me how you  
20 have a program which specifically targets a racial  
21 or ethnic group for services and, at the same time,  
22 fits within the framework of our regulatory and  
23 constitutional--statutory, regulatory, and  
24 constitutional constraints.



1 MR. TORRES: Well, Hispanic-serving  
2 institutions, the funding is actually provided for  
3 all students in the institution--all students in  
4 the institution--and our efforts are really  
5 directed not only at the Latino students, but at  
6 improving Metropolitan State College for all  
7 students, also.

8 However, in our demographic--in the area that  
9 we are legislatively mandated to serve, we have in  
10 the K through 12 population over the 25 percent  
11 that is the indication in the federal legislation  
12 that provides funding for HSIs.

13 So, the same is true in many of the state  
14 universities, college and state universities, that  
15 are intended to serve the population in their area.  
16 So, what we're suggesting is a way that we can  
17 reach out and enroll and retain a larger percentage  
18 simply of the surrounding area.

19 MR. BERGERON: So, you would tie it to service  
20 area, population of the service area may be  
21 potentially a way to--because I--

22 MR. TORRES: Yes.

23 MR. BERGERON: --do think there's a--

24 MR. TORRES: The answer is yes, because we are,

1 again, legislatively mandated to serve the seven-  
2 or eight-county metropolitan area.

3 MR. BERGERON: Thank you, that's helpful.  
4 Stephen Jordan?

5 MR. TORRES: Thank you.

6 MR. BERGERON: Thank you.

7 Stephen Jordan will be next.

8 MR. JORDAN: Thank you, Mr. Chairman.  
9 For the record, I'm Stephen Jordan, President of  
10 Metropolitan State College of Denver. Welcome to  
11 our community.

12 I'm going to pick up on some of the comments of  
13 Dr. Torres because I think they're really crucial  
14 for a state like Colorado, which I think  
15 exemplifies the issues facing many states. And let  
16 me take a moment to sort of give you a brief  
17 demographic.

18 We know that for the state of Colorado, every  
19 age group from 0 to 44, between now and 2020, the  
20 white population will decline and all the growth  
21 will be in people of color, largely--largely, but  
22 not exclusively--Latino populations.

23 We also know that as we begin to take a  
24 look at the history of Colorado, which has

1 historically been in the top five in educational  
2 attainment and historically been in the bottom five  
3 in those schools that actually educated their own  
4 citizens to that level, but largely imported them,  
5 that as we begin to look at the future projections,  
6 and even assuming that we could maintain our same  
7 level of importation of college-educated graduates,  
8 that with the shifting in the demographics that if  
9 we cannot get to our students of color to enter,  
10 persist, and graduate at the same rates as white  
11 students and even at greater numbers, we will have  
12 an economic catastrophe in our state. We will not  
13 be able to replace the current workforce that we  
14 see. And I suspect that is a view or vision you  
15 would see in Arizona, in California, in Texas, and  
16 many other states who are seeing these same kinds  
17 of issues. So, this question about support for  
18 achieving HSI status is a very important one.

19           We currently are in the top 100 in the  
20 country in serving Hispanic students. Imagine  
21 that. We're in the top 100, but only 13 percent of  
22 our students are of Latino background. And we find  
23 ourselves in this position of needing to increase  
24 the matriculation, persistence, and graduation of

1 these students.

2           So, this question about how we can receive  
3 assistance to implement some of the strategies that  
4 are necessary, which--and what our studies have  
5 found is these strategies are beneficial not just  
6 to Hispanic students, but to all students; that if  
7 you can help us to move that forward, it can make a  
8 big difference for the economic condition and  
9 workforce preparation of states like Colorado, but  
10 I think many of the Sun Belt States would be in the  
11 very same position. And what I'd like to do is  
12 share with you and give you a copy of the report  
13 that was put together so you can see that.

14           We put in--as was mentioned, we have  
15 funded the first 16 strategies that came forward.  
16 That's a half a million dollars in one year of  
17 funds that we have put into this effort, and yet we  
18 know that we have to do so much more.

19           Related to this issue that we think is  
20 important that is something in your court that you  
21 can help us out with is that we know that for many  
22 of our students--and, again, we see this  
23 particularly within the Latino culture--many of our  
24 students choose to live at home and commute. We

1 are a commuter school, like many of the urban  
2 institutions in other Sun Belt States. But what we  
3 see for these students is that there is a terrible  
4 culture conflict between the issue of going to  
5 school or staying to support family, and that many  
6 times we see that this staying to support family  
7 wins out over going to school, even though in the  
8 long run--in the long run--family and community  
9 would be better off if that student persisted and  
10 graduated.

11           So, one of the things that we want to  
12 suggest to you as a possible area of consideration  
13 is to say that within financial aid you begin to  
14 recognize that and say that students who do live at  
15 home can receive a basic stipend within the Federal  
16 Financial Aid Program that can be a contribution to  
17 home so that we don't put them in the conflict of  
18 having to say, "Work is so important that I have to  
19 put in more hours." And as they put in more hours  
20 of work, school becomes less important, and  
21 suddenly they become a casualty of the process. We  
22 would like to encourage you to think about the  
23 incentive that might be created for these students  
24 if Federal Financial Aid could be a contribution to

1 family at home while they lived at home in order to  
2 provide them the incentive to stay in school. One  
3 suggestion for you.

4           The second is--or the third is one where,  
5 again, this partnership between the federal  
6 government and the state government which has  
7 dramatically evolved since the early, I would say,  
8 late sixties and early seventies, when it was very  
9 clear that states took care of the education in a  
10 general budget, the feds took care of financial  
11 aid, and never the twain shall meet, well, now we  
12 have a much different view. And we want to suggest  
13 to you that there are ways in which the feds might  
14 be helpful in this, and let me begin with this  
15 concept:

16           Fundamentally, for all the conversations  
17 that have been going on nationally about  
18 performance budgeting in states, fundamentally they  
19 are at the very, very small margin. And the state  
20 funding methods for higher education have not  
21 changed since the 1960s and are still fundamentally  
22 premised upon the old research university model of  
23 large freshman classes, increasingly smaller as you  
24 go towards the graduate level, and with the concept

1 that we were willing to accept the losses that we  
2 were going to have in the first two years. Except  
3 times have changed, and we now say we're no longer  
4 willing to accept the losses in the first two  
5 years; and, indeed, economic conditions require us  
6 to say we need to do something very different with  
7 low-income, with students of color, with  
8 underrepresented populations, and with older  
9 students in the interest of the national economy.

10           So, if our fundamental practice hasn't  
11 changed, what we know we need to change is that to  
12 be successful with these students, whether they're  
13 older students, first-generation students, low-  
14 income students, we know we need to have smaller  
15 class sizes; they need to be more intrusive; they  
16 need to have a greater array of support services.  
17 And, indeed, it is likely that they will be more  
18 expensive in the first two years and less expensive  
19 in the last two years, a flip of the old model.

20           You can do for higher ed what you're  
21 starting to do for K-12. I saw in the paper today  
22 that the Secretary had announced his initiative to  
23 encourage states to begin moving towards a national  
24 model in terms of standards for graduation by

1 putting out fiscal incentives. In the same way you  
2 can provide states fiscal incentives to encourage  
3 them to begin changing their funding models to put  
4 greater services and emphasis at the first two  
5 years in order to encourage the matriculation,  
6 retention, and graduation of the very populations  
7 you are most interested as an administration  
8 serving today. And so by providing grant  
9 opportunities to states that might help support  
10 initially these efforts for states to infuse more  
11 support in the first two years and begin to change  
12 the cycle that we are in, you could make a  
13 considerable contribution in the change effort that  
14 we know you are committed to as an administration.

15 I'll be pleased to respond to any  
16 questions that you might have.

17 MR. BERGERON: Thank you. Thank you for  
18 also being one of our hosts.

19 MR. JORDAN: Oh, it's our pleasure.

20 MR. BERGERON: As I said, if you weren't  
21 here at the beginning, I commented, ever since I  
22 started being involved in the campus crime  
23 statistics, this has been one of these unique  
24 campuses that we have dealt with from that



1 perspective, and so I've always found it an  
2 interesting and dynamic kind of learning  
3 environment where you have community colleges--a  
4 community college, an urban four-year, and then a  
5 broader, more research-oriented institution all  
6 sharing space. It's an important lesson to us all  
7 about--

8           MR. JORDAN: And you might be interested  
9 to know, I mean, along that fact--I mean, it is  
10 fascinating. We will tell you from an  
11 administrative standpoint it's a nightmare; from  
12 the students' standpoint it works great. But we  
13 have about 250 general classroom spaces on this  
14 campus. If you take out the first hour in the  
15 morning, the 8:00 to 9:00 hour, and you take out  
16 the 9:00 to 10:00 at night, we have a 98 percent  
17 utilization against those 250 classrooms the rest  
18 of the day. There is not a more efficiently used  
19 campus in the country, I would probably suspect in  
20 the world, than this campus right here. It is an  
21 interesting model.

22           MR. BERGERON: It is an interesting model  
23 and yes, I can understand that it is very  
24 administratively complicated. But it is one of

1 these things that does help address issues of  
2 costs, particularly.

3 MR. JORDAN: Yeah.

4 MR. BERGERON: By the efficiencies that  
5 you are able to realize.

6 I'm intrigued by your comments around  
7 state funding formulas and how we might leverage  
8 that. I'll have to think about it some more to see  
9 how that might play out, and we may be back in  
10 touch around that issue. I do agree with you  
11 that--you know, I grew up in the seventies and was  
12 at a large state university where I saw firsthand  
13 the willingness or the acceptance of loss of  
14 students.

15 MR. JORDAN: Right.

16 MR. BERGERON: And that was not just  
17 unique to the institution that I attended and  
18 worked for, for a short while. I think that that's  
19 one of the things that we recognized, you know, as  
20 not an appropriate approach. And it really is an  
21 area where there is a need for fundamental change.

22 MR. JORDAN: And, quite frankly, I mean,  
23 we know enough about attendance patterns of these  
24 very populations we're talking about to know that

1 they are much more likely to begin in a community  
2 college, not in a research university. If they  
3 matriculate, they're much more likely to  
4 matriculate on to a regional comprehensive  
5 institution in the long run than in the research  
6 universities.

7       So, it's not that one model is right or wrong,  
8 but I'm suggesting that perhaps what we need to do  
9 is think about maybe there are different models  
10 depending upon what it is we're trying to  
11 accomplish.

12               MR. BERGERON: Correct. Yes.

13               MS. SMITH: I have a question about at the  
14 very beginning where you were dovetailing from  
15 Louis, who I guess works here as well--

16               MR. JORDAN: Right.

17               MS. SMITH: --about being--and he made a  
18 comment about you're top 100 in the country in  
19 terms of serving Latino students. Is that in that  
20 report that you're going to hand us, or is that a  
21 different statistic from somewhere else?

22               MR. JORDAN: Well, I don't--

23               SPEAKER: Hispanic Outlook.

24               MS. SMITH: Hispanic Outlook.

1           MR. JORDAN: Yeah, that came from his  
2 Hispanic Outlook. And, again, I think it's one of  
3 the things about the misnomers or the--one of the  
4 problems you have when you say, okay, you become  
5 Hispanic-serving when you're 25 percent. But,  
6 unfortunately, so many of those institutions are  
7 very small institutions.

8           In Colorado, we're the largest in terms of  
9 numbers, minority-serving, four-year institution in  
10 the State of Colorado. We have more students of  
11 color than the University of Colorado at Boulder  
12 and Colorado State combined, and yet we're only 13  
13 percent of our enrollment when 20 percent of the  
14 population of this region are of Latino heritage.  
15 And you begin to say, "Well, if you can't solve  
16 that problem in your largest institutions, you will  
17 not solve it through a bunch of very small  
18 institutions out in rural areas."

19           MS. SMITH: Right.

20           MR. BERGERON: Right.

21 MR. JORDAN: Because, again, those students are  
22 much more likely to live at home, so you've got to  
23 do it through more urban organized institutions.

24           MR. BERGERON: And I was interested in

1 your thought around this contribution for home.  
2 And we've talked about it at the federal level in  
3 terms of the need analysis changes for, you know,  
4 as long as I've been doing this, and that's years.  
5 I hate to--

6 MR. JORDAN: Don't give away your age now.

7 MR. BERGERON: I know. I hate to admit  
8 it, except there are enough people in this room who  
9 know how long I've been doing this.  
10 And one of the concepts we've talked about--and  
11 maybe you could comment on it--is not just a  
12 recognition in the cost of attendance because, you  
13 know, people can get an allowance to live at home  
14 that's part of their cost of attendance, but some  
15 notion that we could allow the expected family  
16 contribution, or whatever it is called in the  
17 future, to go negative so that, you know, it  
18 recognizes the students who are contributing to the  
19 fiscal support of the family through their wages  
20 and their earnings and not be taxed for that in the  
21 need analysis process.

22 MR. JORDAN: I mean, I think that could be  
23 a very constructive way to approach it, as you're  
24 well aware. I mean, we're really talking about a

1 cultural barrier and how do you break down a  
2 cultural barrier.

3 MR. BERGERON: And it's not just in the  
4 Latino culture. I mean, it's in many of our--in  
5 many low-income communities there is this. You  
6 know, I'm French Canadian by background, so go  
7 figure. You know, there was this concept, even in  
8 my family, which is that you contributed to the  
9 family.

10 MR. JORDAN: Right.

11 MR. BERGERON: And--financially. And, you  
12 started working at 14 or 15 and worked full time in  
13 addition to going to high school--

14 MR. JORDAN: Right.

15 MR. BERGERON: --in order to give money  
16 back to the family. And so, it is not just in the  
17 Latino culture. And I do think it is something  
18 that is in need of addressing.

19 MR. JORDAN: I would really hope that it  
20 would be possible to do that. I think--because  
21 really--I mean, I think we could set up some very  
22 interesting analyses to begin to look at it if--you  
23 know, what was the retention rate or the dropout  
24 rate prior to implementation of a policy like that,

1 and we could really test its ability to see if it  
2 made a marked difference on retention in the first  
3 two years.

4 MR. BERGERON: And we're talking about  
5 reinventing our Experimental Sites Initiative.

6 MR. JORDAN: Yeah.

7 MR. BERGERON: And, I mean, there may be a  
8 great experiment here.

9 MR. JORDAN: Volunteer right here.

10 MR. BERGERON: I hear great experiment  
11 come--you know, I'll have to spend--

12 MS. SMITH: To come before our FAFSA thing  
13 tomorrow, our FAFSA forum.

14 MR. BERGERON: It's a FAFSA thing tomorrow  
15 for sure, but also I think that there are some room  
16 for maybe doing some experimentation around that.

17 MR. JORDAN: Yeah.

18 MR. BERGERON: That's a great idea.

19 MR. JORDAN: Right, great.

20 MR. BERGERON: Excellent.

21 MR. JORDAN: Thank you so much for being  
22 here. We really do appreciate it.

23 MR. BERGERON: Thank you.

24 MS. SMITH: Thank you for having us.

1 MR. JORDAN: Yeah.

2 MR. BERGERON: We were scheduled to have a  
3 break, but we're not going to do that because I  
4 have a student in the room, Andrea Davis, who we  
5 are--wanted to get to before our break.

6 Hi, Andrea. Thank you for being patient  
7 with us.

8 MS. DAVIS: Oh, thank you so much for  
9 having me. I appreciate it.

10 I go to University of Phoenix, and the  
11 alumni representative, Evelyn Hanson, invited me  
12 here today to basically put a face to financial  
13 aid.

14 I am a 33-year-old mother of five  
15 children, doing the best I can to raise them. And  
16 I had a dream in second grade to become an  
17 elementary school teacher from my second grade  
18 teacher. And it has been an inspiration in me that  
19 has been growing ever since I was eight years old,  
20 knowing that I would one day accomplish it. If it  
21 was not for the financial aid the University of  
22 Phoenix helped me to achieve, I would not be able  
23 to work towards that goal.

24 I am currently starting my second year at



1 University of Phoenix in the Elementary Education  
2 Program. My children attend school at the School  
3 District 50 that a representative spoke not too  
4 long ago about. And, again, I just would impress  
5 upon you the importance of financial aid.

6 I am a full financial aid student. I have  
7 no out-of-pocket expenses at all right now. And if  
8 it wasn't for that, I could not be a student; I  
9 could not be achieving my goals; I could not be an  
10 inspiration to my children or my family, who four  
11 members of my family so far have also participated  
12 in University of Phoenix as well because of this  
13 financial aid program. And it has been a wonderful  
14 opportunity for me and for my children to see me  
15 achieve the goals, and they are now inspired to  
16 achieve their goals as well. And for you to  
17 understand that and to see that through financial  
18 aid I can accomplish these goals is a miraculous  
19 thing.

20 MR. BERGERON: Thank you.

21 MS. DAVIS: Thank you for your time.

22 MR. BERGERON: Any questions?

23 MS. DAVIS: Do you have any questions?

24 Thank you.

1 MS. WANNER: Are you able to go full time?

2 MS. DAVIS: I am able to go full time.

3 With the schedule the University of Phoenix allows,  
4 I am able to attend once a week for four hours in  
5 the evening so I can maintain my family and school  
6 and career all at the same time, and help my mom  
7 with my grandmother in that, as well.

8 MR. BERGERON: Thank you.

9 MS. DAVIS: Thank you very much for your  
10 time.

11 MR. BERGERON: Okay. We're going to take  
12 a 10-minute break and reconvene at 5 minutes to  
13 11:00. Thank you.

14 [Brief recess.]

15 MR. BERGERON: We are going to go ahead  
16 and reconvene, although I suspect it may not be for  
17 that long. We do have two more individuals who  
18 have signed up to speak to us this morning. The  
19 first is Andrew Parmentier. The second one is  
20 intending to be here just before the noon hour.  
21 So, if Andrew could come forward.

22 MS. SMITH: You're not speaking?

23 MR. BERGERON: Not speaking? Okay. Okay,  
24 Andrew's not--they're not speaking. So, the only

1 other person we have signed up for this morning is  
2 Natalie Williams, and she's not signed up until  
3 just--oh, she's here. Oh, excellent, thank you.

4 MS. SMITH: Great.

5 MR. BERGERON: Good morning, Natalie.

6 MS. WILLIAMS: Hi. How are you this  
7 morning?

8 MR. BERGERON: Good. Good to see you.

9 MS. WILLIAMS: Good to see you.

10 Hi, my name is Natalie Williams. I'm the President  
11 for Westwood College, and I just want to thank you  
12 for the opportunity to testify today.

13 Westwood College serves a very diverse  
14 student population. Many of our students are first  
15 generation students, working adults, and are single  
16 parents. We take great pride in producing life-  
17 long learners, and that's why I'd like to present  
18 today my viewpoint in regards to the challenges I  
19 face or some of my students face.

20 It is the Title IV program that allows  
21 many of these students to advance their careers.  
22 You heard that previously today in testimony.

23 Satisfactory academic progress. I agree  
24 with the previous statements made today. Westwood

1 College assesses satisfactory academic progress  
2 every term. Not only do we want to ensure  
3 compliance with Title IV, we also want to ensure  
4 the success of our students.

5           On the issue of GEDs, Westwood College has  
6 entrance exam and assessment, and we offer college  
7 prep courses for those students that may need  
8 additional assistance. Not only do we offer  
9 college prep courses, but we offer additional  
10 support services, such as a personal inside track  
11 coach, to help them not only with their academic  
12 issues, but also challenges that we face as we go  
13 to school.

14           I also went to school when I had a family, a  
15 son, and trying to advance my career and obtain the  
16 certificates and degrees needed in the workforce.  
17 And it can be challenging because you're dealing  
18 not only with school issues, but also with family  
19 issues. So, Westwood College would like to provide  
20 additional support, so we want to ensure not only  
21 that our students are prepared academically, but we  
22 also want to ensure that they are prepared with  
23 other outside issues in terms of completing their  
24 education.

1           On the issue of incentive compensation,  
2 provide institutions with clear and concise rule  
3 and guidance, and we'll follow them.

4           On the issue of credit hours, as mentioned  
5 previously, accrediting bodies regularly review  
6 credit hours for compliance.

7           In terms of gainful employment, pending  
8 the accrediting body, institutions are held  
9 accountable to employment standards. As stated by  
10 Charles, many institutions are involved in  
11 comprehensive strategies to track students from  
12 graduation and oftentimes prior to graduation into  
13 the workforce.

14           In December, Westwood College--the  
15 students at Westwood College participated in the  
16 Democratic National Convention. This opportunity  
17 allowed our students to gain applicable  
18 opportunities in the field, as you heard  
19 individuals testify today that you need the  
20 applicable side as well as the theory side.

21           We also offer alumni training programs at  
22 no cost to the students, which allows them to stay  
23 current in their workforce. We also participate in  
24 program advisory committees in which employers come

1 in to provide us feedback on the curriculum and the  
2 standard--and the industry standards.

3 In conclusion, I just want to say we need  
4 to make it as easy as possible for our students to  
5 access not only Title IV programs, but programs  
6 that assist them through their education to develop  
7 and to advance their careers.

8 MR. BERGERON: Thank you.

9 We currently require satisfactory academic progress  
10 to be assessed once a year. You do it once a term.  
11 Do you think that should be the standard practice?

12 MS. WILLIAMS: For Westwood College, once  
13 a term it works good because we have five terms in  
14 a year, so we definitely want to make sure that not  
15 only are we monitoring it for--in terms of the  
16 students academically as well. So, by monitoring  
17 it once a term, we're able to assist those students  
18 that may be at risk of falling behind in their  
19 studies and also helping them get back on track.  
20 So, for us, it is a very good tool and resource to  
21 assist our students in completing the program.

22 MR. BERGERON: So, you would think it  
23 wouldn't--have you developed administrative  
24 practices that make it more feasible for you to do

1 than some other institutions, or do you think even  
2 if it's difficult, it's something you should  
3 pursue?

4 MS. WILLIAMS: I think even if it's  
5 difficult it is something that you could--should  
6 pursue to help those students complete the program.

7 MR. BERGERON: Sally? Zakiya?

8 MS. WANNER: Is the SAP review mainly like  
9 looking at grades on a term-by-term basis, or you  
10 do--

11 MS. WILLIAMS: It's--oh, go ahead, I'm  
12 sorry.

13 MS. WANNER: --you do the whole thing?

14 MS. WILLIAMS: It's actually looking at  
15 grades and completion rates. So, for example, you  
16 don't--students as they go along, if they are  
17 continually dropping out of classes, you know, you  
18 definitely want to assist in that matter as well.  
19 So not only grades, but completion rates as well.

20 MS. WANNER: Thank you.

21 MR. BERGERON: Thank you.

22 MS. WILLIAMS: Thank you.

23 MR. BERGERON: We appreciate you coming.  
24 If there's anyone else who would like to testify,

1 please go see Mary or Kristin out in the foyer.  
2 And otherwise, we will go ahead and take another  
3 break until there's somebody who is available.

4 I would say, I don't have the schedule in  
5 front of me for the afternoon, but we do have at  
6 least two people who have signed up to testify this  
7 afternoon, one right after the break, so just at  
8 1:00, and then one a little bit later on in the  
9 afternoon. So, we do have a couple of people who  
10 are speaking this afternoon.

11 But until somebody else signs up to speak,  
12 we'll take a break. Thank you.

13 [Brief recess.]

14 MR. BERGERON: We have no one else signed  
15 up for the morning, and so it is about quarter to  
16 12:00 right now, so we're going to go ahead and  
17 take--and adjourn until 1:00, when we'll reconvene.

18 So, enjoy lunch, and we'll see you back  
19 here in about an hour and 15 minutes.  
20 Thank you.

21 [Whereupon, at 11:44 a.m., a luncheon  
22 recess was taken.]

23



## AFTERNOON SESSION

[1:20 p.m.]

1  
2  
3 MR. BERGERON: I was wondering if Jennifer  
4 Cook is here.

5 [Pause.]

6 MR. BERGERON: Hi, Jennifer. We'll go ahead  
7 and hear from you.

8 MS. COOK: Okay. Hi, my name is Jennifer  
9 Cook, and I'm here representing the Canadian  
10 Consulate, and we have an office located here in  
11 Denver. And I'm here to highlight the potential  
12 impact that the proposed U.S. student loan reforms  
13 could have on approximately 21,000 U.S. American  
14 students who are enrolled at foreign institutions,  
15 over 9,000 of whom study in Canada.

16 Currently, these foreign institutions are  
17 not eligible for direct lending. Thus, the new  
18 legislation would negatively impact U.S. students  
19 who rely on these loans to attend colleges or  
20 universities abroad. I think I would best  
21 illustrate the issue by a letter that was written  
22 and sent--written by the International Education  
23 Council and sent to Representative George Miller,  
24 Chairman of--sorry, Chairman on the Committee on

1 Education and Labor. It arrives with the support  
2 of many countries and hundreds of institutions:

3           "The International Education Council is an  
4 association of colleges and universities outside  
5 the United States that are eligible institutions  
6 under the Higher Education Act, so their enrolled  
7 students can receive federal student loans. It is  
8 important to note that these students are seeking a  
9 degree as opposed to a study abroad program where  
10 they remain enrolled at a home campus in the United  
11 States. The members of the association comply with  
12 most of the same regulations and application  
13 procedures as U.S. schools so their American  
14 students can pay for higher education.

15           "There are approximately 21,000 American  
16 students enrolled in colleges and universities  
17 abroad--or around the world who receive Federal  
18 Family Education Loans, the only type of federal  
19 aid that they are currently eligible for. Without  
20 these loans, educational plans would have to be  
21 curtailed and students would have to seek more  
22 expensive private loans, which are currently  
23 difficult for them to obtain.

24           "We understand that this new legislation

1 would eliminate the FFEL Program and have all  
2 federal loans made through the Direct Loan Program.  
3 We ask that you make the appropriate changes to  
4 ensure that foreign schools are made eligible for  
5 the Direct Loan Program so that American students  
6 can continue to go to the college of their choice,  
7 including colleges abroad.

8           "We also ask that the appropriate steps be  
9 taken to assist foreign schools with the transition  
10 process to the Direct Loan Program to ensure that  
11 Americans enrolled in foreign colleges and  
12 universities will have similar opportunities for  
13 federal financial aid as those enrolled in the  
14 United States.

15        "In detail, we propose the following: Modify  
16 Section 102(a)(1)(c) of the Higher Education Act to  
17 delete the words 'only for purposes of Part B of  
18 Title IV,' and insert 'only for the purposes of  
19 Part A, Subpart 1, and Parts B and D of Title IV.'"

20           "On behalf of the Board of Directors and  
21 the members of the IEC and of the thousands of  
22 American students who want to pursue higher  
23 education abroad, we urge you to adopt these  
24 recommendations. The IEC is working with

1 representatives of the embassies of our members'  
2 countries on these proposals, and we'd be pleased  
3 to coordinate answers to any questions you may  
4 have.

5           "Thank you for your consideration.  
6 Sincerely, Harrison M. Wadsworth, Executive  
7 Director of the International Education Council."

8           Thank you.

9           MR. BERGERON: The problem with  
10 participation in Direct Loans is not statutory; it  
11 is administrative.

12           MS. COOK: Okay.

13           MR. BERGERON: The way the Direct Loan  
14 Program and our other grant programs, Pell Grants  
15 included, operate is they're--the institution has a  
16 direct federal--an account with the Federal  
17 Government from which it draws funds. And so that  
18 is the impediment to a foreign school participating  
19 in the Direct Loan Program.

20           We have interpreted the statute in a  
21 manner that would permit a foreign school to  
22 participate, but have this administrative problem.  
23 You know, whatever budget legislation's enacted  
24 will provide some approach or remedy to that

1 specific--

2 MS. COOK: Okay.

3 MR. BERGERON: --problem to avoid that  
4 administrative issue. But it's, you know, never  
5 been anyone's intent that students attending  
6 foreign schools be ineligible.

7 MS. COOK: Okay.

8 MR. BERGERON: And so we're aware of the  
9 problem and think that there is a fairly easy  
10 solution.

11 MS. COOK: Okay.

12 MR. BERGERON: That said, were you  
13 suggesting that foreign students attending foreign  
14 institutions also be eligible for Pell Grants and  
15 Academic Competitiveness and National SMART Grants  
16 and TEACH Grants? Because they're all in--

17 MS. COOK: That's not what's been  
18 discussed so far, so--

19 MR. BERGERON: Well, the reference to Part  
20 A gets you there.

21 MS. COOK: Yes.

22 MR. BERGERON: Okay.

23 MS. COOK: I'm getting a little bit out of  
24 my area of expertise.

1 MR. BERGERON: That's okay. I just--

2 MS. COOK: Yeah.

3 MR. BERGERON: Yeah.

4 MS. COOK: Okay. Thank you.

5 MR. BERGERON: Thank you.

6 If there is anyone else who wishes to speak, go see  
7 Mary and Kristin because we have no one else signed  
8 up this afternoon.

9 So, we'll go off the record until somebody  
10 does either show up newly to speak or one of you  
11 decides you want to.

12 Thanks.

13 [Off the record from 1:10 p.m. to 3:45  
14 p.m.]

15 MR. BERGERON: Okay. So, it's 10 minutes  
16 to 4:00, and we have no one else who's indicated  
17 that they are interested in testifying this  
18 afternoon, so we're going to go ahead and end this  
19 hearing.

20 We will next have a hearing in Little  
21 Rock, Arkansas, on Thursday. So, you know, we'll  
22 continue to keep the record open and receive public  
23 comments through our e-mail at "Neg-Reg09@ed.gov."  
24 We will be keeping that receipt of those public

1 comments open until the last hearing, which occurs  
2 on June 23rd in Philadelphia.

3 I want to thank everybody who participated  
4 in the hearing and our hosts at the Community  
5 College of Denver, the Metropolitan State, and  
6 University of Colorado at Denver.

7 Thank you. Have a great afternoon.

8 [Whereupon, at 3:51 p.m., the hearing was  
9 adjourned.]