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**Macias, Wendy**

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**From:** [REDACTED]  
**ent:** Tuesday, June 23, 2009 12:54 PM  
**To:** negreg09  
**Cc:** [REDACTED]  
**Subject:** HEAL Coalition Comments and Testimony  
**Attachments:** HEAL 09 Neg Reg Letter.doc

Please accept the attached document as the Higher Education Allied Health Leaders Coalition's comments and recommendations in response to the Department of Education's May 26 Federal Register announcement.



[REDACTED]

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June 23, 2009

Daniel T. Madzelan  
Acting Assistant Secretary for Postsecondary Education  
Office of Postsecondary Education

c/o  
Wendy Macias  
U.S. Department of Education  
1990 K Street, NW.  
Room 8017  
Washington, DC 20006

Dear Mr. Madzelan:

On behalf of the Higher Education Allied Health Leaders Coalition (HEAL) I would like to thank Secretary of Education Arne Duncan, Deputy Undersecretary Robert Shireman, and the Office of Postsecondary Education for providing our member institutions with yet another opportunity to partner with the Department of Education in the development of, and in this instance possible modification to, the regulations under Title IV of the Higher Education Act of 1965, as amended.

HEAL supports the May 26, Federal Register notice and the Department's desire to engage in a new round of federal negotiations and committees to consider revisions to the regulations not based upon the recent enactment of the Higher Education Opportunity Act. Our association welcomes the opportunity to enter into discussions on both the foreign medical school and domestic topics outlined in the notice, and would respectfully request that, in addition to these topics, the Department consider the inclusion of regulatory revisions proposed by HEAL.

#### INTRODUCTION

HEAL is proud to represent the specific interests of proprietary institutions of higher education offering programs in allied health related occupations. We support the goals of President Obama and the new Administration in their ambitious, yet attainable, goal of *having the highest proportion of college graduates in the world by 2020* and the President's acknowledgement that in order to achieve this goal that *our workforce will need to reinvent itself*.

Even more importantly, HEAL and its membership share in the belief that through processes like this additional series of federal negotiations, we must make sure that potential students have choice and access to the information which will enable them to choose the best educational program to meet their individual needs.

Not surprisingly, our membership believes that what is best for students and taxpayers alike is that these choices not pigeon hole students into specific tracts or institutions, but provide students with the broadest array of academic choices upon which to make their decisions. In our view, data and information, provided to the potential student and taxpayer are critical portions of the equation – as we should all want to know which institutions and programs stand the best chance of providing a significant return on investment. These returns should be quantifiable in terms of time and expense for the student, the taxpayer, and the federal government. And must be bolstered by the most important consideration – the realistic employment expectations upon successful completion of the program which must be based upon reliable placement data, and verification of the ability of the graduates to meet the workforce demands of the employers.

HEAL can assure you that our membership has the capacity and capability to assist the President and the Administration in the pursuit of these goals **as long as we are not limited or prohibited from doing so**.

To that end, HEAL is looking forward to partnering with the Department and the Administration in the development of regulations in this process, and broader public policy discussions and subsequent negotiations, to ensure that the regulations help achieve their intended goals.

## **DEPARTMENT PROPOSALS**

### Satisfactory Academic Progress

HEAL supports the inclusion of satisfactory academic progress as a topic for consideration in the next round of federal negotiations. Our membership believes that routine assessment at regularly established intervals throughout the academic/award year helps us to provide better student support services, leading to: 1) early intervention for potentially at-risk students; 2) the ability to assist students in meeting the challenges that may inhibit persistence whenever possible; and 3) our ability to limit student exposure to additional financial liabilities and/or indebtedness when it is clear that the student is either unlikely or unable to complete their program.

### Incentive Compensation

HEAL supports the inclusion of incentive compensation paid by institutions to persons or entities engaged in student recruiting or admission activities as a topic for consideration in the next round of federal negotiations. Our membership welcomes the opportunity to work with the Department to provide greater clarity on the intent of these regulations and acceptable compliance practices.

### Gainful Employment in a Recognized Occupation

HEAL supports the inclusion of gainful employment in a recognized occupation as a topic for consideration in the next round of federal negotiations. While we believe strongly that the regulations and oversight of the term is clear when being applied to existing certificate, diploma, and associates/baccalaureate allied health degree programs, we recognize that the very narrow and limited expansion of the definition of a proprietary institution of higher education to include liberal arts education necessitates a discussion as to whether or not the linkage to gainful employment – and thus the statistical tracking of placement – should be applied to graduates from these liberal arts programs.

We would urge the Department to ensure that if any regulations are to be developed, or clarity sought in further defining the term, that whatever regulatory definition is developed must be applied equally to all institutions of higher education.

As Deputy Undersecretary Shireman has stated on several occasions, including the Friday, May 29, 2009 conference call with the proprietary sector regarding the intent of the Administration in promoting these negotiations, the Department is “broadly wanting to make sure that students and taxpayers are served well, whether the schools are public, nonprofit, for profit, 2-year, less than 2-year, 4-year, or graduate school.”

Thus, in order to ensure that students and taxpayers are well served, we urge that any application of the gainful employment standard must be applied to all institutions, whether the schools are public, nonprofit, for-profit, 2-year, 4-year, or graduate school.

### State Authorization

HEAL supports the inclusion of state authorization as a topic for consideration in the next round of federal negotiations. Our membership recognizes the Department’s concern with the lack of state authorization in several states is a concern, and therefore welcome a discussion on how best to address these concerns.

### Definition of a Credit Hour

HEAL supports the inclusion of the definition of a credit hour, for purposes of determining program eligibility status, particularly in the context of awarding Pell Grants as a topic for consideration in the next round of federal negotiations. As a participant in Team V of the federal negotiations implementing the HEOA, we are aware of some of the concerns with potential abuse in this area. As such, our membership are looking forward to working with the Department to address ways in which we can strengthen the regulations to ensure that such abuses are prevented – while continuing to protect students’ access to required student financial assistance.

### Verification

HEAL supports the inclusion of verification of information included on student aid applications as a topic for consideration in the next round of federal negotiations. Our membership believes, and past Office of the Inspector General audits have shown that, by-in-large, institutions across all sectors of higher education are compliant with the regulations, but could do a better job in reporting information to COD. Thus, we look forward to working with the Department to improve the verification process.

### Definition of a High School Diploma

HEAL supports the inclusion of the definition of a high school diploma as a condition of receiving Federal student aid as a topic for consideration in the next round of federal negotiations. Our membership whole-heartedly endorse the need for greater clarity in this area, and are looking forward to working with the Department to help develop ways to ensure the validity and integrity of the enrollment process and Title IV eligibility based upon credible high school documentation.

## **HEAL RECOMMENDATIONS**

### Cohort Default Rate Appeals

HEAL urges the Department to add additional cohort default rate (CDR) appeals options to the list of topics for consideration in the next round of federal negotiations.

During the recently completed federal negotiations implementing the HEOA provisions, several non-federal negotiators petitioned Team II to add a list of additional CDR appeals to the agenda. In bringing their proposals forward, the non-federal negotiators expressed serious concerns with the anticipated impact of the economy, the corresponding unemployment rates, and the collapse of the federal banking/lending markets on students' ability and willingness to repay their student loans. Unfortunately, the federal negotiators opposed the consideration of any of the proposals, suggesting that existing exceptional mitigating appeals processes and lender deferments and forbearances provided adequate relief in this area.

HEAL respectfully disagrees with the Department's assessment in this area and once again request that the following CDR appeals options be open to federal negotiations:

- *Institutional Fulfillment of Their Default Plan*  
On a case-by-case basis, institutions who efficiently and effectively implement the default management plans (required by law under the HEOA), in coordination with the Department of Education, should be eligible to maintain eligibility.
- *Significant Localized Unemployment*  
In areas where the local unemployment rate exceeds the national average, institutions serving students from these populations should be given additional latitude in the application of the eligibility thresholds.
- *Alignment of Appeals Rights*  
The regulations should align the appeals provisions so that institutions are eligible to begin seeking appeals rights for rates established under both the two-year and three- year cohorts, and should also provide a deadline for Department response to erroneous data appeals, thereby ensuring that, as with other appeals, decisions based upon erroneous data are acted upon in a timely fashion.

### Financial Responsibility

HEAL respectfully requests that the Department continue to consider revisions to the financial responsibility regulations, either in whole or in part. While our membership recognizes that the Department has limited resources and is currently without a contractor with the expertise to consider wholesale revisions, we would nevertheless like to discuss whether or not it is appropriate to add this topic to this round of negotiated rulemaking to consider several more de minimus issues, or agree to take the regulations up in their entirety at a later time.

### Professional Judgment

HEAL urges the Department to work with our community to develop regulations under the criteria for professional judgment which will enable our financial aid administrators to prevent students from borrowing federal student financial assistance beyond that which is needed directly for their education and training.

We are deeply concerned that the emphasis on providing students and their families with information on all of the student financial assistance they qualify for, may present very serious and unintended consequences in the form of increased borrowing – leading to larger than necessary student indebtedness, an increased risk of future defaults for students from lower socio-economic backgrounds, and additional upward pressure on proprietary institutions ability to comply with the program participation regulations under the 90/10 rule.

Therefore, we respectfully request the inclusion of professional judgment as a topic for consideration at the next round of federal negotiations.

Provisional Certification/Change of Ownership

HEAL highly recommends that the Department consider adding a review of the provisional certification regulations to the list of topics for consideration in the next round of negotiations. Our membership would respectfully recommend that the time has come to reevaluate several areas of these regulations in light of changes brought about by the HEOA (cohort default rates, teach-outs, etc.), and also with respect to outmoded models of oversight for institutions seeking to expand through mergers and acquisitions.

**SUMMARY**

In conclusion, HEAL wishes to commend the President, the Secretary, Deputy Undersecretary, and Office of Postsecondary Education for convening this latest round of federal negotiations and the forums to discuss (1) how changes in the Department's financial aid communications and processes (including the Free Application for Federal Student Aid (FAFSA)) could improve college planning, preparation and access, and (2) how best to leverage Federal postsecondary programs to foster student educational persistence and degree attainment. Our membership is honored to have been given the opportunity to participate in all three hearings and observe the forums, and will be actively seeking to participate in the negotiations once the announcement and notification for submission of nominations is published.

Sincerely,

A solid black rectangular redaction box covering the signature area.

Oral Presentation Presented by  
Tom E. Netting, Executive Director – HEAL Coalition  
Department of Education Regional Field Hearing  
Philadelphia, PA – Monday, June 22, 2009

Good afternoon, my name is Tom Netting, Executive Director of the Higher Education Allied Health Leaders Coalition, or HEAL for short, and I am honored to be here today to provide testimony on behalf of my membership and the students they prepare for rewarding careers in allied health related education.

HEAL is proud to represent the specific interests of proprietary institutions of higher education offering programs in allied health related occupations. We support the goals of President Obama and the new Administration in their ambitious, yet attainable, goal of *having the highest proportion of college graduates in the world by 2020* and the President's acknowledgement that in order to achieve this goal that *our workforce will need to reinvent itself*.

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In the brief time that I have I would like to highlight our proposed additions to the agenda:

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