National College Access Network

Building Connections. Advancing Equity. Promoting Success.

1001 Connecticut Avenue NW
Suite 300
Washington, DC 20036
Phone (202) 347-4848
www.collegeaccess.org

September 14, 2018

The Honorable Betsy DeVos
Secretary of Education
U.S. Department of Education
400 Maryland Ave. SW
Washington, DC 20202

RE: Docket ID ED-2018-OPE-0076

Dear Secretary DeVos:

Thank you for the opportunity to provide feedback on the U.S. Department of Education proposal for a negotiated rulemaking committee for regulations overseeing Federal Student Aid programs. This proposal includes accreditation as well as all financial aid regulations, including barriers to student completion. As the Department considers the final agenda for this NPRM, the National College Access Network strongly urges the Department to maintain the consumer protections for students and taxpayers but also advocates for the addition of FAFSA verification to the list of topics.

Founded in 1995, NCAN's mission is to build, strengthen, and empower communities committed to college access and success so that all students, especially those underrepresented in postsecondary education, can achieve their educational dreams. With its members and partners, NCAN develops and supports programs and policy solutions that help more students aspire to, apply to, enter, and succeed in college or other postsecondary training. NCAN's hundreds of members span a broad range of the education, nonprofit, government, and civic sectors, including national and community-based nonprofit organizations, federally funded TRIO and GEAR UP programs, school districts, colleges and universities, foundations, and corporations.

This letter will first address the request to add FAFSA verification to the NPRM agenda and second outline our concerns with several of the proposed changes.

Verification

Each year approximately 20 million students complete the Free Application for Federal Student Aid (FAFSA). Of those students, more than one-quarter are selected to complete an audit-like process called verification. The Department oversees this process through Code of Federal Regulations 34 subpart E 668.51 – 668.61. While it is the fiduciary responsibility of the Department of Education to responsibly oversee the disbursement of financial aid, the process created for doing so under this section of the CFR is unnecessarily burdensome on both students and institutions.

This burden falls almost entirely on our low-income students and the institutions that serve them as almost all of the students selected for verification are Pell eligi-

National College Access Network

ble (98 percent).[1] The process is time-consuming and tedious, creating another barrier to college access for the population of students who most need postsecondary education. In fact, NCAN members' primary complaint about FAFSA filing over the last few years has been the increased difficulty in navigating verification and doing so for a growing proportion of students.

The FAFSA filers who are selected for verification face a litany of obstacles in completing the paperwork, including:

- **Knowing they are selected for verification when each institution notifies students in a different way.** For example, a student could miss a notification at one school because it is in the student portal when other schools sent an email and a text message;

- **A different process to complete verification at each institution to which they applied.** For example, one institution may use the federally provided text (there is no template form), but another may have created its own form that is more complicated;

- **The requirement to verify the same information multiple times if they applied to multiple schools.** For example, if Federal Student Aid selects a student who applied to multiple schools for verification, then that student must submit verification documents, likely in different formats, to each institution to which she was accepted;

- **Burdensome request processes and long wait times for needed documents from the Internal Revenue Service.** For example, most financial information must be confirmed with a tax transcript or a verification of non-tax-filing status form that students must frequently wait weeks to receive.

As a result, many students selected for verification could experience negative consequences including:

- **Missing priority financial aid award deadlines.** For example, a student waiting for the IRS to return a tax transcript will not have a completed FAFSA on file with her state or institutions and may miss priority deadlines for limited federal campus-based aid, state aid and institutional aid;

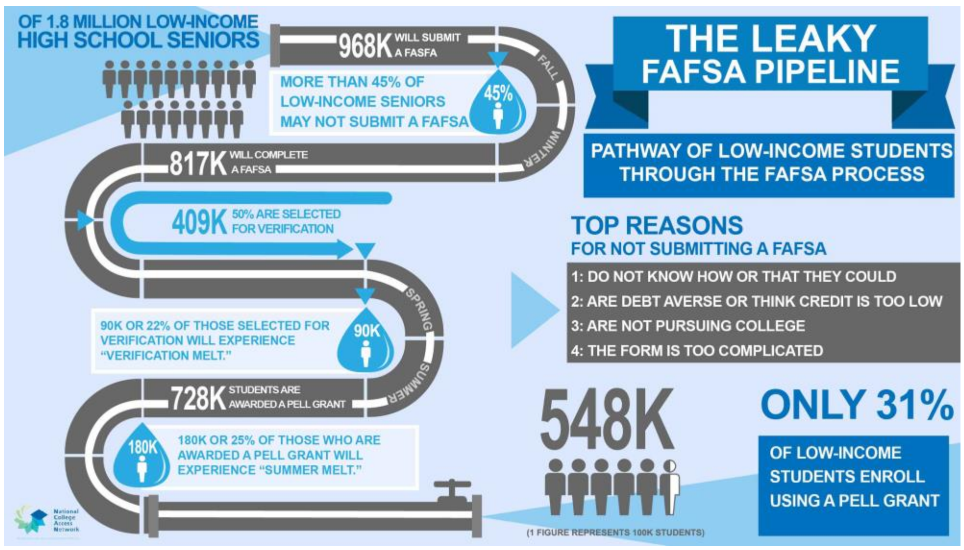
- **Missing enrollment deadlines due to lack of a financial aid package.** For example, without a FAFSA on file, an institution will not give a student his final financial aid award package, and a low-income student may not be able to accept an offer of enrollment without knowing if he can afford to attend;

- **Missing a start date for the semester.** For example, a student who hopes to enroll at an open enrollment institution or an institution with a rolling start class schedule (those ideal for adult learners returning to school) likely completed the FAFSA closer to the class start date, but could end up waiting until the next session to start because her FAFSA in-

[1] DeBaun, Bill. "On Declines and Verifications, In Sights from the Annual Pell Grant Report." National College Access Network blog. 13 July 2017. http://www.collegeaccess.org/BlogItem?dg=d6aa53e665a14c46a4f32a6f64614482

formation was not verified in time to award and process federal student aid needed to pay tuition.

Low-income high school seniors are particularly impacted by this process. As outlined on the Leaky FAFSA Pipeline, shown below and available online,[2] only 31 percent of low-income high school students are using a Pell Grant to attend college a year after graduating from high school. NCAN estimates that 22 percent of those selected for verification will not complete the process, and therefore, likely not enroll.



Historically, there have been several changes to verification with the goal of making it less burdensome on both students and institutions. Unfortunately, the changes created more of a "one step forward, two steps back" level of progress, according to the National Association of Student Financial Aid Administrators, who are greatly impacted by the burden of verification on their work time as well[3]. Institutions were previously capped at a 30 percent verification rate for their student body. That ceiling was eliminated, greatly increasing the burden on financial aid offices to complete the verification procedure for large portions of their students. While the goal of verification is to help institutions prevent improper payments from need-based aid programs, the proportional burden involved is not justified.

Adding verification to this NPRM agenda would allow for a thoughtful conversation among those stakeholders affected in order to make adjustments to verification to decrease the burden on both students and institutions, while maintaining a responsible level of scrutiny over tax dollars. It would expand the capacity of school counselors and college advisors to provide guidance on postsecondary pathways rather than navigating burdensome regulations. Further, these changes could make a great impact the number of students who are able successfully access, pay for, and complete postsecondary education.

---

[2] DeBaun, Bill. "Infographic: The Leaky FAFSA Pipeline." National College Access Network blog. 14 December 2017. http://www.collegeaccess.org/BlogItem?dg=25a2dd88-a0a9-4198-9fbe-1da7a06d290e

[3] History of Changes to Financial Aid Verification. National Association of Student Financial Aid Administrators. 25 July 2018. https://www.nasfaa.org/verification_timeline

Proposed Accreditation and Protection Changes

The Department's NPRM suggests altering the core functions of a handful of key consumer protections surrounding the accreditation process, state authorization, regular and substantive interaction, the credit hour, and the outsourcing of higher education programs. NCAN urges the Department to reconsider its position on these topics and to set a priority that any changes should focus on access to high quality degrees and credentials that are a good investment for both students and taxpayers. The changes proposed in the NPRM will do irreparable damage to the necessary foundation of consumer protections and quality in our higher education system for decades to come. Specifically:

1. The Department's proposal to weaken standards for accreditors in the name of reducing burden will only open the door for more bad actors to receive precious federal financial aid dollars, even when they consistently serve students poorly. College accreditors are supposed to ensure a basic level of educational quality for their students. Students are supposed to view accreditation as a stamp of approval for the quality of an institution of higher education. However, today's accreditation process doesn't always signify a good value for students or taxpayers. Right now, more than 680 accredited institutions leave over half of their students degreeless, unlikely to earn more than an average high school graduate, and unable to pay down their student loans.

2. Today's state authorization rules provide an assurance to online students that completion of their chosen postsecondary program will provide them the necessary credentials to sit for licensure exams in a state outside of where the institution is physically located. However, the Department's proposal to remove this requirement could effectively render degrees worthless for students—all because the school was no longer required to get approval in the state where it offered an online education. Rolling back this protection diminishes states' rights to protect their own residents, and could exacerbate workforce gaps in critical fields by graduating students unable to get the credentials they need to enter the labor market where they live.

3. The "regular and substantive interaction" rule was established to require students have contact with a live subject-matter expert. The Department's proposal to loosen requirements even further for institutions offering online education is a step in the wrong direction. Being taught by qualified experts is a critical component to student success in postsecondary education. Yet until the "regular and substantive interaction" regulation was created in 2008, many programs—especially those in the growing online education sector—abandoned students to learn course material through textbooks or online videos, rather than with the guidance of knowledgeable instructors. These programs will continue to access billions in federal student aid, all while effectively leaving their students to access complex postsecondary material completely on their own.

4. The Department's current proposal to weaken the credit hour rule will allow institutions to receive more federal money for less time spent on education, ultimately leaving students and taxpayers with no guarantee that they're getting the postsecondary education they're paying for. The defini-

tion of the credit hour was designed to ensure that students' federal aid and tuition dollars help them earn a quality award or degree no matter what college they attend. Currently, Congress awards federal financial aid entirely on the basis of credit hours. College credits earned by students actually signify a baseline amount of time and learning they did while in school. For example, prior to passing the credit hour rule, one institution was awarding up to 27 hours of credits for each semester, even though similar institutions evaluated the same workload as 18. As a result, institutions receiving federal aid dollars were able to bill students whatever they wanted, even while providing less instruction than what is the industry standard.

5. Students should know when an institution outsources their educational programs to unproven entities. Today, students—and the taxpayers who help finance their educations—have basic assurances that the institutions and programs they're attending have been approved by the state, accredited by a recognized accreditor, and are subject to a battery of requirements, like passing a financial viability test from the Department of Education. Yet, the Department is proposing to strip these assurances by allowing colleges to outsource a majority of their educational programming to untested entities, putting the quality of students' degrees at risk. Doing so could obscure who's really teaching students and how well they're doing it. As a result, students may end up paying for a program they don't know is more expensive and lower-quality, which fails to prepare them with the skills they need to enter the workforce.

Considering the five concerns noted above, NCAN urges the Department to reconsider its position on these topics during this negotiated rule-making process. The first priority of any changes in these areas should be to ensure students are accessing high quality credentials and degrees that they can count on to deliver the learning they desire, not to open the door in the name of innovation to actors looking to exploit scarce federal dollars through the financial aid system.

It is the sincerest effort of our members to help underrepresented students pursue and complete postsecondary education. These programs, usually through college advisors placed in high-needs high schools or after-school programs, encourage students to attend the school that is the best financial match and academic fit for their interests. Our advisors count on the accreditation process and eligibility for federal financial aid to accurately guide students in their selection of a postsecondary pathway. Weakening these protections will make it harder for students and their advisors to know which programs are a good choice.

Further, the most common support element across our diverse group of members is providing support in FAFSA filing and verification. Students are spending precious time on this process and under the proposals in this NPRM could be doing so to access an education that does not provide them a benefit.

NCAN reiterates its request that the Department reconsider the outlined consumer protections surrounding the accreditation process, state authorization, regular and substantive interaction, the credit hour, and the outsourcing of higher education programs while also adding FAFSA verification to this NPRM agenda. FAFSA verification fits within the Department's goal to decrease barriers to completion and graduation for students. Thank you for your time and consideration.

National College Access Network

Sincerely,

Kim Cook

Kim Cook
Executive Director