

Testimony of Tanya Ang
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Good morning – My name is Tanya Ang and I am Vice President of Veterans Education Success. We appreciate the opportunity to share our thoughts and concerns with you regarding the Department’s proposed regulatory changes. VES understands the desire to encourage and improve innovation in higher education but takes issue with several of the regulatory rollbacks that consequently undermine critical protections for students while permitting low-quality education providers to waste taxpayer dollars. These regulations were put in place after bad actor schools bilked the Department and cheated taxpayers out of hundreds of thousands of dollars. Of these numerous proposed changes, today, I want to focus on the following two key issues: Regular and substantive interaction for online education programs and state authorization.

Regular and Substantive: Online education has the potential to provide education to students who otherwise might not be able to participate in person. This is the case for service members serving overseas who want to continue their education without interruption. For them to get the quality education they expect, deserve, and pay for, regular and substantive interaction between professors and students is of necessity. Without this interaction, students and taxpayers end up paying astronomical prices for something that amounts to a computerized textbook. In 1992, in the wake of the U.S. Government Accountability Office report that found modern correspondence schools had twice the student loan default rates as other colleges and universities, Congress resolved to act. They decided that institutions had to show that they offered students “regular and substantive interaction” with faculty members at least half of the time, or for at least half of the students to receive federal aid. The regular and substantive interaction requirement prevents institutions from handing out worthless diplomas that waste an immense amount of federal funds. It is imperative that changes do not condone worthless online degrees void of any human interaction at the expense of taxpayers.

State Authorization: States have a long history of protecting students from predatory and low-quality colleges. They are a crucial member of the program integrity “triad” with the accrediting agencies and the Department, providing vital oversight in ensuring colleges are complying with both federal and state law. The current state authorization regulations require colleges to obtain each state’s authorization to offer their programs to students in that state and receive federal financial aid. The Department should ensure that states maintain their ability to authorize schools that meet their standards and protect their citizens from fraud and other abuses.

Narrowing oversight of the states would not only allow for more predatory schools to enter the marketplace but would strip individual states of their long-held ability to protect their citizens

right to receive quality educations. Curtailing their ability to authorize colleges and enforce applicable state laws against predatory institutions infringes upon state autonomy and moves this responsibility onto federal regulators and the cost onto federal taxpayers. Additionally, we need robust disclosure regarding all college programs, specifically distance education or correspondence courses, to protect prospective students and make certain they can make fully informed decisions in the market when considering enrollment. Eliminating these disclosure requirements would put students at a disadvantage as it would open the door for aggressive and deceptive practices by recruiters and schools.

Conclusion: The Department must be a good steward of tax payer dollars and therefore keep quality standards that protect both students and taxpayers. This is evidenced by the recent fraudulent practices and closure of institutions such as ITT Tech and Corinthian Colleges. These schools showed that there are bad actors attempting to defraud students and the government. The weakening of these proposed regulations would pave the way for similar bad actors to offer low-quality education and hurt those we represent - service members, veterans, and their families who use their hard-earned military education benefits to go to school and are often the targets of predatory schools looking to capitalize on these benefits. Many are first generation and other underserved student populations who believe the federal government's stamp of approval for the school to offer title IV funds means the school is a high-quality school. Unfortunately, we know all too well, this is not always the case. Unfortunately, students find out too late that this is not always the case.

The Education Department's mission is to promote student achievement and quality education. Weakening or removing current protections would directly contradict that mission.