

CAPPS Legislative Conference

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Sacramento, California

April 16, 2018

All Summer Vacations Cancelled!



2018: The Regulatory and Legislative Environment for the Future.

Key Items:

1. ACICS

2. GE

3. BDR

4. HEA ?

5. Veterans Benefits

6. Audit Guide



ACICS

ACICS:

1. Judge Reggie B. Walton

U.S. Court of District of Columbia

March 23, 2018

2. June 12 Deadline gone!

3. PPPA gone!



Gainful Employment (GE)

GE:

1. NPRM in June
2. 45 Days for Comments?
3. Final Rule by Nov. 1st
4. Effective July 1, 2019



GE:

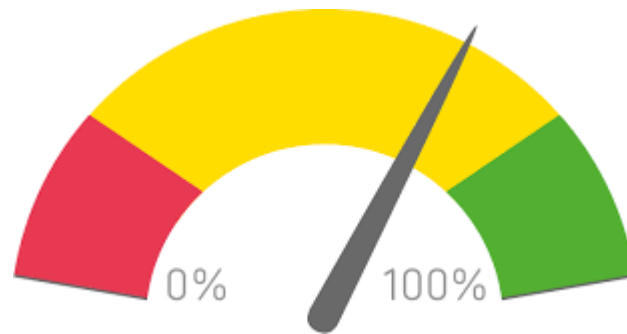
Scope and Purpose:

- “Education Program Disclosures and Certifications”
- All undergraduate programs **funded by Title IV (PPPA)**
- **Debt/Earnings:** (Federal Loans, 5th year of earnings, 10-15 year Amortization)
- Possible 2nd metric: **Repayment Rates**



GE:

- “Pass, Fail and Zone” gone!
- Replacement: “Meets Benchmarks” vs. “Don’t meet Benchmarks.”



GE:

- **Sanctions:**
 - No denial of Title IV Access
 - Limit Program expansion beyond 10 percent?
 - Program Reviews?

Borrower Defense to Repayment (BDR)

BDR:

- **A Federal Standard**
- **Beginning with loans dispersed July 1, 2019**



BDR:

- **Evidentiary Standard**
 - Preponderance of Evidence
(delayed rule)
 - Substantial Weight of the Evidence
(middle ground)
 - Clear and Convincing Evidence
(highest standard)

BDR:

- **Misrepresentation**
 - “Statement, act or omission.....to a borrower that is intentionally false or misleading or made with reckless disregard for the truth.”

BDR:

- **Process:**

- Student **must file petition** stating basis for claim
- If accepted: **45 – 30 – 15**
- Award calculated on **both borrower's financial harm and education benefit**

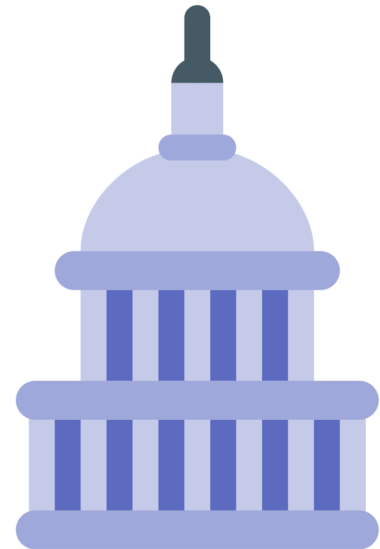
BDR:

- **Financial Responsibility:**
 - LOC's gone
 - Triggers for Department action defined
 - 6-year Transition for operating leases

BDR:

- **Dispute Resolution:**
 - Pre-dispute arbitration agreements
restored
 - School required to notify each student of
process annually

Higher Education Act (HEA)



HEA:

- HEA has become “America’s Workforce Investment Strategy!”
- HEA was last reauthorized in 2008!
- The Alexander/Murray Relationship will determine outcomes.



HEA:

- New Challenge: Access to Veterans
 - 35 Veterans Organizations criticize Foxx Proposal!



Don't Forget "Regulatory Reform!"



Regulatory Reform:

Look for the Department's Spring Regulatory Reform Agenda:

- State Authorization
- Definition of Credit Hour
- Distance Education “Regular and Substantive” interactions with students
- Accreditation

Audit Guide



Audit Guide:

- Meeting with Inspector General on Hill Day 2018
- Taking input for future revision of Audit Guide
- OIG Staff will make presentation at CECU 2018 Convention

Cancelling your Summer Vacation!



The Most Recent NPRM's:

- GE in 2014: 95,000 public comments
- BDR in 2016: 50,000 public comments



Comments:

Assume 2/3 of those comments came from opponents of our sector!

- GE: **63,333 comments** on GE!
- BDR: **33,333 comments** on BDR!



2016/2017 Proprietary Schools Awarded Title IV:

• 4-year:	514
• 2-year:	830
• Less than 2-year:	<u>1,481</u>
TOTAL:	2,825



This Means:

For us to match our Opponents we will need:

- 22 public comments/school on GE!
- 12 public comments/school on BDR!

Let me repeat that:

For us to match our Opponents we will need:

- **22 public comments/school on GE!**
- **12 public comments/school on BDR!**

California:



**There are 335 Proprietary
Schools in California using
Title IV.**

This means:

We need:

- 7,370 public comments from California on GE!
- 4,020 public comments from California on BDR!



California:

Today, only 90 schools in California are members of CECU.

- We need **non-CECU members** to provide:
 - 1,980 comments on GE!
 - 1,080 comments on BDR!

In Closing:

- 2018 will define the federal regulatory environment for years to come.
- Will you do your part?
- Please, no vacation until you have!

2018 CECU Annual Convention & Expo

JOIN US AT THE **PREMIER EVENT** FOR THE
POSTSECONDARY CAREER EDUCATION SECTOR

#CECU18



CECU Annual Convention June 3-6, 2018

Registration is now open at

www.cecuevents.org/convention

Thank You!

CECU | Career Education
Colleges and Universities