

## MEMORANDUM

**TO: ASAHP Members**

**FROM: Kristen Truong**

**DATE: April 4, 2019**

**RE: House Education and Labor Committee, Higher Education and Workforce Investment Subcommittee Hearing on “Strengthening Accountability in Higher Education to Better Serve Students and Taxpayers”**

April 3, 2019, 9:00 AM, 2175 Rayburn

[\[HEARING LINK\]](#)

### **Overview:**

The House Education and Labor Committee, Higher Education and Workforce Investment Subcommittee Hearing on “Strengthening Accountability in Higher Education to Better Serve Students and Taxpayers” to discuss the current roles and necessary reforms to the accountability triad: the federal government, states, and accreditors.

Both Republicans and Democrats believed that student success should be a metric measured by accreditors to determine a college or university’s success. Republicans further encouraged the use of performance-based funding, which pushes for student completion and alignment to college mission, and also for colleges to share more in the risk of financing a student’s education through innovative practices. Democrats believed that performance-based funding could lead to inequities, where colleges may not admit underrepresented, more at-risk individuals.

Many Democrats focused on the lack of accountability and transparency measures put in place by the Department of Education to protect students from for-profit institutions. Similar to the last Congress, for-profit institutions were a strong point of contention with Republicans and Democrats questioning the possibility of a bipartisan HEA reauthorization. Rep. Joaquin Castro touched upon the issue of articulation agreements between community colleges and universities and how credits may not transfer equally to all universities.

### **Opening Statement Summaries:**

#### **Subcommittee Chairwoman Susan Davis (D-CA) [\[Full Statement\]](#)**

Today, we are here to discuss the need to have stronger college accountability, which is critical to ensuring students are accessing a quality higher education. Our higher education system maintains its integrity through the “accountability triad”: the federal government, states, and accreditors. The accountability triad is intended to provide robust oversight of colleges and universities. But the recent wave of for-profit college closures raises serious questions about its effectiveness, and unfortunately, students and taxpayers are paying the price.

To maintain the integrity of our higher education system, the triad must work as interdependent members actively coordinating to achieve the goal of ensuring students receive a quality education. Accreditors—traditionally the guardians of higher education quality—must be more effective at upfront gatekeeping and ongoing monitoring. That means setting standards that vary by institutional mission, using data to hold schools accountable, and standardizing procedures.

States also play an important role in the accountability triad. We must encourage states to enforce minimal standards related to consumer protections. Reviewing marketing practices and enrollment contracts when authorizing colleges are just a few areas where states could take a more active role. And when the state finds concerning patterns, the state should, at the very least, bring those concerns to the attention of accreditors and the Department of Education.

The Department of Education must ensure that schools receiving access to federal student aid are financially stable and are not defrauding students. And, in cases where students are cheated, the Department must provide relief. Specifically, this Department has:

- Neglected to intervene when schools are putting students and taxpayers at risk;

- Reinstated the troubled Accrediting Council for Independent Colleges and Schools or A-C-I-C-S;
- Failed to oversee low-quality, career programs;
- Decreased college transparency, making it harder for students to make informed decisions; and
- Failed to quickly provide relief to defrauded students despite being ordered to implement this protection by a federal court judge.

As we consider ways to modernize the Higher Education Act to meet the needs of our modern workforce, we must strengthen accountability and ensure our current problems aren't exacerbated in the next reauthorization. I look forward to working with all my colleagues to find solutions that ensure all students have access to a quality postsecondary education that leads to a rewarding career.

#### **Subcommittee Ranking Member Lloyd Smucker (R-PA) [\[Full Statement\]](#)**

A postsecondary education has long been one of the surest pathways to a good-paying job and lifelong success. Unfortunately, as student access has improved, program accountability and completion of college have struggled to keep up. We have a completion problem – and students are paying the price. Over the last 30 years, the cost of attending a four-year public institution has increased 213 percent. Only 58% of full-time students at four-year colleges graduate within 6 years.

The absence of downward pressure on rising costs paired with the fact that postsecondary institutions don't share in the risk of students' noncompletion has harmed students' chances at future success. It's clear that the federal, state, and accreditors roles in postsecondary education must be reformed to protect taxpayers and promote student success.

Accreditation agencies, independent bodies made up of members from accredited colleges and universities, provide quality control in the higher education space. Unfortunately, accreditors are often on the back foot, having to focus on bureaucratic compliance more than on promoting innovation and academic integrity. Committee Republicans believe the accreditation process should be reformed to foster institutional innovation and strong educational outcomes for students.

The Higher Education Act should be reformed to provide prospective students and their families with better information. Higher education is an investment, and students deserve access to metrics like graduate rates, average debt per pupil, and employment outcomes by university and field of study. From rising tuition and student debt to lagging innovation and low graduation rates, every problem is interconnected. But if we strengthen our accountability in higher education and reform accreditation to focus on quality and results, we can begin to restore the balance of flexibility for institutions to innovate and accountability for students and taxpayers.

#### **[Full Committee Ranking Member Virginia Foxx Statement](#)**

##### **Witness Testimony**

**Professor Nicholas Hillman, Ph.D.**, Associate Professor, University of Wisconsin-Madison [\[Full Testimony\]](#)

**Ms. Melissa Emrey-Arras**, Director, Education, Workforce, and Income Security Issues, US GAO  
[\[Full Testimony\]](#)

**Mr. Noe Ortega**, Deputy Secretary, Office of Postsecondary and Higher Education, PA Department of Education [\[Full Testimony\]](#)

**Ms. Barbara Brittingham, Ph.D.**, President, New England Commission of Higher Education [\[Full Testimony\]](#)

##### **Q&A**

**Subcommittee Chairwoman Susan Davis (D-CA):** The Department has stepped away from implementing gainful employment regulations, for example. State AGs have stepped in to fill this role. How your state AG supported oversight and enforcement? What about authorizers working with AGs?

**Mr. Ortega:** Credit and tuition recovery has grown increasingly important in the state. Good partnerships between states and emerging players trying to get better organized.

**Subcommittee Chairwoman Susan Davis (D-CA):** What about state role with accreditors – you discuss they shouldn't be the sole arbitrators of quality? What do you think minimum standards requiring states to adopt?

**Mr. Ortega:** State HE Association for Executive Officers has done a great job bridging those conversations. More players have to come to the table for those discussions. There's an understanding of sharing accountability. Federal government plays a significant role in nudging that along.

**Subcommittee Ranking Member Lloyd Smucker (R-PA):** Postsecondary education is changing. With lifelong learning, how do we think about that? How does PA relying on our higher education to promote career readiness?

**Mr. Ortega:** In attracting new folks to come into PA, frameworks focus on the importance of postsecondary education. In PA, we have cradle to grave strategies to put career pathways early on so folks to go into some kind of postsecondary education. They should enter postsecondary education that emphasizes high quality and rigor so those who exit have the skills needed to do well.

**Subcommittee Ranking Member Lloyd Smucker (R-PA):** Innovation, competency-based education can be a factor in driving down the cost of college for today's students. Do you believe the federal government constricts your ability to allow your member institutions to test new methods of delivering education?

**Dr. Brittingham:** It's important to have safe guards. Speaking of New England, our institutions are continuously innovative. Southern New Hampshire University has a large online program. I'm hoping HEA has room for institutions and accreditors to experiment with some safeguards. Experimental programs at the Department are good efforts but there hasn't been an effort to see what worked and what hasn't worked.

**Committee Chairman Bobby Scott (D-VA):** Who in the triad should review the cost of tuition? Is this something accreditors are looking at?

**Dr. Brittingham:** We all have some responsibility and we need to look at published and actual costs and see the extent to see how colleges can enroll students across the economic spectrum and that students aren't left with lots of debt. We don't look directly at cost but we look at loan default and this year, we started looking at loan repayment rate.

**Committee Chairman Bobby Scott (D-VA):** Importance of using credit hour of measure for student aid and how that would affect someone taking remedial courses?

**Dr. Brittingham:** Credit hour is an imperfect measure but only currency we have right now. A lot of our institutions are looking at experiences alongside credit bearing courses so students don't get stuck in remedial courses that use up their federal financial aid.

**Committee Chairman Bobby Scott (D-VA):** For distance education, why is it important to have regular and substantive interaction with instructors and what would happen if you got rid of those regulations?

**Dr. Hillman:** Commuters and students of color tend to struggle with only an online presence. Face to face contact there's a little bump there.

**Rep. Elise Stefanik (R-NY):** Traditional first-time, full-time student is now the minority. In my district, we see students coming back to college or CTE because our regional economies are becoming more diverse and specialized. You discuss how states are looking to hold institutions accountable for the performance of specific student subgroups in meeting the state's postsecondary education or career goals. What do some of these efforts look in practice and how are states taking into account the unique mission and capacity of each institution and the local community?

**Mr. Ortega:** We're taking a step back to see system's original mission and who was it set up to serve. When we talk about postsecondary attainment, it should be inclusive of all pathways that are available at the moment when they need them. We've started to reframe the narrative.

**Rep. William Timmons (R-SC):** One correlation of high default rates is low graduation rates. How much emphasis should each Member of the triad put on considering college completion rates to improve accountability to student and taxpayers?

**Dr. Hillman:** College completion is central. There are mechanisms along the way for students to manage their debt better and be well prepared for a career that will pay off. Part is financial literacy, labor markets, and institutions to deliver high quality education.

**Rep. William Timmons (R-SC):** PA is implementing performance-based funding. What are the outcomes? Why did they move to this? What's the overall impact?

**Mr. Ortega:** In exchange for flexibility, there's a need, with tuition changes, that they're accountable for student success goals. We're in a phase of a new influx of students into the system. We're trying to understand the completion agenda. Performance funded pushed for completion and how spending ties into the mission.

**Rep. William Timmons (R-SC):** Accreditation takes a lot of time and is costly?

**Dr. Brittingham:** Accreditors ask institutions to compile and analyze things that they should do along the way. Some cost studies include the cost of preparing for accreditation but also what feeds into accreditation, like the Institutional Research Office. Volunteer structure keeps the cost low.

**Rep. Mark Takano (D-CA):** Last year, Rep. DeLauro and I requested a report investigating how institutions use consultants to manage cohort default rate. CDR ensures institutions don't have too many students defaulting on student loans. What did your report find?

**Ms. Emrey-Arras:** 5 out of 9 consultants which served 800 schools focused on pressuring borrowers to pick forbearance over IDR, which could've been better. They might have incorrect or missing information, so borrowers thought they would only have forbearance as an option.

**Rep. Brett Guthrie (R-KY):** For students and families, many students enter into binding loan contracts without completely understanding the consequences. Working with **Rep. Elijah Cummings (D-MD)**, I introduced the [Net Price Calculator Improvement Act](#) and reintroducing the [Enhanced Financial Counseling Act](#). Which financial aid practices have been the best?

**Dr. Hillman:** 2 things: 1) simplicity – developed [Bucky's Tuition Promise](#) to assure WI students whose families make less than \$52,000 income that tuition fees covered by universities and 2) it's not enough to provide info – people need to know how to navigate the system too.

**Rep. Brett Guthrie (R-KY):** What is PA doing to help counsel students about federal and state-based opportunities and obligations?

**Mr. Ortega:** PA is investing that students are financially literate and to distinguish between need-based aid grants and scholarships. We passed a loan summary notification given to students each year informing them of their debt up to that point that doesn't use the technical language.

**Rep. Glenn Grothman (R-WI):** With Bucky's Promise depending on family income, how do compute family income?

**Dr. Hillman:** AGI from tax forms.

**Rep. Glenn Grothman (R-WI):** Dual enrollment is becoming a bigger thing in WI and is a tremendous thing. Credentialism for people teaching these students? There's a concern with high schools and colleges that more credentialism on teachers, you have a hard time finding the teachers to teach these classes.

**Dr. Brittingham:** An empirical study that follows up on these dual enrollment students is needed to see where the students end up. Students do benefit by having well qualified teachers. Distance education that anyone teaching a college level course is prepared.

**Rep. Suzanne Bonamici (D-OR):** I'm concerned about DoED's to provide more flexibility and less oversight through the negotiated rulemaking. Accreditors need to take warning signs during the process. Can students base judgements on accreditation alone and what else should they look at?

**Dr. Hillman:** Examples include long-term loan repayment outcomes.

**Full Committee Ranking Member Virginia Foxx (R-NC):** I'm disappointed in what I've heard from my colleagues in what was supposed to be a bipartisan hearing. I thought we were here for students for accountability in how institutions are serving students. It's too easy to group bunches of institutions together and say these schools aren't serving students. In reality, we're talking about people's lives. Every student that isn't served well is a life losing time, potential, and impact. These individuals are the reason we should be here. To sit here and grind against certain types of institutions you don't like is disgraceful. This should be a conversation about all students, all institutions, all taxpayer dollars. We need to look at some stats. ECPY (a 2-year for-profit) has a graduation rate of 44% and its graduates make an average of \$34,600 after they graduate. Hudson Community College (2-year public school) has a graduation rate of 10% and its graduates make an average of \$28,700 after graduation. Savannah State University (4-year public) has a graduation rate of 27% and its graduates make an average of \$31,300 after graduation. If my colleagues on the other side of the aisle want to talk about protecting taxpayer dollars, we should talk about protecting all taxpayer dollars

which includes the approximately \$50 billion a year public institutions across the country get from their state in addition to the \$76 billion taxpayer dollars at the federal level. Approximately 20 million lives are at stake here. For a majority of this population if they fail, the chances are small that they will ever try again. It's disappointing that my colleagues have spent the entire hearing talking about a sector that enrolls only approximately 10% of the total population. From the beginning of our process, postsecondary education systems are not serving students well and that's what we need to be talking about in these hearings. We need comprehensive reform. I thought there was a bipartisan idea around the idea of wholesale reform. That really isn't the case. It's a true shame. Dr. Brittingham, how will graduation, retention, loan default, and loan repayment rates will be used as your organization's review process? Why did your agency decide to undertake this effort? What successes have you found? To what extent are other accrediting bodies use student outcome metrics in their respective processes?

**Dr. Brittingham:** All regional accreditors use them in different ways. Our commission has looked at financial info on loan defaults for 7-8 years and write institutions that meet a trigger, that's more conservative than the Dept, and ask what they're doing to help student default rate. Last couple of years, we're looking at student repayment rates because it's cast in a more positive light as students are making minimal progress then. A couple years ago, regional accreditors decided to look at institutions with low graduation rates. We looked at 2-year institutions that had 3 year graduate rates at or below 15% and 4 year institutions with 6 year graduation rates at or below 25%. We each did it a little differently. Report is on our website. In New England, we wrote each institution asking was data correct?; what did they know about graduation and retention rate?; what were they doing?; how effective?; and what more were they planning to do? Almost all were community colleges and adult serving institutions. We learned the importance of local research capacity to learn where students were having problems.

**Vice Chair Andy Levin (D-MI):** Under Sec. DeVos, regulations would allow colleges to outsource programs to unaccredited, unaccountable providers. Do you think outsourcing might weaken the rules and frameworks that Congress put in place through Program Integrity Triad?

**Dr. Hillman:** Yes, key part of triad is accreditation process.

**Vice Chair Andy Levin (D-MI):** Accreditation decisions determine whether schools can get federal financial aid. I worry that accreditors identify problems internally without letting students know. In recent cases, accreditors and colleges know about dire financial problems before students do. 2014 GAO report that looked at accreditors use of adverse actions. Do you find accreditors take action when a school has poor student outcomes?

**Ms. Emrey-Arras:** No, we found no relationship between sanctions and student outcomes. One recommendation that the Dept has not implemented is to look at the sanction data when it's in the process of recognizing accreditors to assess whether accreditors are doing their jobs. If an accreditor is sanctioning only 2% of their schools, it could raise questions about whether they're appropriating sanctioning.

**Vice Chair Andy Levin (D-MI):** More than 30 states use some sort of performance-based funding. These funding systems are designed to reward colleges for achieving outcomes, like increasing number of degrees awarded or achieving high graduation rate. Often fail to address underlying differences in resources missions and student bodies. Congressional Republicans are pushing a similar model at the federal level through various risk sharing models. Impact of performance-based funding models on equity?

**Dr. Hillman:** Colleges that have the most resources tend to get the most money from performance model. I concern about if the metrics paint a fair picture of what actually happens in broad access colleges and minority serving institutions.

**Rep. Lori Trahan (D-MA):** College Scorecard provides data for federal financial aid recipients but leave out students who go to college without debt. Federal graduate rate only considers first time full time students. How can federal government provide better info to students and families before taking on student debt?

**Dr. Hillman:** One is measures of averages and distribution of future income. Information needs to be disaggregated by race and class and needs to be put out there. There needs to be proactive connection between an advisor and student.

**Mr. Ortega:** We've gotten good at transactional outcomes of postsecondary outcomes but need to take a step back to cultivate a postsecondary guidance plan as they move K-12. Gatekeepers from higher education institutions need to take a guidance/counseling role as they begin to recruit students.



**Rep. Lori Trahan (D-MA):** It concerns me that states and accreditors are not doing enough to provide underrepresented students with their return on investment. What can the federal government do to clarify data measures used as accountable measures for institutions of higher education to be more inclusive of those that don't fit the traditional mold?

**Ms. Emrey-Arras:** Our work at GAO focuses on these older students population. We recently did work around food insecurity as many students on campus go hungry and ways to access food support through federal government. We have ongoing work at student-parents and their access to federal student aid.

**Rep. Alma Adams (D-NC):** CAP report found regional accreditors collect data on student outcomes but rarely use it in final decisions to accredit an institution. Too many institutions have performance gaps by race and income. Should members of triad be concerned on outcomes by race, ethnicity, income, and gender?

**Dr. Hillman:** Yes, specifically when it comes to value added of college it's important to look at a range of outcomes.

**Rep. Alma Adams (D-NC):** HBCUs presidents expressed concern that peer review process allows too many personal biases into the process and have negative impacts especially for small, low resourced institutions as the same standards are applied as the best endowed institutions. Accreditors hold a belief that when institutions reach a state of extreme difficulty, the accreditor would rather remove them for membership than rectify the issues. Your response? How can Dept conduct better oversight of accrediting agencies?

**Ms. Emrey-Arras:** Use sanction data and compare to outcome measures in terms of students. Whether accreditors are doing jobs and holding schools accountable for student outcomes.

**Rep. Joaquin Castro (D-TX):** I often see work wins out over education and students drop out. They're then left with the debt. Students often make decisions based on cost. Community colleges are often cheapest but often have the lowest completion rate. What are we doing about this?

**Mr. Ortega:** We seem to not be able to adapt to knowing students have to work during college too. We need to do more to adjust the traditional structures of higher ed. Historically disadvantaged students often seek out those opportunities, even by unaccredited institutions.

**Dr. Brittingham:** Institutions haven't always been about making class schedule predictable for students. If work and class schedules are unpredictable, it's very difficult. We see many community colleges follow guided pathways to increase predictability of offerings and narrow their choices.

**Rep. Joaquin Castro (D-TX):** What progress have we made on articulation agreements between community colleges and universities. In TX, locally and regionally, agreement are usually pretty strong, but if you go to community college in San Antonio and try to go University of Dallas, there isn't much coordination. People go to school for 2 years but get credit for less and lost out on that time and money.

**Ms. Emrey-Arras:** We've done some work at GAO on credit transfer issues and articulation agreement issues. One challenge is that while schools are required to provide that info to students, they are not required to do so online. We made a recommendation to DoED to require schools to post their articulation agreements online so students have access to that information.

### **Closing Statements**

#### **Subcommittee Ranking Member Lloyd Smucker (R-PA)**

This is an important conversation. We believe this conversation about accountability and rebalancing the triad is critical to the future of all students. We appreciate your time and devotion to making sure students are receiving a high-quality education for a lifelong success.

- 1) Issue of for-profits – we all agree that there are bad actors. We've seen false marketing, price gauging, and inaccurate employment prospectors. This is across all segments and sectors of schools. We are not maligning a group of schools that truly serve students well. We're not allowing some bad actors to poison the whole segment that's helping students. I know they're helping students because I've talked to students in my district who attended for-profit schools. They are now engaged in careers as direct result of that education. There are a number of studies on this topic. Gallup report entitled "[Toward a Better Future: Exploring Outcomes of Attending Career Colleges and Universities](#)" was done for Career Education Colleges and Universities which are for-profit schools. One critical finding is that the majority of alumni are satisfied with education and training received from school and how well the school prepared them for their

career and would recommend the school to others. Another is an article in the Hill by Daniel Elkins entitled "[We must support veterans and not politicize their education](#)".

- 2) Other issue is a comment made regarding the effect of public aid on tuition costs – Bennett hypothesis. A comment earlier said that only applied to non-profits and not public schools. There was an offer made to review that and I think it's an excellent discussion to have. 2 studies to enter into the record: [Bennett Hypothesis Turns 30](#) (Jenna Robinson) and [Credit Supply and Rise in College Tuition: Evidence from Expansion in Federal Student Aid Programs](#) (Fed Reserve Bank of NY in 2015). First study reviewed 25 studies on Bennett Hypothesis. Clear majority (14 of 25) found some effect on federal subsidy on the price of higher education market. For example, 1998 study showed that public colleges and universities increased tuition by \$50 for every \$100 in aid. 2015 study showed the passthrough effect on tuition of changes in subsidized loan maximums on about 60 cents per dollar.

Billions of taxpayer dollars finance postsecondary education. As we learn from GAO testimony, the accountable process can be ineffective and outdated. Dr. Brittingham provided a fresh perspective on the good work accreditors can do to measure institutional outcomes as well as inputs. More can be done to align incentives so that colleges and universities share in the risk of financing a student's education. Institutions today are largely immune to consequences as long as their students don't default in massive numbers. Any bill to reform HEA should consider how students, how every institution, and how the federal government can work in concert to ensure high quality education and return on investment for all stakeholders.

#### **Rep. Alma Adams (D-NC)**

We're aware of the Gallup study published in coordination with the trade association of for-profit colleges. The report is full of flawed methodologies. Our staff will be happy to share those concerns. I want to clarify what bipartisan means. It means that the majority and the minority have negotiated all witnesses and negotiated the topics discussed. It does not mean that Members on either side should temper or alter his or her questioning to avoid areas of legitimate policy disagreement. There are areas of legitimate agreement, but the role of for-profits is not one of them. If Republicans and Democrats were on the same page on for-profit companies, we wouldn't have dualing bills during the last Congress.

Our Members are hearing from constituents that are impacted from these bad actors and not protecting certain sectors. Strong accountability for our college and universities are vital for ensuring quality higher education. There are differences between institutional sectors that we cannot ignore. Data shows us that while for-profits enroll 9% of students, these companies account for 34% of student loan defaults. It's important we understand where the problem lies to create the appropriate solution. As we talk about accountability, it's imperative we focus on the institution where the outcomes are the most devastating.

As we heard today, the Trump Administration has reduced information available to students making it harder for students to make informed decisions about where to enroll. This DoED has failed to implement Obama era rules established to protect students from low performing institutions. It has shirked its responsibility to hold predatory institutions responsible for their actions. This Department's actions solidify an ecosystem of waste, fraud, and abuse. The accountability triad, DoED, state authorizers, and accreditors can only uphold quality standards if all entities do their part to improve oversight and transparency. For too long, lax accountability measures have failed to catch unsustainable, low quality schools that put students and taxpayers at risk. Fraudulent for-profit schools have devastated student and taxpayers from preying on veterans to abusing federal aid money. These institutions continue to target vulnerable students while leaving them with worthless degrees and crushing debt.

As this committee considers a comprehensive reauthorization of HEA, we must take steps to strengthen all parts of the accountability triad and restore the integrity of our higher education system. [AIM Higher Act \(HR 6543\)](#) introduced last Congress was comprehensive and focused reforms to strengthen accountability across the board. Reforms included would strengthen the cohort default rate to flag chronologically negligent schools and would close the 90/10 loopholes to prevent for-profit colleges from aggressively luring vulnerable student veterans at the taxpayer expense. It would ensure for-profit schools seeking non-profit status could not skirt accountability rules by changing a tax designation on paper. It would require accreditors to set standards and

be transparent with the public on those standards. We hold the DoED accountable for working on behalf of students, not companies. I look forward to working with my colleagues that will strengthen accountability of higher education and ensure the highest quality of postsecondary education for all citizens.

### **Questions about for-profit institutions:**

Several Democrats asked questions and gave comments relating to for-profit institutions:

- **Subcommittee Chairwoman Susan Davis (D-CA):** There are different accountability standards for for-profit institutions. State approval can vary by sector. Some states make public institutions meet a higher bar than for-profit institutions. Why?
  - **Mr. Ortega:** State authorizations for public institutions have been around for a longer time, whereas for-profits haven't been around as long. Some cases, states have hunted on quality assurance and accountability for institutions, like the accreditors that need to be improved.
- **Rep. Joe Courtney (D-CT):** There needs to be greater transparency for for-profit colleges, especially in regards to veterans. 90/10 rule however GI bill benefits were not treated as government funds under that rule. GI bill is a magnet for for-profit colleges. Is it time to treat those funds as government funds? We need to rebalance this.
- **Rep. Mark Takano (D-CA):** Many for-profit students are waiting for loan relief. For-profit institutions manipulated their composite scores to avoid sanctions from accreditors.
- **Rep. Alma Adams (D-NC):** For-profit institutions have low graduation rates, and students are 4x more likely to default on loans.
- **Rep. Pramila Jayapal (D-WA) and Rep. Ilhan Omar (D-MN):** For-profits need to be held accountable for their student success. They prey on low-income students and students of color.

### **Question about Composite Financial Score:**

- **Subcommittee Ranking Member Lloyd Smucker (R-PA):** Postsecondary: I'm concerned about the extent to which the current financial composite score fails to capture an institution's true fiscal capacity. I'm concerned about mandating a fix within the HEA – what can Congress and DoED do to update the financial composite score measurement to account for future accounting practices while still protecting taxpayer funds?
  - **Ms. Emrey-Arras:** We believe the Department needs to update it, but we weren't prescriptive. We'd leave it to the Dept.