Rebuilding America's Middle Class
A COALITION OF COMMUNITY COLLEGES

Ms. Hilary Malawer
U.S. Department of Education
400 Maryland Avenue, S.W.
Room 6E231
Washington, D.C. 20202

September 20, 2017

Dear Ms. Malawer: Re: ED-2017-OS-0074-0001

Thank you for the opportunity to comment on the U.S. Department of Education's (ED) implementation of Executive Order 13777, "Enforcing the Regulatory Reform Agenda." Under this Executive Order, ED has formed a Regulatory Reform Task Force and is seeking input on regulations that are "appropriate for repeal, replacement, or modification." This letter provides the thoughts of Rebuilding America's Middle Class: A Coalition of Community Colleges on this important issue.

Rebuilding America's Middle Class (RAMC) is a coalition of State and individual community college systems from across the country, representing over 130 colleges and 1.5 million students. RAMC's mission is to build a stronger, more competitive workforce, and therefore, a strong middle class by increasing access to and success in higher education. We have a firsthand view of how regulations impact our schools and their ability to serve their students. Given our membership and this focus, RAMC offers the following thoughts for consideration.

Gainful Employment and Its Reporting Burden

RAMC's membership consists of community colleges that offer both certificate and degree programs, with our certificate programs having to comply with the gainful employment requirements. Our schools work hard to offer high-quality courses that enable our students to advance their education and careers. We are the first to ensure that the outcomes associated with our programs meet the needs of our students and their employers. Also, we accomplish this with some of the lowest borrowing rates across the various sectors of higher education. Based on 2016-2017 data, community colleges charged $3,520 for full-time enrollment annually, compared to $9,650 for public, four-year schools and $33,480 for private, nonprofit, four-year schools annually.

With a focus on meeting the needs of our students and their employers, the reporting requirements in the gainful employment regulation pose a large burden. Our compliance staff must compile significant amounts of information, at times for numerous small programs, to meet the requirements of this regulation. These regulatory requirements have also made establishing new programs burdensome for community colleges and have slowed down colleges' responsiveness to business and student needs.

While we have not quantified the amount of time our schools spend on information collection associated with this regulation, it is a significant portion of the time our schools spend on Title IV regulatory compliance. For this reason, we were pleased when ED initiated a new negotiated rulemaking process to reconsider the gainful employment regulation and its impacts on our schools. We urge the

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Task Force, as well as those involved in the negotiated rulemaking process, to carefully consider the reporting burden associated with any new version of a gainful employment regulation.

Loan Availability by Program

Over the last few years, especially after the recession during the early part of this decade, many community colleges have had to carefully consider whether to continue to participate in the Federal student loan programs. Even with much lower tuition and fees costs compared to four-year public and private, nonprofit schools, some of our students still need to borrow to attend our institutions. Unfortunately, during hard economic times, students struggle to repay their loans due to loss of employment and other financial complications. This results in a rise in the cohort default rate at our schools. A cohort default rate over statutory limits jeopardizes our ability to borrow Federal student loans and puts our students' access to Pell Grants at risk.

As the Task Force examines which regulations to modify, ED should consider strengthening the ability of schools to make certain programs ineligible for borrowing under Federal student aid programs. This would allow a school whose cohort default rate that is driven by students in certain programs to restrict the ability to borrow for those programs, preventing students from taking on unmanageable amounts of debt and preserving Pell Grant availability for the school's students.

Loan Limits

In addition to providing loan availability by program, ED should examine ways to strengthen the authority provided in its regulations for schools to limit borrowing below the cost of attendance. It is important to note that RAMC does not intend to deny loan aid to students that will not be able to attend college without borrowing for the cost of living and other matters above tuition and fees. However, all too often, we see students taking on loan amounts that they do not need and will not be able to repay upon graduation.

Both the existing statute and regulations recognize the ability of financial aid officials to decrease the ability to borrow for students in certain situations. However, compliance reviews by ED discourage using this flexibility, even when it is in a student's best interest. RAMC urges the Task Force to carefully examine the regulations related to this issue and allow institutions the ability to exercise the authority provided for in the statue when it is in the best interests of students.

Thank you for the opportunity to provide our views on these important matters.

Sincerely,

Joe D. May

Joe May,
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Chancellor, Dallas County Community College District