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OFFICE OF POSTSECONDARY EDUCATION
NEGOTIATED RULEMAKING
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On the 7th day of August 2025, the following meeting was held virtually, from 1:00 p.m. to 4:00 p.m.

P R O C E E D I N G S

MR. ANDRADE: Welcome back, everyone. This is the afternoon session of today's virtual hearing. We're going to go ahead and get started. With me now from the Office of Undersecretary is Madison Kirven. And as he has been here throughout the entire session, which is very early when you're on the West Coast, Jacob Lallo from the Office of General Counsel. My name again is Jeff Andrade. I'm the Deputy Assistant Secretary for policy, planning, and innovation in the Office of Postsecondary Education. I see that our first witness is here. So, it's my pleasure to introduce Jessica Thompson, senior vice president at the Institute for College Access and Success, otherwise known as TICAS. And Jessica, the floor is yours, and you can unmute your mic.

MS. THOMPSON: Thank you so much, and thanks for introducing me. We are a nonprofit, nonpartisan organization focused on higher education. First, I want to address the composition of both the negotiating committees. We urge the Department to create and allow a separate seat for negotiators representing civil rights groups at both tables. In the 2017/18 negotiated rulemaking panels under the leadership of Secretary DeVos, the Department separated out negotiators for consumer advocacy organizations and for legal

assistance organizations. We think for these panels, a dedicated civil rights negotiator seat will provide essential input on how proposed regulations will impact students and the Department's compliance with civil rights laws. Second, relating to the loans and repayment table called RISE, we really want to emphasize that borrowers need clear, timely, and actionable information about what to expect and how to navigate the many significant repayment changes that are coming. Trust in the Federal student loan repayment system right now is, unfortunately, at an all-time low, and so many borrowers are facing unresolved account issues, experiencing long wait times to speak to servicers who are often providing conflicting or inaccurate advice. Implementing the changes that will be considered at these tables is an opportunity to create greater simplicity, to automate processes, and to adequately provide resources and staff servicing and servicing oversight to improve the smoothness of the user experience with loan repayment. And you know, we also urge the Department to restore the payment account tracker for borrowers and to communicate proactively with borrowers about all their options and how to access timely help in navigating all of these changes. Third, related to the school and accountability panel called (inaudible), we urge the Department to take

great caution and how it implements the Workforce Pell Grant program to ensure that students are not harmed, and that billions of dollars from the Pell Grant program are not wasted. To do this, the Department should lay out a really clear system to ensure that schools are meeting the basic requirements in the legislation, including how long a program has existed and what its completion and job placement rates are, before allowing Pell Grants for any program. This would likely require hiring additional staff at the Department, or bringing back people who were subject to the reduction in force. Schools should not be granted waivers because of a lack of staffing or because the Department is unable to confirm school compliance with these requirements. Additionally, Congress made clear that these funds should not go to schools that are not accredited or Title IV eligible. We urge that the Department make it clear that schools may not partner with unaccredited entities to offer these programs.

Lastly, we urge you to maintain and implement a Gainful Employment and fair value transparency rule in addition to the earnings metric in HR1, which doesn't cover certificate programs, while the GE rule does. And we need a debt-to-earning metric to make sure that we are actually making students aware if a college is keeping tuition high for a program that does not provide a good

enough return on their investment. So again, we urge you to maintain the existing GE and (inaudible) rules. We appreciate the opportunity. Thank you.

MR. ANDRADE: Thanks, Jessica. And we appreciate your comments and look forward to working with you as we try to address this relative hairball of repayment plans from the previous administration and the Obama administration. So, thank you again for your comments, and we will move on to our next witness. Our next witness is a serial entrepreneur, co-founder of a small little company that you may know called Social Finance, and now has a new venture called Summer, which I'm not even sure there's a category for that, Dan. But I think you'll explain a little bit. So, I understand it's an employee- employer benefits company targeted at student loans. So, Dan, I see that you're ready, and I will let you have the floor.

MR. MACKLIN: Thank you very much, sir. Good afternoon, everyone. I am Dan Macklin, president of Summer. We're a mission-driven company dedicated to helping employees and residents to navigate student loan repayment and college savings through partnerships with major employers and government agencies. As a very recent example, a few hours ago, we were proud to announce a new partnership with New York

City to support its 8 million residents in managing their student debt. Thank you for the chance today to share our recommendations. The One Big Beautiful Bill aims to cut delinquency by streamlining repayment options and setting minimum payments. But it also shrinks safety nets and adds complexity at exactly the moment that borrowers need guidance. This department can seize a rare chance to increase support for struggling borrowers and empower organizations like Summer already on the front lines, keeping borrowers current. Today, I'd like to offer three recommendations. One, automate affordability. No one wins when a borrower defaults, except for debt collectors. Whenever the Department has verified income for borrowers who are struggling, it should auto-enroll that borrower in the lowest payment IDR Plan. Unless the borrower opts out. Fewer forms, fewer charge-offs. Two, make second chances stick. Millions of borrowers into full have a second chance to exit default through rehabilitation. But 1 in 3 of these borrowers will default within three years. The fix is simple. Require that every rehabilitated loan automatically enters an IDR Plan with income already on file, or used for the rehabilitation, unless the borrower opts out. The Department should also enforce IDR enrollment requirements already in regulations when borrowers consolidate out of default.

This way, you can stop the default churn on day one. Three. Unlock data for the help you say you need. The Department has wisely encouraged employers, colleges, and other partners to steer borrowers away from delinquency and default. Yet those same partners cannot retrieve a borrower's data automatically from loan systems even after receiving written consent from the borrower. No rulemaking is required. The Department can add a borrower-consented data channel tomorrow. Let us help you reduce delinquency and default at no cost to taxpayers, with full transparency and rigorous safeguards. Summer stands here ready to share technical specifications, security models, and impact data to help all of this move forward. Thank you for your time today and for your commitment to building a repayment system that finally works for the people it's meant to serve. Thank you.

MR. ANDRADE: Thank you, Dan. We appreciate your comments and look forward to working with you.

MR. MACKLIN: Thank you.

MR. ANDRADE: Our next witness is Magin Sanchez from Unidos, US.

MR. SANCHEZ: Good afternoon. My name is Magin Sanchez. I'm the higher education senior policy analyst at Unidos US. We're the nation's largest Hispanic

civil rights and advocacy organization., Once again, we're deeply disappointed by the Department's continual decision to purposely dilute the voices of students of color and other underrepresented students by collapsing the seat for the civil rights community with two other constituencies. As we saw during the PSLF rulemaking, the only to do so undercuts the legitimacy of these proposed regulations by intentionally ignoring the voices of all stakeholders. And we call on the Department to add in individual civil rights negotiating seat. In regard to actual rulemaking itself, instead of making college more affordable, the rush passage of the Federal regulation budget cut \$284 billion in Federal education spending, with minimal debate or public input. These cuts will push college out of reach for low-income and working Americans. And there's additional reform that awaits students and the taxpayers if the Department continues this path of haphazardly implementing this bill without the necessary staff, time, or resources to regulate these matters competently. The Department must halt its production force, expand the length of these committees, and ensure the proper representation of impacted stakeholders. For example, the proposed changes to student loan repayment plans as considered by the RISE Committee, have invoked confusion, dismay with 5.3

million Latinos in borrowers and already over half of Latinos report struggling to be able to keep up with their student loan repayment and rushing these borrowers into new repayment schemes without considering the impacts of, for example, imposing minimum payments on the low income borrowers. Additionally, we're concerned about the inclusion on the (inaudible) committee of changes to financial value transparency and Gainful Employment regulations. We strongly supported the 2023 rule that established baseline protections against fraudulent and predatory behavior for for-profit colleges that disproportionately target students of color. When controlling for student demographics, students and programs at for-profit institutions have lower earnings and higher debt burdens than those in similar programs in other sectors. And in fact, Latinos, within 12 years of graduating, who attended for-profit institutions were only four times as likely to default, compared to Latinos who did not attend a for-profit institution. Any attempts to weaken such regulations will give bad actors free rein to recruit, aggressively charge excessive tuition, low-income credentials, and leave students with mountains of debt or worthless degrees. Furthermore, as these conversations turn to the implementation of the (inaudible) accountability provisions, and Workforce

Pell, we urge the Department to take a student-oriented approach to protect students and taxpayers from low-value programs. Ultimately, students and taxpayers cannot afford the Department to make worse the devastating impacts that these cuts will have through inadequate rulemaking. Thank you.

MR. ANDRADE: Thank you, Mr. Sanchez. And once again, we look forward to working with you and the rest of the community as we institute the first performance measures for all programs at all types of institutions across the board. So, we appreciate your comments. I see our next witness is ready. So, I'd like to introduce Ryan Hunt from Michigan Works. Ryan, you have the floor.

MR. HUNDT: Good afternoon. My name is Ryan Hundt. I'm the CEO of the Michigan Works! Association. First and foremost, thank you for the opportunity to comment on the Workforce Pell Grant program and the critical role of local workforce development boards in its success. Workforce Pell is a game-changer for students that are seeking pathways to good jobs in today's economy. To ensure that these investments pay off for individuals, employers, and states alike, it's essential that local workforce boards are at the center of program eligibility and oversight.

First, local workforce boards have unmatched knowledge of our regional labor markets. We are in constant contact with employers and see firsthand where the demand for skilled workers is greatest. By allowing boards to help identify and validate short-term Pell eligible programs, those lasting 8 to 15 weeks, we can ensure that these grants are tied directly to real hiring needs, not just generic training opportunities. Second, local workforce boards are experienced in holding career training programs accountable. Boards already review provider outcomes, wage gains, and placement rates under WIOA, so applying those same quality benchmarks to Workforce Pell means that public resources will be invested only in programs that demonstrate strong student employment outcomes and clear pathways into recognized credentials or degrees. Third, accessibility must be front and center. Local workforce boards can help target outreach and support services so that individuals, especially those that are facing barriers like transportation, family obligations, or even a lack of information, are able to connect with short-term Pell opportunities. Our workforce boards across the country are already experts at helping job seekers navigate options and get the support they need to complete a program and enter the workforce quickly. Furthermore, here in Michigan and

around the country, both community colleges and regional public universities offer short-term credentials that are critical to workforce and talent development. These programs help support the economic development efforts of major employers, including Fortune 1,000 companies. So, it's important that funding under Workforce Pell is inclusive of both credit and noncredit-bearing programs. One excellent example that I would point out is the nationally recognized Certified Public Managers Program, which provides management training to individuals without formal college degrees and prepares them for careers in local, state, and Federal government. And then finally, Workforce Pell is most successful when there is strong alignment between state and local efforts. The local workforce boards serve as the bridge connecting state policy, education providers, and local employers that reduces duplication, streamlines access for learners, and ensures students receive credentials that lead to real jobs. So, in summary, empowering local workforce boards to play a leading role in program approval, oversight, and outreach will maximize the impact of Workforce Pell. It will help get Americans more skills and quicker access to jobs that's delivered efficiently by the local workforce boards, with close attention to quality and local employees.

MR. ANDRADE: Thank you, Ryan. I appreciate that and look forward to working with you. Just waiting for our next witness. And that's Andrew McGough, executive director of Work System, coming to us from the great state of Oregon, I believe, so. Andrew, you have the floor.

MR. MCGOUGH: Well, thank you. Good afternoon. My name is Andrew McGough, and I'm the executive director of Work Systems, the workforce development board serving Portland and two surrounding metro counties. I represent one of Oregon's nine local workforce development boards, and one of roughly 500 local boards across the country. As a local workforce development board, we are designated by the governor to receive and invest in a range of Federal and state resources, including Workforce Innovation and Opportunity Act, or WIOA funding. We coordinate these investments with local governments, K-12 educators, community colleges, registered apprenticeship programs, community-based organizations, industry associations, and employers to align efforts and resources to improve the quality of our regional workforce and meet local business needs. I'm here today to encourage alignment between the new workforce Pell program and the existing WIOA system. The backbone of WIOA delivery is the American Job Center

network. Nearly 2,300 centers nationwide, helping people find work, access training, and navigate employment services. In our region, we operate five job centers that serve more than 25,000 individuals last year. Our system unites over 40 education, public agency, and not-for-profit partners across 50 funding streams, all working together to support job seekers, workers, and employers. Let me tell you about Jake. Jake is 28. He was recently laid off from Fred Meyer, where he worked as a grocery clerk. He has a GED. No postsecondary training, and lives in an apartment with his partner, who is expecting a child. As part of the WIOA layoff response, our job center staff helped Jake access unemployment insurance and support services and connected him to his local job center for additional services. There, he attended a career exploration workshop focused on high-demand jobs aligned to our board's labor market data and input from regional employers. He showed interest in a short-term training program at the community college that prepares people for entry-level jobs in the semiconductor manufacturing industry. A WIOA career coach helped Jake assess his fit for the program. A basic computer skills gap emerged, so he took a digital literacy workshop delivered at the Job Center by a local network funded by the city. Jake also attended a FAFSA workshop where he

completed a Workforce Pell application. While his application was being processed, his coach helped him build a plan to meet basic needs during training and beyond. Jake completed the training. During the program, he received transportation and tool assistance through WIOA and local grants. Afterward, he worked with his coach for job placement and was hired by a local chip manufacturer and employer engaged in our regional manufacturing consortium. Jake now receives job retention services through the Job Center for up to a year. All those outcomes, wages, retention, and advancement are tracked in our regional WIOA data system. This is what it looks like when systems align. Workforce Pell, WIOA, education, employers, and wraparound supports all working together to meet people where they are and promote program success. I hope Jake's story makes the case for why alignment with the WIOA system is essential for the success of Workforce Pell. Thank you for your time and consideration.

MR. ANDRADE: Thank you, Andrew.

Appreciate your comments. Our next witness we'll give a little bit of time to get in. We'll be Kevin James, CEO of Better Future Forward. And I see Kevin joining us now. Kevin, if you can unmute, the floor will be yours.

MR. JAMES: Thank you. Hello. Thank

you for the opportunity to testify today. My name is Kevin James, and I am the CEO of a nonprofit organization called Better Future Forward. We offer a form of outcomes-based financing to students pursuing a college degree. When I say outcomes-based financing, I mean that the BFS program combines two key elements. Number one, we don't require a creditworthy cosigner upfront, something that is often a constraint for students pursuing private student loans. And number two, students have no obligation unless they get a job earning at a minimum level. For our programs in the Midwest, students don't have an obligation unless they get a job earning at least \$48,400, which adjusts every year for inflation. With the changes to Federal student loan borrowing limits under the One Big Beautiful Bill Act, students will have a greater need for financing from the private market. Currently, private student loans often require a creditworthy cosigner, and conventional private loans also have a fixed payment structure that typically requires payment, even if the borrower doesn't have sufficient income to afford those payments. Outcomes based financing options can serve as a critical survey, critical role, excuse me, and expanding access to students whose needs would not be met by the current private market, and doing so in a way that brings income-

based protections to ensure affordability and aligns outcomes by not requiring a payment unless the individual has reached a minimum income level. As the Department considers ways to help students navigate the changes to borrowing limits under Title IV, we ask that the Department include outcomes-based financing products in any guidance offered to students and families who are trying to understand their options. The Department can play a key role in highlighting and raising awareness around strong private loan options for students that provide consumer protections, include shared risk and accountability between the student and lender, and motivate institutions to improve student outcomes and provide the highest quality programming. Outcomes-based financing tools are a solution that meets all these goals. I'm happy to serve as a resource and connect the Department with colleagues who are doing similar work in this field. Thank you.

MR. ANDRADE: Thank you, Kevin. I appreciate your comments. And I'll give our next witness a chance to come on. This will be Aaron Winters.

MR. WINTERS: Yes. Hello. I'd like to speak to the simplification of plans and the elimination of deferments. I come from a lower middle-class family. We didn't have any money for education, but it was very

important to my family. I took apprenticeships, self-initiated training before I could afford to actually invest in going to school full-time. Took on loans. I paid off that first degree by working full-time, part-time teaching in the evenings, freelance work. I started a business ten years later, and I was only able to do that because of the Income Based Repayment program. When I lost that business and my subsequent teaching job, I was only able to keep myself and my wife afloat because of unemployment deferment. These programs are essential to giving breathing room to Americans trying to take the leap towards entrepreneurship and helps them to weather the unexpected, which is becoming less and less unexpected. Thankfully, I found my way to the public sector, and I am beyond grateful for the PSLF program, and I'm terrified that it's going to be eliminated now that I'm 76 months into the program. It's 120 payments in total. I didn't sign up for this. My payments at the beginning of the Covid pause were \$300. Because of SAVE, they were looking to drop to 134, and my current estimate is well over \$800, which is my entire discretionary income. This money will not be going back into the economy, and it will only be fed back to the Feds to be handed back to billionaires in the form of tax cuts. I find that these proposals are antithetical to the

American dream. Destructive to the economy, devastating to those who have actually tried, and to moralize it to the next generation who see no reason to invest in a future that yields very little return. Thank you.

MR. ANDRADE: Thank you, Aaron. And for the record, the Public Service Loan Forgiveness program is not being eliminated.

MR. WINTERS: Excellent.

MR. ANDRADE: So, our next witness is— and she is coming on, Betsy, I should have taken the deal that Jeff offered Mayotte from the institution, the Institute of Student Loan Advisors. I will say for the record, no hard feelings, we tried to come to consensus at the last negotiated rulemaking. We were close, but no cigar. So, Betsy, I see that you're here, and you now have the floor.

MS. MAYOTTE: Thank you. And most of what you just said is true. So, my name is Betsy Mayotte, and I'm the president of the Institute of Student Loan Advisors, which is a nonprofit whose mission is to provide free, expert student loan advice to all consumers. My testimony today stems from both my experience in a compliance role and from working directly with thousands of borrowers. My request stems from changes that were made during the last negotiated

rulemaking session that made significant changes to the loan rehabilitation process. I was a negotiator for that session and feel that some of the changes made, while well-intentioned by the other negotiators, have and will continue to harm borrowers in the long term. During that last neg reg, rules were implemented to allow borrowers who could not afford a rehab payment of 15% of their income to use expenses to potentially lower that rehab payment. My concern then, which is proven correct with some of the borrowers I work with, is that allowing a rehab payment to be lowered based on expenses, which is a phenomenon that is not allowed in any other circumstance, would set the borrower up to default due to not being able to afford any of the payment plans available post rehab. So, I'm requesting that a borrower still be allowed to use expenses to lower their rehab payments if needed, but only to a minimum equal to or greater than the lowest payment they would be eligible for post rehab. Whether that be an Income Driven Plan or a non-Income Driven Plan. This ensures that borrowers who work hard to resolve their defaults and get back in good standing are not set up to fail once they fulfill their rehab obligations. Multiple defaults on borrowers by adding additional collection costs and further harming their credit scores. And we should be creating a process that

sets them up for success. On a related note, the current process potentially creates a scenario where borrowers with low balances compared to their incomes run into situations where their rehab payment pays the loan off before completing the nine required payments. This leaves these borrowers without the benefits of that loan rehab provides, specifically the credit improvement. I'm requesting that if a borrower's rehab payment does result in a paid and full loan prior to completion, that they be given the benefits of loan rehab. Alternatively, I'm requesting that such borrowers be given a payment amount that allows them to make the full nine payments before the loan is paid in full and consequently receiving the benefits of rehab. In general, finally, I ask once again that you take this opportunity to codify the requirements for both the cancer treatment deferments and the joint consolidation separation process. Thank you for your time. I made my three minutes and thank you for the privilege to be able to submit these comments on these important issues.

MR. ANDRADE: Not only did you make your three minutes, you made it before the 30 seconds, so bravo on that.

MS. MAYOTTE: I'm getting good at this.

MR. ANDRADE: You're getting good. Appreciate the comments. Always thoughtful. So, thank you once again.

MS. MAYOTTE: Thanks, Jeff.

MR. ANDRADE: Thanks. So, our next witness will be Kyle Southern from the partnership for College Completion. I see Kyle's here. So, Kyle, if you'll unmute, you will have the floor for three minutes.

MR. SOUTHERN: Thank you. Good afternoon. My name is Kyle Southern, and I'm executive director of the partnership for College Completion, a Chicago-based, nonprofit, nonpartizan organization that advocates for solutions across Illinois to address historic inequities in our education system. I first want to encourage the Department to ensure essential constituencies have voices at the upcoming negotiating tables. We thank the Department for its attention to students and borrower representation. For both rounds of rulemaking, the Department has proposed to take on, however, the table should also include a distinct seat for representatives from civil rights constituencies. Accordingly, organizations that center advocacy for these diverse populations should have a seat to present data and give voice to students and borrowers who gain or lose the most, depending on the Department's actions. Further,

proposed topics directly implicate campus-based financial aid administrators. Yet the register notice does not include them as a stakeholder for expected tables. We encourage the Department to include a distinct seat for financial aid professionals or their association during the upcoming rounds of negotiations. Legislation passed by Congress and signed earlier this year opens eligibility for students pursuing short-term workforce training programs to qualify for Pell Grants to cover the program's cost. An initiative of long-standing bipartisan interest. More than 250,000 Illinois college students rely on v free programs, and PCC is concerned about the long-term fiscal sustainability of Pell, a concern heightened by the projected funding shortfall, Congress must move to address fully, not just the partial fix in its recent bill. Governors will play a key role in determining program eligibility to participate in Workforce Pell, and as a state-focused policy organization, we are committed to advocating principles that protect both the sustainability of Pell overall and the students who rely on Pell and financing the cost of their postsecondary programs of study. As the Department moves to implement Workforce Pell Program eligibility, we elevate three primary considerations. First, programs should be required to demonstrate proven earnings

benefits for their completers. Second, the Department should establish a workable, reliable, and readily accessible platform for transparency concerning program approvals, completion, earnings, and other key metrics. Third, the Department should put strong guardrails in place that deter predatory actors and high-cost, low-quality programs from entering Workforce Pell participation. In short, the Department should require programs to meet federally mandated requirements as a precondition for Pell participation eligibility. By following these principles, the Department can fulfill its responsibility to protect students, taxpayers, and the long-term sustainability of the Pell program. Failing to implement regulations that reflect these principles would likely lead to a repeat of a familiar cycle in which high cost, low quality, and predatory institutions rush to enroll students to boost their own bottom lines rather than earning potential of the people enrolling. Thank you for the opportunity to provide these comments and considerations as the Department moves forward in the coming rounds of rulemaking.

MR. ANDRADE: Thank you, Kyle. I appreciate your comments. Our next witness, and we'll let them come in too, is Samer Hassan. And the floor is yours.

MR. HASSAN: Hello? Can you hear me? Okay. One second. Thank you to the Department for having me today. I'm Samer Hassan, a student loan borrower and advocate. Like millions of student loan borrowers across the country, I watched an absolute dismay as my future and the future of many other borrowers have been played with like pawns in a chess game. Now that the so-called Big Beautiful Bill has been passed, my network across the country is having to make decisions about their loan repayment, where there is no relief or option other than to destabilize themselves financially. For new borrowers, you have slashed dreams for students who are hoping to be the first in their family with a master's or professional degree. I've heard people say things like, quote unquote, I'll have to cut back on groceries to afford my new monthly payment, or I'll have to hold off putting money aside for a home to make up the difference in my new monthly loan payments. Or I have to take out private loans now, since I want to go back to school to be a doctor. I'm not sure if I can afford to be the first in my family with a graduate degree with these new changes. You have intentionally broken the student loan system and left new and current borrowers without a clear path forward. There is no clear message in this bill, except that you want to penalize past borrowers who went to

college to better themselves and their families economically, and that you want to take away that path to postsecondary opportunities for current borrowers. So, let's call this new law what it is. It is a dream killer. Let's be clear. You kill dreams of better careers. When this bill capped grad student loans to \$100 K, what do you say to the person who wants to get their PhD and doesn't have intergenerational wealth from their family? Which demographic do you think is most likely to end their dreams, because they couldn't get enough institutional aid to get their grad degree or post-graduate degree? We live in a world marred by an ongoing genocide, a pandemic recovery that was never fully implemented in a climate that is increasingly more hostile to human beings. And your solution is to close the door on the next generation of problem solvers. For those of us, like myself, who have recently attained our grad school degrees, we are committed to creating the world we want to live in. But instead of a government that supports our endeavors to help our communities, you are destroying pathways to financial health for the youngest generations by wrecking the repayment systems, leaving borrowers with three choices, all of which could double their repayments and keep people in repayment for 30 years. Imagine being a new grad and wanting to buy a

home, but the money you were saving to buy one now must be earmarked for a loan you already calculated to pay off by a specific date. Imagine the dreams that you have effectively ended and or pushed back years. Imagine a country that supports its citizens, instead of penalizing them for trying to build a better life for themselves. I reiterate, let's call this new law what it is. It is a dream killer. Thank you for having me today.

MR. ANDRADE: Yeah, let's be clear. This system was broken before we got here. This administration wasn't the one that lied to students and told them that they would forgive loans and came up with unlawful repayment plans. So, hope everybody will work with us and get these programs-

MR. HASSAN: Yeah, we're excited to work with you.

MR. ANDRADE: - and right this ship. Thank you, thank you. Our next witness is Tania Valencia from the Leadership Conference on Civil and Human Rights.

MS. VALENCIA: Hi. My name is Tania Valencia, and I'm the higher education senior program manager at the Leadership Conference on Civil and Human Rights, which is based in Washington, D.C. We are a coalition charged by a diverse membership of more than 240 national organizations to promote and protect the

civil and human rights of all persons in the United States. As a first-generation American, first-generation college student, military spouse, and former teacher, my story is proof that the American Dream is not a myth. Although I grew up in poverty, my education offered me career opportunities and economic mobility never before experienced within my family's history. Yet, students of color continue to face a litany of institutional and societal barriers to accessing and completing a postsecondary education, including affordability. When public universities face budget cuts, including those at the Federal level, they often reduce spending on student support services, increase tuition, and harm student access and completion rates, especially among Black and Latino students. Eliminating barriers to affordability and advancing racial equity in higher education requires intentional and dedicated policy solutions to bridge resource constraints faced by students with lower incomes, as well as public institutions that serve higher proportions of traditionally underrepresented students. As the Department begins the process of considering changes to the regulations implementing the Higher Education Act of 1965, a law created during the height of the Civil Rights movement and at the demand of those communities Black, Latino, Native American, Asian

American and LGBTQ+ people, women, religious minorities, and people with disabilities who were shut out of higher education and the pathway created to full participation in the social, political, and economic life of this country, I would like to remind the Department that while much has changed in the past few months, two very important things remain the same. First, what students need and deserve to grow and thrive in school is unchanged. Students need strong preparation from safe, welcoming, and well-resourced K-12 systems. They need support in pursuing postsecondary options that enable them to reach their goals. They need affordable access to high-quality education. They need robust guardrails to protect them from exploitation by shady, for-profit actors and unscrupulous lenders. They need positive campus climates to support their persistence to graduation, and they need meaningful paths to debt cancellation after they graduate. Second, our laws have not changed. Our civil rights laws that prohibit discrimination on the basis of race, color, national origin, including limited English proficiency, sex, including sexual orientation and gender identity and disability have not changed, and our higher education laws that provide financial aid, consumer protections and loan forgiveness, including for those who pursue public

service, have not changed. The role of regulation is to fulfill the intent of Congress, and no regulation or any executive action can change the Constitution or any law. I implore this Department to hold true to their responsibility to advance equity, protect leaders from discrimination, and fulfill the promise of higher education and its most important Federal law. Thank you.

MR. ANDRADE: Thank you for your comments. Our next witness will be Brian Huff, CEO of Midwestern Technical Institute and Delta Technical College. We'll let Brian get into the room here and get settled.

MR. HUFF: I'm here.

MR. ANDRADE: Okay, I see you.

MR. HUFF: All right.

MR. ANDRADE: I hope you're parked.

MR. HUFF: I am parked. Yeah, I am, I just pulled over. All right.

MR. ANDRADE: Brian, the floor is yours.

MR. HUFF: All right. Thank you very much. My name is Brian Huff, and I'm the CEO of Midwest Technical Institute. We operate six campuses in Illinois, Missouri, and Mississippi. And we graduated about 35,000 students in mechanical trades, health care, cosmetology,

and truck driving over the last 30 years. So, I really appreciate this opportunity to speak. It seems that the accountability measure in the Big Beautiful Bill, the spirit of it, was to replace Gainful Employment. And we certainly hope that that's the plan of the Department. We believe Gainful Employment should be completely repealed. But if it's going to remain in some fashion, the earnings provision and the premium earnings test are going to all but eliminate cosmetology programs due to the median wages of cosmetology students depending on and being affected by a tip-based system. And now that system is going to be encouraged even more, now that there's no tax on tips. So we hope that there's going to be a hard look at how they measure the income for those folks. And then the premium earnings test. You know, we believe that should be done by the state that the student lives in and within that state, broken out by urban and rural areas, because there's vast differences between not only wages, but the cost of living in those situations. When in 2023, when the Department put out their median wages, Mississippi was \$20,800. Where our main campus is in Illinois, it was over \$25,000. So those students in Mississippi have to make or will make \$4,000 to \$5,000 more just to- or make for \$4,000 to \$5,000 more than the median wage in their state and what their cost of living

requires. So, we believe that that needs to be changed and to be looked at like that. Also, on the earnings, the debt to earnings and the premium earnings provision, we believe it should be an either or not that you have to pass both to remain eligible. Both of those metrics measure a graduate's return on their investment. So, we believe that one of those should suffice. And lastly, we believe there ought to be (inaudible). (30 seconds) Right now, the way it's written, if a school misses a program by a dollar that program is completely eliminated. But a prior iteration of this a zone was actually proposed. And that's not a new concept. There's been a zone alternative in financial aid for years. So, again, we believe there should be some kind of a range, some kind of a zone, when a median wage is missed, maybe 8% to 12%. And then there could be potentially a disclosures or some type of reporting. But anyway, I thank you for giving me this time. We believe it should be repealed. But again, thank you. And I appreciate this opportunity. Thank you.

MR. ANDRADE: Ryan, thank you. I appreciate you coming on and fitting us in here, so appreciate that. Look forward to working with you. Okay. Our next witness will be Captain Michael Bonner from United Airlines. And I see that he's here, and he has his mic set. So, Captain Bonner, the floor is yours, sir.

CPT. BONNER: Thank you, sir. Good morning, or good afternoon, and thank you for the opportunity to speak today. My name is Captain Michael Bonner, and I serve as managing director of Aviate and Pilot Strategy at United Airlines. At United, we're focused on building the future of aviation by ensuring that the path to becoming a pilot is more accessible and better aligned with the growing needs of the industry. As the largest airline in the world, we understand the importance of supporting a strong and sustainable pilot pipeline, and why it's critical for the Department to take action that expands access to high-quality pilot training programs across the country. Over the next 15 years, nearly half of the nation's airline pilots are expected to retire. United has taken early and proactive steps to meet this challenge. In 2022, we opened United Aviate Academy, our wholly owned flight school that plays a central role in our pilot hiring strategy. Since opening, the academy has graduated more than 300 students with a nearly 90% overall pass rate for FAA check rides, a strong indicator of the training's quality. We've also partnered with more than 30 university flight programs through Aviate, our pilot career development program for established aviators. We believe higher education is a cornerstone of pilot training in this country. Here's the

challenge, however. The university pathway is increasingly unaffordable for too many students. Accredited part 141 flight training programs often embedded with public and private universities, require roughly \$100,000 in additional training costs, on top of a two or four-year degree. These are not optional extras. They are Federally required flight hours, certifications, testing, and safety standards. Yet students in these programs are limited to standard undergraduate Federal loan caps. They cannot access the higher loan limits available to graduate professional students despite the fact that pilot training meets every test of a professional degree. These students earn a professional license, complete skill-intensive training beyond a bachelor's degree, and enter a high-wage field where the median salary for commercial pilots now exceeds \$226,000 a year. The One Big Beautiful Bill Act provides the Department with a clear opportunity to act. The law defines professional students by referencing 34 CFR 668.2, which defines a professional degree as one requiring advanced skill and professional licensure. Flight training already meets this standard. These students are not looking for special treatment. They're asking for equitable access to the same financial tools their peers in law, medicine, and pharmacy already have.

(30 seconds) This is the most immediate and actionable step the Department can take to strengthen the pilot pipeline. It would ensure more students can complete their training and enter this vital career path. United is committed to doing our part, but ensuring a robust supply of pilots for the United States at scale requires Federal partnership. We respectfully urge the Department to issue clear guidance recognizing accredited undergraduate part 141 flight training programs as professional degree programs under 34 CFR 668.2. This small but powerful change would unlock Federal resources for students, support aviation workforce growth, and keep America flying. Thank you for your time, your service, and your leadership on this issue of national urgency.

MR. ANDRADE: Thank you, Captain Bonner. I appreciate your comments, and I appreciate you being here. Let our next witness come in. And it's Melanie Storey from the National Association of Student Financial Aid Administrators, otherwise known as NASFAA. Melanie, you have three minutes.

MS. STOREY: Great. Thanks so much. Good afternoon, everyone. I am Melanie Storey, President and CEO of NASFAA. Thanks so much for the opportunity to speak today on behalf of our membership of 29,000 financial aid professionals who serve students attending

post-secondary education institutions, large, small, public, private, students seeking certificates to doctoral degrees. We want to take some time today to express our deep concern regarding the exclusion of a dedicated seat for financial aid administrators in the upcoming negotiated rulemaking sessions for the One Big Beautiful Bill Act. Financial aid professionals are the student-facing implementers of Federal Student Aid policy. They interpret, communicate, and operationalize the intricate details of this wide-ranging bill for millions of students and families. To exclude their practical technical expertise from the negotiating table, risks developing rules that are difficult to administer and potentially create unintended negative consequences for students and their families and ultimately jeopardizes the success of these important policies. We have heard the perspective that representatives from each college sector can speak to the needs of their institutions. However, the role of that negotiator is to advocate for the broad interests of the sector. That is fundamentally different from representing the profession responsible for the technical and operational mechanics of aid delivery across all campus types. Let me offer some specific examples of countless examples of the critical contributions that financial aid professionals

can offer to ensure a smoother implementation of this important bill. Consider the provision to prorate student loans based on enrollment status. A generalist college representative is unlikely to have the detailed knowledge necessary to ask essential questions related to the implementation that would be at the forefront of a financial administrator's mind. When is enrollment status officially measured for loan proration? Is that at the beginning of loan origination, which can happen months before classes begin? Will there be an enrollment freeze date similar to (inaudible)? How will this be handled for students who pre-register and then change their course load before beginning their attendance? Similarly, there are important questions around the new loan limits and the logistical challenges of implementing the important legacy provisions. Who will be responsible for determining if a student is eligible for the legacy provisions, and how will that be communicated to aid officers or their students? The law says that borrowers with loans made before July 1, 2026, are eligible for the legacy provisions. This wording may seem very straightforward, but made is not a clear term in financial aid. Does made mean originated? Dispersed? Posted to the student account? The logistical complexities are significant and require the foresight of

those who manage these things daily. (30 seconds) We will submit written comments, but a financial administrator's perspective at the table is crucial to crafting workable regulations that avoid confusion. The foundational principle of negotiated rulemaking is to include all essential voices. Ignoring the financial aid communication community's operational expertise compromises that collaborative spirit. We strongly urge you to add a dedicated seat for financial aid administrators. We want to support the successful implementation of these important new policies, but we must have a seat at the table. We stand ready to work with you and ensure that success. Thank you for your time and consideration.

MR. ANDRADE: Thank you. Look forward to seeing specific issues relative to what we're trying to do here in terms of implementation. So, spend a lot of time about the position, so we look forward to any type of guidance that you guys can provide on that. Thank you. We can admit our next witness. And I will note for the record that, by law, we are required to select individuals with demonstrated expertise or experience relative to the subjects being negotiated. We expect that we will have financial aid administrators at the table, as we have done in the past, neg reg as well as

historically in the 20 or 30 years that I've been working in this field, so thank you. Our next witness is Karen Marcinski from the Accrediting Commission of Career Schools and Colleges, otherwise known as ACCSC. Karen, the floor is yours.

MS. MARCINSKI: Good afternoon. My name is Karen Marcinski, and I'm with ACCSC. I appreciate the opportunity to speak today. First, I urge the Department to examine 34 CFR 602.15(a) and to revise the language to give accreditors the freedom to classify board members to fill more than one role, for example public, academic, etc. There is no language in the regulation that prohibits such dual designation, but the current practice is to restrict accreditors in this regard, unnecessarily limiting flexibility and diversity in agency governance. Second, I ask the Department to revise 34 CFR 602.15(a)(4) to be limited to those accreditors that only accredit single-purpose institutions. This has been the applied practice for years. However, a new interpretation of this regulation is forcing accrediting agencies that accredit a broad array of schools to add additional layers of review just for single-purpose schools. From a quality assurance perspective, this makes no practical sense and only creates an unnecessary compliance burden. Next, I'd like

to suggest that the Department rescind the guidance letter dated December 5, 2023, titled Regulations Governing the Recognition of Accrediting Agencies, Institutional Eligibility and Arbitration. While the guidance purports to clarify a number of regulatory requirements, such as 34 CFR 602.20(e), it introduces interpretations that extend beyond the scope of both the HEA and the implementing regulations. There is neither statutory nor, nor regulatory support for this sub regulatory guidance, which unnecessarily is burdensome and restrictive, and it should be withdrawn in its entirety. I'd also like to address 602.24(f), which requires accrediting agencies to adopt the Department's definitions of branch, campus, and additional locations as outlined in 600.2. This requirement represents a significant overreach and lacks clear statutory support. The underlying statute, which governs the recognition of accrediting agencies, does not mandate that agencies adopt the Department's definitions. In fact, the statute only mentions branches and not the term additional locations at all. The regulation is a relatively recent addition and should be removed in its entirety. By compelling accreditors to conform to definitions created for Title IV (30 seconds), the Department is imposing a one-size-fits-all framework that does not align with the

operational realities or educational models of many institutions. In closing, I urge the Department to preserve the flexibility and autonomy of accrediting agencies while ensuring fair and practical implementation of the regulations. Thank you.

MR. ANDRADE: Thank you, Karen, I appreciate the thoughtful comments. I look forward to working with you. We will let in the next witness. That's Dennis Wilke, Rosedale Technical College. Dennis, the floor is yours.

MR. WILKE: Good afternoon and thank you for- let me shut off my phone. Okay. Good afternoon. Thanks to you for allowing me to comment. I'm Dennis Wilke, President of Rosedale Technical College. We are a 501(c)(3) nonprofit college of the skilled trades by issuing mostly two-year degrees and some certificates in Pittsburgh, Pennsylvania. I've been running this institution for 20 years. I love it and I've seen many changes over the years. I've got to tell you that I'm very grateful to hear the positive rhetoric from the current administration, referencing the value of the skilled trades and career training in general. So, thank you for that. Also, thank you for the opportunity to provide this testimony, and thank you in advance for all the hard work you guys are going to need to do to

formulate the regulations needed to implement the new policies recently approved by Congress. So, good luck. The advent of Workforce Pell is an incredible opportunity to help boost our national economy by helping to create a more robust, skilled workforce. I'd like to urge the Department to facilitate and formulate the rules for Workforce Pell to include eligibility for career advancement and not just for new workers. So, for career advancement of incumbent workforce as well. In today's workplaces, technology continues to advance, and many current workers will need more and continuous training to adapt to this new technology in order to stay current and to grow their value to employers. For example, many automotive technicians would benefit tremendously by extended training and electronic diagnostics and hybrid and electric vehicles. Just one example. I'm sure you can think of many, including the need for electricians and power management, power creation coming with the advent of AI and all the power needs associated with that. So, providing Workforce Pell eligibility with precise language is necessary to maximize the benefit of this new Federal investment in our nation's workforce, so precise language to include the career advancement opportunities for current incumbent workforce. Thank you once again for your time and attention.

MR. ANDRADE: Thank you, Dennis. And I can tell you; it's not just rhetoric. We're walking the walk as well as talking the talk. So, appreciate that.

MR. WILKE: Thank you.

MR. ANDRADE: Good luck to you. All right. We are down to our final witness. And I'll let him come into the room in a second. Emeka, not to put a lot of pressure, but you know, we need a strong closer, so, it's good to see you.

MR. OGUH: Good to see you, Jeff, Jacob, good to see you both. I promise to be bright, be brief, and be gone. Hopefully, last but not least. Hello again. My name is Emeka Oguh, the founder and CEO of PeopleJoy. We help employers address workforce shortages and retain talent through tuition reimbursement, administration, student loan repayment assistance, and Public Service Loan Forgiveness support. I appreciate the Department's goal to simplify the repayment plan options. However, I'm concerned that the current design of the Repayment Assistance Plan, RAP, and the proposed borrowing caps could worsen workforce shortages in education and healthcare, fields already in crisis. By 2036, the US is projected to face a shortfall of 86,000 physicians and 338,000 registered nurses. These gaps drive up taxpayer costs through longer wait times,

overuse of expensive travel staff, and reduced quality of care. In education, more than 400,000 teaching positions are vacant or unfilled by- or filled by underqualified staff. Potential educators are discouraged by low pay out, low pay burnout, and the burden of student debt, especially for graduate degrees, which are often required to teach. The RAP Plan, as proposed, calculates payments based on total adjusted gross income without accounting for family poverty level or full family size. Unlike current IDR plans, these create equity issues. For example, a teacher earning \$75,000 in New York City would pay the same under RAP as one earning the same amount of pay in Brownsville, Texas, despite dramatically different living costs. The RAP program also overlooks non-child dependent, so people taking care of aged parents or disabled loved ones. There are over 53 million Americans providing unpaid care to aging or disabled loved ones, but their caregiving responsibilities won't be reflected in their monthly payment under RAP. Meanwhile, when you look at the median student debt for teachers, it's \$72,000, with about half of that coming from graduate loans. Capping borrowing won't solve the shortages of the 400,000 teaching positions. It will actually push aspiring teachers to private lenders who have much stricter requirements, increasing denials, and also

reduces access to the PSLF program by taking out private loans, which many school districts and charter schools rely on to recruit and retain talent. So, I want to strengthen the RAP and protect taxpayers. I urge the Department to one, restore the poverty threshold and put dependent adjustments in the payment calculations. Also, I suggest adjusting payments for regional cost-of-living differences. (30 seconds) Though we all work in different areas of the country, there's different cost of living that needs to be calculated and actually raise that graduation- the graduate loan caps for high-need public service fields. These changes will make repayment fairer, reduce public service attrition, and avoid billions in downstream costs for health care and education systems. Let's ensure our repayments of policies support, not penalize the workforce our nation relies on. Thank you.

MR. ANDRADE: Thank you, Emeka. I appreciate the thoughtful comments and thank you for joining us. Nice, strong close, so happy that you're able to make it. Well, that concludes our hearing for the day. As a reminder, we do have the public comment period through written comments open on regulations.gov through August 28th. I believe there's a link in the resource page. It's also available on our negotiated rulemaking website. And I would again direct you to the questions

that Undersecretary Kent mentioned at the beginning in terms of what new processes will best implement the One Big Beautiful Bill Act, how can we align Federal Student Aid programs with the workforce needs, and how do we ensure accountability for outcomes across all programs at all types of institutions? So, with that, thank you for, for your attention. Thank you for our witnesses for their diverse and thoughtful testimony. And we look forward to working with you over the coming weeks in implementing this- the One Big Beautiful Bill Act. So, thank you again, and good luck to you all. Thanks.