

DEPARTMENT OF EDUCATION
OFFICE OF POSTSECONDARY EDUCATION
NEGOTIATED RULEMAKING PROGRAM INTEGRITY
AND INSTITUTIONAL QUALITY
SESSION 1, DAY 1, MORNING
JANUARY 8, 2024

On the 8th day of January, 2024, the following meeting was held virtually, from 10:00 a.m. to 12:00 p.m.

P R O C E E D I N G S

MS. JEFFRIES: Good morning everyone. My name is Commissioner Cindy Jeffries, and I'm a Federal facilitator mediator with the Federal Mediation and Conciliation Service. It is my distinct pleasure to welcome you to the United States Department of Education's Negotiated Rulemaking, through which the Program Integrity and Institutional Quality Committee will prepare proposed regulations authorized under Title IV of the Higher Education Act of 1965, as amended. At this time, I would like to welcome Greg Martin. Greg?

MR. MARTIN: Thank you, Cindy. I'm Greg Martin. I'm the director of the policy development group with the office of postsecondary education in the Department. And I'm very pleased to be with all of you this morning. Some of you are frequent fliers with negotiated rulemaking and some of you are new. And I think that's a fantastic mix. I look forward to working with all of you today and I hope we have a productive session this week and then in the sessions to come. So, welcome.

MS. JEFFRIES: Thank you, Greg. Greg, did you want to introduce the Undersecretary?

MR. MARTIN: Oh, sure. Yeah and so before we get going this morning, we do have some opening

remarks from our Undersecretary, James Kvaal. So without any further introductions, I'll turn it over to James.

MR. KVAAL: Thanks, Greg. And thanks everybody. I wanted to stop in and say hello and welcome to the first day of our next negotiated rulemaking for postsecondary education. And I really appreciate everyone's interest and participating and willingness to provide input on the proposed regulations we'll be considering today. I particularly want to extend my gratitude to all of the negotiators who participate in this session and extend their expertise, often on a volunteer basis, to help us write the best possible rules. And I'm appreciative as well as everyone who is a part of the general public and participating in this process. There are a lot of issues that will be discussed during this rulemaking. Some of them are technical, but to me, there is a central issue here. And that's when a student enrolls at a college or university, they're placing trust in that school and in the accreditors and state agencies and in the Department, all of whom stand behind that school. And in many cases that trust is vindicated. We know that a college degree can change the trajectory of a student's life or their family's life. And together, college graduates can drive the prosperity of a community. In other cases, though, students find

that they have wasted their time and money, and sometimes are left with debts that they can't afford to repay. And the albatross of unaffordable student debts can also change the trajectories of students, families and communities lives. The Biden administration has taken historic steps against predatory practices and unaffordable debts through new consumer protections like gainful employment, Borrower Defense and the 90/10 rule and the new FSA enforcement unit. But our work is not yet done. We continue to work to ensure institutions and programs provide high quality educational opportunities, hold institutions accountable for good outcomes, and strengthen the Federal aid programs for students and borrowers. Today's table will be taking a closer look at the mechanics of the Department's regulations for Institutional Quality and Federal Student Aid to make sure that they function more effectively. The issues we will be discussing include our rules for recognizing college accrediting agencies and the procedures they must follow. Accrediting agencies play a vital role in ensuring quality, setting and enforcing quality standards, and promoting continuous improvement. They're critical in protecting students and taxpayers, and we want to ensure that the regulations for recognizing these agencies work in the best interests of students and

taxpayers. We also want to consider institutional eligibility, including state authorization broadly, and the definition of distance education as it pertains to reporting students who primarily enroll online. And we will be considering financial aid processes that determine how students access their student aid that goes to living expenses. And when students leave in the middle of the term reforms to the so-called return of Title IV funds to protect students and taxpayers while easing administrative burdens for institutions. Finally, our negotiators and a dedicated subcommittee will consider how we can help more students benefit from the Trio programs. We hope that these new regulations will help students get the most from their education and from the Federal investment in college affordability. Again, I want to say thank you to the negotiators and members of the public who are volunteering their time. Thank you to the mediators who help keep us organized and on task, and making the most of all of our time. And to the Department staff who've worked on the issue papers and will continue to contribute so much in the coming weeks and months to writing these regulations. So thanks, everybody, and thanks for the opportunity to stop by. With that, I'll turn it back over to Greg.

MR. MARTIN: Thanks a lot, James. I was

trying to think if I have any other opening remarks, I don't really, I think our facilitator, Cynthia, will go over the protocols with everybody. And as I said before, I look forward to working with all of you and I know that we approach these things from different perspectives. And I hope we can all, you know, it's one of these situations where we have to sometimes agree to disagree and in the past, I think it's worked out really well at these tables where that's happened. And I hope we can continue that level of civility going forward. So with that, I'll turn it back over to Cynthia.

MS. JEFFRIES: Okay. Thank you, Undersecretary Kvaal and Greg for your comments. Next, I want to give special recognition and thank you to the people behind the scenes that are too many to mention. It really does take a village to make this virtual process possible. And all of those behind the scenes people are instrumental in helping us ensure our sessions are as seamless as possible. We also have several non-voting participants from the Department that I'd like to introduce now. From the Office of General Counsel, we have Ms. Denise Morelli, who will be for issues other than accreditation. Denise, welcome.

MS. MORELLI: Thank you.

MS. JEFFRIES: You're welcome. Ms.

Donna Mangold for the accreditation discussions. Welcome, Donna.

MS. MANGOLD: Welcome, everyone.

MS. JEFFRIES: From Federal Student Aid Office of Policy Implementation and Oversight, we have Mr. David Musser. Welcome, David.

MR. MUSSER: Hello, everyone.

MS. JEFFRIES: From the Office of Postsecondary Education Accreditation Group, Mr. Herman Bounds. Welcome, Herman.

MR. BOUNDS: Welcome, everyone.

MS. JEFFRIES: Thank you to the Department. Now we are going to introduce the esteemed members of our Program Integrity and Institutional Quality Committee. These negotiators have been nominated by the public and selected by the Department to represent 14 respective constituencies. For each constituency, we will invite the primary negotiator and alternate negotiator to briefly introduce themselves on behalf of their constituency group. So with that for the constituency of business officers from institutes of higher education, primary Joe Weglarz.

MR. WEGLARZ: Good morning, all. I'm looking forward to our discussions, alright, through the next several months. I'm actually the executive director

of student financial services in Marist College in Poughkeepsie, New York.

MS. JEFFRIES: And I believe your last name is Weglarz, correct?

MR. WEGLARZ: Weglarz, yes.

MS. JEFFRIES: Okay, thank you. And the alternate is Dom, right?

MR. CHASE: Good morning. Dom Chase. I serve as the senior vice president for business affairs and CFO for Ivy Tech Community College in Indiana.

MS. JEFFRIES: Okay. Civil rights organization and consumer advocates, we have a primary of Carolyn Fast.

MS. FAST: Hi, I'm Carolyn Fast. I'm a director of higher education policy at the Century Foundation. Thank you.

MS. JEFFRIES: Thanks, Carolyn. Good to see you again. And alternate is- I may need some help with this, Magin Misael Sanchez.

MR. SANCHEZ: Close. Hi everyone. Good morning. My name is Magin Misael Sanchez. Serve as a policy analyst at Unidos U.S as higher ed policy analyst, our nation's largest Hispanic civil rights organization. And I'm also a recent graduate from the University of Virginia, where I was involved locally, state and

nationally in civil rights advocacy.

MS. JEFFRIES: Okay. Thank you for helping me with the pronunciation of your name so that we get it right going forward. I appreciate that. Financial aid administrators, the primary is JoEllen Price.

MS. PRICE: Hi, good morning. I'm JoEllen Price. I am the dean of financial aid and scholarships at San Jacinto College in Pasadena, Texas and I'm very happy to be here. Thank you.

MS. JEFFRIES: Thanks. Alternate, Zack Goodwin.

MR. GOODWIN: Hi everyone, very excited to be working with you over the next few weeks. I'm the Executive Director of Financial Aid and Scholarships and Financial Literacy and Wellness at the University of Nevada, Las Vegas. Great to meet you.

MS. JEFFRIES: Thank you Zack. Next is historically black colleges and universities, tribal colleges and universities, and minority serving institutions, which are institutions of higher education eligible to receive Federal assistance under Title III, parts A and F, and Title V of the HEA. The primary is Charles Prince.

DR. PRINCE: Good morning. Dr. Charles Prince, Chief of Staff and Chief Transformation Officer

here in the beautiful city of New Orleans, Louisiana, at Dillard University.

MS. JEFFRIES: Welcome. Alternate is D'Angelo Sands.

MR. SANDS: Good morning, everybody. My name is D'Angelo Sands. I'm the Executive Director for College Access and Outreach at Texas A&M University, Corpus Christi. Great to be here. Thank you.

MS. JEFFRIES: Welcome. Institutional accrediting agencies recognized by the Secretary, we have Jamie S. Studley.

MS. STUDLEY: Thank you, Cindy. I'm Jamiene Studley. I'm President of the WASC Senior College and University Commission. I'm also currently serving as chair of the Council of Regional Accrediting Agencies. It's good to be back.

MS. JEFFRIES: Good to see you again, Jamiene. Alternate Mike.

MS. STUDLEY: Jamie is fine, Cindy.

MS. JEFFRIES: Yeah, I know, but I wanted to formally recognize. So thank you, Jamie. Alternate, we have Michale McComis.

MR. MCCOMIS: Good morning. Michale McComis, I'm the Executive Director with the Accrediting Commission of Career Schools and Colleges, serving as the

alternate negotiator for institutional accreditors. Good to be back and working on some really important topics here for this negotiated rulemaking.

MS. JEFFRIES: Welcome. Next, legal assistance organizations, the primary is Robyn Smith.

MS. R. SMITH: Good morning, everyone. Nice to see some faces I haven't seen in quite a few years. I am the Senior Attorney at the Legal Aid Foundation of Los Angeles and of counsel at the National Consumer Law Center.

MS. JEFFRIES: Welcome, Robyn. Alternate, Sophie Laing.

MS. LAING: Good morning. I'm Sophie Laing. I'm a Staff Attorney at Pine Tree Legal Assistance in Maine.

MS. JEFFRIES: Welcome. Private nonprofit institutions of higher education, primary Erika Linden.

MS. LINDEN: Good morning. I'm Erika Linden. I'm the Chief Compliance Officer and Title IX Coordinator for Des Moines University, which is a graduate health sciences institution. And I represent the private nonprofit.

MS. JEFFRIES: Thanks, Erika. Alternate, Scott Dolan.

MR. DOLAN: Good Morning. Scott Dolan the Executive Dean of the College of Liberal Arts and Sciences at Excelsior University, online institution headquartered in Albany, New York. Thanks so much.

MS. JEFFRIES: You're welcome and welcome. Programmatic accrediting agencies recognized by the Secretary to include state agencies recognized for approval of nurse education. The primary is Dr. Laura Rasar King.

DR. KING: Good morning everybody. My name is Laura Rasar King. I am the Executive Director of the Council on Education for Public Health, which is the programmatic accrediting agency for public health schools and programs, representing specialized accreditation.

MS. JEFFRIES: Good to see you again. Alternate, Amy Ackerson.

MS. ACKERSON: Good morning, I'm Amy Ackerson. I am the Director of Education for the Missouri State Board of Nursing.

MS. JEFFRIES: Welcome, Amy. Proprietary institutions of higher education. We have primary Jillian Klein.

MS. KLEIN: Good morning, everybody. Jillian Klein, Senior Vice President of Government and regulatory affairs at Strategic Education Incorporated,

which is the parent company of Capella University and Strayer University. This is my second time doing neg reg. I have 100% success rate on reaching consensus, so I'm counting on all of you. Nice to be with you today.

MS. JEFFRIES: Thank you, Jillian, good to see you again as well. Her alternate is David Cohen.

MR. COHEN: Good morning, everybody. David Cohen, I'm the proud President of Five Towns College, located in Long Island, New York. I'm also the chair of the Association of Private Colleges in New York State.

MS. JEFFRIES: Welcome, David. Public four-year institutions of higher education. Primary, Jason Lorgan.

MR. LORGAN: Good morning. My name is Jason Lorgan. I serve as the Executive Director in the Division of Student Affairs at the University of California, Davis, and I'm happy to be here.

MS. JEFFRIES: Welcome. Alternate is Alyssa Dobson. Alyssa, are you with us today? It doesn't look like she is if she joins.

MR. WEATHERS: Cindy? I did see her earlier and I had been in communication with her, and I think she's a little under the weather, so she may have stepped away.

MS. JEFFRIES: Okay. If she does feel better enough to join us, we will announce her when she is able to join. Public two-year institutions of higher education. Primary Jo Alice Blondin.

MS. BLONDIN: Hi there. Jo Blondin, President at Clark State College in Springfield, Ohio.

MS. JEFFRIES: Okay. And the alternate is Michael Cioce.

MR. CIOCE: Good morning, good morning. Yes, Michael Cioce, alternate. I'm at Rowan College at Burlington County in New Jersey and representing two-year colleges. Thank you.

MS. JEFFRIES: Welcome. State attorneys general, we have primary Diana Hooley.

MS. HOOLEY: Good morning, everyone. My name is Diana Hooley. I'm an Assistant Attorney General in the Insurance and Financial Services division at the Massachusetts AG's office. Very excited to be a part of this process. And I'm representing the constituency of the state attorneys general offices. Nice to meet everyone.

MS. JEFFRIES: Thank you. The alternate position for state attorney generals is vacant at this time. So we'll move to state officials, including state higher education, executive officers, state authorizing

agencies, and state regulators of institutions of higher education, with the primary being John Ware.

MR. WARE: Good morning, John Ware, Director of the Ohio State Board of Career Colleges and Schools.

MS. JEFFRIES: Welcome, John. And the alternate, Robert Anderson.

MR. ANDERSON: Hey, everybody. Rob Anderson here. Very good to see a bunch of colleagues gathered. I am the President of the State Higher Education Executive Officers Association. Been in that capacity for about six and a half years. Worked at state SHEEO offices for a decade plus before that. And the current incoming chair of the board of directors for NC-SARA.

MS. JEFFRIES: Thank you. Students or borrowers, including currently enrolled borrowers or groups representing them, primary Jessica Morales.

MS. MORALES: Hi, everybody. I'm Jessica Morales I am currently in Texas, but go to school in D.C. And I go to American University, Washington College of Law. And I've worked with many of you and I'm excited to work with those that I haven't.

MS. JEFFRIES: Welcome. And alternate is Emmett Blaney.

MR. BLANEY: Hello, everyone. I'm Emmett Blaney, I'm a recent graduate of the University of Denver for my Master of Social Work, and I'm also the Policy Coordinator for Young Invincibles out here in Denver.

MS. JEFFRIES: Welcome. U.S. military service members, veterans or groups representing them, primary Barmak Nassirian.

MR. NASSIRIAN: Good morning. My name is Barmak Nassirian, Vice President for Higher Ed Policy with Veterans Education Success.

MS. JEFFRIES: Good to see you again, Barmak. And alternate is Ashlynn Haycock-Lohmann.

MS. HAYCOCK-LOHMANN: Good morning, everyone. I'm Ashlynn Haycock-Lohmann. I'm the Deputy Legislative Director at the Tragedy Assistance Program for Survivors, or TAPS. Thank you.

MS. JEFFRIES: Okay. I did- there is a message from Allison Dobson who states that she is here and listening in. She thinks their audio was not working. She is under the weather, but she does express that she wouldn't miss this for the world. So she is present. Thank you all for introducing yourselves and for your time, efforts, expertise, and commitment to this process and the representation of your constituency. We are glad

to have the opportunity to work with each and every one of you. In addition to the main committee, there will be a subcommittee on Federal TRIO programs. I'm going to introduce the participants of that TRIO program and then explain to you a little bit how that program and subcommittee will work. So participating in the TRIO committee program will be- subcommittee will be participants from the Department of Education including Aaron Washington, who will be the subcommittee leader from the Office of Policy Planning and Innovation within the office of postsecondary education. I do know that Aaron is present because he is also in the background here. Aaron, do you want to introduce yourself?

MR. WASHINGTON: Hi, my name is Aaron Washington. Like Cindy said I'll be the subcommittee team lead. I will be meeting on Friday, this Friday from 10 to 3 to discuss one issue related to a participant eligibility and TRIO programs. You all from the main committee are welcome to watch as well as the public. And I probably will see you all again at the second session in February when the subcommittee reports out our initial discussions to you all. So it's very nice to meet you all and I look forward to working with you all. Thank you.

MS. JEFFRIES: Thanks, Aaron. Gaby Watts from higher education programs office within the

office of postsecondary education. Gaby, are you present today? Doesn't look like it. And that's going to be Hannah Hodel from-

MS. WATTS: I'm here, Cindy.

MS. JEFFRIES: Okay. There you are.

MS. WATTS: Good morning, everyone.

This is Gaby Watts. I'm the Senior Director for Student Service in the office of postsecondary education. We're going to be working with Aaron on the subcommittee. Thank you all.

MS. JEFFRIES: Thanks, Gaby. Hannah Hodel from the Office of General Counsel. Okay. The TRIO subcommittee will consist of five constituent groups, including institutions of higher education within negotiator D'Angelo Sands. D'Angelo is also part of the main committee, but he is the only one from the main committee on the TRIO committee. Current or former participants in a Federal TRIO program negotiator Wade Williams. Secondary schools, including local education agencies with secondary schools and negotiator will be Jeff Garner. Organizations, including community based organizations with experience in servicing disadvantaged. The negotiator will be Emily Lappeth. State officials, including higher education, executive officers, state authorizing agencies, and state regulator institutions of

higher education is currently vacant. So for the subcommittee process, FMCS will be the facilitator for that subcommittee process. We want to give a big thank you to the subcommittee participants, and we look forward to working with you. This subcommittee will meet on Friday, January 12th and Friday, February 9th of 2024 to discuss the TRIO issue paper that you all received as well. Per protocols, the subcommittee does not have authority to reach consensus with the Department as a stand-alone committee. However, they will be focusing on bringing a recommendation to the full committee for discussion and consensus by the full committee during the last session or before, if there ready of this rulemaking in March 2024. This full committee is the only one that has the ability to reach consensus on a recommendation that the subcommittee brings forward. Next, I'd like to take a moment to introduce you all to your FMCS facilitation group. I and four of my colleagues who will introduce themselves momentarily, our commissioners slash Federal mediators with the Federal Mediation and Conciliation Service who will be referred to going forward as FMCS. I myself have been with FMCS for a little over 13 years. I currently work outside of Orlando, Florida and I previously was stationed in Albany, New York. I especially enjoy these multi-party

high stake negotiations and appreciate getting the opportunity to work with subject matter experts in a variety of sectors, industries and circumstances. I have been doing negotiated rulemaking for several years now, and this is my fourth one with the Department surrounding the Higher Education Act. I am joined by four fellow FMCS colleagues who I'd like to invite to introduce themselves and anything I may not have mentioned so far.

Commissioner, Brady Roberts.

MR. ROBERTS: Morning, everyone. Brady Roberts from the Philadelphia field office of FMCS. This is my fourth reg neg with the Department. And Cindy, I think you've hit everything.

MS. JEFFRIES: Okay, thanks.

Commissioner, John Weathers.

MR. WEATHERS: Thank you, Cindy. John Weathers I'm sitting outside of Denver, Colorado. I've been with FMCS for seven and a half years, and this is my second reg neg with the Department. I'm looking forward to it. Thank you, Cindy.

MS. JEFFRIES: Thanks, John.

Commissioner, Krystil Smith.

MS. K. SMITH: Good morning, I'm Krystil Smith. I'm calling here from outside Washington D.C. office. I've been with FMCS for seven years and this

will be my first time facilitating with the Department.

MS. JEFFRIES: And last but not least, we have Commissioner, Kevin Wagner. Kevin?

MR. WAGNER: Hi. Good morning. My name is Kevin Wagner. I've been with FMCS a little over five years. Based out of the headquarters in Washington D.C., calling from Northern Virginia. This is my second reg neg with the Department and looking forward to working with everyone.

MS. JEFFRIES: Great. Thank you. So for those of you who may not be familiar with FMCS, we are a small independent Federal agency of the executive branch of the U.S. Government. We have several statutory bodies of work, one being negotiated rulemaking. Specifically, the Administrative Dispute Resolution Act of 1990 and the Negotiated Rulemaking Act of 1990 authorizes FMCS to use its dispute resolution expertise to bring together the regulators and those impacted by the regulations in a collaborative process prior to the issuance of a new rule. Your FMCS is a neutral third party will facilitate your discussions and consensus for each policy proposal. We will assist the negotiating committee in identifying and overcoming barriers that arise in multi-party negotiations. We also will work with the committee as appropriate, and break out caucus faces during sessions

and work with groups between sessions. Solicit and distribute documents and information for the Department Committee and capture the process and progress in drafting of a session summary. We are here to assist you in every step of the way. While you are all are the subject matter expertise or experts and focus on the topics before the committee, we will drive the process and move the committee through each session, navigating order and adherence to the organizational protocols, agenda timelines, strategies and dynamics at and away from the table, all to assist you to be solution oriented and to build consensus. We want to each of you to feel encouraged and empowered to reach out to us directly with questions, comments, and concerns throughout the entirety of this process. I believe we have now made all the introductions. If I missed someone, I do apologize and invite you to let me know at this time. Okay. So now we're going to move on to logistics and protocols. And we are asking the following. Please adhere to the naming convention indicating P for primary A for alternate followed by your name and lastly the constituency you are representing. So we ask everyone to adhere to that at this time. While you are not speaking, please keep your audio muted. This will help us cut down on background noise, distractions, and be able to identify the speaker

more readily at any given time. If you are at the main virtual table and have something to share, please raise your virtual hand by clicking the reactions icon at the bottom of your screen and selecting raise hand. We will generally call on people throughout the process in the order in which their virtual hands appear on the screen. Should you have any technology related questions today during our session, we will identify each day of the session in the chat the name and email address. Today it will be Krystil Smith. Krystil, if you could kindly put your name and email in the chat, we would appreciate it. Special note on the chat feature. It will remain enabled during our sessions together. Please know that all messages sent out to the full group are subject to an ongoing transcript that will be posted publicly. Each day, the public will have an opportunity to log in and observe our session via live streaming. The Department has posted a registration link for that on their website, and I will again ask Krystil to post that list in the chat right now, because this is the same place where updates and shared documents will routinely be provided. Next, we would like to address the organizational protocols. I know that each of you previously received a copy of the protocols to review and briefly discuss with the facilitators who scheduled your outreach sessions.

Based on some of those discussions and the questions asked within, I would like to address a few concepts covered in that document. Primary and alternate committee members. We recognize primary and alternate committee members as a team representing their constituency. To that end, we value the input, expertise and representation that both bring to the table. To carry out our virtual process, we must note several important distinctions. Only the primary negotiator generally sits at the table. Only the participants sitting at the main table will have their cameras on while discussion is taking place on policy proposals. All others, including alternates, will be asked to turn their cameras off. This is to preserve the limited virtual landscape and to easily delineate between those participating for the purposes of determining consensus, which are the primary negotiators. Alternate committee members will be invited to turn their cameras on when they are at the main table, and this can occur in several types of instances. In the absence of a primary member, the alternate will participate at the main table, and for the purpose of consensus. The primary and alternate negotiator may decide that the alternate will take the primary's place at the main table, either for a certain topic or to have an opportunity to briefly comment on particular topic,

segment, subsection of a topic. In that case, the alternate would thus be on camera, and the primary would turn off their camera for that portion. We hope that everyone understands the virtual and logistical intent behind this practice, and would ask for advance notice to the facilitators when it is noted, knowing that an alternator, an alternator, an alternate will participate for a day, a topic, or speak on a sub topic. This allows us to plan accordingly and make announcements for the public that are viewing via the live stream. We will be engaging in consensus decision making to develop regulations. We will utilize good faith group problem solving to address interests of the committee members with the intent of reaching unanimous agreement, otherwise described as building consensus. It is not a majority vote, but rather an expression of agreement or dissent, and we will have built consensus once there is no dissent by any member of the negotiating committee. Thus, no member of or minority group can be outvoted. A few important notes here. Per the protocols, members of the committee should not block or withhold consensus unless they have serious reservations about what is being proposed. Absence at the time of a consensus check will be the equivalent to not dissenting and will therefore not prevent consensus from being reached. To take

consensus checks, we will utilize a virtual three thumb approach. Thumbs up. This is an expression of agreement by one who agrees with and is in support of the proposal at hand. A sideways thumb. This is also an expression of agreement. It is in fact an indication that one does not feel as strongly favorable to the proposal, but will support and agree with the proposal and not dissent. If every if everyone is an up or sideways, you have reached agreement. A down thumb is an expression of dissent by one who will not support the proposal at hand. If one or more individuals are a thumbs down. You are not in consensus, and the dialog and work continues during our remaining scheduled session together, starting with the dissenter or dissenters being asked if there are additional concerns other than what was presented in the discussion prior to the consensus check, and asked to provide a change to what was proposed that might get them to consensus. Finally, we will be seeking consensus separately on each policy proposal. Each policy proposal will be subject to its own distinct consensus building and as a result, those where policy proposal consensus has not been reached will not hold back these policy proposals for the consensus was achieved. Okay?

Throughout the process, we take the committee's temperature for purposes of tentative agreement. This

will help us monitor where the committee is at as a group with regard to specific policy proposals and solutions, so that we continue through the process towards consensus. Temperature checks will also be done using the same three thumb approach, and we will make it clear in any given instance whether we are taking the temperature or an official consensus check. Data and information requests and sharing and questions. To streamline and an effort and consistent process, we request that materials be provided to FMCS and we will distribute them to the full committee and Department. For the Department, for data requests to the Department, please refer to the protocols for additional information. These will be invited at the time of addressing the topic for which the request pertains. Any information provided by the Department in response to a data request will be sent out to the entire committee. The Department desires to share information when they can. However, please understand that there should be no expectation of a response given during a live session. In those circumstances, we will ask you to place your question or request in the chat for the Department to follow up on. This is not an attempt to delay responses, but instead to provide the Department time to provide the most accurate and meaningful response. Document and proposal exchanges and meeting

requests or scheduling. All documents exchanged between the parties will be sent to the FMCS team, who will then distribute them to the parties. This is applicable for the negotiators and the Department of Education. Any requests for meetings with the Department or the Department requests for meeting with the constituency group or groups, will also go through FMCS for confirmation and scheduling. We thank you in advance for understanding and cooperation. We will be using breakout rooms in caucuses and per the protocols, committee members may request a caucus for the purpose of consultation. To achieve this within our zoom.gov platform, the facilitators will move individuals into breakout rooms within the platform. These rooms are secure and private virtual spaces where there will be no live streaming or recording. The main table discussions will be paused during a caucus. For time management purposes, the facilitators will work with the committee members to ensure they are used intentionally and strategically for specific periods of time. It is no secret that we have several important topics to address in our limited time together, and we want to ensure that we are using each of your time most productively. In terms of participation, only those within the Zoom.gov platform will be able to access the breakout rooms

through Zoom. This means we will not be able to admit any additional individuals to the meeting for the purpose of meeting with you in caucus. However, while in the breakout rooms, we encourage you to contact and consult with others as you deem appropriate and necessary. Feel encouraged to call them, use conference lines, speaker phones, or other technology available to you. Social media. It is addressed in the protocols, and we ask everyone to refrain from posting and commenting on social media during our sessions, because we want everyone fully engaged and participating in our sessions. Outside of the sessions, we appreciate that social media can be an effective tool for positive use, such as soliciting feedback from your respective constituencies. Therefore, consistent with the protocols, all members shall act in good faith in all aspects of negotiations and should refrain from characterizing the views, motives or interests of others regarding negotiated rulemaking. Additional- adding additional constituency groups and members, the committee members may propose additional constituency groups for consideration by the committee. The cutoff date to propose new constituent groups, including primary and alternate, for the group, is close of business on the first day of session two, which is February 5th, 2024. If submitting a proposal, please

include the name of the proposed constituency group, why you feel they should be approved and the proposed primary and alternate negotiator along with their job, their bios. I'm sorry. Finally, it has been communicated to each of you that your agreement to serve as a negotiator indicated your willingness to follow the protocols which you received as a copy of. We are now going to ask you at this time to approve the organizational protocol as provided. This will be your first opportunity to use your thumbs and achieve agreement. Does the committee agree with formally adopting the protocols? May I please see a show of thumbs? Mr. Ware, I can't see. There you go. Alright. Looks like you have reached your first consensus. Congratulations. And we will reflect the adoption in our records. Public comment period. At the end of each day, that the main committee meets, with the exception of the final session day, we will reserve time for public comment. At that time, registered individual public commenters will be admitted one at a time at their scheduled time into our zoom.gov location meeting from the waiting room and be permitted three minutes to speak. They will be removed from the session when their remarks are committed, completed. So with that I open it up to any questions or comments for clarification on any of the things that we have gone through so far. Okay. Seeing no

hands, we will jump right into the agenda for today that you all received. And first, we will be dealing with cash management and issue paper number one. I will turn that over to Greg Martin, the Federal negotiator for an overview, and then we'll open it up for discussion. Robyn, you have a question? I think you're on mute.

MS. R. SMITH: Sorry about that. I'm the first one to do it. Okay. I wasn't sure when we're supposed to negotiate or supposed to nominate additional seats at the negotiating table.

MS. JEFFRIES: Okay. You are free to do that whenever.

MS. R. SMITH: Sure. Thank you. The Department has combined the consumer advocates, negotiator and civil rights organizations into one seat with the civil rights organizations representative as an alternate. Which means that the representative from the civil rights community, which seeks to advance racial equity through higher education, is effectively rendered without a vote for the purposes of achieving consensus, which of course has equity implications, and in addition means that in these discussions, one of the critical voices for student loan borrowers will always be excluded from the discussion. Either the civil rights organizations will be represented in the primary, or the

consumer advocates will be. And so I propose splitting that seat into two primary negotiators, with the consumer advocates having one seat and the civil rights organizations having a separate seat, with the current people who are proposed. So the alternate for the civil rights organization, Magin Sanchez would be appointed as the primary negotiator. I also propose adding alternates to each of those seats. So I propose, or I nominate Allan Wachendorfer if the committee decides to add a second seat for civil rights organizations. I would nominate Allan Wachendorfer, who serves as program manager with the Vera Institute of Justice Unlocking Potential Initiative, who's working to expand access to high quality postsecondary programs in prisons. He co-leads the initiatives Equity work, which includes identifying and reforming policies and practices that contribute to an equitable access, completions, and outcomes for incarcerated students of color. Allan also provides technical assistance to colleges, corrections departments, and nonprofits offering postsecondary education and reentry programs to incarcerated people. And we're concerned because given the implications for incarcerated students of accreditation changes, distance education, return of Title IV dollars and state authorization. And even colleges business management

practices, Allan's perspective would be critical to considering the impact of regulatory changes on a uniquely marginalized student population, and he has agreed to serve if the committee agrees to appoint two separate seats and add an alternate. I also nominate Stephanie Hall from the center for American Progress to serve as the alternate negotiator, for a consumer advocate position, if, again, those seats are separated out. And I think other folks on the committee may have some information about Stephanie's background.

MS. JEFFRIES: Okay, thank you.

Carolyn.

MS. FAST: I just wanted to offer my support for this proposal. I think it's important that civil rights organizations have their own seat at the table, so that they can have the opportunity to directly influence outcomes in the consensus process. They bring a unique perspective with their focus on advancing racial justice and bring extremely valuable expertise, including expertise on how the rules that are under discussion here today can and do impact communities of color. So I would strongly support adding a seat for civil rights organizations, and I support making Sanchez to fill the role as primary for that seat. I just wanted to add a little information about the nominated for the alternate

seat for the consumer advocates. That is Dr. Stephanie Hall, who's acting senior director of higher education policy at the center for American Progress. And Dr. Hall is a leading expert on college accountability and the for-profit online higher education industry. And she has a lot of research and advocacy experience in these issues and has been- her research has been instrumental for proposed Federal and state legislation and Federal agency action. Thank you.

MS. JEFFRIES: Okay. Any other comments on that?

DR. PRINCE: Is it question time period?

MS. JEFFRIES: Okay. I'm having a hard time deciphering what your name is by your naming convention. DC? Okay, alright, DC.

DR. PRINCE: Question. What was the purpose behind combining civil rights organizations and consumer advocates as one group? What was the intention there?

MS. JEFFRIES: Frank?

MR. MARTIN: When the Department puts together the constituencies, there are considerations of courses which constituencies are going to use. And also the consideration of the- besides the committee and, you

know. So I think in that case we looking at, I suppose, from a position of advocacy. And, you know, I do understand that those two are not necessarily, you know, wholly connected. There was no intention of sliding either one of those constituencies when we did that. As part of these deliberations is for the committee to bring this to our attention. So, I don't- in going back to, again, those considerations, we have a lot as you're aware, there are a lot of constituencies that we have to consider in putting on the committee. We can't and I think there are, in a perfect world, there would probably be even more. But we have to keep in mind, again, the logistics of the meetings, but the Department doesn't have any objections to this particular addition. And if it's the will of the committee to move forward, we would ask that the information and bios be submitted to FMCS. We'll need that information for vetting purposes. But, we can, if we want to proceed, if we want to proceed with a vote. Cindy, we can. Again, adding anybody to the committee, it is pending a vetting on the part of the Department, but we have no objections. And again, I just want to say that there was no, you know, no intentional slight on our part as far as the combination of them. It's just, when we do it, we have a lot of different constituencies where we're taking into account. So I'll

stop there and allow anybody else to make comments that they want to make before we move to a vote on whether or not we're going to add these individuals to the committee.

MS. JEFFRIES: Okay. Thank you, Greg. Barmak.

MR. NASSIRIAN: Yes, I'll be very brief. I completely understand the Department's rationale. But I would point out that civil rights is an overarching societal challenge for all of us, and the exclusion of an explicit participation and recognition of the importance of civil rights would be a mistake. I think it would strengthen the work of the committee to have that voice at the table. Thank you.

MS. JEFFRIES: Thank you, Barmak. Magin?

MR. SANCHEZ: Thank you. I do wish to remind the panel also that previously civil rights and consumer advocates were separate seats, and there is prior precedence for separating these seats. We did about a year ago as well. On that note, I think I want to reemphasize again the importance of these are two different constituencies, and they would be better served if they had separate seats and the voting members to be able to represent each community's interests. I think,

particularly, you know, as we're discussing fundamental issues, you know, defining quality programs and the integrity of these institutions, we can't forget these historically underrepresented communities that disproportionately face barriers and that can benefit from a more equitable higher education system. These topics have impact on enrollment, completion and positive outcomes for these communities. And so they would be at a great disadvantage if we don't provide, again, the ability to have a direct voice on this matter and be represented in this process through civil rights perspective. And for that reason, again, we ask respectfully request that a civil rights committee be awarded its own seat at the table. Thank you.

MS. JEFFRIES: Greg?

MR. ROBERTS: You're muted, Greg.

MR. MARTIN: My mistake. Sorry about that. You think I'd know by now, right? I should set a good example, but I obviously am not doing that. Yeah, so from the Department's perspective, we agree with all that's been said. I think that it's definitely it's a very strong argument, you know, that everybody's made for the case that's the civil rights is certainly a huge consideration. Although there are certainly, you know, many constituencies one can think of and not to belittle

any of them but civil rights is an overarching concern in our, you know, in society as a whole and in these proceedings. So the Department is supportive of that. And I think that's where I'll leave our position for now. And others are welcome to give their views.

MS. JEFFRIES: Thank you, Greg. Jamie?

MS. STUDLEY: Very simply, I'll say what I said in the chat. I'm very sympathetic to this proposal. I would- it would be helpful to know the full scale of proposed additions because there is an element of overall scale. But it would help me act on this one, which, as I say, I'm sympathetic to.

MS. JEFFRIES: Thank you, Jamie. And that was a question that I was going to pose. Are there any other intended constituency group additions at this time that you're aware of? Because we would like to act on them all at once when we're able to once they are vetted. Rob Anderson? You're on mute.

MR. ANDERSON: Thanks. I wasn't sure about protocol whether my primary needs to hand it over to me now, but I raised my hand to answer the question. One area that I think permeates through a lot of these topics that really isn't directly represented is that of distance education. When you look at accreditation, state authorization, of course, distance Ed, return of Title IV

funds and cash management. I think greater expertise on this committee would be helpful. The Undersecretary mentioned at the onset, about some of the overarching principles and that some of this would get weedy. And I think this gets at part of that weedy part to where having expertise here and in the midst of the conversations instead of stat, you know, in between sessions as we make revisions for the next set of meetings would be helpful. It'll help us as a body move more quickly. And with that, I would nominate Sheryl Dowd as the primary for a distance Ed seat. She's the senior director for the state authorization network and WCET policy innovations. She would fill this nicely. Her colleague, Russ Poulin, has served in this role in the past, and they're both great colleagues. Very helpful. And I think would help us move with due diligence. I think we do have a couple of negotiators that have some of this expertise in different areas, but I think there's one who may be tied more toward the for-profit seat advantage point and another with private nonprofit. But you know, what Cheryl would help us with is the fact that when you look at IPEDS data, 32% of all students were enrolled exclusively in distance Ed, and 67% of those were at public institutions. And her vast depth and breadth of knowledge on this front, I think would be very

helpful. So I would nominate her as a primary for a distance education.

MS. JEFFRIES: And for alternate?

MR. ANDERSON: I don't have one.

MS. JEFFRIES: Okay. So, Greg?

MR. MARTIN: Thanks, Cindy. Yeah. With all these, I want to say that, you know, it's always a difficult, you know, decision to make whether, you know, whether we should add somebody else to the table. I want to reiterate, I refocus everybody, in fact, that when you pointed out earlier about consensus voting, that the consensus is just that it's consensus. There's no advantage to having more votes since it's not like a majority vote type thing. So I would point that out. Which is not to say that the expertise is not good at the table. I indicated the Department's, you know, upfront willingness for the vote to take place on the addition of the civil rights position. With respect to distance education. We're in no way disparaging the importance of distance education or any of the individuals who might be nominated to do that. The Department's position at this point is that we have a number of individuals at the table currently who bring a great deal of expertise in the area of distance education to the table. And we have at least one member who served on the distance and

innovation committee before, in the past and was put on that table specifically for their knowledge of that topic. So at this point, we're inclined to take the- to proceed whenever we're ready with a vote on the addition of the civil rights position. But we would, at least right now not want to move forward with adding anybody else to the table. Thank you.

MS. JEFFRIES: Okay, thank you. Jo Blondin?

MS. BLONDIN: Yes. I think we need somebody at the table around distance education. Speaking from the two-year sector, I think it would be extremely helpful for us to have that person. Thank you.

MS. JEFFRIES: Thank you. Okay, so not seeing any additional hands. I just want to recap here. The Department, it takes consensus by the group, including the Department, to approve adding a constituency group as well as a primary and or an alternate for each group. The Department has indicated their support of the proposed split for consumer advocates and civil rights. But they have made it clear that they're not in support of adding a separate constituency of distance ed, indicating at least one [inaudible]. But I think that, Greg, I think that we should go ahead and take the consensus check on the civil

rights consumer advocate. We will still need those bios submitted to FMCS so we can get them to the Department. And all of the negotiators. As Greg indicated, they need to be vetted. And you all are entitled to see all the details of their backgrounds. Okay? Before making a decision on that. So it is up to the committee if they want to proceed with the entire vote right now, as far as splitting the group and having to come back to adding the proposed participants for each of the groups once they are vetted and looked at, or if you want to hold off and do it all as soon as that process is completed. Comments? DC?

DR. PRINCE: Yeah, I think I would propose that we would hold off on voting until we see who- until a vetting process had been done. And then we would take a vote. I don't want to delay anything. But I will be open and transparent that I'm not necessarily convinced by today's discussion that we need these additional constituency groups. And so it would, you know, we all have to go through a process. We all have to be vetted and reviewed. And so I think that process should still be in place before we decide to vote. I would also consider that we would vote on each constituency group individually rather than an entire collective. So, that's what I would propose as a way

forward.

MS. JEFFRIES: Okay. And to answer that question. Yes, when the vote is- when the consensus is taken, it would be one consensus on separating consumer advocates and civil rights into two separate constituencies with the proposed people that were made as long as the vetting process is done and then there would be a separate consensus vote process on whether or not to add this distance Ed seat. Okay? Any other questions? So, Greg, if you're okay, can we postpone doing the consensus on this until we get those bios out for people to look at so that we can take care of it in one fell swoop?

MR. MARTIN: Yeah, I think we can do that. That we can get the bios out and let people take a look at them before they have to determine whether there's consensus. So I don't have a problem with that. We can get those bios out. It's not urgent that we add someone to the very beginning of our negotiations. So, as you're aware, everybody's aware from the protocols, we have up until the first day of the second round. So we should be able to accomplish that fairly early this week. But that's not a bad idea to let people look at those bios first. I don't have a problem with that.

MS. JEFFRIES: Okay. Jamie?

MS. STUDLEY: Short, but maybe not easy

question, whether the concept of splitting the seats is identical to whether these people would be seated. Is it one question about the concept and then the Department has to screen the people? Or is it two questions? I leave that to Greg and the facilitators.

MR. MARTIN: That's a good question. We certainly could, you know, just take- we could take a vote now to add the slot and then consider the actual individuals who've been nominated subsequent to that, if that's what you want to do. I don't have a problem with that if everybody's amenable to that. I we want to right now, just establish that it is the will of the committee to add- to split those constituencies up, then we can do that now if you want to. Again, as Cindy points out, it does require consensus of everybody in order for that to happen. So I just want to make that clear, if anybody on the committee is opposed to it and votes and indicates they do not agree with it, then it won't go forward.

MS. JEFFRIES: Thank you. Robyn?

MS. R. SMITH: Yeah, I was going to say, I don't think there's any problem, you know, if we want to, sorry, I'm losing my feed. Sorry, okay, there we go. I don't think there's a problem with voting on that now if people feel comfortable approving it or voting on it, that would be fine. I don't see any reason not to.

MS. JEFFRIES: Okay, thank you.

Carolyn?

MS. FAST: I just wanted to point out that Magin has already been vetted as a negotiator through the Department's process. So I don't think that there's necessarily a need to wait on a vote for vetting of him if there was a consensus to split the seat.

MR. MARTIN: Yeah. I don't want to. This- I think we should. This vetting thing is pretty- it's certainly important, but generally speaking, unless there's some issue, it's not, let's say, I don't want to put too much emphasis on that. Yeah. You're right, Carolyn but I think we should do it for everybody at the same time. So, I mean, it's just- I don't see- I obviously don't see a problem with those individuals. There seems to be. But again, it's the entire committee has to vote. And I do want and not just vetting, I do think as someone pointed out it would be nice to be able for people to read the bios first. For those who aren't familiar with these individuals, it would be good for them to read the bios of that. So I think right now we can take the vote. I think it would send a signal to the community that the committee is- believes that these should be separated out and that we should establish this constituency, and then we can move ahead with the other

votes when we get to that point and I would like a chance to confer with leadership about what we can do that. But we're certainly, you know, we'd certainly go ahead that way and just go ahead. And right now, I'd like to make the vote to be limited to the establishment of civil rights as a separate negotiator on the main committee, I mean, for a primary and an alternate. And then we'll go ahead after later to move to put the individuals in those positions. That makes sense. That makes sense, Cindy?

MS. JEFFRIES: Yes, it does. So with that having been said, we're going to go ahead and take a consensus on separating consumer advocates into one group and civil rights into their own group. So could I see a show of thumbs, please? Okay. There is one dissent on that. So the motion has failed at this point. So, we are free to move on. At this point into the agenda, we will come back to the adding of a distance Ed seat, unless you'd like to do anything with that at this point. Barmak you have a question?

MR. NASSIRIAN: I do. I thought it was our practice to request comments from the descending member, from the dissenting members, just to understand what their objection is.

MS. JEFFRIES: And we do do that, Barmak. DC made his dissent clear before we took the

vote. But if you'd like to have him reiterate it, we can ask him to do that.

MR. NASSIRIAN: I would appreciate it. Just so I understand, I'm not sure that I do.

MS. JEFFRIES: Okay, DC?

DR. PRINCE: I think it's clear that the groups had already been decided. I think what we get into is we start to have subsets of subsets of subsets of groups. You open up the door for additional groups to be had. So all of a sudden we're always going to be missing somebody. Or the other option to me would have been, I'm also getting advocated by other people who aren't represented on this group who are emailing me, give me ideas, thoughts and comments. So at the end of the day, for me, anyone can feel passionate about one particular group or the other, but I think the groups have been decided and we should move on from what's already been set. I think once you start separating that kind of group, you just start separating my group. You can start separating other people's groups and finding those kinds of niches to come to the table. Then this group grows even larger to even find further consensus. So you're, I think you're just asking for a larger problem later down the line. With our passion right now to want to include more people. So that's why I dissented.

MS. JEFFRIES: Thank you, DC, for the clarification. Robyn?

MS. SMITH: I would just ask because there's still another outstanding seat. And that's the basis of the dissent is adding additional seats. I would ask that we revisit this issue when we vote on the distance education proposal.

MS. JEFFRIES: And we will take that under advisement and the Department will also do the same. And at this point, I think, we need to move forward with the agenda. Greg?

MR. MARTIN: Oh, no. I was just going to say, Cindy. And it looks like we yeah- I did want to move forward with the agenda. The Department is not amenable to a vote on distance at this time. Thank you.

MS. JEFFRIES: Okay. Thank you. Okay. So moving on to the next agenda item, which is the issue paper number one, which is the cash management. So I'm going to turn that over to Greg for an overview of it, and then we'll open it up for discussion.

MR. MARTIN: Thank you, Cindy. And as you pointed out, we are going to be looking at issue paper number one, cash management. The issue papers are numbered for you for your convenience. A couple things about them. They all follow a similar format. We tried to

make them to bring some- one of these standard template for them. And by and large, did. I think when we get to accreditation that the regulatory changes being a little more robust, we have a whole separate addendum which has the red line regulatory changes that you have in addition to the issue paper. So that's going to be a little different. But for the rest of them, all the changes are contained in the issue paper. So we have an overview. And we also have the proposed regulatory changes that we would make. As far as walking through them, this neg reg is going to be a little different than others. I am the head negotiator and take the vote for the Department, obviously. I am joined at the table this time around by Mr. David Musser from Federal Student Aid. David and I are sort of sharing the responsibility of walking through these issue papers with you. So, I'm taking the lead on cash management and I will be doing state authorization. When we get to distance education and R2T4 Returning to Title IV funds, David will be the person taking over the discussion for that. That doesn't mean that there are three people at the table from the Department who will be, you know, commenting as we move forward. That would be myself, David and our attorney, our attorneys, which would either be Denise or Donna, depending upon the topic. So I think we'll all probably have something to

say, but I just wanted to point out that on certain topics, those topics I mentioned, David will be the person taking the lead for the discussion on those topics. With cash management. What I'd like to do is it being a topic which I think most people have at least some familiarity with, and others of great familiarity with. I think we'll go through each individual topic that we're going to look at rather than have me, you know, read through all of them and then go back and start at the beginning again. Why don't we just start with each subtopic in cash management. So what I'll do is just go over it and what we are proposing to do, and then we'll look at the regulation itself and then give a little bit of a discussion as to Department's rationale for wanting to make this change and then we open it up to the floor for general discussion on what we propose to do. I would ask that all of the commenters, all the negotiators, if they wish to comment on this, would try to focus their comments on the regulatory change itself. Keeping in mind that if you don't approve of what we have proposed here or have a reason to think it won't work or something, to think about what you would do, what you might do differently. Try to be as specific as possible so that we can move through these and gauge not only whether you support it, but if you don't support it, how you would

change that. So let's take a look at cash management. This one I think is fairly straightforward. At least the first one we're going to look at here. Just as an overview. Again, the cash management regulations are found in subpart L of the general provisions. And our screen sharer here, Vanessa has brought those up for you. And where we're going to start in 162. The cash management regulations establish rules and procedures institutions must follow in requesting, maintaining, dispersing, and otherwise managing Title IV funds proposals under consideration would create a more consumer friendly policy structure to ensure students have access to the aid to which they're entitled. The first one I want to look at is, and Vanessa has very kindly brought that up here. I want to thank our screen sharers, which are Vanessa Gomez and Joe Massman, both on the policy development group for sharing their expertise with us in doing this. I know I would totally crash and burn if I were to have to do anything with displaying. It's all I can do to get my visage on the screen, let alone these regulations. So I really appreciate that. But let's take a look then, if you'll all look on the screen or refer to your issue papers here to what is proposed. And this is under 34 CFR 668.162 in subpart L, in subpart K rather, I said L, L is financial responsibility,

subpart K as cash management. Requesting funds. So what we propose to do here is established 180-day time frame in which institutions subject to heightened cash monitoring and receiving funds under reimbursement method of payment. We refer to this generally as HCM2, must submit their final HCM2 request after losing eligibility. The 180-day time frame is tied to the Department's late disbursement regulations, which are found in 668.164. Currently, there is no time frame for institutions to submit final claims to support- final claims and supporting documentation after losing eligibility, and this leads to delays in submission and is likely to increase financial risk to students and taxpayers because of these delays. For those of you who may not be as familiar with the cash management regulations, institutions receive funding from the Department generally under what we call advance pay and that is when the institution wants to request funds, it does so. And it can do so whenever it chooses. When an institution generally for issues involving compliance is switched from advance pay to either- we don't use reimbursement in HCM2. There are some nuances there which I don't think we need to go into a whole lot. But with HCM2, what happens is the prior to being able to draw down funds, the institution has to submit a list of students for whom

they are requesting funds. And HCM2 requires then that the school has already disbursed those funds because it is reimbursement. Right? So understand that under advance pay, you don't have to have credited students accounts or posted prior to drawing the funds, though many institutions do so. But under reimbursement or HCM2 you must post those accounts indicate that the Department you've done that send that documentation to us and other supporting documentation. The Department has a specialist known as a method of payment analyst who reviews those requests, and then that person would either approve or reject that request. So this has to do with the timeliness of when those are being sent to us. And so what I want to do is then look at the regulation again, if you're looking in your in your paper, issue paper one, you can go over to page four where you will see the actual regulation itself in 668.162(d)(3) under heightened cash monitoring payment method. And you can see here, under the heightened cash monitoring payment method, the institution must credit the student's account ledger for the amount of Title IV program funds, the student apparent is eligible to receive and pay that amount, and any credit balance due before the institution submits the request for funds under the provisions of advanced payment. What we are doing here. If we look at

three, under (d) (3), you'll see that we have added, an institution that loses eligibility while on heightened cash monitoring while on a heightened cash monitoring payment method, must submit its final request for funds within 180 days from the date of loss of eligibility. Institutions must comply with any additional reporting requirements or procedures specified by the Secretary in relation to the submission of their final request for funds after the loss of eligibility. Failure to submit the final request for funds within the specified 180 degree time frame, may result in forfeiture of the requested funds. Before we discuss this, I just want to say a little bit about why we're doing this. When institutions close, we are typically trying to close out all the obligations they have with us. Final audits, final requests. There have been many situations where institutions have closed and the request for payment under HCM2 have not come into us for some times a year, sometimes as long as two years afterwards. This is difficult for two reasons. The first being, fairness to students. Students for when schools have closed face enough difficulties and we would like institutions to disperse whatever funds are due to students as quickly as possible, get those to the students and get the request to us as quickly as possible. We see no reason why it

should take an institution which is closed a year or two years to submit a final request for us, to us rather. There's also, procedural considerations within the Department trying to get these closed out. So we want this done in as effective a manner as possible. And we think that the 180 day time frame here, which we hold institutions to for late disbursements is an applicable number and is a fair amount of time to extend to institutions which have closed to get their requests in. We feel that this rule will encourage institutions to do that in a timely manner. And I will extend an invitation to my colleagues, Denise and David, to comment on that if they want to prior to my opening the floor. So I just want to make sure that neither of them have their hands up. If they do, we'll hear what they have to say. If not, then we would move on to a discussion.

MS. JEFFRIES: I'm not seeing any hands, Greg, unless they're off camera.

MR. MARTIN: I think we're good.

MS. JEFFRIES: Yep. Okay. So we'll go ahead and open the floor for discussion. Barmak?

MR. NASSIRIAN: This applies only to institutions that close while they're on HTM2, on heightened cash management, or to all institutions, regardless of how they happen to close?

MR. MARTIN: Well, it would only be an instance where so if as you see in (3), an institution that loses eligibility while on heightened cash management. So what we're talking about here is if it's only if an institution is still participating, they can turn in their- submit the request whenever they choose to do so. We don't we don't regulate that.

MR. NASSIRIAN: I'm trying to understand the policy. I completely understand where the Department's coming from, and I support it. But I'm just asking, what about institutions that close for other reasons than that? You know, institution could close in an orderly fashion, right? I mean, it doesn't have to be on heightened cash management for an institution to close. I know it's a kind of a unicorn, but it happens, right?

MR. MARTIN: Oh, you're saying, oh, if an institution simply closed and-

MR. NASSIRIAN: Is the same rationale applied to all closures, not just those closures that happen to be triggered?

MR. MARTIN: I believe. I think and I'm going to invite my colleague David Musser from FSA because he's on the operational side of things. When an institution is closed, if they were on advance pay, they

would lose their access to be able to draw down funds at that point. But David has his hand up, so why don't we go.

MS. JEFFRIES: Greg, I also want to point out that Denise had her hand up to.

MR. MARTIN: Okay, well you go ahead and do the acknowledgments, Cindy. I'll just.

MS. JEFFRIES: Denise?

MS. MORELLI: I was going to let Dave go ahead and answer. I was going to jump in, but Dave probably has better experience. But at schools on advanced funding do have a stop pay that's put in when they lose eligibility. And then Dave can confirm whether or not they then are switched over and how their last claim for funds come in. So Barmak, that might address your question.

MS. JEFFRIES: Okay. Thanks, Denise.
Dave?

MR. MUSSER: Yeah. This is exactly right. Once the Department becomes aware that an institution has closed or otherwise lost eligibility, we immediately place what's called a stop pay in the Department systems, which prevents the institution from drawing down any funds. And then subsequently, also prevents them from adding new disbursements to the common

origination and disbursement system, etc. Over the course of the next several months, the institution then undergoes its closeout audit. During which time it may determine that some students did qualify for loans, loans and grants, etc. other disbursements that hadn't been made. And at that point, it requests access from the Department on a case by case basis to make those disbursements, which the Department typically does grant, if the institution can show that it has caused to do so. And then the close out audit evaluates the accuracy of all those final disbursements, as well as the final period of the institution's participation.

MS. JEFFRIES: Thanks, Dave. Jillian?

MS. KLEIN: Thanks. I just have one question. Hopefully an easy one. This seems like a reasonable change to me. Just curious on the in the regulatory text where it talks about additional reporting requirements or procedures. I would just love to hear from the Department a bit about what exactly that's speaking to. I'm assuming this is sort of current practice already, but can you just give an example of what types of the reporting requirements or procedures the Department may ask for when this is triggered? Thanks.

MR. MARTIN: You're talking in (3)

where we say must submit final request for funds 180 days and must comply with any additional reporting requirements or procedures specified by the Secretary in relation to the submission of the final request. So what we're saying there is that oftentimes with a request for reimbursement. Well, I should say under HCM2, there are additional there is initial set of documentation the school has to submit. Sometimes the method of payments analyst reviews these might request additional documentation to substantiate what was requested. But I think what I'm going to do, again, this is an operational thing here. So, FSA has a lot more experience with this as it functions. So I'm going to ask Dave if he has anything to add with respect to the submission of additional documentation.

MS. JEFFRIES: David?

MR. MUSSER: Well, sure. Just in- there are a variety of different things that the Department might require in these cases. Just as a general matter, any time we put a school on HCM2, the Department establishes the documentation requirements that the school needs to submit. And there is a sort of standard set of things that we require schools to submit in order to ensure that the files that they're providing us have adequate information for us to evaluate. But in some

cases, we also request unique information that is directly relevant to the school's particular situation. So, for example, if we have found discrepancies with high school diplomas, we might require the school to submit those diplomas along with the rest of the information that they submit or something else that is relevant to the particular problem that caused the school to be placed on HCM2 in the first place. In a final claim and Denise, I hope you can add or correct me here as well, the Department also requests that the institution provide them with its procedures for closing out the programs. For example, record retention standards, things of that nature that are directly related to the orderly close out of Title IV administration at the institution.

MS. JEFFRIES: Thanks, David. Denise, did you have something to add? You're on mute. Denise, you're on mute.

MS. MORELLI: Oh, sorry, I thought I unmuted myself. We might be looking at all students, so there might be a little bit of change to policy on a final claim instead of just a sample where we usually do that in HCM2. We might ask for all the students just to make sure that we're paying out and closing out everything. So it just might change the policies and procedures a little bit in the final claims as they're

coming in.

MS. JEFFRIES: Thank you. Denise. I just want to make a general announcement here. Looking at the screen, there are still a few negotiators who have not conformed to the naming convention, so it's difficult for us to tell if your primary or alternate and what group you are associated with. So please make those corrections. Next we have Joe.

MR. WEGLARZ: Thank you. So how do we update our screen to show P?

MS. JEFFRIES: If you go up in the right hand corner of your picture and you see the three dots.

MR. WEGLARZ: Yeah.

MS. JEFFRIES: If you click on those, you can go down to rename.

MR. WEGLARZ: Okay.

MS. JEFFRIES: Okay?

MR. WEGLARZ: That really wasn't my question, though.

MS. JEFFRIES: No, no. Go ahead.

MR. WEGLARZ: Very helpful though. So I'm assuming this appears to be an issue where schools that are losing Title IV eligibility they're not reconciling or submitting the required documentation in

the timely manner?

MR. MARTIN: Yes. That is our concern. And we have- there are examples and probably Denise might be able to elaborate because she's actually dealt with those. We have examples of schools that have ceased to be eligible where the requests have come in and what we consider to be an inordinately late manner. You know and right now we have no regulatory, say, you know, authority to tell a school, you know, no, you have to get this in. And so it's, as I said, it's bad on two counts. Bad for the Department, obviously, we're trying to get this closed out. And it's also not good for students because remember, if the school's on HCM2, the school does have to disperse first prior to making the request. If required to make this request in this more compressed time frame, we are hoping that they will make those disbursements, those final disbursements to students in a timely manner and then get their requests into us. And, you know, I think that we're talking about 180 days. You're giving- we're giving them essentially half a year here. And I think that it's reasonable when schools have- we hope- we know this doesn't always happen. But, you know, schools should close in an orderly fashion. And these, quite frankly, are things they should be thinking about when making the decision to cease operations.

MR. WEGLARZ: Thank you.

MS. JEFFRIES: Thank you. Denise?

MS. MORELLI: I just wanted to add that, yeah, Joe, we wanted to make sure everybody's clear that we have seen a problem. That's why we're looking to change this. We've had claims come in two, three years after the fact, and there's a concern on students having a loan come in or all of a sudden, three years after they've left the school or the school is closed. So we have seen a problem in the Department's trying to remedy it by adding this provision.

MS. JEFFRIES: Thank you, Denise.

Erika?

MS. LINDEN: Yes. Thank you. Just a couple of questions on process. What are the consequences for an institution that doesn't comply with submitting within that 180 days? I'm just pretty ignorant about that process in general. And what happens to any funds that students might have been eligible for?

MR. MARTIN: That's a good question, Erika. Under these regulations, you'll see here that the failure to submit the request for funds specified may result in forfeiture of the requested funds. I would yield to my colleagues, David and Denise here, but I don't- this regulation doesn't- we're not regulating the

Department here to a hard and fast cut off of 180 days. We say in this regulation that may forfeit in- it may result in the forfeiture of the requested funds. Obviously, our hope is that it helps schools get them in. I mean, if the situation you're envisioning is, I guess, we go to 180 days and the school has yet to do this. And if the Department says, you know, no, we're not going to under no circumstances will we approve these, it could result in the school, I guess, declining to disperse to students or do what it's supposed to do to make students get paid. Some of this would be procedural. I would, and again, I think I'm going to ask David to comment here. What he envisions the Department might do, FSA might do or compliance might do in a situation where we get to 180 days. And the request does not come in. So again, we don't have that specified here in the regulations. There are probably be more of a procedural thing, but we have in this regulations left to the Department's discretion. But, I don't know if David has any comment on that. It appears he does, so.

MS. JEFFRIES: He does. David?

MR. MUSSER: Well, it's not going to be a great comment, but I'll try. Yes. As you guys can see from the proposed reg language, we intentionally use the word "may" in order to give the Department some

discretion in these circumstances. I think Greg is right that the default would be to deny any claims that are received following the 180 day deadline. There could be sort of very serious extenuating circumstances that and I'm just throwing some out here that in my mind might rise to the level of the Department granting a request for a payment after that point. For example, let's say that this many students were owed credit balance payments at the very end of their enrollment at the institution and the institution did not make those credit balance payments. The students were depending on them for rent payments, etc. they are in financial trouble, the students we are aware of those the students have informed us of it and we believe that it would be in the student's interest for the funds to come into the school. We might then approve a late request based on all of that information provided by the school. But I do think it would be these would be exceptions and that the school would have to give us a very, very good explanation as to why they should be = granted this ability after the 180 day deadline. But Greg is right. How FSA views those would be established in internal procedures at FSA.

MS. JEFFRIES: Thank you. David.

Barmak?

MR. NASSIRIAN: You know, just to

follow up and try to understand this better. We are talking in most instances about funds that have already been dispersed by the institution to the student that are now being requested, because the institution was on HCM. What happens if the institution fails to submit within the 180 day period, the Department ends up rejecting the request because it's late. What happens to the funds that were dispersed to the student? Can the institution go back against the student at that point?

MS. JEFFRIES: David.

MR. MUSSER: That's a good question, Barmak. If the Department were to deny a request after the 180 day mark based on this regulation, what it essentially means is that the disbursement isn't made in the common origination and disbursement system, and that's the system that actually records the amounts that students receive in terms of Pell grants, teach grants, direct loans, etc.. and that means that the student is not- no pell grant amount would be considered used for the student. No debt would be considered to have been incurred for the student. From the Department's perspective, the student has a blank slate, and the institution also does not receive any of the funds that they presumably did disperse back at the time, as you said, in order to make the request. The school, if they

actually did make the credit balance payment to the student, which may or may not have occurred, depending on the circumstances, they are required to in order to submit the claim, but they may not have at the time that they were actually enrolled. Then the student, the school would simply be out that money and would not be able to obtain reimbursement for those amounts from the Department if we deny their ability to make that claim.

MR. NASSIRIAN: I understand that but can they go against the student? Is the question. Can they, at that point attempt to recover the amounts that they may have or must have dispersed from the student? You know, historically, the Department has paid great attention to its own financial stake in these transactions, not so much to what happens to the student. I just want to make sure I understand. Should you deny the request because it's late? Are you simultaneously protecting the student or are you just protecting the Federal fiscal interests here, leaving the student at the mercy of the institution at that point, or potential, you know, bankruptcy receiver or whatever?

MR. MUSSER: That's another very good question. And actually there is a new regulation that was published as part of the recent Financial responsibility Certification procedures, etc. regulations last year that

goes into effect on July 1st, that prevents institutions from requesting that students repay to the institution amounts that this institution disbursed, that they shouldn't have as a result of an error or omission or other fraud. I believe that would apply in these circumstances. Essentially, the school did not fulfill its obligations in a timely manner, which we would consider to be an error and therefore that new regulation, effective on July 1st, 2024, would prevent the institution from going after students for these amounts. So that wasn't the case necessarily before this new regulation will go into effect, but it will be at the time that these regulations become effective. You know, if the- once the Department publishes them at the end of this process.

MR. NASSIRIAN: Is there any way to syncope that point, so that it is clear that the Department would view these as any funds disbursed as dispersed in error? Just so that we don't have lawyers, you know, debating whether it does or doesn't cover those kinds of transactions. It would be nice to have a little bit of language here to amplify the point.

MS. JEFFRIES: Greg?

MR. MARTIN: Yeah, that's a good point, Barmak. I think we could certainly be- that's certainly

something we might be able to address in the preamble to NPRM. You know, how that would- what that interaction would be that we would certainly be agreeable to that. I think overall here, these are all excellent points being made. I would hope the presumption of course, when a school, you know, we're talking about disbursements that likely, likely would have been made while the student was eligible and there, right? So in order to cover expenses for a period of enrollment. So in most cases, and it wouldn't always be the case, in most cases, the disbursements have been made. And you would hope or you would hope the school wants to get paid having made these. Right? They've laid out certain expenses. They've costs have been incurred even though the school is closing. We are presuming here that these institutions do indeed want to receive, you know, reimbursement for the expenses. This is, I think, encouragement for them to submit that to us so that if they have a proper claim, it will be processed. I think that there are, you know, while nothing is perfect and these things people have brought up are certainly valid concerns, that overall this will be I think in most cases where disbursements have been made, this is a benefit to students and the taxpayers and the Department. But I think Barmak to your point, yeah, that we could certainly that reg Dave

mentioned is very important one and we can certainly, you know, tie that into this through preamble language. Thank you.

MS. JEFFRIES: Thank you. Any other comments, discussion on 668.162(d)(3) on the heightened cash monitoring payment method? Greg, did you just not put your hand down or do you got something more to say?

MR. MARTIN: I didn't put my hand down. So I'm going to lower my hand right now. But I'm done with that.

MS. JEFFRIES: Alright. I'm not seeing any more hands on this subject or on this subsection of that proposed regulation red line, Greg. Do you want to move on to 668.164?

MR. MARTIN: Yes. Let's move on to 668.164, dispersing funds. Okay. And Vanessa has brought up the screen for us, brought up the actual regulation. So we are looking at 34 CFR 668.164. Again, we're in subpart K under cash management. And let's look at the bottom of page one. What we're proposing to do here is to require institutions to return the remaining funds from Title IV recipients meal plan accounts to students instead of sweeping them. Given the regulation, we would add there, students are often encouraged or required to purchase meal plans from institutions and institutions

can credit Title IV funds towards meal plan expenses. These plans often include the use of flex accounts that can be used like cash to cover expenses at campus grocery stores, food courts, and other meals if students have used their allotted meals for the week. At the end of the term, institutions can keep any of the remaining funds. This creates a financial penalty for students when institutions sweep unused meal plan dollars that include Title IV funds. Under this proposal, institutions would be required to return any remaining funds no later than 14 days after the end of the payment period, and that 14 days coincides with the requirement for alleviating credit balances. So if we look then at the regulatory changes under 668.164 and you'll see we can move on- if you're looking at your actual issue paper, I would refer you to page four, at the bottom where we have under C, crediting as students ledger account. And this has to do with institution make credit to students ledger account with Title IV HEA funds to pay for allowable charges associated with the current payment period. And then we discuss here what allowable charges are. And that has not changed. Where you see the additional language is where we begin. Any Title IV HEA program fund allocated for meal plans must be fully utilized for the benefit of the respective student. No institution may retain unused meal

plan funds that were paid for with Title IV program funds, and any remaining balance at the end of the payment period must be returned to the student as soon as possible, but no later than 14 days after the end of the payment period. And that's what we're going to look at. There are other things we're doing in disbursements. But I want to look at this as it relates specifically to the meal plans first and open the floor. First, I'll ask if either David or Denise has anything to add there. If not, we will open the floor to discussion.

MS. JEFFRIES: Okay. I'm not seeing any hands from Denise or David. So we'll go ahead and open the floor for discussion with the negotiators. JoEllen?

MS. PRICE: Yeah. I have a quick question about what they mean by fully used. Are they just talking about flex accounts here, or are they talking about students who purchase a meal plan and then don't use it? Especially the unlimited type meal plans. So I'm not quite sure which type of meal plan and if this could get confusing for schools when they're trying to enter into contracts with meal plan vendors.

MR. MARTIN: As written here, the rule refers to flex accounts with actual cash involved and cash that could be refunded. Not a traditional standard meal plan where the student may pay for the meals, but,

you know, those are usually restricted to, for instance, the school cafeterias and where the student, you know, may or may not eat. Like, I know my daughter's has a couple of meals a week or I don't know how many, we bought so many meals she can go to. But she doesn't have a flex, which this is. But this would be directed toward flex accounts.

MS. JEFFRIES: Okay. Thank you. Joe. You're on mute.

MR. WEGLARZ: Thank you. A couple comments on this. So once again, I'm assuming from a consumer's perspective that this matter is happening more in the industry and we care for it to happen with students are unable to use up all their funds. And if we were to go the direction of refunding these funds to the students, a couple of things, I think it would be a logistic nightmare, alright? But I understand if we got to make it happen, we got to make it happen. And the second thing would be, could we actually if the students still owed the institution money, with the students permission or without their permission, could we use these existing funds to offset any balances due to the college?

MR. MARTIN: I'll discuss that. Yeah, we do understand and recognize that it would- that there

would be some implementation. Let's say, would take some time to bring this up and there might be some level of complexity in doing this. But going back to our- the way we look at this. This is actual money we're talking here about, you know, essentially money on account, and if there are Title IV funds, they were specifically to be used for this if- it is the student's money. And so we feel strongly that where these funds are still on account at the end of the term are unused, that they not simply be swept back up by the school, as it is students money and it was to be used for the meals. As far as the question goes to would we allow an institution to apply money from this to any other expense a student has. And you were saying that it would be with us- the way you would envision it would be with the students authorization to apply these funds to other things. I don't think we necessarily be 100% opposed to that. I think you have to take that back and think about it for a while. I mean, certainly we would require a student's authorization if the student authorized those to be applied to other outstanding charges. Again, I don't know that I see an absolute inhibition there, but I think it's something we would want to consider. David, do you have any comment on that or? Just making sure I get an operational perspective here.

MS. JEFFRIES: David? David Musser.

Sorry, David.

MR. MUSSER: No worries. No. Yeah, certainly no final comment. I agree with Greg. I think we need- the Department needs to chat about that a little bit more. I do have one quick question for Joe or potentially for other schools who are other folks who are familiar with this on a school basis. So my understanding is that typically the way this works is that the school has a charge on a student's account that is essentially the entire amount of the meal plan in these flex accounts. And then the student uses that amount over the course of some period, whether it's a term or a longer period. And then and essentially, at least as it works today, in many cases, that's just a charge and that it's never really reversed. It's always on the student's account. Is that accurate or are there nuances to it that I'm unfamiliar with? I think that might help inform our discussion on your question, Joe.

MR. WEGLARZ: Speaking for Marist, yes that would be how we account for those dollars. Now what we do, we actually allow the student if they have a remaining balance due to them at the end of the fall semester, they can carry it over into the spring semester. Alright? And we educate them on that process.

So we really and once again, this is just Marist. We have very few students by the time the spring semester is completed that actually have dollars remaining on their declining balance card due back to them.

MS. JEFFRIES: Okay. Greg, would you like for Joe to put that question in the chat so that you can do some further follow up or do you have what you need?

MR. MARTIN: We do have no takers, and we do have a note of it but it might be a good redundancy to put it into- place in the chat if he's willing to do so. Joe, if you would.

MS. JEFFRIES: Okay, Joe, can you do that, please?

MR. WEGLARZ: Yep.

MS. JEFFRIES: Thanks. We always like to have as many checks and balances as we can to make sure nothing gets lost. So next is Jason.

MR. LORGAN: Thank you. So I'm generally in support of this item. And I wanted to mention I think the Department got the split right between swipes and flex dollars, but I did want to add an item for consideration. The flex dollars on some campuses like my own and like Joe mentioned at Marist, roll to the next term. And so I wanted to mention that the advantage

of this can be that some financial aid students do not travel home during breaks because they can't afford to do so and using these flex dollars for food during those times is a benefit. So perhaps allowing the funds to be rolled or extending the amount of time might be helpful so those students could access those funds in between terms.

MR. MARTIN: Yeah. That's an excellent point. And I think, you know, when we consider that, I think that we are certainly amenable to- I'll throw it out there for discussion. I think from the Department's perspective, there's a good case to be made for allowing the funds to go from one term to another and maybe structuring the regulation such a way that maybe at the end of the academic year, following the end of the academic year, that the stipulation come into play. I'd like to retain the 14 days because and I'll say whenever we use a number of days, the institutions are required to comply with something within, it's beneficial for us to key it to some other regulation that we have in place, rather than just come up with another number of days, lest we be, I don't want to say accused, but lest someone suggest that there's a- that it's arbitrary or something like that. So because the 14 days is longstanding for credit balances and this and that has some connection

with getting funds back to student, I'd like to stay with that. I am certainly amenable to looking at a change that would allow you to carry it over from one term to another. So we will- please put that in the chat. We will take that back with us. But I do want to open the floor for how others feel about that or any other aspect of this proposed change.

MS. JEFFRIES: Thanks, Greg. David Cohen.

MR. COHEN: Thank you. I think it's a bad idea. Colleges offer meal plans, not restaurants. At many small schools like ours, it's essential that all the students participate in the meal plan in order for it to be effective. We have to hire students, we have to hire staff, we have to pay for food, run operations. It's not like a restaurant where we could close on Mondays, because there's not a lot of kids who want to eat. I think this makes participation in mandatory meal plans optional because students will just roll over their dollars, wait for the refund, and then they can eat off campus or go wherever they want. That favors wealthy kids, but it doesn't favor poorer kids who don't have the option to pay for DoorDash and UberEats and all the things they want to do. So I think it's a bad idea. The declining dollar program that most colleges have now was

instituted to give students better service than the former all you could eat plans. Before we had declining dollars, students opted in, they went to the meal plan when it was offered, and that was it. There was no money to roll over. This made things better for students. And I think that if we go with this option allowing students to opt out, colleges will just revert to the all you can eat plan. And so in the end, we're really going to decline services. We're going to revert to a way that things used to be. And I think, you know, for some schools, maybe the really big schools it's not an issue. But for small schools that operate just one or two dining halls, this could be a really, really big issue. So I think it should be thought about and I think we should get more input from colleges and universities. But and again, at the end of the day, it leads to a reduction in services that affect poor students. The wealthy kids can order DoorDash, pay those fees, the taxes. Meal plans in New York state are not subject to sales tax. So immediately students participating in meal plans save a lot of money. But if you want to get rid of the declining dollars and see students have to go back to the all you can eat plans that we saw in the mid-century last century, then, then this is great. But in the end, I don't think it really helps students. I think it hurts students and it hurts

the schools. Thank you.

MS. JEFFRIES: Thank you. David. Next we have about one minute before lunch. So we'll take one more comment and then we will take a lunch break and come back to cash management after lunch. Okay? So, Magin, you're up next.

MR. SANCHEZ: Thank you. I think supporting and particularly in returning students money in terms of unused flex dollars, I think of, you know, myself and my friends who were poor students of that money could have been really useful in terms of buying supplies to move out of my dorm at the end of the year. It could have been useful for those of us who weren't able to receive an internship that was paid extra cash to be able to go buy for that month or so after school. So, I think to me it's important, you know, this provision in the sense of its returning students money so they can have their own choice in what they do with that. But I think it's also important to be able to have that flexibility. And I think that's why this provision is so important.

MS. JEFFRIES: Okay. Thank you for that. So, I want to thank the negotiators and the Department for the good discussion of this point. We will pick this topic back up at 1 p.m. after lunch. Please

come back a little bit early so that we can get started promptly at 1 p.m. With that, have a great lunch and see you in a little bit.

Zoom Chat Transcript
Program Integrity and Institutional Quality- Session 1, Day 1,
Morning, January 8, 2024

***Chat was copied as presented, as a result minor typos or grammatical errors may be present.**

John Weathers, FMCS Facilitator to Everyone:

Folks, the naming convention is as follows... "A" for alternate or "P" for primary, the name you wish to be referred by, the constituency group you represent.

A-Alyssa Dobson, 4 Yr. Public Institutions to Everyone:

I am here. I think my audio wasn't working. [REDACTED]

[REDACTED], but I wouldn't miss this for the world!

Krystil Smith | FMCS Facilitator to Everyone:

Krystil Smith, ksmith@fmcs.gov and 202-606-5137

Krystil Smith | FMCS Facilitator to Everyone:

Here is the link that will provide the running list of documents and links relevant to this session:

Krystil Smith | FMCS Facilitator to Everyone:

<https://www2.ed.gov/policy/highered/reg/hearulemaking/2023/index.html>

P Jamie Studley, Institutional Accreditors to Everyone:

It would be helpful to know before we act on this whether there are other proposals to add seats.

P. Jo Blondin, Community Colleges to Everyone:

Agreed

A, Rob Anderson, State Officials to Everyone:

Yes. I have one for distance education.

P, Laura Rasar King, Specialized Accreditors to Everyone:

Agreed - we need to hear all proposals before voting.

P. Jo Blondin, Community Colleges to Everyone:

I would also like for the proposed names to be put in the chat.

Thank you.

P-Robyn Smith-Legal Aid Orgs. to Everyone:

Allan Wachendorfer from Vera Institute of Justice and Dr.

Stephanie Hall from Center for American Progress


P, Jillian Klein, Proprietary Instit to Everyone:

Agree with Jamie's comment

P. Jo Blondin, Community Colleges to Everyone:

With Allan Wachendorfer as a primary and Dr. Hall as an alternate, correct?

P, Jessi Morales, Student/Borrower to Everyone:

Reacted to "With Allan Wachendorfer..." with 

P Carolyn Fast, Consumer/Civil Rights to Everyone:

Replying to "With Allan Wachendorfer..."

No, Magin would be the primary, and Allan Wachendorfer would be the alternate for civil rights.

P Carolyn Fast, Consumer/Civil Rights to Everyone:

Replying to "With Allan Wachendorfer..."

Negotiated Rulemaking Program Integrity and
Institutional Quality - 1/8/24

83

Dr. Hall would be the alternate for Consumer Advocates.

P. Jo Blondin, Community Colleges to Everyone:
OK--we need the clarification. We are meeting a lot of new people.

P, Jessi Morales, Student/Borrower to Everyone:
Removed a 👍 reaction from "With Allan Wachendor..."

P - Erika Linden - Private/Nonprofit to Everyone:
I support addition of distance ed as a separate constituency group

P. Jo Blondin, Community Colleges to Everyone:
Rob-Can you include the name again for distance education?

P-Robyn Smith-Legal Aid Orgs. to Everyone:
Here is information regarding Dr. Stephanie Hall:
<https://www.americanprogress.org/people/stephanie-hall/>

P-Robyn Smith-Legal Aid Orgs. to Everyone:
Here is information about Allan Wachendorfer:
<https://www.vera.org/people/allan-wachendorfer>

A, Rob Anderson, State Officials to Everyone:
Cheryl Dowd

A, Rob Anderson, State Officials to Everyone:
Brief overview of Cheryl: <https://wcet.wiche.edu/people/cheryl-dowd/>

P Jamie Studley, Institutional Accreditors to Everyone:
I'll defer to ED and the facilitators as to the best process

P Carolyn Fast, Consumer/Civil Rights to Everyone:
Agree with Barmak that it should be explicit that school cannot collect from students in this situation.

P, Jillian Klein, Proprietary Instit to Everyone:
I think that clarifying question was a good one and I would suggest that the regulatory language is not clear that it is just flex accounts

A-Alyssa Dobson, 4 Yr. Public Institutions to Everyone:
Reacted to "I think that clarify..." with 👍

P Jamie Studley, Institutional Accreditors to Everyone:
Is "the payment period" defined by FSA or by the institution for the meal/flex plan? that could affect how Jason's comment could be implemented.

P-Joe Weglarz, to Everyone:
Would any remaining funds from flex dollars be able to be applied to any balances due on the student accounts? This would be with the students permission.

P Jason Lorgan, Public Four-Year Institutions of Higher Ed to Everyone:
Would recommend allowing flex dollars to roll to the next term, perhaps using the end of the academic year vs the end of the term

P, DC, HBCUs, TCUs, MSIs to Everyone:
Can we ensure that we stipulate on 668.164 (1) that its either 14 business days or 14 calendar days.

P Carolyn Fast, Consumer/Civil RIGHTS to Everyone:
My alternate, Magin Sanchez, will be joining the table now to comment.

John Weathers, FMCS Facilitator to Waiting Room Participants:
202.680.3091, could you identify yourself in rename function?

Negotiated Rulemaking Program Integrity and
Institutional Quality - 1/8/24

84

P, Jessi Morales, Student/Borrower to Everyone:

I just want to remind folks that these are student dollars

P Carolyn Fast, Consumer/Civil Rights to Everyone:

Reacted to "I just want to remin..." with 👍

P, DC, HBCUs, TCUs, MSIs to Everyone:

DoE Request: How serious is the problem? What data do you have to show support? How many students complain about this?