PEOPLE OVER POLITICS: House Education & Labor Committee Oversight Report for the 117th Congress



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INTRODUCTION

One of the primary responsibilities of the House Committee on Education and Labor (Committee) as a part of a co-equal branch of the federal government—is to conduct oversight to ensure that the federal government properly implements our laws and delivers for our nation's students, workers, and families. The Committee's oversight work is in addition to the <u>legislation</u> the Committee advances to build an America where everyone can succeed, not just the wealthy few.

Under the leadership of Chairman Robert C. "Bobby" Scott (VA-03), the Committee exercised its oversight responsibility in the 117th Congress through dozens of letters, meetings, and public hearings. Below are the key highlights:

Protecting COVID-19 Relief Funding from Fraud, Abuse, and Waste

During public <u>hearings</u>, Committee Members illustrated how the American Rescue Plan helped reopen schools safely, provided a lifeline for institutions of higher education, and put money back into workers' pockets through expanded Unemployment Insurance programs.

Protecting Students and Taxpayers from Predatory For-Profit Colleges

The Committee pushed the Biden-Harris Administration to crackdown on for-profit colleges that defrauds students and taxpayers. This includes holding for-profit executives personally liable for fraud and preventing for-profit colleges from transitioning to non-profits in order to evade oversight.

Protecting Americans' Civil Rights

After repeated advocacy from Chairman Scott and other Committee Members, including letters and <u>meetings</u>, the Biden Administration proposed reversing a Trump-era policy that gave taxpayer-funded organizations broad authority to federal contractors to engage in discrimination under the guise of religious liberty.

Examining Federal Agency Policies and Priorities

The Committee held multiple <u>hearings</u> with officials from the Biden-Harris Administration including the Departments of Education, Labor, Health and Human Services, and Agriculture—to discuss their priorities and ensure they are fulfilling the Administration's duty to improve the lives of students, workers, and families.

Though not exhaustive, the following report provides an overview of the Committee's work throughout this Congress to conduct rigorous oversight in each policy area under its jurisdiction.

EDUCATION OVERSIGHT

COVID-19 RELIEF FUNDS

The Committee held three hearings on the U.S. Department of Education's (ED) implementation of and oversight of COVID-19 relief funds, including two hearings with the Secretary of ED, Miguel Cardona, in <u>June 2021</u> and <u>May 2022</u>, respectively; and a <u>November 2021</u> hearing titled "Examining the Implementation of COVID-19 Education Funds" (held jointly with the Subcommittee on Early Childhood, Elementary, and Secondary Education and Subcommittee on Higher Education and Workforce Investment) to hear from senior ED officials about the management and oversight of the Education Fund (ESF).

STUDENT LOAN PROGRAM

Office of Federal Student Aid (FSA): The Committee held a hearing on <u>October 27, 2021</u>, titled "Examining the Policies and Priorities of the Office of Federal Student Aid," to explore FSA's plans to (1) restart student loan payments after the payment pause is lifted, (2) oversee institutions of higher education, and (3) enforce compliance with the requirements for participation in Title IV programs, which allow institutions to receive federal funds for students.

Income Driven Repayment (IDR): On April 20, 2022, the Committee released a report from a Government Accountability Office (GAO) about ED's implementation and oversight of IDR programs. The Committee met with ED on GAO's findings that ED and student loan servicers have had serious issues counting qualifying payment counts under the IDR program—especially as it relates to the most vulnerable borrowers, such as those borrowers in default or sending zero dollar payments. The Committee wrote a letter to ED urging the implementation of several changes to address the findings in the GAO report, which ED has announced. The Committee continues to engage with ED on the implementation of the recommendations.

Closed School Discharge: On August 10, 2022, the Committee released a report from GAO about ED's implementation and oversight of the Closed School Discharge program. GAO found that ED was not able to implement this program in a way that helps student borrowers, including those who receive the relief they are legally eligible for when their institution of higher education closes suddenly. The Committee held a hearing of the Subcommittee on Higher Education and Workforce Investment on <u>September 30, 2021</u>, to hear testimony from the GAO about their findings as well as to propose solutions that ED should take into consideration as they entered rulemaking on closed school discharge. The Committee also sent a letter on <u>August 22, 2022</u> to ED as part of the negotiated rulemaking process on closed school discharge with the Committee's recommendations.

FOR-PROFIT INSTITUTIONS

For-Profit Conversions: On January 27, 2021, the Committee released a report from GAO about for-profit conversions and conducted a hearing on <u>April 20, 2021</u> to better understand the findings in the GAO report, specifically the harm "covert for-profits" cause students and taxpayers.

The Committee also sent three letters regarding for-profit entities that converted to non-profit status. Two letters were sent to the Internal Revenue Service (IRS) requesting their review of the non-profit status of the <u>University of Arizona Global Campus</u> and <u>Grand Canyon University</u>, considering these institutions' relationships with for-profit corporations. The last letter was sent to ED requesting their review of <u>Everglades College's</u> non-profit status for the purposes of Title IV funding, which might then subject the institution to the 90/10 rule.

The Committee also sent a letter on <u>June 3, 2021</u> to ED regarding ED's process for reviewing, approving, and monitoring for-profit college conversions to non-profit institutions; raising several issues demonstrating that ED and the Internal Revenue Service (IRS) must take steps to reform their processes and halt the approval of all conversions until they finalize those reforms; and requesting responses to several questions related to these issues.

Personal Liability: The Committee sent <u>letters</u> to ED to hold owners, executives, and board members of defunct for-profit and converted for-profit colleges individually responsible for liabilities of the institution, including those arising from borrower defense claims, when these individuals participated in and profited from the fraud committed by these institutions against student borrowers.

Online Program Managers (OPMs): The Committee released a GAO report on <u>May 5, 2022</u> about ED's oversight of OPMs. GAO found that the two tools used by ED to monitor OPMs and relevant regulations are not effective. This is most likely because the guidance documents ED provides to both institutions of higher education and their auditors do not specifically instruct the auditors to look into the nuances of the agreements and incentive arrangements between IHEs and OPMs. The Committee sent a letter on <u>December 2, 2022</u> requesting ED to review the bundled services exception, a 2011 regulation that created a loophole for the OPM industry to grow and receive Title IV funds without ED oversight.

AMERICORPS

The Committee held hearings on <u>December 1, 2021</u> and <u>December 14, 2022</u> on The Corporation for National and Community Service (also known as AmeriCorps) to examine the policies and priorities of the agency, including financial management concerns identified by the agency's external auditors. In addition to the hearings, the Committee staff held quarterly meetings with the AmeriCorps leadership and the AmeriCorps Office of Inspector General to ensure that progress was being made to address the findings of the external auditors.

BUREAU OF INDIAN EDUCATION

The Committee held a hearing on <u>June 28, 2022</u>, to examine the policies and priorities of the Bureau of Indian Education, including several concerns identified by GAO, such as financial mismanagement and poor conditions of facilities.

JUVENILE JUSTICE

On <u>November 18, 2021</u>, the Committee wrote a letter to the Office of Juvenile Justice and Delinquency Prevention (OJJDP) about states' compliance with requirements under the Juvenile Justice and Delinquency Prevention Act during the COVID-19 pandemic. The Committee was concerned that, due to policies and practices implemented during the COVID-19 pandemic, OJJDP and state oversight agencies were not able to properly monitor juvenile facilities. OJJDP issued two guidance documents to assist juvenile justice facilities during the pandemic: "OJJDP Guidance for Juvenile Justice Facilities During COVID-19 Pandemic" and "Detection and Mitigation of COVID-19 in Confinement Facilities Guidance." OJJDP also issued guidance to states about designating compliance monitors as essential workers and providing workers with vaccinations and personal protective equipment.

LABOR & HEALTH OVERSIGHT

COVID-19 RELIEF FUNDS

Occupational Safety & Health Administration (OSHA): On May 25, 2022, the Subcommittee on Workforce Protections held a hearing titled "Examining the Policies and Priorities of the Occupational Safety and Health Administration." This hearing addressed several topics, including the agency's use of the \$100 million in additional funding authorized through the American Rescue Plan Act (ARPA).

Unemployment Insurance System (UI): On <u>September 21, 2022</u>, the Subcommittee on Health, Employment, Labor, and Pensions held a hearing titled, "Examining the Administration of the Unemployment Insurance System." The hearing addressed GAO's findings regarding: (1) The Department of Labor's implementation of the three temporary CARES Act UI programs; (2) How the pandemic exacerbated long-standing challenges in the UI system; and (3) GAO's inclusion of the UI system on its "High Risk" list—a list for programs that are vulnerable to waste, fraud, abuse, or mismanagement, or in need of transformation.

INFANT FORMULA SHORTAGE

Infant Formula Surplus Storage: On June 2, 2022, the Committee sent a letter to Secretary Becerra and Secretary Vilsack to request that the Department of Health and Human Services (HHS) and Department of Agriculture (AG) coordinate to conduct a feasibility study to consider whether additional measures can be taken by the Departments and/or formula manufactures to ensure the availability of a continuous 30-day supply of formula products. This should include specialty formula products, in case of future emergencies, such as a formula recall event, public health emergency or disaster, or supply chain disruption.

Infant Formula Price Gouging: On June 13, 2022, the Committee sent a joint letter with the Energy and Commerce Committee to Lina Khan, Chair of the Federal Trade Commission (FTC), requesting the agency to issue a public advisory to encourage online marketplaces to implement measures to detect and prevent exploitative and deceptive practices by third-party vendors selling formula. Additionally, the Committees' requested FTC continue to highlight that FTC can and will use its authority to enforce federal consumer protection laws in order prevent fraud, deception, and unfair business practices.

CIVIL RIGHTS

Equal Employment Opportunity Commission (EEOC) & Office of Federal Contract Compliance Programs (OFFCP): On April 27, 2022, the Subcommittee on Civil Rights and Human Services held a hearing, titled "Examining the Policies and Priorities of the Equal Employment Opportunity Commission and the Office of Federal Contract Compliance Programs," to explore the EEOC's and OFCCP's civil rights enforcement activities. With regard to the EEOC, the hearing addressed the agency's capacity to combat racial injustice and systemic discrimination; its enforcement of protections for LGBTQI+ workers; and its ability to reduce its inventory of unprocessed charges.

With regard to OFCCP, the hearing addressed the agency's efforts to increase its oversight of federal contractors and subcontractors with new initiatives. One such initative is the Mega Construction Project Program, a program designed to provide proactive compliance assistance to contractors to help expand access to jobs for historically underrepresented groups on large construction contracts. The hearing also addressed OFCCP's proposed rulemaking related to its rescission of a Trump Administration-era religious exemption rule for religious-based federal contractors, and its efforts to address pay equity.

Title VII Protections for Workplace Surveillance: On <u>December 6, 2022</u>, the Committee sent a letter to the EEOC to request that the agency issue guidance discussing the ways in which employers' use of automated technology and artificial intelligence (AI) systems impact workers' rights under Title VII of the *Civil Rights Act of 1964* (Title VII). Employers are increasingly using these sophisticated systems to assess and monitor job candidates and workers. These systems can, for example, track workers' locations, activate webcams and microphones on workers' devices, use facial recognition to assess workers' attention to their computer screens, and store sensitive data about workers. Employers' use of these systems and technology to make employment decisions implicates federal antidiscrimination protections, including those under Title VII.

CONCLUSION

As this report illustrates, the Committee conducted thorough oversight during the 117th Congress to help our nation navigate some of its toughest challenges and ensure that the federal government delivered for students, workers, and families.

In the 118th Congress, Committee Democrats will continue to fulfill their promise to the American people by working with the Biden-Harris Administration to address longstanding inequities and achievement gaps in education, expand access to affordable health care, promote safe and inclusionary workplaces, and build a nation where everyone can succeed.



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