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Rep. George Miller (D-CA) Opening Statement for the Markup of H.R. 2117

WASHINGTON, D.C. – Below are the prepared remarks of U.S. Rep. George Miller (D-CA), the senior Democrat on the House Committee on Education and the Workforce for the markup of H.R. 2117, to prohibit the Department of Education from overreaching into academic affairs and program eligibility under title IV of the Higher Education Act of 1965.

Good morning.

Today's markup comes almost exactly one year after a hearing we held to examine reports from the Department of Education Inspector General looking at higher education accrediting agencies.

In that hearing, the Inspector General identified for us a gaping loophole in the law.

The federal government pays for student aid on a credit hour basis. But there is no standard definition of a credit hour for purposes of determining student aid amounts. In other words, taxpayers don't always know what they are paying for. Institutions of higher education can use different definitions of credit hours to inflate the costs and, in some cases, profit off of student aid, with taxpayers and students footing the bill.

So this loophole clearly exists. And the Inspector General happened upon an example of an institution exploiting it. A student who was seeking a Bachelor's of Business Administration ended up paying double what he should have been paying for a supposedly 9-credit course.

To close this loophole, the Inspector General recommended that the Department establish a definition for credit hours and minimum standards for program length to ensure federal student financial aid is disbursed appropriately.

The Department has done just that. It has established rules defining a credit hour and providing other protections for students, including ensuring students have access to a complaint process.

The bill before us today would repeal those efforts. It would blow open the loophole again. It would put taxpayer dollars at greater risk of fraud, waste, and abuse. At a time when the higher education market is in so much flux, with new designs of programs popping up around the country and online, this is the wrong time to reopen loopholes that allow taxpayer dollars to pay for mystery credit hours.

We need accountability now more than ever. In the last Congress, we worked to make sure our student aid programs work in the best interest of students.

We've helped bring down the cost of college for families by increasing the Pell Grant. On July 1st, the interest rate on need based student loans will drop to 3.4 percent. We also made it easier for the students and the families to manage their debt. We've created income based repayment programs that ensures a borrower will only have to pay back fifteen percent of their discretionary income and after 25 years, the debt will be completely forgiven.

This is why we have a responsibility to ensure the students who are eligible to receive federal student aid are receiving it and that the institutions which serve these students are upholding the integrity of the programs.

We must take care that the accreditation process ensures that institutions of higher education provide high quality education programs worthy of students' and taxpayers' investments.

In the 2009 to 2010 school year, students relied on nearly \$200 billion in federal student aid. When it comes to the taxpayer investment in federal student aid, there is no room for a refund. If the money is not spent in a responsible way, if it is not protected, it goes down the drain.

In this economy, millions of students rely on the federal student aid programs to make the dream of a college degree a reality. This is exactly why the Department of Education has moved to ensure greater accountability through these regulations. And it's exactly why this legislation is misguided.

It reopens a loophole. And it fails to offer constructive solutions or alternatives. It hides behind arguments about academic freedom. But colleges and universities are free to set whatever higher standards they see fit in concert with their accreditors for their students.

The Department's regulation sets a minimum standard for credit hours for purposes of awarding federal student aid. This does not interfere with academic freedom. It ensures integrity for taxpayer dollars.

In this tough budget environment, laws and regulations need to be particularly concerned with how the Federal government spends the limited resources available for federal student aid.

In March, 10 states launched a joint task force to investigate practices at for-profit institutions of higher education. Their investigation looks at issues ranging from student recruitment practices to loan default rates to misrepresentation about future employment prospects. These investigations highlight the need to ensure accountability among colleges and universities. This bill takes the exact opposite approach. It throws accountability out the window.

I believe it is irresponsible for our students and our schools. This is not a time to do nothing - as the Foxx bill proposes to do. I urge my colleagues to vote against this legislation.

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