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Rep. George Miller (D-CA) Opening Statement for the Markup of H.R. 2637

WASHINGTON, D.C. – Below are the prepared remarks of U.S. Rep. George Miller (D-CA), the ranking member of the House Committee on Education and the Workforce, for the committee markup of H.R. 2637, “Supporting Academic Freedom through Regulatory Relief Act”.

Good morning. The committee meets today to consider legislation that will significantly compromise the Department of Education’s ability to oversee and safeguard our federal investment in higher education.

Previous Democratic Congresses took steps to make sure that our student aid programs worked in the best interest of students and the taxpayer. We believed that our nation should invest in helping young people gain the skills and training needed to be successful in the 21st century.

The bill we are debating today stands for something else altogether.

It represents an ongoing ideological effort to tie the hands of the Obama administration at every turn while offering no constructive alternatives. This bill does not offer ways to drive innovation in higher education. It does not offer ways to address waste, fraud and abuse of student aid dollars.

In fact, it specifically overturns current efforts by the Department of Education to fight waste, fraud, and abuse. And then it prohibits the Department from taking further action in these areas.

By stopping the Administration from fighting waste, fraud, and abuse, this bill makes college more expensive, leaves taxpayer investments at risk, and likely hurts the long-term development of successful and innovative education models. Here is just one example of how this legislation would be bad for students and taxpayers.

Three years ago, the Department of Education’s Inspector General – an entity charged with independent investigation and oversight of ED – exposed a loophole that allowed a higher education institution to award more credits – and get more student financial aid – than was appropriate.

Students attending this institution – many of whom were relying on federal aid programs – were paying double the price because the school inflated the number of credits charged.

For example, a student in one 9-credit Business Administration course was overpaying \$1,600 for that course. That is Pell money. That is student loan money.

The Inspector General recommended that the Department create a federal definition of a credit hour to guard the integrity of these student aid programs. And that's what the Department did. The rule issued by the Department was necessary and narrowly targeted to address fraud and abuse. The rule also helped foster innovation by articulating a wide set of criteria schools and accreditors could use when experimenting and creating new class designs.

The legislation before us today strikes that rule and forbids the Department from any further rulemaking in this area.

It flies in the face of the Inspector General's findings. It compromises the Department of Education's ability to oversee and safeguard our federal investment in higher education. It puts taxpayer dollars at greater risk of waste, fraud, and abuse in our federal student aid programs.

The bill goes even further as to restrict the Secretary from promulgating and enforcing any rules on gainful employment and state authorization until the reauthorization of the Higher Education Act. It shuts down those efforts without offering any other policy ideas to protect students.

At a time when the higher education market is in so much flux with new kinds of programs popping up around the country and online, this is the wrong time to reopen loopholes for manipulating student aid dollars. We need accountability now more than ever in our higher education system. This is especially true in our for-profit sector.

For-profit colleges enroll about 10 percent of all students but take in about 25 percent of all federal aid and are responsible for almost half of all defaults in the federal loan program.

As a result, 32 state attorney generals, the Security and Exchange Commission, and the Consumer Financial Protection Bureau are investigating for-profit colleges that may be engaged in aggressive, abusive and potentially fraudulent practices. Now is not the time to tie the hands of the only agency that can make sure taxpayers and students aren't getting ripped off.

Yet, this legislation eliminates these important consumer protections.

Instead of shutting down program integrity efforts, this committee should be working to make college more affordable and address the root causes of higher costs. We have a responsibility to ensure the students who are eligible to receive federal student aid are receiving it and that the institutions that 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 programs worthy of students' and taxpayers' investments. But this bill takes the exact opposite approach.

It throws accountability out the window. It is irresponsible for our students, our schools, and taxpayers.

For these and other concerns, I urge my colleagues to vote against this legislation.

I yield back.

<http://democrats.edworkforce.house.gov>