

**HIGHER EDUCATION
REGULATIONS STUDY**

—PRELIMINARY FINDINGS—



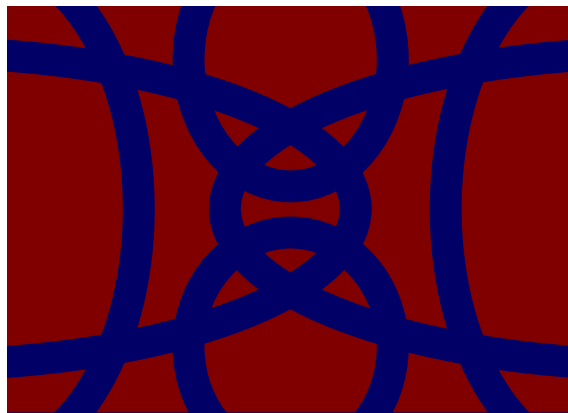
**ADVISORY COMMITTEE ON
STUDENT FINANCIAL ASSISTANCE**

WASHINGTON DC

SEPTEMBER 2011

**HIGHER EDUCATION
REGULATIONS STUDY**

—PRELIMINARY FINDINGS—



**ADVISORY COMMITTEE ON
STUDENT FINANCIAL ASSISTANCE**

WASHINGTON DC

SEPTEMBER 2011

**ADVISING CONGRESS AND THE
SECRETARY OF EDUCATION**

—Since 1988—

**Advisory Committee on
Student Financial Assistance**

**80 F Street NW, Suite 413
Washington DC 20202-7582**

Tel: 202/219-2099

Fax: 202/219-3032

ACSFA@ed.gov

www.ed.gov/acsfa

The Advisory Committee on Student Financial Assistance (Advisory Committee) is a Federal advisory committee chartered by Congress, operating under the Federal Advisory Committee Act (FACA); 5 U.S.C., App.2). The Advisory Committee provides advice to the Secretary of the U.S. Department of Education on student financial aid policy. The findings and recommendations of the Advisory Committee do not represent the views of the Agency, and this document does not represent information approved or disseminated by the Department of Education.

EXECUTIVE SUMMARY

In the *Higher Education Opportunity Act* of 2008, Congress charged the Advisory Committee on Student Financial Assistance with conducting a review and analysis of regulations affecting higher education, to determine the extent to which regulations are overly burdensome and need to be streamlined, improved, or eliminated. Specifically, Congress recommended the Advisory Committee determine which regulations are “duplicative, no longer necessary, inconsistent with other federal regulations, or overly burdensome.”

Pursuant to the legislative mandate, the Advisory Committee convened two review panels of individuals who have experience with federal regulations affecting all sectors of higher education to review regulations and make recommendations for streamlining, improvement, or elimination. In addition, a website was developed and maintained to provide information on HEA regulations, including an area for the public to offer recommendations of regulations in need of streamlining. The Committee further engaged the community through numerous meetings, conference calls, and presentations soliciting feedback and suggestions on regulatory burden.

Study Questions and Preliminary Findings

This report presents preliminary findings from the review panels, the website, and the web-based survey implemented to assess the perceptions of the higher education community toward specific regulations and the overall regulatory system, as well as preferences for future regulatory reform efforts. Design of the study efforts, including the survey, was driven by five questions:

- *Regulatory Burden:* How burdensome does the higher education community consider the regulations under the HEA? Which regulations are perceived as most burdensome?
- *Regulatory Improvement:* Can HEA regulations be streamlined or eliminated without adversely affecting program integrity, accountability, student access, and student success?
- *System of Regulation:* Are key components of the system of regulation under the HEA perceived as needing change?
- *Cost Savings:* Would streamlining or eliminating individual regulations reduce costs for institutions and students? Would modifications to the system of regulation reduce such costs?
- *Future Regulatory Reform:* What should be the focus of future regulatory reform efforts for higher education? How should such efforts proceed?

Exhibit One presents preliminary answers to these questions.

Study Scope and Follow-on Activities

This study documents perceptions of the higher education community from all sectors toward the overall system of regulation that implements the HEA, and burden for a specific set of regulations. However, the study did not collect the data necessary to assess whether those perceptions are representative. Such an analysis requires in-depth case studies of burden and cost at a representative sample of institutions. Over the next two months, the Advisory Committee will conduct follow-on activities to validate and expand on the preliminary findings in Exhibit One. These activities will include structured, in-depth interviews with members of the higher education community, including a subset of survey respondents who volunteered to assist in explicating and refining the preliminary findings. A final report later this calendar year will detail the results of these inquiries and present a final set of findings and recommendations.

EXHIBIT ONE: PRELIMINARY FINDINGS

How burdensome does the higher education community consider the regulations under the HEA? Which regulations are perceived as most burdensome?

- A large majority of respondents perceive the regulations under the HEA as a whole as burdensome or overly burdensome. (page 10)
- Respondents perceive overlap between the HEA regulations and other regulations, particularly with state regulations and other federal regulations. (page 12)
- A majority of respondents rank the regulations under the HEA as most burdensome among all types of regulation. (page 14)
- The majority of office administrators perceive 14 of the 15 regulations cited in the survey as very burdensome or burdensome. (page 16)

Can HEA regulations be streamlined or eliminated without adversely affecting program integrity, accountability, student access, and student success?

- The majority of office administrators perceive that many of the 15 regulations cited in the survey could be either eliminated or modified without losing necessary protections. (page 17)

Are key components of the system of regulation under the HEA perceived as needing change?

- The majority of respondents perceive the monitoring processes to be effective at identifying problem areas and informing changes to the regulations, although a plurality judge them as only marginally effective. (page 19)
- A majority of both senior executives and office administrators perceive the negotiated rulemaking process as effective but needing change. (page 21)
- Less than a third of the office administrators indicate familiarity with the federal regulatory burden calculations. (page 22)
- Of those office administrators familiar with the federal regulatory burden calculations, a large majority view them as inaccurate. (page 22)

Would streamlining or eliminating individual regulations reduce costs for institutions and students? Would modifications to the system of regulation reduce such costs?

- The majority of office administrators perceive that modifying or eliminating 13 of the 15 regulations cited would yield significant or very significant savings. (page 24)
- Senior executives perceive that savings from regulatory reform would be used most likely for expanding counseling and customer services, as well as increasing need-based institutional aid. (page 25)

What should be the focus of future regulatory reform efforts for higher education? How should such efforts proceed?

- The majority of both senior executives and office administrators prefer pursuing sector-specific or performance-based regulatory structures. (page 27)
- The majority of senior executives prefer 8 of the 13 triggers for regulatory relief cited in the survey. (page 29)
- The majority of both senior executives and office administrators find further study of the HEA regulations, a comprehensive study, or an ED review of regulations with the community to be very or somewhat helpful. (page 31)

TABLE OF CONTENTS

Executive Summary	iii
Identifying Burdensome Regulations	
Legislative Charge.....	1
Prior Regulatory Reform Efforts.....	1
Required Components of the Higher Education Regulations Study.....	3
Research Questions.....	5
Survey and Follow-Up Interviews	6
Preliminary Findings	
Regulatory Burden.....	9
Regulatory Improvement.....	17
System of Regulation.....	19
Cost Savings.....	22
Future Regulatory Reform Efforts	25
Conclusions and Next Steps	
Conclusions	33
Next Steps	34
Appendix A: Profile of Survey Respondents.....	35
Appendix B: Profile of Regulations Used in Study.....	39
Appendix C: Survey Respondents' Additional Suggestions of Burdensome Regulations.....	43
Appendix D: Review Panel #1.....	45
Appendix E: Review Panel #2.....	49
Appendix F: Letter from ACSFA Chair and Vice Chair.....	53
Appendix G: ACSFA Members.....	55
Appendix H: ACSFA Staff.....	57
Appendix I: ACSFA Authorizing Legislation	59

PAGE INTENTIONALLY LEFT BLANK

IDENTIFYING BURDENSOME REGULATIONS

The *Higher Education Opportunity Act* of 2008 charged the Advisory Committee on Student Financial Assistance with conducting a review and analysis of regulations affecting higher education to determine the extent to which regulations are overly burdensome and need to be streamlined, improved, or eliminated. Specifically, Congress suggested the Advisory Committee determine which regulations are duplicative, no longer necessary, inconsistent with other federal regulations, or overly burdensome. The charge was to assess regulations in effect at the time of the review and that applied to the operations and activities of postsecondary institutions from all sectors. The authorizing language for the *Higher Education Regulations Study* (HERS) is contained in Appendix I, which reproduces the statutory language authorizing the Advisory Committee.

Legislative Charge

In conjunction with congressional staff, the Advisory Committee defined and clarified the terms and scope of the study, which addresses only federal regulations impacting higher education institutions—in particular, only those regulations stemming from the *Higher Education Act of 1965, as amended* (HEA). For instance, HERS does not address state-level autonomy or regulatory flexibility issues, nor is the study required to review or analyze regulations promulgated by federal agencies other than the U.S. Department of Education (ED). Furthermore, the Committee is allowed to consider changes to regulations that might require either regulatory or statutory fixes: any regulation deemed burdensome, duplicative, obsolete, or inconsistent with other regulations will be part of the study, regardless of the source necessary for change.

In addition to delimiting the type and nature of the regulations to review and analyze, the type of institution covered by the study has also been specified. The statutory requirement to include “institutions of higher education from all sectors” is defined as accredited institutions within the United States (public, private non-profit, and private for-profit) that offer degree or certificate programs at the four-year, two-year, graduate and professional, and certificate levels. Only accredited institutions are eligible to receive HEA funds, which means they are subject to regulations stemming from the HEA.

Prior Regulatory Reform Efforts

The assignment of HERS to the Advisory Committee is not the first time in recent decades that Congress or the executive branch has sought to reduce regulatory burden in postsecondary education. Since 1995, there have been three large-scale reviews designed to reduce regulatory burden in postsecondary education. These were initiated in 1995, 1998, and 2001.

Regulatory Reinvention Initiative. In 1995, the President signed an executive order that established the *Regulatory Reinvention Initiative* directing every federal agency to “review its rules and procedures to reduce regulatory and paperwork burden,” and to eliminate or revise regulations deemed “outdated or otherwise in need of reform” (refer to *Federal Register* Volume 60, Number 231, pages 61796 – 61817). The 1995 review was conducted by personnel in the ED and resulted in modifications to more than 40 sections of the Title IV regulations.

Student Financial Assistance Regulatory Review. In the 1998 amendments to the HEA, Congress required ED to review the Title IV regulations to determine whether there are regulations that are duplicative or no longer necessary. ED carried out the *Student Financial Assistance Regulatory Review* in 1999 and 2000 through a report to Congress and negotiated rulemaking sessions. The

HERS is the fourth large-scale effort since 1995 designed to reduce regulatory burden for postsecondary institutions.

resulting report examined current Title IV regulations in order to eliminate unnecessary costs to institutions, eliminate duplication, and lessen burden on institutions.

Themes that emerged from the 1999 regulatory review were varied. The greatest number of suggestions focused on technology as it pertained to delivering student financial assistance programs. Final regulations were published in 2000 modifying approximately 40 sections of the Title IV regulations.

FED UP Initiative. *Upping the Effectiveness of Our Federal Student Aid Programs* (FED UP), introduced in 2001 by U.S. House of Representatives member and then Chairman of the House Committee on Education and the Workforce Howard P. “Buck” McKeon (R-CA), sought to simplify and streamline overly burdensome regulations in the HEA. Along with Representative Patsy Mink (D-HI), Representative McKeon went directly to college and university stakeholders in order to gather feedback on federal regulations considered burdensome for students, families, and institutions. A FED UP website was launched as part of the initiative so that a broad range of interested parties could provide recommendations for streamlining federal regulations.

In 2002, the *FED UP Higher Education Technical Amendments Act* (H.R. 4866) was introduced to reduce and streamline current regulations for colleges and universities based on information gathered from the initiative’s website. The bill was introduced in the Congressional Record as an effort “to make various technical revisions that incorporate the results of the FED UP initiative to remove unnecessary regulatory barriers to access to student aid programs.” The bill did not pass the House.

In response to the 2002 proposed legislation, ED created a special negotiated rulemaking session to review and implement many of the proposed regulatory changes submitted to the FED UP website by university and college administrators. These special negotiated rulemaking sessions focused on budget-neutral issues that did not require statutory changes. In 2003, the *FED UP Higher Education Technical Amendments Act* of 2003 (H.R. 12) was re-introduced in the House. The bill was referred to the House Committee on Education and the Workforce, but was never brought up for a vote in Committee. The final regulations published following the FED UP effort resulted in modifications to more than 50 sections of the Title IV regulations.

Each of these prior reviews—the *Regulatory Reinvention Initiative*, the *Student Financial Assistance Regulatory Review*, and the FED UP initiative—progressively included more members of the community affected by the regulations through comments and negotiations. Building upon those efforts, the Advisory Committee’s current *Higher Education Regulations Study* has several required elements that engage the community more fully than past efforts.

The most significant difference between prior studies and HERS is that none of the prior studies were conducted using data collected at the institutional level. Although institutional representatives provided feedback to ED officials, higher education associations, and Congress, no evidence exists of an institutional-level analysis of either regulatory burden or a prioritization of regulations most in need of streamlining, improvement, or elimination. HERS is being conducted by the Advisory Committee, an

The Student Financial Assistance Regulatory Review focused on technology issues in addition to burdensome and obsolete regulations.

The FED UP initiative focused on budget-neutral issues that did not require statutory changes.

entity that neither promulgates the regulations under review, nor is bound by those regulations. Therefore, HERS represents an opportunity for the higher education community to engage with an impartial entity to address which regulations should be considered for modification or elimination by Congress and ED.

Required Components of the Higher Education Regulations Study

Congress established the required elements of HERS to maximize community and institutional involvement. In conducting the study, the Advisory Committee was required to convene two review panels, develop and maintain a public website, consult with a broad range of entities and individuals, and deliver its recommendations to Congress and the Secretary of Education. As the Advisory Committee completed the required elements, the Committee was able to develop an appropriate study methodology, including an instrument for assessing institutional perceptions of regulatory burden and regulatory relief themes.

Two review panels of experts representing all sectors of higher education advised and participated in the study.

Review Panels. Congress required the Committee to convene at least two review panels of individuals who have experience with federal regulations affecting all sectors of higher education as part of the general mandate to review regulations and make recommendations for streamlining, improvement, or elimination. Accordingly, the Committee formed two panels of experts representing the interests of community colleges, four-year private institutions, four-year public institutions, graduate and professional schools, private for-profit institutions, students, and state grant programs. A list of panelists for each review panel can be found in Appendix D and Appendix E.

The first review panel met on April 9, 2009, in Washington DC; the panel focused on Title IV regulations because these are the largest portion of regulations emanating from the HEA. In addition to suggesting areas of regulatory streamlining, the first review panel was helpful in terms of discussing the scope of the study, communication and outreach strategies, the role of the review panelists, and the design of the required website for the study. The development of the website and collection of suggested regulations from it comprised the first phase of HERS.

The second review panel met on December 15, 2010, in Washington DC. The panel focused on analyzing the initial group of regulations suggested for consideration (received through all sources including the public comment website), suggesting further recommendations of regulations under all titles of the HEA, and providing advice on the final phase of the study. Four main themes of regulatory burden emerged from the panel's meeting: individual burdensome regulations, the entire system of regulation, the structure of the regulatory development and implementation processes, and legislators' disconnection from regulatory complexity in higher education.

The second group of review panelists also provided feedback on the feasibility of using a survey instrument as part of the study's methodology.

Website. Another component of the authorizing legislation was to develop and maintain a website that provides information, including an area for the public to offer recommendations for streamlining regulations, and links to the study conducted by the National Research Council of the National Academy of Sciences on deregulation. This website, also known as the Community

A website was created and maintained to provide information and collect suggestions of burdensome regulations from the community.

Suggestions Website, has been available to the public since May 2009 at <http://www2.ed.gov/about/bdscomm/list/acsfa/edlite-publicinput.html>. Care was taken when developing the website to ensure that respondents could leave completely anonymous comments.

The Advisory Committee has received more than 100 individual submissions from this site in combination with numerous suggestions from groups and agencies with which it consulted. Following a review and analysis by staff to combine multiple submissions on similar topics, the list of community suggestions yielded approximately 40 viable specific regulations or regulatory areas deemed burdensome, duplicative, obsolete, or in conflict with other regulations. This list became the basis for the initial development of the Committee's required reports to Congress. However, the Committee recognized the submissions contained incomplete or insufficient information. The suggestions rarely included data on the level of burden associated with each regulation and, furthermore, the nature of the feedback allowed for neither prioritization of the recommendations nor assessment of disparate impacts among sectors.

The Advisory Committee consulted with the higher education community through numerous meetings, phone calls, public hearings, and conference presentations.

Consultation. The study's authorizing language requires the Advisory Committee to consult with the Secretary of Education, other federal agencies, representatives of higher education institutions, and individuals with expertise and experience in this field. To date, the Committee has held numerous group and personal meetings, including conference calls, public hearings, and conference presentations to collect feedback and advice related to HERS. In these meetings, individuals provided either direct recommendations of regulations in need of streamlining, improvement, or elimination; or indirect discussion of burden on institutions and/or means for assessing such issues.

The Advisory Committee continues to reach out to organizations, individuals, and experts for additional and continuing advice, support, and recommendations. The Committee is working with individuals on a consulting basis with expertise in higher education organization and governance, higher education administration, public administration and public policy, regulatory reform and regulatory quality, survey methodology and survey instrument design, and quantitative and qualitative research methodology.

Reports. The HEOA required a report be delivered to Congress and the Secretary of Education by the end of November 2011. As noted in statute, the Committee must make recommendations of overly burdensome, redundant, or outdated regulations to the Secretary as part of this required review of regulations. This preliminary report serves to provide the higher education community with early findings from its efforts under HERS in order to encourage feedback that will shape a final detailed report and recommendations.

Following closer analysis of the suggested regulations, and in follow-up conversation with the panelists and other experts, the Committee concluded that, although a good number of regulations were identified, the study likely needed to be refocused in order to:

- Gather more quantifiable data on the level of burden for each of the regulations
- Determine a way to prioritize the recommendations

- Recognize the ways in which the suggested regulations impact different sectors of higher education in different ways.

In order to achieve these ends, the Committee decided to field a survey and conduct follow-up site visits with campus officials who volunteered to be interviewed, thereby ensuring an institutional-level analysis of the perceptions of burden and the prioritizations of regulations most in need of streamlining, improvement, or elimination—an analysis that would bridge the gap between previous regulatory relief efforts and the Committee’s present effort.

Research Questions

Given that the congressional charge for carrying out HERS assumes a level of burden in the HEA regulations, the second and final phases of the study were framed by the following research questions:

- **Regulatory Burden:** How burdensome does the higher education community consider the regulations under the HEA? Which regulations are perceived as most burdensome?
- **Regulatory Improvement:** Can HEA regulations be streamlined or eliminated without adversely affecting program integrity, accountability, student access, and student success?
- **System of Regulation:** Are key components of the system of regulation under the HEA perceived as needing change?
- **Cost Savings:** Would streamlining or eliminating individual regulations reduce costs for institutions and students? Would modifications to the system of regulation reduce such costs?
- **Future Regulatory Reform:** What should be the focus of future regulatory reform efforts for higher education? How should such efforts proceed?

These questions were also used to guide the development of the survey instrument.

The Regulations. Fifteen regulations were selected for further study from the list suggested by the community as burdensome and in need of streamlining, improvement, or elimination. (The full list of suggested regulations can be found on the Advisory Committee’s website at <http://www2.ed.gov/about/bdscomm/list/acsfa/prelimlistofburdenregsmay11.pdf>.) The 15 regulations were identified as a manageable representation of the full list following a review to exclude from further study those that were expired or no longer in effect, had not yet gone into effect, were significantly modified within the last two years, were not regulations promulgated by ED, did not apply to the operations and activities of institutions of higher education from all sectors, or had received significant debate in preceding years with no substantive changes. These 15 regulations were also reviewed and supported by members of the second review panel and numerous other campus administrators who volunteered feedback.

The regulations are identified in the list below and include an abbreviated title in parentheses. The bolded portion of each title will be used throughout the remainder of the report to reference the regulation. These are just the titles of the areas suggested for consideration under the study; refer to Appendix B for more

Five research questions guided the study and the development of the survey.

complete descriptions of each regulation, including regulatory citations and examples of burden cited by the community.

Fifteen Suggested Burdensome Regulations

- **Conflicting Information**
- Entrance Counseling for Student Loan Borrowers (**Entrance Counseling**)
- FSEOG Priority Awarding Criteria (**FSEOG Priority Awarding**)
- Crediting Federal Student Aid to Non-Allowable Institutional Charges (**Non-Allowable Charges**)
- Written Authorization to Open a Bank Account on Behalf of a Student (**Opening Bank Account**)
- Prior Award Year Charges (**Prior Year Charges**)
- Proration of Annual Loan Limits (**Proration of Loan Limits**)
- Overlapping and Inconsistent Timeframes for Reporting and Consumer Disclosure Requirements (**Reporting Timeframes**)
- Volume and Scope of Reporting and Consumer Disclosure Requirements (**Reporting Volume and Scope**)
- **Return of Title IV Funds**
- Return of Uncashed Credit Balance Checks (**Return of Uncashed Checks**)
- Self-Certification of Non-Title IV Student Loans (**Self-Certification**)
- TEACH Grant Eligibility Rules (**TEACH Grant Eligibility**)
- Overaward and Overpayment Tolerances (**Tolerances**)
- Determining Student Eligibility for Two Federal Pell Grants in One Award Year (**Two Pell Grants**)

Survey and Follow-Up Interviews

The Advisory Committee designed an anonymous, confidential, web-based survey instrument in order to collect campus attitudes and perceptions of regulatory burden and the regulatory development process. The survey was originally conceived with a known sampling frame. That is, the survey was planned to have a feature in which individuals would log-in with a unique identifier in order to establish the respondent's institutional type and control, and geographic location. However, based on community feedback, the Committee ultimately decided to abandon the log-in in favor of complete anonymity. Numerous discussions with campus officials, association representatives, consultants, and review panelists revealed significant concerns in the community over the sensitive nature of questions addressing campus-level perceptions of regulatory burden, including attitudes toward processes managed by federal legislative and executive entities.

The survey was hosted and administered by an independent private contractor, and the instrument was developed with the input of numerous members of the higher education community, including members of the Advisory Committee's second review panel. In total, 21 campus officials representing 14 institutions voluntarily field-tested the survey following its development. All field testers felt strongly that the survey instrument was well constructed, clearly worded, and comprehensively addressed the issues and concerns on the current attitudes and perceptions regarding the regulations, the system of regulation, and the way forward for future regulatory reform efforts.

The Advisory Committee staff collaborated with several organizations to request assistance in raising awareness of the survey and disseminating it to all institutions nationwide. Several higher education associations and numerous state organizations demonstrated strong support for the study and full cooperation in its distribution among their respective members. See Appendix F for a copy of the letter

from the Advisory Committee's chair and vice chair announcing the survey. This letter was sent by the associations and organizations on behalf of the Advisory Committee.

The final version of the survey instrument consisted of two separate and distinct tracks: one for senior executives on-campus and the other for office administrators dealing with regulations under the HEA. Both groups provide distinct perspectives on the impact of regulations on higher education institutions. Because administering the regulations often entails multiple offices, employees from all offices involved with the HEA regulations were encouraged to complete the survey; these primarily included admissions/enrollment management, bursar/student accounts, institutional research, financial aid, and registration.

Senior Executives. For purposes of the survey, "senior executive" was defined as an individual with senior management responsibilities or executive authority over the institution. This category includes positions such as President, Chancellor, Owner, Provost, Vice President, etc. The questions for senior executives addressed broad issues related to the regulatory development process, the levels of regulatory burden affecting colleges and universities, alternative approaches to the current system, and preferred ways for continuing efforts to reduce regulatory burden on higher education institutions.

Office Administrators. "Office administrator" was defined as an individual who works in or has direct oversight of a campus office involved in the administration of the HEA regulations. This category includes positions such as Associate or Assistant Vice President, Director, Associate or Assistant Director, Counselor, Specialist, etc. The questions for office administrators focused on rating the level of burden for a set of individual regulations already identified by the higher education community as burdensome. Office administrators were also asked to provide their input on the regulatory development process and preferred ways to move forward on future efforts to reduce regulatory burden.

Prior to the end of the survey, all respondents had the opportunity to register as a volunteer for follow-up interviews. Information from the follow-up interviews will be used to augment and provide further insight into the survey's results and generate the detailed report to Congress and the Secretary due later this year.

The survey generated 2,098 responses from 425 senior executives and 1,673 office administrators. All sectors of higher education were represented. Respondents came from all institutional enrollment sizes, all regions of the country, and all work roles within administrative offices. Respondents also provided their perceptions on the level of automation (i.e., processes that are electronic or performed through automated computer functions) at their institutions. See Appendix A for a profile of the survey respondents.

Results from the survey form the basis of this preliminary report on the *Higher Education Regulations Study*. A public hearing will be held on September 30, 2011, to garner feedback on the preliminary report and plans for the follow-up interviews. The interviews are planned for October and November 2011. Interviewees will be senior executives and office administrators who volunteered to discuss their perceptions of individual regulatory burden, the system of regulations, and future efforts for regulatory reform. The purpose of the interviews is to gauge reaction and corroborate the survey results as well as to understand the responses to the survey questions at a deeper level. Information gathered from the required elements of the study, hearings, the survey, and the interviews, will culminate in the study's final report. The survey questions will be released with the final report.

Two-Track Survey: Senior Executives and Office Administrators

PAGE INTENTIONALLY LEFT BLANK

PRELIMINARY FINDINGS

Based on feedback from two review panels, the website, and various community engagements, the Advisory Committee identified for further study fifteen regulations from those recommended by the community for streamlining, improvement, or elimination. The Committee designed an anonymous web-based survey to assess the attitudes of the higher education community toward these specific regulations and the overall regulatory system. Development of the survey instrument was driven by five research questions that guided the design of the entire study:

- **Regulatory Burden:** How burdensome does the higher education community consider the regulations under the HEA? Which regulations are perceived as most burdensome?
- **Regulatory Improvement:** Can HEA regulations be streamlined or eliminated without adversely affecting program integrity, accountability, student access, and student success?
- **System of Regulation:** Are key components of the system of regulation under the HEA perceived as needing change?
- **Cost Savings:** Would streamlining or eliminating individual regulations reduce costs for institutions and students? Would modifications to the system of regulation reduce such costs?
- **Future Regulatory Reform:** What should be the focus of future regulatory reform efforts for higher education? How should such efforts proceed?

A final report will be delivered in November, as required by law. Preliminary findings from the study's survey are presented below and represent a high-level, overall analysis of the data. A more detailed analysis will be provided in the final report. Because the survey design utilized skip logic in order to present only relevant questions to respondents based on previous answers, the number of responses per question varies. For senior executives, the respondent count (or *n*) ranges between 305 and 425. For office administrators, this range is between 1,239 and 1,675, except for one question. Because so few office administrators indicated familiarity with the regulatory burden calculations, only 380 were provided the question judging perceptions of the accuracy of those calculations.

Regulatory Burden

For purposes of this study, regulatory burden consists of several dimensions: overall and relative burden, overlap with other regulations, and the burden for a specific regulation. Tables 1 through 5 deal with these dimensions.

Perceptions of Overall Burden. Both senior executives and office administrators were asked to rate their perception of the overall level of burden associated with all regulations under the HEA. They rated burden using a five-point scale with the following options:

- *Overly Burdensome.* The overall level of burden for the HEA regulations exceeds the value of protection the regulations provide.
- *Burdensome but not Overly Burdensome.* The level of burden for most of the HEA regulations exceeds the value of protection the regulations provide.

- *Neutral or About Right.* The level of burden for the HEA regulations is balanced with the value of protection the regulations provide.
- *Need to be Strengthened Further.* There is no burden. In fact, the level of burden for the HEA regulations is insufficient to provide the value of protections necessary.
- *No Opinion.* I do not have sufficient knowledge of the HEA regulations to judge whether they are overly burdensome.

Table 1 on page 11 shows:

- Of the senior executives who responded to the survey, 47 percent said they perceive the HEA regulations as a whole as overly burdensome and 43 percent as burdensome. Therefore, 90 percent of senior executive respondents note a level of burden in implementing and administering the HEA regulations on their campuses.
- Among office administrators, 41 percent indicate the HEA regulations as overly burdensome and 44 percent as burdensome. Thus, 85 percent of the office administrators responding to the survey perceive a level of burden in implementing and administering the HEA regulations.

Only 8 percent of senior executives classify the overall HEA regulatory burden as about right, with less than .5 percent saying it needs further strengthening. Similarly, 9 percent of office administrators judge the regulatory burden as about right, with less than 1 percent saying it needs strengthening. Among office administrators, 5 percent, compared to 2 percent of senior executives, say they are unable to judge the level of burden.

It is not surprising to receive such a large percentage of responses judging the HEA regulations as overly burdensome when the respondents targeted were senior executives and office administrators of higher education institutions bound by those regulations. However, unity between the two groups of respondents, especially in large percentages, is an indicator of the strength of perceptions held about HEA regulations.

Perceptions of Regulatory Overlap. Senior executive and office administrator respondents were asked to rate the extent to which they believe there is overlap between HEA regulations and 1) regulations issued under other statutes or by federal agencies other than ED, 2) state government regulations, and 3) non-

A large majority of respondents perceive the regulations under the HEA as a whole as burdensome or overly burdensome.

TABLE 1: PERCEIVED LEVEL OF OVERALL BURDEN FOR REGULATIONS UNDER THE HIGHER EDUCATION ACT

Respondent Group	Percent Who Perceive Regulations As:				
	Overly Burdensome	Burdensome	Neutral	Needing Strengthening	Unable to Judge
All Respondents	42%	44%	9%	< 0.5%	5%
Senior Executives	47%	43%	8%	< 0.5%	2%
Office Administrators	41%	44%	9%	< 1%	5%

Source: 2011 Higher Education Regulations Study Survey

TABLE 2: PERCEIVED LEVEL OF OVERLAP BETWEEN REGULATIONS UNDER THE HIGHER EDUCATION ACT AND OTHER TYPES OF REGULATIONS

Type of Regulation	Percent of Senior Executives Who Perceive:				Percent of Office Administrators Who Perceive:			
	Extensive Overlap	Some Overlap	No Overlap	No Opinion	Extensive Overlap	Some Overlap	No Overlap	No Opinion
State Regulations	9%	70%	6%	15%	9%	54%	9%	28%
Other Federal Regulations	17%	59%	4%	20%	19%	47%	3%	31%
Non-Governmental Regulations	7%	50%	16%	27%	3%	36%	17%	44%

Source: 2011 Higher Education Regulations Study Survey

government regulations. Examples of non-government regulations provided for respondents included those issued by accrediting bodies, private organizations, professional associations, etc. Respondents were provided a four-point scale for each type of regulation indicating extensive overlap with HEA rules, some overlap, no overlap, and no opinion/don't know. **Table 2** on page 11 shows:

Respondents perceive overlap between the HEA regulations and other regulations, particularly with state regulations and other federal regulations.

- The largest number of respondents recognize overlap between HEA regulations and state regulations. A majority of senior executives (70 percent) and office administrators (54 percent) see *some* overlap between HEA and state regulations, with 9 percent of each group perceiving *extensive* overlap. Minimal proportions of senior executives (6 percent) and office administrators (9 percent) see no overlap. An appreciable percentage of respondents say they have no opinion regarding regulatory overlap with state regulations—15 percent of senior executives and 28 percent of office administrators.
- Other federal regulations are perceived as having some overlap with the HEA regulations by 59 percent of senior executives and 47 percent of office administrators, while 17 percent of senior executives and 19 percent of office administrators see extensive overlap. Among senior executives, 4 percent say there is no overlap, while 3 percent of office administrators say the same. As with the other categories, considerable portions of each respondent group say they have no opinion on overlap with other federal regulations—20 percent of senior executives and 31 percent of office administrators.

The smallest percentage of respondents feel the HEA regulations overlap with non-governmental rules and regulations, as follows: 50 percent of senior executives and 36 percent of office administrators see non-governmental regulations as having some overlap with the HEA regulations. In contrast, 7 percent of senior executives and 3 percent of office administrators find extensive overlap. On the other hand, 16 percent of senior executives and 17 percent of office administrators see no overlap. As with the other types of regulations, a large number of respondents say they have no opinion about overlap with non-governmental regulations: 27 percent of senior executives and 44 percent of office administrators.

It is of note, and worthy of further investigation, that there are substantial proportional differences between the senior executives and office administrators perceiving some overlap as well as those having no opinion.

Perceptions of Burden by Type of Regulation. Respondents were asked to rank the HEA regulations among other types of regulations in order of greatest perceived burden on their institutions. The types were the same as those used in assessing overlap: federal regulations issued under the HEA, federal regulations issued under other statutes or by federal agencies other than ED, state government regulations, and non-government regulations. In addition, respondents were provided the option of selecting no opinion/don't know when ranking each type of regulation. **Table 3** on page 13 shows:

TABLE 3: RANKING BY SENIOR EXECUTIVES OF THE PERCEIVED LEVEL OF BURDEN AMONG TYPES OF REGULATIONS

Type of Regulation	Percent of Senior Executives Who Rank the Regulations As:				
	Most Burdensome	Second Most Burdensome	Third Most Burdensome	Fourth Most Burdensome	Had No Opinion
HEA Regulations	68%	20%	6%	3%	3%
Other Federal Regulations	10%	47%	23%	11%	9%
State Regulations	13%	22%	39%	22%	4%
Non-Governmental Regulations	8%	13%	24%	49%	6%

Source: 2011 Higher Education Regulations Study Survey

TABLE 4: RANKING BY OFFICE ADMINISTRATORS OF THE PERCEIVED LEVEL OF BURDEN AMONG TYPES OF REGULATIONS

Type of Regulation	Percent of Office Administrators Who Rank the Regulations As:				
	Most Burdensome	Second Most Burdensome	Third Most Burdensome	Fourth Most Burdensome	Had No Opinion
HEA Regulations	75%	12%	3%	2%	8%
Other Federal Regulations	9%	44%	22%	7%	18%
State Regulations	5%	27%	43%	14%	11%
Non-Governmental Regulations	4%	8%	12%	56%	20%

Source: 2011 Higher Education Regulations Study Survey

- Among senior executives, 68 percent rank regulations under the HEA as most burdensome, with state regulations receiving the next highest percentage of most burdensome votes (13 percent), followed by other federal regulations (10 percent) and non-governmental regulations (8 percent).
- Other federal regulations receive the largest share of second-most burdensome responses at 47 percent, with state regulations (39 percent) highest in the third position, and non-governmental regulations (49 percent) receiving the greatest percentage of votes under fourth-most burdensome.

Less than 10 percent of senior executives have no opinion regarding the ranking of burden for each of the categories.

Using the same scale as senior executives, office administrators were asked to rank the perceived burden of HEA, other federal, state, and non-governmental regulations on their institutions. **Table 4** on page 13 shows:

- Like senior executives, office administrators rank the HEA regulations as most burdensome by a large percentage: 75 percent of administrative respondents rank the HEA regulations highest. Other federal regulations receive the next highest percentage of most burdensome votes at 9 percent, followed by state regulations at 5 percent and non-governmental regulations at 4 percent. Ordering differed slightly between the two groups, with other federal regulations and state regulations switching second and third place rank order.
- Other federal regulations receive the largest share of second-most burdensome votes at 44 percent, with state regulations (43 percent) highest in the third-most burdensome category, and non-governmental regulations (56 percent) garnering the greatest percentage of responses under fourth-most burdensome.

Across the four types of regulations, between 8 and 20 percent of office administrators offer no opinion on ranking burden for that regulation type. When reviewing data in the first four tables, a clear picture emerges regarding strength of the perceptions of overall and relative burden for those surveyed.

Perceptions of Burden for Individual Regulations. Office administrator respondents were asked to rate individual regulations under the HEA as very burdensome, burdensome, and not burdensome. In this table, overall perceived burden is reported by combining the percentage of respondents indicating burdensome or very burdensome for each regulation. The table orders the regulations according to overall perceived burden. **Table 5** on page 15 shows:

- More than 50 percent of respondents classify 14 of the 15 individual regulations as burdensome or very burdensome. Eleven of the regulations are perceived to be in one of these two categories by at least 70 percent of the respondents, and seven exceed 75 percent.

A majority of respondents rank the regulations under the HEA as most burdensome among all types of regulation.

TABLE 5: PERCEPTIONS OF OFFICE ADMINISTRATORS REGARDING THE LEVEL OF BURDEN FOR SPECIFIC REGULATIONS

Regulation	Percent Who Rank the Regulation As:			
	Very Burdensome	Burdensome	Very Burdensome or Burdensome	Not Burdensome
Two Pell Grants	70%	21%	91%	9%
Reporting Timeframes	29%	61%	90%	10%
Reporting Volume and Scope	47%	42%	89%	11%
Return of Title IV Funds	54%	33%	87%	13%
Non-Allowable Charges	28%	55%	83%	17%
TEACH Grant Eligibility	46%	37%	83%	17%
Proration of Loan Limits	23%	53%	76%	24%
Prior Year Charges	24%	50%	74%	26%
Conflicting Information	11%	63%	74%	26%
Self-Certification	30%	42%	72%	28%
Tolerances	20%	50%	70%	30%
Opening Bank Account	19%	46%	65%	35%
Return of Uncashed Checks	14%	46%	60%	40%
Entrance Counseling	15%	36%	51%	49%
FSEOG Priority Awarding	10%	29%	39%	61%

Source: 2011 Higher Education Regulations Study Survey

The majority of office administrators perceive 14 of the 15 regulations cited in the survey as very burdensome or burdensome.

- The 7 regulations with more than 75 percent of the respondents perceiving each as burdensome or very burdensome are as follows:
 - Two Pell Grants
 - Reporting Timeframes
 - Reporting Volume and Scope
 - Return of Title IV Funds
 - Non-Allowable Charges
 - TEACH Grant Eligibility
 - Proration of Loan Limits
- The regulation with the highest overall perceived level of burden—*Two Pell Grants*—has been eliminated since the HERS study began. Respondents who indicated the regulation was burdensome or very burdensome were asked in a separate question to note the reasons why. Although not demonstrated in the table, the two reasons receiving the highest percentage of responses are “the time, effort, and costs necessary to administer this regulation exceeds the intended protections” (65 percent) and “this regulation is overly prescriptive” (40 percent). Respondents were allowed to check multiple reasons.
- Respondents are relatively split on their perception of burden for the *Entrance Counseling* regulation, with 51 percent declaring it burdensome or very burdensome, and 49 percent perceiving it as not burdensome. This split among respondents warrants further investigation to understand the reasoning behind each perception. Data from additional survey questions yield further insights as discussed later in this report.
- Only one regulation, the *FSEOG Priority Awarding*, is perceived by more than half the respondents (61 percent) as having a low level of regulatory burden. This program is consistently rated by respondents as having the lowest level of burden compared to the other 14 regulations studied.
- Although not demonstrated in the table, an average of 44 percent of respondents identify this set of regulations as burdensome, 29 percent see them as very burdensome, and 26 percent view them as not being burdensome at all.

The final report will contain a more detailed analysis of the reasons expressed by respondents for why regulations are perceived as being either burdensome or very burdensome. When reviewing the top three reasons given for each regulation, two reasons appear for every regulation—“the time, effort, and costs necessary to administer the regulation exceed the intended protections,” and “this regulation is overly prescriptive.” For all but two regulations (*Opening Bank Account* and *Proration of Loan Limits*), the “time, effort, and costs” reason is the explanation indicated most often. Several regulations are also judged as hindering student access and success, or not being related to program integrity and accountability. The regulations most often cited by respondents as hindering student access or success are *Prior Year Charges*, *FSEOG Priority Awarding*, and *Proration of Loan Limits*.

In addition to further explication of the reasons given for the perceptions of burden for each regulation, the final report will contain more detailed analyses of the survey results, including perceptions delineated by institutional type and control, regional location, office type, work role, and level of automation, among others.

Regulatory Improvement

Under this study, regulatory improvement involves determining whether a regulation can be modified or eliminated without negatively impacting necessary protections. The findings from this second research question can be found in Table 6.

Perceptions of Whether to Eliminate, Modify, or Keep As Is. The survey asked office administrators to indicate, regardless of perceived levels of burden, whether the regulation in question needs to exist as currently written. Respondents could choose among: eliminate, modify, or keep as is. However, it was noted for the respondents that neither elimination nor modification could occur if doing so would jeopardize program integrity, accountability, student access, or student success. Although elimination and modification are two very different types of action, the table is ordered by the combined percentage of respondents selecting either of those to actions. **Table 6** on page 18 shows:

- The regulations with the highest percentage of respondents who perceive elimination could occur without losing necessary protections are *Proration of Loan Limits* (59 percent), *Two Pell Grants* (57 percent), *Prior Year Charges* (49 percent), and *Non-Allowable Charges* (46 percent).
- Regulations that respondents deem as modifiable without losing necessary protections are *Reporting Timeframes* (77 percent), *Return of Title IV Funds* (76 percent), *Tolerances* (72 percent), and *Reporting Volume and Scope* (70 percent).
- Four regulations in the study are judged by more than 25 percent of respondents as needing to be kept as is, that is, neither modified nor eliminated. The highest number of respondents (47 percent) support keeping *Entrance Counseling* as it is currently written, and 40 percent of respondents wish to keep *FSEOG Priority Awarding* as is.

Although not demonstrated in the table, for the group of 15 individual regulations studied, an average of 28 percent of respondents favor elimination, 52 percent want modification, and 20 percent say to maintain the regulations currently as written.

The final report will include further analysis of the respondents' written comments explaining their perceptions on elimination and modification. In addition, the follow-up interviews will target specific recommendations as to why these perceptions exist and how changes can be made to alleviate burden.

The majority of office administrators perceive that many of the 15 regulations cited in the survey could be either eliminated or modified without losing necessary protections.

TABLE 6: PERCEPTIONS OF OFFICE ADMINISTRATORS REGARDING WHETHER SPECIFIC REGULATIONS CAN BE MODIFIED OR ELIMINATED WITHOUT LOSING NECESSARY PROTECTIONS

Regulation	Percent of Office Administrators Who Perceive That the Regulation Can Be:			
	Eliminated	Modified	Eliminated or Modified	Kept As Is
Reporting Timeframes	19%	77%	96%	4%
Reporting Volume and Scope	23%	70%	93%	7%
Two Pell Grants	57%	33%	90%	10%
Prior Year Charges	49%	40%	89%	11%
Non-Allowable Charges	46%	41%	87%	13%
Return of Title IV Funds	11%	76%	87%	13%
Proration of Loan Limits	59%	26%	85%	15%
TEACH Grant Eligibility	36%	49%	85%	15%
Self-Certification	43%	40%	83%	17%
Conflicting Information	18%	60%	78%	22%
Tolerances	6%	72%	78%	22%
Opening Bank Account	28%	45%	73%	27%
Return of Uncashed Checks	11%	54%	65%	35%
FSEOG Priority Awarding	15%	45%	60%	40%
Entrance Counseling	6%	47%	53%	47%

Source: 2011 Higher Education Regulations Study Survey

System of Regulation

The study's third research question addresses the effectiveness of the system of regulation under the HEA, which includes institutional eligibility and compliance monitoring processes, the negotiated rulemaking process, and federal regulatory burden calculations. The findings for these dimensions are addressed in Tables 7 through 9.

Perceptions of Eligibility and Compliance Monitoring. Eligibility monitoring includes the process by which a postsecondary institution re-certifies its eligibility to participate in the federal student aid programs, as well as the national or regional accreditation processes. Compliance monitoring includes audits and program reviews. Senior executives and office administrators were asked to what extent they believe the results of these efforts are effective in identifying problem areas and informing changes to the HEA regulations. Respondents used a five-point scale of: effective, marginally effective, marginally ineffective, ineffective, and no opinion/don't know.

Table 7 on page 20 shows:

- When responding to this question, 47 percent of senior executives and 42 percent of office administrators indicated that they perceive the monitoring processes as marginally effective. Combined with each group's 22 percent share judging the processes as effective, the *overall* perception of effectiveness reaches 69 percent for senior executives and 64 percent for office administrators.
- Combining the categories assessing perceptions of ineffectiveness, 23 percent of senior executives and 17 percent of office administrators find the monitoring processes either ineffective or marginally ineffective.

Among senior executives, 8 percent have no opinion or do not know enough about the processes to judge, whereas 19 percent of office administrators select this neutral category.

Perceptions of the Negotiated Rulemaking Process. Negotiated rulemaking is a process in which representatives from the higher education community, known in the process as non-federal negotiators, are chosen by ED to participate in discussions on the development of a proposed regulation. Usually this includes changes to an existing regulation, but may also involve creation of a new one. The non-federal negotiators work with a federal negotiator to reach agreement on proposed regulatory language that is then published in the *Federal Register* for broad community comment before ED issues the final regulation.

Senior executives and office administrators were provided several opinion statements regarding how well they perceive the negotiated rulemaking process works. These statements effectively delineated a four-point scale

The majority of respondents perceive the monitoring processes to be effective at identifying problem areas and informing changes to the regulations, although a plurality judge them as only marginally effective.

TABLE 7: PERCEPTIONS REGARDING THE LEVEL OF EFFECTIVENESS OF INSTITUTIONAL ELIGIBILITY AND COMPLIANCE MONITORING PROCESSES IN INFORMING CHANGES TO REGULATIONS UNDER THE HIGHER EDUCATION ACT

Respondent Group	Percent Who Perceive the Processes As:				
	Effective	Marginally Effective	Marginally Ineffective	Ineffective	Had No Opinion
All Respondents	22%	43%	11%	7%	17%
Senior Executives	22%	47%	15%	8%	8%
Office Administrators	22%	42%	10%	7%	19%

Source: 2011 Higher Education Regulations Study Survey

TABLE 8: PERCEPTIONS REGARDING THE LEVEL OF EFFECTIVENESS OF THE FEDERAL NEGOTIATED RULEMAKING PROCESS

Respondent Group	Percent Who Regard the Process As:			
	Effective As Can Be	Effective But Needs Changes	Ineffective and Needs to Be Replaced	Unfamiliar
All Respondents	9%	56%	15%	20%
Senior Executives	5%	50%	20%	25%
Office Administrators	11%	57%	13%	19%

Source: 2011 Higher Education Regulations Study Survey

TABLE 9: FAMILIARITY OF OFFICE ADMINISTRATORS WITH FEDERAL REGULATORY BURDEN CALCULATIONS AND PERCEPTIONS OF THEIR ACCURACY

Familiarity with Calculations	Percent of Office Administrators Who Are:			
	Very Familiar	Somewhat Familiar	Somewhat Unfamiliar	Very Unfamiliar
	4%	26%	35%	35%

Perceived Accuracy of Calculations for Those Familiar with the Calculations	Percent Who Perceive the Calculations To Be:			
	Highly Accurate	Accurate	Inaccurate	Highly Inaccurate
	3%	26%	54%	17%

Source: 2011 Higher Education Regulations Study Survey

as follows: the process works exactly as it should; the process works overall, but select components need changing; the process does not work and needs to be replaced; and “I am unfamiliar with the negotiated rulemaking process.” **Table 8** on page 20 shows:

- Although indicating they feel the negotiated rulemaking process works overall, 50 percent of senior executives and 57 percent of office administrators still say that some improvements are needed in order for it to be more effective.
- Among senior executives, 20 percent feel the negotiated rulemaking process is ineffective and needs to be replaced with another means to develop proposed regulations under the HEA. Only 13 percent of office administrators answered similarly.

Overall, less than 10 percent of the respondents perceive that the negotiated rulemaking process is as effective as it can be. Among senior executive respondents, 25 percent are unfamiliar with the negotiated rulemaking process, while 19 percent of office administrators say they are unfamiliar as well.

Although not demonstrated in the table, respondents provided feedback on options to improve the regulatory development and implementation processes including negotiated rulemaking. Five options were presented, plus an opportunity to provide written comments on the topic. The five options were, in order of the percentage of respondents selecting that option (multiple selections were allowed):

- *Put Guidance on a Master Calendar.* Guidance issued by ED (such as Dear Colleague Letters and the Federal Student Aid Handbook) on how to implement and administer the regulations should be put on a master calendar (i.e., the effective date of such guidance would depend on the date the guidance is published). For example, current law requires final regulations be published by November 1 in order for them to be effective by the following July 1.
- *Modify the Master Calendar.* Modify the master calendar for effective dates of final regulations to require a minimum timeframe of one year from publication date when implementation would require significant systems or procedural modifications.
- *Expand the Minimum Timeframe for Response.* Expand the minimum timeframe for the public to respond to proposed regulatory packages.
- *Allow Majority Consensus.* Allow consensus to be granted on a proposed regulatory package by reaching majority consensus rather than a lack of dissent.
- *Modify Selection of Non-Federal Negotiators.* Modify the process of how ED selects non-federal negotiators for the negotiated rulemaking process.

A majority of both senior executives and office administrators perceive the negotiated rulemaking process as effective but needing change.

Less than a third of the office administrators indicate familiarity with the federal regulatory burden calculations.

Among all respondents, 53 percent include “Put Guidance on a Master Calendar” among their choices for improving the regulatory development and implementation processes. The remaining four options are included as viable improvements by 43 percent, 37 percent, 34 percent, and 31 percent, respectively.

Perceptions of Federal Burden Calculations. Office administrators were asked about their awareness of regulatory burden calculations conducted by ED and published in the *Federal Register* when a regulation or process requires institutions to collect information or data. Respondents were given a four-point scale of: very familiar, somewhat familiar, somewhat unfamiliar, and very unfamiliar.

In a separate follow-up question, those who indicated they were familiar were asked to rate the accuracy of the calculations compared to the level of burden they experience at their institution. This question had a five-point scale of: highly accurate, accurate, inaccurate, highly inaccurate, and “I am unable to rate the accuracy of burden calculations.” **Table 9** on page 20 shows:

- Among the office administrators responding, only 4 percent say they are very familiar with ED’s regulatory burden calculations. A further 26 percent say they are somewhat familiar.
- In contrast, 35 percent of office administrators say they are unfamiliar and an additional 35 percent say they are very unfamiliar with federal regulatory burden calculations—a total of 70 percent.
- Among those office administrators familiar or very familiar with ED’s burden calculations, 71 percent of respondents describe them as inaccurate (54 percent) or highly inaccurate (17 percent).
- Furthermore, among office administrators, 26 percent view the burden calculations as accurate and 3 percent perceive them as highly accurate.

Although the final report will provide further analysis of familiarity and perceptions of accuracy for the calculations, at a minimum the aggregate data show a need for awareness of and more information on the regulatory burden calculations.

Cost Savings

Cost savings from regulatory reform consist of two aspects under this study: savings from regulatory reform to the system of regulation, and savings from changes made to individual regulations. Findings on this topic can be found in Tables 10 and 11.

TABLE 10: PERCEPTIONS REGARDING WHETHER COST SAVINGS WOULD OCCUR FROM REGULATORY REFORM

Percent of Senior Executives Who Perceive That Savings Would Occur from Overall Regulatory Reform				
Yes		No		
82%		18%		
Regulation	Percent of Office Administrators Who Perceive That Savings Would Be:			
	Very Significant	Significant	Very Significant or Significant	Insignificant or None
Conflicting Information	6%	83%	89%	11%
Return of Title IV Funds	30%	52%	82%	18%
Opening Bank Account	17%	62%	79%	21%
Two Pell Grants	33%	46%	79%	21%
Reporting Timeframes	10%	68%	78%	22%
Reporting Volume and Scope	12%	62%	74%	26%
Prior Year Charges	12%	60%	72%	28%
Non-Allowable Charges	15%	54%	69%	31%
TEACH Grant Eligibility	20%	49%	69%	31%
Tolerances	9%	55%	64%	36%
Return of Uncashed Checks	8%	54%	62%	38%
Entrance Counseling	11%	48%	59%	41%
Self-Certification	13%	46%	59%	41%
Proration of Loan Limits	2%	38%	40%	60%
FSEOG Priority Awarding	7%	32%	39%	61%

Source: 2011 Higher Education Regulations Study Survey

The majority of office administrators perceive that modifying or eliminating 13 of the 15 regulations cited would yield significant or very significant savings.

Perceptions of Cost Savings from Regulatory Reform. Both senior executives and office administrators were asked whether they perceived there would be cost savings at their institution as a result of reforms to the regulations under the HEA; however, each group received a different question. Senior executives were asked whether they perceived savings would result from regulatory reform in general—through changes to individual regulations or the regulatory system. Office administrators received questions related to assessments of whether potential savings would be generated by modifications to or elimination of the 15 individual regulations. The cost savings question was not presented to office administrator respondents who answered that a particular regulation should be kept as is rather than being modified or eliminated. **Table 10** on page 23 shows:

- Among all types of respondents, there is relative uniformity in the perception that cost savings could be achieved if regulations were reformed.
- A large majority of senior executives feel that cost savings could be achieved at their institution through reform of the HEA regulations: 82 percent say that cost savings would accrue, while only 18 percent say they would not.
- For the individual regulations considered in the study, approximately one-third of office administrators perceive two regulations—*Two Pell Grants* and *Return of Title IV Funds*—would likely yield very significant cost savings if modified or eliminated.
- For 9 of the 15 regulations, more than 50 percent of the office administrators feel that significant cost savings could be achieved from changes to the regulation. Large numbers of respondents indicate that reforming the *Conflicting Information* (83 percent) and *Reporting Timeframes* (68 percent) regulations would achieve significant cost savings. The remaining seven regulations are *Reporting Volume and Scope* (62 percent), *Opening Bank Account* (62 percent), *Prior Year Charges* (60 percent), *Tolerances* (55 percent), *Non-Allowable Charges* (54 percent), *Return of Uncashed Checks* (54 percent), and *Return of Title IV Funds* (52 percent).

Preliminary findings show that office administrators are, overall, somewhat less inclined than senior executives to perceive very significant or significant cost savings from regulatory reform. Total response percentages for perceived cost savings (very significant plus significant) exceed 80 percent only for two regulations, *Conflicting Information* and *Return of Title IV Funds*. For other regulations, between 39 and 79 percent of office administrator respondents note that some type of cost savings might be achieved. In addition, although not shown in this data, the study's findings also suggest that respondents from campus offices primarily responsible for administering the regulations are somewhat less likely to perceive cost savings from reform (an average of 66 percent) than are those from offices providing only supporting information (an average of 72 percent).

For *FSEOG Priority Awarding* and *Proration of Loan Limits*, about 60 percent of office administrators do not see any cost savings associated with reform. For 6 other regulations, more than 30 percent of office administrators say that insignificant or no cost savings would likely occur.

Preferences for Use of Cost Savings. Senior executives were asked how they perceive any cost savings from HEA regulatory reform would most likely be used at their institution. Using a four-point scale, respondents were given the following options: capping future increases in tuition and fees, expansion of services such as counseling and customer services, expansion of student-focused programs (such as financial literacy), increasing institutional student aid programs based on financial need, and increasing institutional student aid programs *not* based on financial need. **Table 11** on page 26 shows:

Senior executives perceive that savings from regulatory reform would be used most likely for expanding counseling and customer services, as well as increasing need-based institutional aid.

- Senior executives indicate that the expansion of services such as counseling and customer services is the most likely result of cost savings generated through regulatory reform, receiving 63 percent of first (37 percent) and second (26 percent) place votes. This is followed by increasing need-based institutional student aid (51 percent of combined first and second place) and expanding student-focused programs (40 percent of first or second place votes).

Senior executive suggest the least likely uses of cost savings would be capping future increases in tuition and fees, and increasing non-need-based institutional student aid programs.

Future Regulatory Reform Efforts

The fifth research question addresses preferences for pursuing future regulatory reform efforts, which includes alternative regulatory structures, particular performance measures that could be used as a threshold for regulatory relief, and methods for continued study of regulatory reform in higher education. These findings are represented in Tables 12 through 14.

Preferences Regarding Alternative Regulatory Structures. Senior executives and office administrators were presented several alternatives to the current approach of issuing one set of HEA regulations applicable to all institutions (i.e., one size fits all), and whether they agreed that each alternative should be explored further.

The three alternatives were:

- *Sector-specific regulations.* The development and promulgation of federal regulations under the HEA should be differentiated by institutional type or sector.
- *Performance-based regulations.* Institutions meeting established thresholds or standards on key indicators would be exempt from compliance with select regulations.

TABLE 11: PERCEPTIONS OF SENIOR EXECUTIVES WHO EXPECT SAVINGS FROM REGULATORY REFORM REGARDING THE USE OF THOSE SAVINGS

Savings Use	Percent of Senior Executives Who Rank the Use:				
	First (Most Savings)	Second	Third	Fourth	Fifth (Least Savings)
Expanding Counseling and Customer Services	37%	26%	19%	12%	6%
Increasing Need-Based Institutional Aid	31%	20%	24%	17%	8%
Capping Future Increases in Tuition and Fees	14%	11%	19%	18%	38%
Expanding Student-Focused Programs	11%	29%	22%	22%	16%
Increasing Non-Need-Based Institutional Aid	7%	14%	16%	31%	32%

Source: 2011 Higher Education Regulations Study Survey

TABLE 12: PREFERENCES REGARDING THE PURSUIT OF ALTERNATIVE REGULATORY STRUCTURES

Type of Regulatory Reform	Percent of Senior Executives Who:			Percent of Office Administrators Who:		
	Agree (Strongly or Somewhat)	Disagree (Strongly or Somewhat)	Have No Opinion	Agree (Strongly or Somewhat)	Disagree (Strongly or Somewhat)	Have No Opinion
Sector-Specific Regulations	83%	13%	4%	73%	16%	11%
Performance-Based Regulations	82%	13%	5%	69%	21%	10%
Expansion of Research-Based Waivers	45%	22%	33%	41%	20%	39%
Maintain Current Approach	11%	82%	7%	14%	71%	15%

Source: 2011 Higher Education Regulations Study Survey

- *Expansion of research-based waivers.* Expansion or modification of the current Experimental Sites program in which institutions apply for an experimental waiver of existing regulations in exchange for heightened research, reporting and/or monitoring of data based on the experiment. Data and information would be used to inform broader application or changes to the regulations.

In addition, respondents were provided the option to select “maintain the current approach” to express the view that there should be no alternative approaches to the current system of regulating postsecondary institutions.

Respondents were asked to rate these alternative approaches on a five-point scale: strongly agree, somewhat agree, somewhat disagree, strongly disagree, or no opinion/don’t know. In **Table 12** on page 26, figures for those who strongly or somewhat agree have been aggregated into one column and figures for those who strongly or somewhat disagree into another.

The majority of both senior executives and office administrators prefer pursuing sector-specific or performance-based regulatory structures.

- Maintaining the current approach is rejected by large percentages of both groups: 82 percent of senior executives disagree with keeping the current one-size-fits-all approach and 71 percent of office administrators indicate disagreement.
- Both senior executives and office administrators prefer sector-specific regulations and performance-based regulations as the possible alternatives to the current structure: 83 percent of senior executives and 73 percent of office administrators agree with exploring the use of sector-specific regulations, and 82 percent and 69 percent, respectively, support pursuing performance-based regulations.

Expansion of research-based waivers have the least support among the alternatives, but that may be due to a third or more of each group indicating they either do not know about these types of waivers or have no opinion.

Perceptions Regarding Performance Indicators. Senior leaders were asked to consider the possibility that relief from regulatory burden might be provided to institutions based upon meeting an established threshold of performance. Respondents were asked to rate the suitability of 13 performance measures:

- consecutive years of audits with no material findings
- consecutive years below an established cohort default rate for federal student loans
- annual retention rates
- retention-to-graduation rates
- graduation rates
- cost per full time equivalent student
- time-to-degree

TABLE 13: PREFERENCES OF SENIOR EXECUTIVES REGARDING THE USE OF PARTICULAR PERFORMANCE MEASURES AS TRIGGERS FOR REGULATORY RELIEF

Performance Measure	Regarding Use of the Measure as a Trigger for Regulatory Relief, the Percent of Senior Executives Who:		
	Agree (Strongly or Somewhat)	Disagree (Strongly or Somewhat)	Have No Opinion
Consecutive Clean Audits	81%	14%	5%
Annual Retention Rates	76%	21%	3%
Graduation Rates	72%	25%	3%
Retention-to-Graduation Rates	72%	25%	3%
Competency Based Learning Assessment Benchmarks	66%	27%	7%
Consecutive Low Cohort Default Rates	64%	30%	6%
Time to Degree	57%	39%	4%
Job Placement Rates	54%	42%	4%
Transfer Rates (from two-year to four-year programs)	50%	36%	14%
Cost per Full Time Equivalent Student	47%	47%	6%
Student Test Score Benchmarks	43%	51%	6%
Diversity of Graduating Classes	40%	54%	6%
Rates of Acceptance to Graduate/Professional Programs	32%	46%	22%

Source: 2011 Higher Education Regulations Study Survey

- job placement rates
- transfer rates from two-year to four-year programs
- rates of acceptance to graduate/professional programs
- diversity of graduating classes
- competency-based learning assessment benchmarks
- student test score benchmarks

Respondents rated each item based on the following options: strongly agree, somewhat agree, somewhat disagree, strongly disagree, or no opinion/don't know. Table 13 shows how senior executives rate the efficacy of these alternatives for regulatory relief. **Table 13** on page 28 shows:

- Among senior executives, 81 percent either strongly agree or somewhat agree with consecutive clean audits as an effective measure for triggering regulatory relief.
- Other measures receiving the highest scores for strongly and somewhat agree: annual retention rates (76 percent), graduation rates (72 percent), and retention-to-graduation rates (72 percent).

The measures receiving the highest percentage of disagreement for such use are: diversity of graduating class (54 percent disagree somewhat or strongly), student test scores (51 percent), cost per full time equivalent student (47 percent), rates of acceptance to graduate or professional programs (46 percent), and job placement rates (42 percent).

Perceptions Regarding Advancing Regulatory Reform. Both senior executives and office administrators were asked how they would rate the helpfulness of six options for pursuing regulatory reform efforts in the future:

- further study of the HEA regulations
- thorough review of the HEA regulations by ED with the community
- comprehensive study of all regulations impacting higher education institutions
- congressional hearings on higher education regulatory reform
- creating an “add one, eliminate one” policy in which no new regulations could be created without eliminating an existing regulation, except when the HEA creates a new program or rule
- no further reform efforts.

Respondents were asked to rate each option as very helpful, somewhat helpful, somewhat unhelpful, very unhelpful, or no opinion/don't know. **Table 14** on page 30 shows:

- A majority of senior executives (72 percent) and office administrators (66 percent) feel that pursuing no further reform efforts would be very or somewhat unhelpful.

The majority of senior executives prefer 8 of the 13 triggers for regulatory relief cited in the survey.

TABLE 14: PREFERENCES REGARDING METHODS FOR FUTURE REGULATORY REFORM EFFORTS

Next Step in Regulatory Reform	Percent of Senior Executives Who Regard the Next Step:			Percent of Office Administrators Who Regard the Next Step:		
	As Very or Somewhat Helpful	As Very or Somewhat Unhelpful	Have No Opinion	As Very or Somewhat Helpful	As Very or Somewhat Unhelpful	Have No Opinion
Further Study of HEA Regulations	85%	11%	4%	77%	10%	13%
Comprehensive Regulations Study	84%	13%	3%	77%	9%	14%
ED Review of Regulations with Community	82%	15%	3%	81%	8%	11%
“Add One, Eliminate One” Policy	53%	33%	14%	50%	29%	21%
Congressional Hearings	37%	57%	6%	36%	50%	14%
No Further Reform Efforts	11%	72%	17%	10%	66%	24%

Source: 2011 Higher Education Regulations Study Survey

The majority of both senior executives and office administrators find further study of the HEA regulations, a comprehensive study, or an ED review of regulations with the community to be very or somewhat helpful.

- Both groups agree on the top three methods that would be most helpful to advancing regulatory reform, even though they differ on the order of preference.
- Among all options, 85 percent of senior executives perceive a further study of the HEA regulations as most helpful, followed by a comprehensive study of all regulations impacting higher education institutions (84 percent) and a thorough review of the HEA regulations by ED with the community (82 percent).
- Office administrators find a thorough review of the regulations by ED and the community as the most helpful (81 percent), followed by the comprehensive study (77 percent) and further study of the HEA regulations (77 percent).

Large percentages of the office administrators have no opinion as to whether each measure would be helpful for regulatory reform. Further analysis investigating these responses will be available in the final report.

PAGE INTENTIONALLY LEFT BLANK

CONCLUSIONS AND NEXT STEPS

The results of the survey administered as part of the *Higher Education Regulations Study* demonstrate the perceptions of the higher education community on the following issues: the overall system of regulation that implements the HEA, the burden of a specific set of individual regulations, and ways to advance regulatory reform efforts. However, the survey did not collect the data necessary to assess whether those perceptions are representative or bear relation to detailed calculations of burden. Stated another way, the survey did not determine that regulations are, in fact, burdensome or need to be modified; rather, the survey revealed perceptions of burden within the higher education community regarding these factors.

The Advisory Committee recognizes the limitations of the study thus far. To be able to determine, with statistical certainty, whether one set of individual regulations are burdensome, and the specific changes necessary to either reduce or eliminate that burden, would require significant resources. Determining the level of burden, cost savings, and adverse effects would require, at a minimum, the following steps:

- develop a detailed and accurate model of how regulations impact institutions by type and control, and other critical characteristics
- derive from the model the data required to measure burden, cost savings, and adverse effects
- choose an adequate large and representative sample of institutions from which the data will be collected
- design case study protocols necessary to collect the data from the institutions
- design and implement a data analysis plan consistent with the detailed model of how regulations impact institutions.

Such an ambitious study would require considerable resources, involve several years of effort, and the cooperation of the institutions involved in the case studies. Given the constraints the Advisory Committee encountered related to concerns over confidentiality and anonymity, and the potential impact on the community's participation, the Committee advanced the study's charge by implementing the required elements, designing and administering a survey in partnership with the community, and establishing plans for follow-up activities to gain perspective and a deeper understanding of the survey's findings.

From the volume of responses, the data demonstrate a general sense that campus senior executives and office administrators perceive:

- regulations under the HEA as a whole are burdensome, especially in comparison to other types of regulations impacting higher education institutions
- individual HEA regulations can be modified or eliminated without losing necessary protections
- the system of regulation under the HEA requires change in order to be more effective
- cost savings will likely result from changes to individual regulations and the system
- future regulatory reform efforts must continue.

At a minimum, these preliminary findings offer a framework for initiating policy discussions related to regulation review for modification or elimination, avenues for identifying additional burdensome regulations, methods of system enhancement, and ways to continue reform efforts.

Next Steps

Over the next two months, the Advisory Committee will not only continue analyzing the survey data to deepen the understanding of respondents' perspectives, but will also be conducting follow-on activities to the survey to validate and expand on the preliminary findings. These activities will include structured, in-depth interviews with volunteers from the higher education community, including a subset of survey respondents who volunteered to assist in explicating and refining the preliminary findings. The purpose is not only to help assess the validity of the survey results, but to obtain specific information on aspects of the individual regulations that are considered burdensome and actionable ways to streamline, improve, or eliminate them.

Additionally, the Committee hopes to better understand what the community expects from the system of regulation, including ways the system can be refined to produce regulations that appropriately balance a level of administrative burden with the need to protect program integrity, accountability, student access, and student success. A final report later this calendar year will detail the results of these inquiries and present a final set of findings and recommendations.

APPENDIX A: PROFILE OF SURVEY RESPONDENTS

TABLE A-1: PROFILE OF SURVEY RESPONDENTS: SELF-REPORTED OFFICES OF ADMINISTRATORS		
Offices	Count (n)	Percentage
Admissions	22	1%
Bursar/Student Accounts	83	5%
Financial Aid	1,284	77%
Institutional Research	154	9%
Registrar	25	2%
Other	82	5%
Combined Functions	23	1%

Source: 2011 Higher Education Regulations Study Survey

TABLE A-2: PROFILE OF SURVEY RESPONDENTS: SELF-REPORTED WORK ROLE OF OFFICE ADMINISTRATORS		
Work Role	Count (n)	Percentage
Assistant or Associate Vice President	95	6%
Director	1,051	63%
Assistant or Associate Director	331	20%
Counselor	124	7%
Clerical/Administrative/Support	31	2%
Other	41	3%

Source: 2011 Higher Education Regulations Study Survey

**TABLE A-3: PROFILE OF SURVEY RESPONDENTS:
SELF-REPORTED OFFICES OF ADMINISTRATORS**

Region	Senior Executives		Office Administrators		Total	
	Count (n)	Percentage	Count (n)	Percentage	Count (n)	Percentage
Far West	38	9%	219	13%	157	12%
Great Lakes	58	14%	267	16%	325	16%
Plains and Rocky Mountains	51	12%	252	15%	303	15%
Northeast and Mideast	60	14%	357	21%	417	20%
Southeast	169	41%	410	25%	579	28%
Southwest	36	9%	161	10%	197	9%
Other	4	< 1%	7	< 0.5%	11	< 0.5%

Source: 2011 Higher Education Regulations Study Survey

The regional designations largely follow those utilized by the Integrated Postsecondary Education Data System's Data Center under the National Center for Education Statistics.

- The *Far West* region was defined as including Alaska, California, Hawaii, Nevada, Oregon, and Washington.
- The *Great Lakes* region includes Illinois, Indiana, Michigan, Ohio, and Wisconsin.
- The *Plains and Rocky Mountains* region was defined as including Colorado, Idaho, Iowa, Kansas, Minnesota, Missouri, Montana, Nebraska, North Dakota, South Dakota, Utah, and Wyoming.
- The *Northeast and Mideast* region was defined as including Connecticut, Delaware, District of Columbia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont.
- The *Southeast* region was defined as including Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, and West Virginia.
- The *Southwest* region was defined as including Arizona, New Mexico, Oklahoma, and Texas.
- The *Other* jurisdictions were defined as including American Samoa, Federated States of Micronesia, Guam, Marshall Islands, Northern Marianas, Palau, Puerto Rico, and Virgin Islands.

**TABLE A-4: PROFILE OF SURVEY RESPONDENTS:
SELF-REPORTED INSTITUTIONAL TYPE AND CONTROL**

Type and Control	Senior Executives		Office Administrators		Total	
	Count (n)	Percentage	Count (n)	Percentage	Count (n)	Percentage
Four-Year Private Non-Profit	116	28%	537	33%	653	32%
Four-Year Public	111	27%	470	29%	581	28%
Two-Year Public and Private	130	32%	451	28%	581	28%
Private For-Profit	42	10%	118	7%	160	8%
Graduate/ Professional Only	9	2%	60	4%	69	3%

Source: 2011 Higher Education Regulations Study Survey

**TABLE A-5: PROFILE OF SURVEY RESPONDENTS:
SELF-REPORTED LEVEL OF ENROLLMENT**

Enrollment	Senior Executives		Office Administrators		Total	
	Count (n)	Percentage	Count (n)	Percentage	Count (n)	Percentage
Very Small (< 1,000)	91	22%	269	16%	350	17%
Small (1,000 – 5,000)	143	34%	608	36%	751	36%
Medium (5,001 – 10,000)	36	9%	300	18%	336	16%
Large (10,001 – 20,000)	65	16%	266	16%	331	16%
Very Large (> 20,000)	82	20%	240	14%	322	15%

Source: 2011 Higher Education Regulations Study Survey

**TABLE A-6: PROFILE OF SURVEY RESPONDENTS:
SELF-REPORTED LEVEL OF INSTITUTION-WIDE AUTOMATION**

Level of Automation	Senior Executives		Office Administrators		Total	
	Count (n)	Percentage	Count (n)	Percentage	Count (n)	Percentage
Entire Campus Automated	215	52%	633	38%	848	41%
Groups of Offices Automated	149	36%	678	41%	827	40%
Individual Offices Automated	38	9%	225	14%	263	13%
Predominantly Manual	12	3%	136	8%	148	7%

Source: 2011 Higher Education Regulations Study Survey

APPENDIX B: PROFILE OF INDIVIDUAL REGULATIONS USED IN THE HIGHER EDUCATION REGULATIONS STUDY SURVEY

Fifteen regulations were selected from the list suggested by the community as burdensome and in need of streamlining, improvement, or elimination. These 15 regulations are described below with a brief description and an example of why the community found each burdensome. Parenthetical titles are the abbreviated titles used throughout the report and in the data tables. All regulatory citations are to Title 34 under the Code of Federal Regulations.

1. Conflicting Information – 668.16(b)(3), (f)

Description: Current regulations require an institution to have a system in place to resolve discrepancies among sources of information related to a student's application for federal student aid.

Example(s) of Burden: Some have suggested the regulations and guidance are overly-prescriptive in what is considered a source of information related to a student's application, such as requiring campus administrators to judge accuracy of Internal Revenue Service filing requirements.

2. Crediting Federal Student Aid to Non-Allowable Institutional Charges (Non-Allowable Charges) – 668.164(d)

Description: Current regulations require an institution to obtain written authorization from a student (or parent borrower for Parent PLUS Loans) to credit federal student aid to certain charges defined as "non-allowable" institutional charges, such as student health center charges.

Example(s) of Burden: Members of the community have suggested it is more efficient to replace the requirement to obtain a written authorization for this circumstance with an opt-out provision. In this case, the school would be authorized to automatically apply federal student aid funds to a student's allowable and non-allowable charges unless the student notified the school in writing that he or she did not want federal student aid applied to non-allowable institutional charges.

3. Determining Student Eligibility for Two Federal Pell Grants in One Award Year (Two Pell Grants) – 690.67

Description: Institutions are currently authorized to award up to two Federal Pell Grants in a single award year for students accelerating their programs of study. Although there will be no funding for these provisions for the 2011-12 award year, they are still funded and in effect at the time of this survey. Members of the community indicated an interest in commenting on their perceptions of its regulatory burden.

Example(s) of Burden: Some members of the community have expressed concern over the prescriptive nature of the regulatory definition of acceleration and how eligibility for a second award is determined, especially during payment periods that cross over award years.

4. Entrance Counseling for Student Loan Borrowers (Entrance Counseling) 674.16(a); 682.604(f); 685.304

Description: Institutions must provide entrance counseling before delivering a disbursement to a first-time student loan borrower in order to inform the student of rights and responsibilities.

Example(s) of Burden: Some members of the community have suggested that this requirement applies one standard to all students and does not address the unique needs of different populations of students; instead of mandated timeframes by which a student must receive entrance loan counseling, administrators should be allowed to determine when to fulfill this counseling requirement based on profiles of their student borrower population. Others have suggested that entrance counseling for Federal Direct Loan borrowers should become part of the master promissory note process, thus creating standard information all applicants receive and allowing schools to supplement the counseling according to the needs of their student borrower population.

5. FSEOG Priority Awarding Criteria (FSEOG Priority Awarding) – 676.10

Description: Statutory language requires Federal Supplemental Educational Opportunity Grants (FSEOGs) be awarded to students with the lowest expected family contributions (EFCs).

Example(s) of Burden: Members of the community have suggested the FSEOG awarding priority include students with the highest unmet need, not just those with the lowest EFCs, because significant numbers of students with the lowest EFCs receive grant aid such that their unmet need is lower than students with higher EFCs.

6. Overaward and Overpayment Tolerances (Tolerances) – 673.5; 682.604(h); 685.303(e)

Description: An overaward occurs when a student receives aid in excess of demonstrated need or beyond an amount for which the student is otherwise eligible. Tolerances exist within different federal student aid programs to accommodate situations in which inadvertent overawards occur. Overpayments occur when resolution of an overaward is not feasible. Overpayments can restrict further Title IV eligibility until resolved or satisfactory repayment arrangements are made.

Example(s) of Burden: Members of the community have suggested there should be a standard overall tolerance that applies across all programs (except the Federal Pell Grant Program) to minimize multiple calculations to determine whether an overaward or overpayment exists.

7. Prior Award Year Charges (Prior Year Charges) – 668.164(d)(2)

Description: Current regulations provide authority for an institution to apply current award year federal student aid to allowable charges from a prior award year, up to a maximum of \$200.

Example(s) of Burden: Members of the community have suggested that the \$200 cap should be eliminated because a student's unpaid balance from a prior award year often prevents enrollment in current and future periods of enrollment.

**8. Proration of Annual Loan Limits (Proration of Loan Limits)
682.204(a), (c), (d); 685.203(a), (b), (c)(2)**

Description: An institution must prorate the annual loan limits for a student borrower in a program longer than one academic year who is also in a final period of enrollment of less than an academic year.

Example(s) of Burden: Several members of the community believe this rule limits financial assistance, penalizes students who are closest to program completion, leads to unnecessary borrowing from programs with less-beneficial terms, and is an administrative burden.

9. Reporting and Consumer Disclosure Requirements: Overlapping and Inconsistent Timeframes (Reporting Timeframes) – 668.41-.48

Description: Current statutory and regulatory language requires institutions to report data or make disclosures of information for consumer awareness on such topics as campus crime, enrollments, fire safety, graduation rates, music downloading, placement rates, and textbook information, as well as a variety of reporting under the Integrated Postsecondary Education Data System (IPEDS) reports.

Example(s) of Burden: Members of the community have suggested that federal reporting and disclosure requirements often overlap and duplicate similar requirements from state agencies and non-government organizations. This includes differences in deadlines for submitting reports and disclosures, as well as timeframes for data collection (e.g., a state report requires calendar year data, yet a federal report on the same issue requires award year data). Others suggested that all consumer disclosure requirements from all sources (including federal and state sources) be combined and standardized in order to minimize overlap, inconsistency, and duplication.

10. Reporting and Consumer Disclosure Requirements: Volume and Scope (Reporting Volume and Scope) – 668.41-.48

Description: Current statutory and regulatory language requires institutions to report data or make disclosures of information for consumer awareness on such topics as campus crime, enrollments, fire safety, graduation rates, music downloading, placement rates, and textbook information, as well as a variety of reporting under the Integrated Postsecondary Education Data System (IPEDS) reports.

Example(s) of Burden: Some have suggested that additions to and modification of these requirements over the years have led to an unwieldy volume of reports and disclosures, with some requirements considered irrelevant to participation in federal programs. Others have suggested that this volume is overwhelming for students and families, and contributes to confusion in the application processes. Many have suggested that an overhaul of these requirements is necessary to ensure the most appropriate information and data are being shared as effectively as possible.

11. Return of Title IV Funds – 668.22

Description: When a student withdraws, the institution must determine the amount of Title IV aid (i.e., federal student aid) that must be returned, if any, to the federal student aid programs using a set of formulas and criteria established in the statute and regulations.

Example(s) of Burden: Members of the community have suggested that changes made to these regulations over the years have added significant overall complexity and burden. Others have suggested the process for returning Title IV funds needs to rely less on prescriptive formulas and more on institutional discretion, such as flexibility in the order of return of funds by program. For example, a commenter believed schools should be allowed to return funds to the TEACH Grant (which can become an unsubsidized loan with retroactive capitalization of interest) before other loan programs for students whom they know will not be meeting the post-enrollment requirements of the TEACH Grant award.

12. Return of Uncashed Credit Balance Checks (Return of Uncashed Checks) – 668.164(h)

Description: Current regulations require that a check written to a student or parent for a credit balance of federal student aid funds be negotiated within 240 days of the date of the check or the funds must be returned to the federal programs (as opposed to being allowed to escheat, or revert, to the state).

Example(s) of Burden: Members of the community have suggested this timeframe is too short and needs to be lengthened to at least 365 days to accommodate differing deadlines among states and financial institutions.

13. Self-Certification of Non-Title IV Student Loans (Self-Certification) – 601.11

Description: An institution participating in any federal student aid program must provide an applicant for a non-Title IV student loan (i.e., loans other than those made under the Federal Direct Student Loan and Federal Perkins Loan programs) with the self-certification form required under the Truth in Lending Act, and the information needed to complete the form, to the extent the institution has that information.

Example(s) of Burden: Members of the community expressed concern that this requirement does not apply to all forms of student loans and this treatment creates redundancy, inconsistency, and confusion for groups of students utilizing non-Title IV education loans. Others suggest these loans should be certified by a designated official at the institution rather than by the student.

14. TEACH Grant Eligibility Rules (TEACH Grant Eligibility) – 686.21-.25; 686.31-.32

Description: The Teacher Education Assistance for College and Higher Education (TEACH) Grant program provides grant assistance to students in exchange for agreeing to teach in a high-need field in an elementary or secondary school serving low-income students. If the student is not able to fulfill all terms of the agreement, the grant converts to an unsubsidized loan, with capitalized interest.

Example(s) of Burden: Several federal student aid programs provide benefits to teachers and some members of the community have suggested that the inconsistency of means through which TEACH Grant benefits can be realized make it difficult to determine whether it is an appropriate award for a particular student. Others have asserted that the intensive counseling and research necessary to administer the program make it burdensome.

15. Written Authorization to Open a Bank Account on Behalf of a Student (Opening Bank Account) – 668.164(c)(3)(i)

Description: For an institution with a policy of delivering federal student aid credit balances through electronic means only, current regulations require the institution to obtain written authorization from a student in order to open a bank account on the student's behalf if the student does not designate a bank account within an established timeframe.

Example(s) of Burden: Members of the community have suggested this requirement is costly and burdensome when written authorization is not received because of check printing and mailing costs, and that electronic payments are delivered more promptly and accurately than paper checks. Others suggested that the institution should be allowed to issue automatically a cost-free electronic financial instrument if the student does not designate an account, with students and parents being able to opt out of this provision.

**APPENDIX C: ADDITIONAL SUGGESTIONS OF BURDENSOME
REQUIREMENTS BY SURVEY RESPONDENTS**

Office administrators responding to the *Higher Education Regulations Study* (HERS) survey were provided the opportunity to suggest additional regulations or requirements they perceived as burdensome and in need of streamlining, improvement, or elimination. Several of those suggestions duplicated those already received (see <http://www2.ed.gov/about/bdscomm/list/acsfa/prelimlistofburdenregsmay11.pdf>). The following table lists several of the most frequently cited requirements that had not been considered previously under HERS and were submitted by survey respondents in their written comments.

TABLE C-1: OFFICE ADMINISTRATORS' SUGGESTIONS OF ADDITIONAL BURDENSOME REGULATIONS IN NEED OF STREAMLINING, IMPROVEMENT, OR ELIMINATION	
Regulation or Requirement	Citation(s)
Gainful Employment	34 CFR 600.2; 600.4; 600.5; 600.6; 668.6-.7; 668.8
State Authorization	34 CFR 600.9
Net Price Calculator	<i>Higher Education Opportunity Act, Section 111 (made changes to Section 132 of Higher Education Act)</i>
Selective Service Registration	34 CFR 668.37
Post Withdrawal Disbursement under the Return of Title IV Funds rules	34 CFR 668.22(a)(6)

Source: 2011 Higher Education Regulations Study Survey

PAGE INTENTIONALLY LEFT BLANK

**APPENDIX D: TITLE IV REVIEW PANELISTS
HIGHER EDUCATION REGULATIONS STUDY REVIEW PANEL #1**

Ms. Sarah Bauder
Director of Student Financial Aid
University of Maryland, College Park

Ms. Bauder has worked in financial aid for 17 years, beginning her career at St. Mary's College of Maryland, and moving to the University of Maryland in 1996. Since 2005 she has been the Director of Student Financial Aid at the University of Maryland, where she has been instrumental in the development and implementation of the Maryland Pathways Programs, which provides a debt free education for needy students. Sarah has testified before Congress on two occasions, is a member of NASFAA's Executive Board, and has served on a negotiated rulemaking committee.

Ms. Bauder holds a master's degree in education policy and planning with a focus on higher education administration and leadership from the University of Maryland.

Mr. Richard (Rick) Jerue
President
Art Institute of Charleston

Mr. Jerue is President of the Art Institute of Charleston. Prior to assuming that role in November 2006, Mr. Jerue served as Vice President, Government Relations and Corporate Development, for Education Management Corporation (EDMC). He had been with EDMC since 1995, serving in a number of capacities, including President of the Art Institute of Washington and the New England Institute of Art, as well as corporate positions at EDMC headquarters such as Assistant to the CEO and Vice President of Governmental Relations.

Prior to joining EDMC, Mr. Jerue held a number of positions at the federal and state government levels, including Staff Director and Counsel, Subcommittee on Postsecondary Education, U.S. House of Representatives; Executive Director, National Commission on Student Financial Assistance; Staff Director and Counsel, Subcommittee on Education, Arts and Humanities, U.S. Senate; and Legislative Director, Office of the Governor, State of Rhode Island.

Mr. Jerue holds a BA from Bowdoin College and a JD from Suffolk University Law School.

Ms. Linda Michalowski
Vice Chancellor of Student Services and Special Programs
California Community Colleges Systems Office

Linda Michalowski is Vice Chancellor for Student Services and Special Programs for the California Community Colleges System. In that capacity she is responsible for policy and programs to help students achieve their educational goals, including outreach, admissions, assessment, orientation, financial aid, counseling, transfer and articulation, student government, child care, disabled student services, and special services for single parents and other disadvantaged and underprepared students. She was with the Governmental Relations and External Affairs division from 1998 to 2003, serving as Interim Vice Chancellor as well as Director of Strategic Communications and Federal Relations.

Ms. Michalowski was the Chancellor's Office Coordinator for Student Financial Assistance Programs until 1998, during which time she led student aid policy development, represented community colleges in state and national forums, provided guidance to campus financial aid offices, and administered

community college financial aid programs. She came to the Chancellor's Office in 1983 as an independent consultant to work with the Extended Opportunity Programs and Services (EOPS) program for disadvantaged students and, the following year, was named the Board Financial Assistance Program Coordinator.

Throughout her more than 25-year career at the Chancellor's Office, Ms. Michalowski has been an advocate for the system's colleges and students in the state and federal legislative and policy arenas. She has served on the American Association of Community Colleges and Association of Community College Trustees Joint Commission on Federal Relations and was the 1997 recipient of the Community College Governmental Relations Award. She led the development and implementation of the system-wide *California Community Colleges: The Way California Works* and *I Can Afford College* public awareness campaigns.

Ms. Angela Peoples
Legislative Director
United States Students Association

Ms. Peoples recently joined USSA as its Legislative Director. As Legislative Director, she is committed to work tirelessly to ensure the continuation of USSA's legacy of winning legislative victories on the issues that are most important to students. Ms. Peoples was introduced to the work of USSA in 2007 at a statewide rally of 500 students in Lansing Michigan and again at USSA's 39th Annual Legislative Conference. As a student at Western Michigan University, she worked diligently for change on issues that affect students, including defeating anti-affirmative action legislation and promoting sexual assault policies and preventions. She was also instrumental in collaborating with universities across the State of Michigan to develop and institutionalize the Student Association of Michigan.

Ms. Peoples graduated from Western Michigan with a degree in political science and African studies.

Dr. Terri Standish-Kuon
Vice President, Communications and Administration
Commission on Independent Colleges and Universities

Dr. Standish-Kuon is Vice President for the Commission on Independent Colleges and Universities in New York (cIcu). She coordinates federal relations, manages the communications program, and supervises the finance and human resources operations for the association, which represents the presidents of 111 private, not-for-profit colleges and universities in the state. She worked with cIcu's member campuses and the New York congressional delegation throughout the most recent Higher Education Act reauthorization cycle. cIcu is actively engaged in the efforts of the National Association of Independent Colleges and Universities (NAICU) and its affiliated state associations (NAICUSE).

Dr. Standish-Kuon holds a PhD from Rensselaer Polytechnic Institute, master's degrees from The Sage Colleges and the University at Albany, and a bachelor's degree from Rochester Institute of Technology.

Ms. Christine Zuzack
Vice President for State and Special Grant Programs
Pennsylvania Higher Education Assistance Agency

Ms. Zuzack currently serves as Vice President for State Grant and Special Programs at the Pennsylvania Higher Education Assistance Agency (PHEAA). In this role she oversees the grant, scholarship, and employment programs administered by PHEAA. Her professional career in higher education began at the Community College of Allegheny County in Pittsburgh, Pennsylvania where she worked in various roles

with admissions, financial aid and veterans affairs for five years. The next twenty-two years were dedicated to financial aid administration at Indiana University of Pennsylvania.

Ms. Zuzack served as President of the Eastern Association of Student Financial Aid Administrators (EASFAA) from 2003-2004 and as President of the Pennsylvania Association of Student Financial Aid Administrators (PASFAA) from 1994-1995. Additionally, she was a member of the Board of Directors of the National Association of Student Financial Aid Administrators (NASFAA) from 2003-2005.

Ms. Zuzack holds a bachelor's degree in psychology from Grove City College and master's degrees in clinical psychology and student personnel services in higher education from Indiana University of Pennsylvania. She has completed her coursework for a doctorate in adult education at the Pennsylvania State University.

PAGE INTENTIONALLY LEFT BLANK

**APPENDIX E: HIGHER EDUCATION ACT REVIEW PANELISTS
HIGHER EDUCATION REGULATIONS STUDY REVIEW PANEL # 2**

Ms. Marcia Boyd
Associate Vice President, Student Affairs
Florida A&M University

Marcia Boyd currently serves as the Associate Vice President for Student Affairs at Florida A&M University. Prior to her work at FAMU, she held positions in financial aid at Hampton University, Christopher Newport University, Greensboro College, and the College of William and Mary.

Ms. Boyd has served on the NCAA Division I academics/eligibility/compliance cabinet and as a representative at large for the Virginia Association of Student Financial Aid Administrators. She has also created and facilitated training sessions on customer service and the difference between the William D. Ford (Direct Lending) and the Federal Family Education Loan programs.

Ms. Boyd holds a baccalaureate degree in business administration from Bernard M. Baruch College and an MA in education and human resource development from The George Washington University. She is currently pursuing a doctoral degree in higher education administration from The George Washington University.

Ms. Youlonda Copeland-Morgan
Associate Vice President for Enrollment Management
& Director of Scholarships and Student Aid
Syracuse University

Youlonda Copeland-Morgan has served as Associate Vice President for Enrollment Management and Director of Scholarships and Student Aid at Syracuse University since 2008. Previously, she held several positions, including Vice President and Dean of Admission and Financial Aid at Harvey Mudd College in Claremont, California.

Ms. Copeland-Morgan is past chair of the board of trustees of The College Board, an association that connects students to services and programs that support college success. She has been recognized many times by regional and national organizations for her accomplishments and leadership.

Ms. Copeland-Morgan holds a bachelor's degree from Loyola Marymount University and an MBA from the University of La Verne in California.

Mr. John Higgins
Bursar
Purdue University

John Higgins has worked in the higher education industry for over 16 years in multiple business service roles, and currently serves as the University Bursar at Purdue University in West Lafayette, Indiana. Mr. Higgins is an active member of several organizations, including the National Association for College and University Business Officers, the Association of American Universities Bursars, and served on a negotiated rulemaking committee for the *Higher Education Opportunity Act* in 2009. In his role as bursar at Purdue, he has had responsibility for several strategic system implementations, and has a strong interest in advocating on behalf of students, as policies and technology drive business decision-making in higher education.

Mr. Higgins holds a BA in classics from the University of Iowa.

Dr. Patricia Hurley
Associate Dean/ Financial Aid Director
Glendale Community College

Patricia Hurley has worked as a financial aid administrator for 40 years at institutions that include Boston College, College of Marin, and, currently, Glendale Community College in California. She has worked for over 25 years in the California Community College system. Dr. Hurley has been actively involved in financial aid on both state and national levels, having served in the California Association of Student Financial Aid Administrators as vice president for state issues, vice president for federal issues, site committee, and conference co-chair, and, currently serves on the state issues committee. In addition, she has served in several positions in the California Community Colleges Student Financial Aid Administrators Association, as a member of the board of directors for EdFund, on the California Student Aid Commission loan advisory committee, and as a chair of the financial aid council for the western region of The College Board.

On the national level, Dr. Hurley currently serves as a member of the National Association of Student Financial Aid Administrators' board of directors, having also been appointed to the organization's national conversation initiative committee and served on the reauthorization task force and federal issues committees. She was appointed by the U.S. Department of Education as a non-federal negotiator on negotiated rulemaking committees in 1999, 2002, 2006, and 2009 and has been invited to participate in several policy workshops as a field representative.

Dr. Hurley has a master's degree in counseling from Suffolk University and a doctorate in education from UCLA.

Ms. Stacey R. McCorison
Associate Dean, Medical Education Administration/
Director of Financial Aid and Registrar
Duke University School of Medicine

Stacey McCorison is responsible for the administration of fair and equitable policies and practices in regard to student financial aid, course management, curricular needs, data collection, and grade and record retention. She also directs and oversees the fiscal operations for all undergraduate and continuing medical education departments. Prior to joining the School of Medicine as Director of Financial Aid in 1996, she was Senior Associate Director of Undergraduate Financial Aid at Duke.

Ms. McCorison has held offices on National Association of Student Financial Aid Administrators' committees such as research, need analysis, access and choice, graduate and professional student issues, and the editorial board for the student aid transcript. A frequent presenter at national professional meetings, her expertise has broadened to include not only financial aid management but also registrarial areas.

Ms. McCorison holds a bachelor of arts degree in psychology from Anna Maria College and a master's degree in business administration from Duke's Fuqua School of Business.

Dr. Thomas (Tom) Melecki
Director of Student Financial Services
The University of Texas, Austin

Tom Melecki serves as Director of Student Financial Services at The University of Texas at Austin, a position he has held since 2008. He oversees all operations of the Office of Student Financial Services, the university's on-campus financial aid resource. Prior to his current position, Dr. Melecki served 17 years with the National Student Loan Program, the nation's sixth largest student loan guaranty agency, as the company's chief compliance officer. Prior to working for NSLP, he served eight years, from 1982-1990, at the Texas Guaranteed Student Loan Corporation in Austin, Texas, as an Executive Staff Member. And from 1978 to 1982 he worked as a Student Development Specialist in the Office of Student Financial Services at The University of Texas at Austin.

Dr. Melecki has co-authored "A Primer on the Federal Budget Process" and has served on the research committee of the National Association of Student Financial Aid Administrators. He also served on the private loans committee of the National Council of Higher Education Loan Programs and the communications committee of the Nebraska Association of Student Financial Aid Administrators. Dr. Melecki is a member of the American Society for Training and Development.

In addition to his PhD in educational administration from The University of Texas at Austin, Dr. Melecki earned a master's degree in college student personnel and a bachelor's degree in political science from Bowling Green State University in Ohio.

Ms. Jenny Allen Ryan
Director of Financial Aid
Western Governors University

Jenny Allen Ryan has over 31 years of work experience related to higher education administration. Her current position is Director of Financial Aid at Western Governors University. She has experience as a Director of Graduate Admissions at Regis University and Manager of Student Loans at Emory University. Coupled with her higher education experience, Ms. Ryan has worked for a guarantor, USA Funds, and with lender services for Sallie Mae. She coordinated a nationwide public service outreach to teach high school students money management skills through the College for Financial Planning, and her real passion is financial literacy.

Ms. Ryan has a bachelor's degree in psychology from Ohio State University and a master of education in guidance and counseling from Xavier University.

Mr. David Smedley
Associate Director, Compliance and Training
Office of Student Financial Assistance
The George Washington University

David Smedley currently serves as the Associate Director for Compliance and Training in the Office of Student Financial Assistance at The George Washington University. In this role, he is primary contact for statutory, regulatory and political analysis relating to issues impacting OSFA. His previous experience includes seven and a half years as director of financial aid at Valley Forge Military Academy and College, along with experience at The Institute of World Politics, Gwynedd-Mercy College, Temple University, and the Pennsylvania Higher Education Assistance Agency.

Mr. Smedley has been active in state, regional, and national professional higher education associations. He currently serves on the Federal Relations Committee of the Delaware-District of Columbia-Maryland Financial Aid Administrators (Tri-State), the Access, Diversity, and Excellence Committee of The National Association of Student Financial Aid Administrators, and a working group on veterans' education benefits/Post 9/11 issues coordinated by the National Association of College and University Business Officers. He has also presented at state, regional, and national conferences. His most recent publications have appeared in the *North County News* and the *Journal of Lutheran Ethics*.

Mr. Smedley earned bachelor of arts and master of public administration degrees from Temple University. He is currently enrolled in the master of education/higher education administration program at The George Washington University with future plans to enroll in a master of divinity program.

Mr. Joseph Storch
Associate Counsel, Office of University Counsel
State University of New York System Administration

Joseph Storch is an Associate Counsel at the State University of New York Office of University Counsel. In addition to comprehensive legal representation for SUNY Oswego, SUNY Cortland, and the SUNY Institute of Technology, he concentrates on domestic and workplace violence policies, campus safety, admissions and financial aid, FERPA, and the legal issues created by the use and development of emerging technologies. Mr. Storch is a graduate of SUNY Oswego, where he first worked as an Admissions Counselor. He then attended Cornell Law School, during which he spent two summers working in higher education law, first for the Cornell University Counsel's Office and then for the SUNY Office of University Counsel. After graduating, he clerked for the New York State Appellate Division, 3rd Department.

Mr. Storch's writing has appeared in the *Chronicle of Higher Education*, *Inside Higher Ed*, the *Orlando Sentinel*, the *Albany Law Review*, the *Medical Trial Techniques Quarterly*, *Court Review: the Journal of the American Judges Association*, and as a NACUA Note. He is licensed to practice law in the State of New York.

Mr. Storch graduated summa cum laude from SUNY Oswego with degrees in political science and rhetorical communications. He completed his law degree at Cornell Law School and is currently pursuing a master's degree in public policy with a higher education policy concentration at SUNY Albany.

Mr. Richard Them
Senior Vice President, Student Finance and Compliance
Education Management Corporation (EDMC)

Richard Them has been EDMC's Senior Vice President of Student Finance and Compliance since March of 2009. From January 1994 to February 2009, he served in various managerial roles including Senior Vice President of Student Financial Services. Primary responsibilities include financial aid policy development, compliance, institutional eligibility, coordination and preparation of yearly independent financial aid compliance audits and federal program reviews if needed.

Mr. Them has over 30 years of experience in private, postsecondary education where he has held a number of leadership positions in the area of financial aid. He earned a BS in business administration from Manhattan College in 1974, where he graduated cum laude.

**APPENDIX F: LETTER FROM ADVISORY COMMITTEE
CHAIR AND VICE CHAIR ANNOUNCING SURVEY**

May 2011

Dear Colleague,

I write to request your participation in a short survey designed to investigate duplicative, obsolete, redundant, or overly burdensome higher education regulations. The survey is a key element in fulfilling the charge given to the Advisory Committee on Student Financial Assistance by Congress in 2008 to conduct a review and analysis of federal regulations affecting higher education.

The survey is hosted and administered by an independent private contractor, and it was designed with input from members of the higher education community with the goal of collecting attitudes toward and perceptions of regulatory burden and the regulatory development process.

We seek feedback from senior executives on campus and administrators of campus offices; therefore, the survey consists of two separate and distinct tracks:

- **For Senior Executives**—12 questions to be completed by presidents, provosts, vice presidents, etc.
- **For Campus Administrators**—10 questions, in addition to rating a set of 15 regulations, to be completed by assistant vice presidents, directors, assistant directors, counselors, etc.

The survey questions address issues related to the regulatory development process, the level of regulatory burden, alternative approaches to the current regulatory system, methods to reduce burden, and ways to continue regulatory reform efforts.

The survey's success will depend on institutional response rate. To help promote a robust response, this letter is being sent by higher education associations to senior executives and administrators of campus offices typically involved with implementing regulations under the *Higher Education Act*—primarily admissions, enrollment management, financial aid, institutional research, registrar, and student accounts and bursar.

The final report on the regulations study will be delivered to Congress by December 31, 2011. It has the potential to encourage regulatory reform to benefit your institution. A successful study will enlighten Congress and the Department of Education as to the next steps that should be taken to streamline and eliminate regulations wherever possible. We thank you, in advance, for your participation.

**Please complete the survey between May 20 and June 6, 2011,
by visiting: <http://www.studentaidsurvey.org>**

We estimate that completing this survey will take approximately 15 minutes for executives and approximately 25 minutes for administrators. If you have concerns or questions, please contact the study director, Anthony Jones at 202-219-2246 or Anthony.Jones@ed.gov.

Sincerely,
Allison Jones, Chair
Norm Bedford, Vice Chair

PAGE INTENTIONALLY LEFT BLANK

**APPENDIX G: ADVISORY COMMITTEE ON STUDENT FINANCIAL ASSISTANCE
MEMBERS**

Mr. Allison G. Jones, Chair

Senior Fellow for Postsecondary Engagement
Achieve
1400 16th Street NW, Suite 510
Washington DC 20036
Appointed: 06/04/2007
Reappointed: 07/28/2008
U.S. Secretary of Education appointee

Mr. Norm Bedford, Vice Chair

Director, Financial Aid and Scholarships
University of Nevada, Las Vegas
Box 452016
4505 S. Maryland Parkway
Las Vegas, Nevada 89154-2016
Appointed: 10/01/2008
U.S. Senate appointee

Dr. Helen Benjamin

Chancellor
Contra Costa Community College District
500 Court Street
Martinez, California 94553
Appointed: 10/02/2008
U.S. House of Representatives appointee

Mr. David L. Gruen

Past National Chair
National Association of Student Financial Aid
Administrators
Retired
41519 N. Tangle Ridge Court
Phoenix, Arizona 85086
Appointed: 10/02/2009
U.S. Senate appointee

Mr. Anthony J. Guida, Jr.

Senior Vice President of Strategic Development
and Regulatory Affairs
Education Management Corporation
210 Sixth Avenue, Suite 3300
Pittsburgh, Pennsylvania 15222
Appointed: 10/02/2008
U.S. House of Representatives appointee

Ms. Kathleen Hoyer

Student Member
The University of Maryland--College Park
2110 Benjamin Building
College Park, Maryland 20742-1165
Appointed: 04/16/2010
U.S. Secretary of Education appointee

Dr. William T. Luckey

President
Lindsey Wilson College
L.R. McDonald Administration Building
President's Office
210 Lindsey Wilson Blvd.
Columbia, Kentucky 42728
Appointed: 10/02/2009
U.S. Senate appointee

Mr. John F. McNamara

Vice President for College Development
Rockford College
5050 E. State Street
Rockford, Illinois 61108
Appointed: 08/07/2009
U.S. Secretary of Education appointee

Ms. Deborah Stanley

Director of Financial Aid
Bowie State University
14000 Jericho Park Road
Bowie, Maryland 20715
Appointed: 12/22/2010
U.S. House of Representatives appointee

Ms. Sharon Wurm

Director of Financial Aid, Scholarships, Student
Employment and Veterans Services
Truckee Meadows Community College
7000 Dandini Blvd, RDMT 315C
Reno, Nevada 89512
Appointed: 10/05/2010
U.S. Senate appointee

PAGE INTENTIONALLY LEFT BLANK

**APPENDIX H: ADVISORY COMMITTEE ON STUDENT FINANCIAL ASSISTANCE
STAFF**

Dr. William J. Goggin

Executive Director

Ms. Janet L. Chen

Director of Government Relations

Mr. Anthony P. Jones

Director of Policy Research

Director of the Higher Education Regulations Study

Ms. Tracy D. Jones

Senior Administrative Officer

Ms. Jennifer R. Nupp

Associate Director of Policy Research

Deputy Director of the Higher Education Regulations Study

Dr. Jeneva E. Stone

Senior Writer

PAGE INTENTIONALLY LEFT BLANK

APPENDIX I: ADVISORY COMMITTEE ON STUDENT FINANCIAL ASSISTANCE AUTHORIZING LEGISLATION

The Advisory Committee was established by an act of Congress in 1986. Section 491 of the Higher Education Act as amended contains the Committee's Congressional mandate. A copy of this section as it appears in the law follows:

SEC. 491. ADVISORY COMMITTEE ON STUDENT FINANCIAL ASSISTANCE.

(a) ESTABLISHMENT AND PURPOSE.--(1) There is established in the Department an independent Advisory Committee on Student Financial Assistance (hereafter in this section referred to as the "Advisory Committee") which shall provide advice and counsel to the authorizing committees and to the Secretary on student financial aid matters. (2) The purpose of the Advisory Committee is-- (A) to provide extensive knowledge and understanding of the Federal, State, and institutional programs of postsecondary student assistance; (B) to provide technical expertise with regard to systems of needs analysis and application forms; (C) to make recommendations that will result in the maintenance of access to postsecondary education for low- and middle-income students; (D) to provide knowledge and understanding of early intervention programs and to make recommendations that will result in early awareness by low- and moderate-income students and families— (i) of their eligibility for assistance under this title (ii) to the extent practicable, of their eligibility for other forms of State and institutional need-based student assistance; (E) to make recommendations that will expand and improve partnerships among the Federal Government, States, institutions of higher education, and private entities to increase the awareness and the total amount of need-based student assistance available to low- and moderate-income students; and (F) to collect information on Federal regulations, and on the impact of Federal regulations on student financial assistance and on the cost of receiving a postsecondary education, and to make recommendations to help streamline the regulations of higher education from all sectors.

(b) INDEPENDENCE OF ADVISORY COMMITTEE.--In the exercise of its functions, powers, and duties, the Advisory Committee shall be independent of the Secretary and the other offices and officers of the Department. Notwithstanding Department of Education policies and regulations, the Advisory Committee shall exert independent control of its budget allocations, expenditures and staffing levels, personnel decisions and processes, procurements, and other administrative and management functions. The Advisory Committee's administration and management shall be subject to the usual and customary Federal audit procedures. Reports, publications, and other documents of the Advisory Committee, including such reports, publications, and documents in electronic form, shall not be subject to review by the Secretary. Notwithstanding Department of Education policies and regulations, the Advisory Committee shall exert independent control of its budget allocations and expenditures, personnel decisions and processes, procurements, and other administrative and management functions. The Advisory Committee's administration and management shall be subject to the usual and customary Federal audit procedures. The recommendations of the Committee shall not be subject to review or approval by any officer in the executive branch, but may be submitted to the Secretary for comment prior to submission to the authorizing committees in accordance with subsection (f). The Secretary's authority to terminate advisory committees of the Department pursuant to section 448(b) of the General Education Provisions Act ceased to be effective on June 23, 1983.

(c) MEMBERSHIP.--(1) The Advisory Committee shall consist of 11 members appointed as follows: (A) Four members shall be appointed by the President pro tempore of the Senate, of whom two members shall be appointed from recommendations by the Majority Leader of the Senate, and two members shall be appointed from recommendations by the Minority Leader of the Senate. (B) Four members shall be appointed by the Speaker of the House of Representatives, of whom two members shall be appointed from recommendations by the Majority Leader of the House of Representatives, and two members shall

be appointed from recommendations by the Minority Leader of the House of Representatives. (C) Three members shall be appointed by the Secretary, of whom at least one member shall be a student. (2) Each member of the Advisory Committee, with the exception of the student member, shall be appointed on the basis of technical qualifications, professional experience, and demonstrated knowledge in the fields of higher education, student financial aid, financing post-secondary education, and the operations and financing of student loan guarantee agencies. (3) The appointment of a member under subparagraph (A) or (B) of paragraph (1) shall be effective upon publication of such appointment in the Congressional Record.

(d) FUNCTIONS OF THE COMMITTEE.--The Advisory Committee shall--(1) develop, review, and comment annually upon the system of needs analysis established under part F of this title; (2) monitor, apprise, and evaluate the effectiveness of student aid delivery and recommend improvements; (3) recommend data collection needs and student information requirements which would improve access and choice for eligible students under this title and assist the Department of Education in improving the delivery of student aid; (4) assess the impact of legislative and administrative policy proposals; (5) review and comment upon, prior to promulgation, all regulations affecting programs under this title, including proposed regulations; (6) recommend to the authorizing committees and to the Secretary such studies, surveys, and analyses of student financial assistance programs, policies, and practices, including the special needs of low-income, disadvantaged, and nontraditional students, and the means by which the needs may be met; (7) review and comment upon standards by which financial need is measured in determining eligibility for Federal student assistance programs; (8) appraise the adequacies and deficiencies of current student financial aid information resources and services and evaluate the effectiveness of current student aid information programs; (9) provide an annual report to the authorizing committees that provides analyses and policy recommendations regarding— (A) the adequacy of need-based grant aid for low- and moderate-income students; and (B) the postsecondary enrollment and graduation rates of low- and moderate-income students; (10) develop and maintain an information clearinghouse to help students of higher education understand the regulatory impact of the Federal Government on institutions of higher education from all sectors, in order to raise awareness of institutional legal obligations and provide information to improve compliance with, and to reduce the duplication and inefficiency of, Federal regulations; and (11) make special efforts to advise Members of Congress and such Members' staff of the findings and recommendations made pursuant to this paragraph.

(e) OPERATIONS OF THE COMMITTEE.--(1) Each member of the Advisory Committee shall be appointed for a term of 4 years, except that, of the members first appointed-- (A) 4 shall be appointed for a term of 1 year; (B) 4 shall be appointed for a term of 2 years; and (C) 3 shall be appointed for a term of 3 years, as designated at the time of appointment by the Secretary. (2) Any member appointed to fill a vacancy occurring prior to the expiration of the term of a predecessor shall be appointed only for the remainder of such term. A member of the Advisory Committee serving on the date of enactment of the Higher Education Amendments and College Opportunity Act of 2008 shall be permitted to serve the duration of the member's term, regardless of whether that member was previously appointed to more than one term. (3) No officers or full time employees of the Federal Government shall serve as members of the Advisory Committee. (4) The Advisory Committee shall elect a Chairman and a Vice Chairman from among its members. (5) Six members of the Advisory Committee shall constitute a quorum. (6) The Advisory Committee shall meet at the call of the Chairman or a majority of its members.

(f) SUBMISSION TO DEPARTMENT FOR COMMENT.--The Advisory Committee may submit its proposed recommendations to the Department of Education for comment for a period not to exceed 30 days in each instance.

(g) COMPENSATION AND EXPENSES.-- Members of the Advisory Committee may each receive reimbursement for travel expenses incident to attending Advisory Committee meetings, including per

diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently.

(h) PERSONNEL AND RESOURCES.--(1) The Advisory Committee may appoint such personnel as may be necessary by the Chairman without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, but no individual so appointed shall be paid in excess of the rate authorized for GS-18 of the General Schedule. The Advisory Committee may appoint not more than 1 full-time equivalent, nonpermanent, consultant without regard to the provisions of title 5, United States Code. The Advisory Committee shall not be required by the Secretary to reduce personnel to meet agency personnel reduction goals. (2) In carrying out its duties under the Act, the Advisory Committee shall consult with other Federal agencies, representatives of State and local governments, and private organizations to the extent feasible. (3)(A) The Advisory Committee is authorized to secure directly from any executive department, bureau, agency, board, commission, office, independent establishment, or instrumentality information, suggestions, estimates, and statistics for the purpose of this section and each such department, bureau, agency, board, commission, office, independent establishment, or instrumentality is authorized and directed, to the extent permitted by law, to furnish such information, suggestions, estimates, and statistics directly to the Advisory Committee, upon request made by the Chairman. (B) The Advisory Committee may enter into contracts for the acquisition of information, suggestions, estimates, and statistics for the purpose of this section. (4) The Advisory Committee is authorized to obtain the services of experts and consultants without regard to section 3109 of title 5, United States Code and to set pay in accordance with such section. (5) The head of each Federal agency shall, to the extent not prohibited by law, cooperate with the Advisory Committee in carrying out this section. (6) The Advisory Committee is authorized to utilize, with their consent, the services, personnel, information, and facilities of other Federal, State, local, and private agencies with or without reimbursement.

(i) AVAILABILITY OF FUNDS.--In each fiscal year not less than \$800,000, shall be available from the amount appropriated for each such fiscal year from salaries and expenses of the Department for the costs of carrying out the provisions of this section.

(j) SPECIAL ANALYSES AND ACTIVITIES.--The Advisory Committee shall-- (1) monitor and evaluate the modernization of student financial aid systems and delivery processes and simplifications, including recommendations for improvement; (2) assess the adequacy of current methods for disseminating information about programs under this title and recommend improvements, as appropriate, regarding early needs assessment and information for first-year secondary school students; (3) assess and make recommendations concerning the feasibility and degree of use of appropriate technology in the application for, and delivery and management of, financial assistance under this title, as well as policies that promote use of such technology to reduce cost and enhance service and program integrity, including electronic application and reapplication, just-in-time delivery of funds, reporting of disbursements and reconciliation; (4) conduct a review and analysis of regulations in accordance with subsection (l); and (5) conduct a study in accordance with subsection (m).

(k) TERM OF THE COMMITTEE.--Notwithstanding the sunset and charter provisions of the Federal Advisory Committee Act (5 U.S.C. App. I) or any other statute or regulation, the Advisory Committee shall be authorized until October 1, 2014.

(l) REVIEW AND ANALYSIS OF REGULATIONS. --(1) RECOMMENDATIONS.—The Advisory Committee shall make recommendations to the Secretary and the authorizing committees for consideration of future legislative action regarding redundant or outdated regulations consistent with the Secretary's requirements under section 498B. (2) REVIEW AND ANALYSIS OF REGULATIONS.—

(A) REVIEW OF CURRENT REGULATIONS.—To meet the requirements of subsection (d)(10), the Advisory Committee shall conduct a review and analysis of the regulations issued by Federal agencies that are in effect at the time of the review and that apply to the operations or activities of institutions of higher education from all sectors. The review and analysis may include a determination of whether the regulation is duplicative, is no longer necessary, is inconsistent with other Federal requirements, or is overly burdensome. In conducting the review, the Advisory Committee shall pay specific attention to evaluating ways in which regulations under this title affecting institutions of higher education (other than institutions described in section 102(a)(1)(C)), that have received in each of the two most recent award years prior to the date of enactment of Higher Education Amendments and College Opportunity Act of 2008 less than \$200,000 in funds through this title, may be improved, streamlined, or eliminated. (B) REVIEW AND COLLECTION OF FUTURE REGULATIONS.—The Advisory Committee shall— (i) monitor all Federal regulations, including notices of proposed rulemaking, for their impact or potential impact on higher education; and (ii) provide a succinct description of each regulation or proposed regulation that is generally relevant to institutions of higher education from all sectors. (C) MAINTENANCE OF PUBLIC WEBSITE.—The Advisory Committee shall develop and maintain an easy to use, searchable, and regularly updated website that—(i) provides information collected in subparagraph (B); (ii) provides an area for the experts and members of the public to provide recommendations for ways in which the regulations may be streamlined; and (iii) publishes the study conducted by the National Research Council of the National Academy of Sciences under section 1106 of the Higher Education Amendments and College Opportunity Act of 2008. (3) CONSULTATION.— (A) IN GENERAL.—In carrying out the review, analysis, and development of the website required under paragraph (2), the Advisory Committee shall consult with the Secretary, other Federal agencies, relevant representatives of institutions of higher education, individuals who have expertise and experience with Federal regulations, and the review panels described in subparagraph (B). (B) REVIEW PANELS.—The Advisory Committee shall convene not less than two review panels of representatives of the groups involved in higher education, including individuals involved in student financial assistance programs under this title, who have experience and expertise in the regulations issued by the Federal Government that affect all sectors of higher education, in order to review the regulations and to provide recommendations to the Advisory Committee with respect to the review and analysis under paragraph (2). The panels shall be made up of experts in areas such as the operations of the financial assistance programs, the institutional eligibility requirements for the financial assistance programs, regulations not directly related to the operations or the institutional eligibility requirements of the financial assistance programs, and regulations for dissemination of information to students about the financial assistance programs. (4) PERIODIC UPDATES TO THE AUTHORIZING COMMITTEES.—The Advisory Committee shall— (A) submit, not later than two years after the completion of the negotiated rulemaking process required under section 492 resulting from the amendments to this Act made by the Higher Education Amendments and College Opportunity Act of 2008, a report to the authorizing committees and the Secretary detailing the review panels’ findings and recommendations with respect to the review of regulations; and (B) provide periodic updates to the authorizing committees regarding— (i) the impact of all Federal regulations on all sectors of higher education; and (ii) suggestions provided through the website for streamlining or eliminating duplicative regulations. (5) ADDITIONAL SUPPORT.—The Secretary and the Inspector General of the Department shall provide such assistance and resources to the Advisory Committee as the Secretary and Inspector General determine are necessary to conduct the review and analysis required by this subsection.

(m) STUDY OF INNOVATIVE PATHWAYS TO BACCALAUREATE DEGREE ATTAINMENT.

--(1) STUDY REQUIRED.—The Advisory Committee shall conduct a study of the feasibility of increasing baccalaureate degree attainment rates by reducing the costs and financial barriers to attaining a baccalaureate degree through innovative programs. (2) SCOPE OF STUDY.—The Advisory Committee shall examine new and existing programs that promote baccalaureate degree attainment through innovative ways, such as dual or concurrent enrollment programs, changes made to the Federal Pell Grant

program, simplification of the needs analysis process, compressed or modular scheduling, articulation agreements, and programs that allow two-year institutions of higher education to offer baccalaureate degrees. (3) **REQUIRED ASPECTS OF THE STUDY.**—In performing the study described in this subsection, the Advisory Committee shall examine the following aspects of such innovative programs: (A) The impact of such programs on baccalaureate attainment rates. (B) The degree to which a student’s total cost of attaining a baccalaureate degree can be reduced by such programs. (C) The ways in which low- and moderate-income students can be specifically targeted by such programs. (D) The ways in which nontraditional students can be specifically targeted by such programs. (E) The cost-effectiveness for the Federal Government, States, and institutions of higher education to implement such programs. (4) **CONSULTATION.**— (A) **IN GENERAL.**—In performing the study described in this subsection, the Advisory Committee shall consult with a broad range of interested parties in higher education, including parents, students, appropriate representatives of secondary schools and institutions of higher education, appropriate State administrators, administrators of dual or concurrent enrollment programs, and appropriate Department officials. (B) **CONSULTATION WITH THE AUTHORIZING COMMITTEES.**—The Advisory Committee shall consult on a regular basis with the authorizing committees in carrying out the study required by this subsection. (5) **REPORTS TO AUTHORIZING COMMITTEES.**— (A) **INTERIM REPORT.**—The Advisory Committee shall prepare and submit to the authorizing committees and the Secretary an interim report, not later than one year after the date of enactment of the Higher Education Amendments and College Opportunity Act of 2008, describing the progress made in conducting the study required by this subsection and any preliminary findings on the topics identified under paragraph (2). (B) **FINAL REPORT.**—The Advisory Committee shall, not later than three years after the date of enactment of the Higher Education Amendments and College Opportunity Act of 2008, prepare and submit to the authorizing committees and the Secretary a final report on the study, including recommendations for legislative, regulatory, and administrative changes based on findings related to the topics identified under paragraph (2).

Preliminary List of Burdensome Regulations

Suggested Regulation	Regulatory Citation (references are to 34 CFR unless stated otherwise)
Academic Competitiveness Grant (ACG) & National Science and Mathematics Access to Retain Talent (SMART) Grant Programs--Determining eligibility	691.6; 691.15; 691.62 - .65
ACG & National SMART Grant Programs--Mandatory participation	690.7(a); 691.7(a),(b)
Administrative cost allowances	673.7; 690.10
Authorization to deliver parent PLUS loan funds to the student	No current regulation; new regulation(s) requested to add clarification to 668.164(d); 668.165(b); 682.604(b)(2); 685.303(c)
Authorization to open bank account on behalf of student	668.14(c)(3)(i)
Cohort default rate exemptions	682.603(i)(1)(i); 682.604(c)(5)(i); 682.604(c)(8)(i),(ii)
Conflicting Information	668.16(b)(3), (f)
Constitution Day	Consolidated Appropriations Act of 2005, Section 111 in Division J
Delayed student loan disbursement	682.604(c)(5); 685.303 (b)(4)
Entrance counseling for student loan borrowers	674.16(a); 682.604(f); 685.304
Escheating of Title IV refund checks (a/k/a Return of uncashed credit balance checks)	668.164(h)
Federal Pell Grant eligibility calculations	690.62 - .66
Federal Supplemental Educational Opportunity Grant (FSEOG) priority awarding criteria	676.10
I-9 Form Requirement for Federal Work Study positions	Statutory requirement under federal agency other than U.S. Department of Education
Income-Based Repayment (IBR)--Consistent treatment of borrowers applying for IBR plan	No current regulation; new regulation(s) requested to add clarification to 682.209(a)(6)(v)(C) and 682.215(e)
Independent student definition	HEA Section 480(d)
Late charges under student loan programs (Federal Stafford/Direct loans)	682.202(f); 685.202(d)
Late disbursements of Title IV aid	668.164(g)(2)
Loan fees in cost of attendance	Higher Education Act, Section 472
Loan rehabilitation and Title IV reinstatement timeframes for on-time payment	682.200(b); 682.405(b)(1)(i)(c)
Loan repayment schedules--Alignment	No current regulation; requested new regulation(s)
90/10 rule	668.14(b)(16); 668.28
Non-allowable charges (crediting student aid toward)	668.164(d)
Notices and authorizations under cash management rules	668.165
Notification of changes in institutional information	600.21
Overaward and overpayment tolerances	673.5; 682.604(h); 685.303(e)
Penalty for consecutive high cohort default rates (Federal Stafford/Direct loans)	668.187
Preferred lending arrangements for university-affiliated endowment associations/foundations	601.1; 601.21

Preliminary List of Burdensome Regulations

Prior award year charges	668.164(d)(2)
Processing the borrower's loan proceeds and counseling borrowers	682.604(b)(2)(iv)
Proration of annual loan limits	682.204(a),(c),(d); 685.203(a),(b),(c)(2)
Refunding PLUS Loans; Handling parent PLUS overawards	682.204(h); 682.604(h), (i)
Reporting and Consumer Disclosures (campus crime, fire safety, FISAP, graduation rates, IPEDS, music downloading, placement rates, textbook information, reporting by race/ethnicity/gender, etc.); Overlapping and inconsistent timeframes; Expansion in volume and scope of reports and disclosures	668.41 - .48
Reporting of foreign gifts and contracts	Higher Education Act, Section 117
Return of Title IV funds	668.22
Satisfactory academic progress (SAP)	668.34
Self-certification of non-Title IV student loans	601.11
Short-term programs' completion and placement rates	668.8(d)(3), (e),(f), (g)
Stafford/PLUS funds received at multiple institutions	No current regulation; requested new regulation(s) to add specificity to 668.32(g)(2); 682.201(a)(1); 685.200(a)(1)(iii)
Teacher Education Assistance for College and Higher Education (TEACH) Grant eligibility rules	686.21 - .25 and 686.31 - .32
Teacher loan forgiveness forbearance	682.216(e)(1)(i)
Total and permanent disability discharge	674.61; 682.402(c); 685.213
Two Federal Pell Grants in one award year (determining eligibility)	690.67
Verification	668.51 - .61