



American Federation
of Teachers, AFL-CIO

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June 16, 2004

Member
Committee on Education and the Workforce
United States House of Representatives
Washington, DC 20515

Dear Representative:

On behalf of the 1.3 million members of the American Federation of Teachers (AFT), including the 130,000 higher education professionals, I write to express our strong opposition to specific provisions in H. R. 4283, the College Access and Opportunity Act of 2004, which are the focus of today's hearing on for-profit institutions. We appreciate the opportunity to share our views with you.

In general, the AFT believes this legislation falls short of the historical mission of the Higher Education Act (HEA), which since 1965 has opened the doors to higher education for students regardless of their financial circumstances. Unfortunately, H. R. 4283 exacerbates existing deficiencies in the HEA rather than improving current law.

In addition to the lack of increase in the Pell Grant or any support for the growing non-traditional student population, the AFT is concerned with the attention given to for-profit institutions. Unfortunately, H. R. 4283 promotes the financial interests of the for-profit higher education industry at the expense of the needs of students. This is evident in the proposal to change rules and definitions that would open more federal dollars to for-profit institutions. For more than a decade, these guidelines have ensured that student and institutional aid goes to low- and middle-income students, while also protecting our federal financial-aid system from fraud and abuse.

H. R. 4283 calls for a "single definition" of an institution of higher education (IHE). This would make *all* IHEs, including for-profit institutions, eligible for Title IV programs that currently provide institutional aid to public and private nonprofit colleges and universities serving large numbers of minority and other nontraditional students. Under current law, many for-profits are not eligible to participate in these programs.

In addition, the bill would repeal a legal provision that prohibits students who attend institutions offering more than half their coursework by distance education from receiving federal student aid. The AFT joins other higher education associations representing faculty and administrators in opposing changing this 50 percent rule, which has served to ensure integrity in federal student financial-aid programs and promote "face-to-face" interaction as part of a student's college education. It is well established that current funding for public colleges and universities, as well as for federal student aid, is inadequate. Making a new universe of institutions eligible for student aid, as suggested in H. R. 4283, without imposing safeguards aimed at preventing fraud and abuse would be highly irresponsible.

The AFT believes that the federal government should collect more information and study the impact of lifting the 50 percent rule before considering such a dramatic change. We support comprehensive research that evaluates the quality of distance learning, the students it is serving, and how federal aid programs will be affected by the expansion of student-aid eligibility to distance learning. We believe Congress needs to address these and other relevant questions before moving in this direction.

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Finally, we oppose the lifting of the so-called 90/10 rule which mandates that for-profit schools demonstrate that 10 percent of their revenue is derived from sources other than federal student-aid funds. The 90/10 rule was put into effect to ensure that federal student-aid was not the sole funding stream for these schools. As a result of the implementation of that rule, fraud and abuse in federal student aid programs were drastically reduced. There is no evidence to believe this protection is no longer necessary.

The AFT believes that the current HEA reauthorization represents a tremendous opportunity to improve access to higher education for America's low- and middle-income students. It should not be reduced to an exercise in improving access to federal aid for private entrepreneurs. To this end, we look forward to working with you on these issues of great importance to AFT higher education professionals and the students they serve. If you have further questions, please contact me or Gabriella Gomez of the AFT legislative staff at (202) 879-4452.

Thank you for considering our views on H. R. 4283.

Sincerely,

Charlotte J. Fraas
Director, Legislation Department

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