A SPECIAL REPORT FROM THE DESK OF

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INJUSTICE FOR ALL

THE TRUTH ABOUT THE ANNIHILATION OF AMERICAN EDUCATION IDEALS

CHAMPION EMPOWERMENT INSTITUTE, PHOENIX

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INJUSTICE FOR ALL: The Truth about the Annihilation of American Education Ideals

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I. MANIFESTO

Injustice for All
The Truth about the Annihilation of American Education Ideals

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America has become a nation where the majority of our citizens base their beliefs and opinions upon the spin from media coverage and news feeds that often regurgitate unverified facts; in particular regarding data. People usually gravitate toward or seek out media sources that support their most familiar opinions and views—which ultimately become a belief system.

After eliminating the private Federal Family Education Loan Program (FFELP) community in 2010, the U.S. Department of Education (DOE) now controls a growing majority of student loans. In 2014, the DOE decided to make unauthorized "adjustments" to a long-standing law for quality measures based on the student loan cohort default rates (CDRs). I KNEW something was terribly wrong. I examined various publicly-available data and reports to determine exactly what had been "adjusted" and found a plethora of manipulated data and inaccurate reporting for private (FFELP) and Federal Direct Student Loan Program (FDSLP) CDRs and for sector-level institution CDRs and gainful employment rates.

The greatest illusionists have used sleight-of-hand methods to distract people from seeing what they are actually doing. In many ways, constant media focus on extreme examples of certain publicly-traded proprietary institutions is a seductive distraction: the sleight-of-hand that keeps the U.S. Department of Education's epic failures out of the headlines.

Almost silently with a whisper...a horrible fate is occurring in the United States—the annihilation of our higher education system through manipulation of facts presented to the public that provide false impressions of outcomes and performance metrics for ALL institutions of higher education. This situation wields the power to quickly turn America from a country lauded for ingenuity and leadership into one of growing ignorance and lacking self-reliance.

Analysis Reveals the Manipulative Agendas

During my analysis (especially over the last year while examining numerous national databases, reports, and press releases), the patterns exposed what can clearly be seen as agendas that have little to do with actually educating Americans. Instead, these agendas have everything to do with carrying out a tragic injustice by reducing or eliminating free enterprise within higher education—something that will ultimately lead to the annihilation of American educational ideals *if we do not take actions now.*

AGENDA ITEM #1: First, came the elimination of the private sector of federal student loans—the FFELP or FFEL Program community; many of these lenders, secondary markets, guarantee agencies and servicers were for-profit companies. Within a month of being sworn into office after the 2008 presidential election, Barack Obama introduced his first budget proposal, which ultimately succeeded in the elimination of the FFEL Program and many companies in the FFELP community.

Ironically, the performance for loans under the DOE's direct management (direct loans, FDSL Program, or FDSLP) have either been misreported or underreported for EVERY 3-year cohort default rate since Obama has been in office. At the same time, the performance for the private sector FFEL Program has been misreported as performing worse than they have actually performed.

Table 1: DOE Loan Program Reporting vs Data Reality

Discrepancies in DOE Reporting for Loan Programs				
Loan Program	**FFELP Reporting & Data**		**FDSLP Reporting & Data**	
Information Source	**DOE Briefing**	**DOE Data**	**DOE Briefing**	**DOE Data**
FY 2009 3-year Default Rates by Loan Program	14.6%	**10.6%**	8.6%	**23.9%**
FY 2010 3-year Default Rates by Loan Program	not released	9.6%	12.8%	**16.5%**
Information Source	**DOE Data for Loan Holders**	**Other Publicly Available Data**	**DOE Data for Loan Holders**	**Other Publicly Available Data**
FY 2011 3-year Default Rates by Loan Program	9.1%	9.1%	10.7%	**15.0%**
FY 2012 3-year Default Rates by Loan Program	8.6%	8.6%	6.6%	**12.2%**

Publicly available data shows that the private sector still outperforms the direct loan program even with diminishing returns on the loan portfolios these companies still manage.

For example, in September 2012 the U.S. Department of Education (DOE) released "briefings" for the first FFELP and FDSLP 3-year cohort default rates. The FY 2009 FFELP briefing reported the FFELP default rate as 14.6% when the 2014 loan holder data shows it to actually be 10.6%. The FY 2009 FDSLP briefing touted an 8.6% default rate when the 2014 loan holder data shows that the FY 2009 FDSLP rate was actually 23.9%. In other words, the DOE misreported the FFELP 3-year CDR to be higher than it actually was and its own FDSLP CDR to be much lower than it actually was. This has become the norm for the DOE's self-reporting of its loan portfolios.

AGENDA ITEM #2: The second agenda item is well underway to eliminate for-profit (proprietary) education by covering up an underperforming nonprofit sector while grossly misreporting information about the for-profit, proprietary sector.

Comprehensive data available in the College Navigator[1] in 2014–2015 when this research and analysis was completed contains pertinent information about each sector that had to be manually collected, most likely so that people wouldn't easily see the truth.

Table 2: Cost of Student Loans by School Sector

College Navigator Information for FY 2010 (available on the College Navigator at the time of this analysis in 2014)			
Sector	**Average Median Student Loan Debt**	**Average Graduation Rate %**	**Cost of Ave. Student Loan per Grad %**
Public Community Colleges	$ 5,182	26.6%	$ 195
Public Traditional Colleges	$ 6,857	45.6%	$ 150
Private Nonprofit Colleges	$ 10,506	55.6%	$ 189
Proprietary Colleges	$ 7,088	60.4%	$ 117

The cost of the average student loan is calculated by dividing the Average Median Student Loan Debt by the Average Graduation Rate %. This gives an apples-to-apples comparison for all schools in relation to the cost for students.

1. https://nces.ed.gov/collegenavigator/

The College Navigator data shows that community colleges are the lowest performing group in terms of graduation rates (26.6%) and are the most costly for students per graduation percent ($195). It also shows that the proprietary colleges are the highest performing of all groups in terms of graduation rates (60.4%) and are the least costly for students per graduation percent ($117).

Traditionally, the loan balance has always been used to drive the opinion that community colleges are the least expensive of all schools, while the truth is that the loan balances are high when considering the extremely low graduation rates.

In contrast, the proprietary colleges have slightly higher loan balances ($7,088) than community colleges ($5,182), while the proprietary sector graduates more than twice the students (60.4%) than community colleges graduate (26.6%)—and these schools are both serving students with similar socioeconomic backgrounds.

The cost for borrowers is higher at community colleges ($195) while the costs are the lowest ($117) at proprietary colleges. When you consider that proprietary schools do not get all of the state and federal grants that public colleges get, the cost of education at proprietary colleges is lower for taxpayers as well.

When we add cohort default rate data (CDRs are defined later in this chapter) to the mix, the data proves that misinformation about sector default rates has also been pushed upon the public. The following CDR information by sector (Table 3) is based on the September 2015 Official FY 2012 Institution Cohort Default Rate (iCDR) data contained in the comprehensive PEPS300 data file provided on the DOE's website.

Table 3: Sector Cohort Default Rate (iCDR) Good and Bad Quality Indicators

2015 Official FY 2012 iCDR Data						
SECTORS and TOTALS	Schools with N/A (No Loans)		30 or More Borrowers			Average of iCDRs for Schools with Borrowers
			Good Quality		Bad Quality	
	# Schools with N/A (No Loans)	% of Total Schools with No Loans	# Schools Under 15%	% Schools Under 15%	% Schools with Loans Subject to Sanctions	
PUBLIC	301	16.1%	**909**	**58.0%**	**<1%**	***13.9%***
COMMUNITY COLLEGES	296	22.1%	425	40.8%	<1%	***17.1%***
PROPRIETARY	439	21.3%	**930**	**57.3%**	**<1%**	***13.9%***

Additionally, the iCDR data for high quality schools with default rates under 15% shows that there are 909 schools or 58.0% of all public colleges with default rates under 15%, and there are 930 schools or 57.3% of all proprietary colleges with default rates under 15%. The data show that less than 1% of all institutions in every sector are subject to loss of federal student loan and grant funding—including the proprietary sector.

CDRs have always been reported for national and sector rates by taking the total number of borrowers in default divided by the total number of borrowers who entered repayment. This method of calculation reflects borrower activity and gives those institutions with larger numbers of borrowers a greater influence upon the sector. With the increase of mergers even among community college groups, large corporations and publicly-traded institutions, small schools' reputations are unfairly being measured by numbers that have nothing to do with school performance.

Since the CDR rates are reported by sector and the rates are being used to form perceptions of schools within each sector, the sector CDR rates should be based on school performance and not borrower performance; therefore, the average of all institutional rates better reflects how a sector performs because it gives each school equal consideration.

The 2015 Official FY 2012 Cohort Default Rate data shows the public and proprietary sectors have EXACTLY the same average cohort default rate of 13.9%.

As the reputations of proprietary institutions are ruined through false information and the media's thirst for sensationalized tragedies that are atypical, at for-profit institutions, at-risk students are migrating to public institutions, and they will inherit the default rate and other issues that for-profit institutions have been experiencing for years because…

The primary contributor to high default rates and satisfactory progress issues is the socioeconomic background of the students served. In other words, these issues are at-risk-student-centric, NOT school-centric.

If you compare this audited and independently verified information to the U.S. Department of Education publicly released Briefings for the FY 2012 institution cohort default rates, the data will not match. The information in the DOE's briefings has been manipulated and misreported in favor of public and private nonprofit institutions and to the detriment of for-profit institutions. Both financial rewards and sanctions *should be* based upon each individual school's performance and not on sectors as a whole.

The institution cohort default rate data (iCDR or PEPS300 data) shows that the number of borrowers in default in the public sector has increased from 4,230 fewer defaults than the proprietary sector in the FY 2009 CDR to 91,563 more defaults than the proprietary sector.

Table 4: YOY iCDR Manipulation of # Borrowers in Default

Year-over-year Comparison of iCDR Manipulation # Defaults from Official Briefings and Institution iCDR (PEPS300) Data				
	FY 2009 #DFLT 2012 Release	**FY 2010 #DFLT 2013 Release**	**FY 2011 #DFLT 2014 Release**	**FY 2012 #DFLT 2015 Release**
PUBLIC				
Briefing Borrowers in Default	-8,700	-9,031	-11,276	-4,990
Briefing Borrowers Entered Repayment	-65,164	-65,700	-87,473	-47,273
PRIVATE				
Briefing Borrowers in Default	318	563	609	-8,034
Briefing Borrowers Entered Repayment	-449	917	-3,396	-56,028
PROPRIETARY				
Briefing Borrowers in Default	20,353	21,277	12,332	20,504
Briefing Borrowers Entered Repayment	81,679	87,181	39,520	86,737
DIFFERENCE BETWEEN THE NUMBER OF BORROWERS IN DEFAULT FOR PUBLIC vs PROPRIETARY				
Total # Borrowers in Default in Reporting Manipulation Between Public & Proprietary	29,053	30,308	23,608	25,494
DOE Reported Difference in # Borrowers in Default (Public vs Proprietary iCDR)	(33,283)	(26,427)	3,886	66,069
Actual Difference Number Default (Public vs Proprietary iCDR)	**(4,230)**	**3,881**	**27,494**	**91,563**

If collecting student loan default dollars is what serves the federal fiscal interest, why is the focus ALL on proprietary schools when the public nonprofit sector represents the lion's share of student loan defaults?

Additionally, if the nonprofit institutions are performing so much better than the proprietary institutions, why would the DOE have the need to falsely report the sector CDRs?

Table 5: YOY iCDR % of Manipulation by Sector

Year-over-year Comparison of iCDR Manipulation %
from Official Briefings compared to Institution iCDR (PEPS300) Data

	FY 2009 iCDR% 2012 Release	FY 2010 iCDR% 2013 Release	FY 2011 iCDR% 2014 Release	FY 2012 iCDR% 2015 Release
PUBLIC				
Briefing Borrowers in Default	**-4%**	**-3%**	**-4%**	**-2%**
Briefing Borrowers Entered Repayment	**-4%**	**-3%**	**-4%**	**-2%**
PRIVATE				
Briefing Borrowers in Default	+1%	+1%	+1%	**-10%**
Briefing Borrowers Entered Repayment	<1%	<1%	<1%	**-5%**
PROPRIETARY				
Briefing Borrowers in Default	**+10%**	**+8%**	**+4%**	**+10%**
Briefing Borrowers Entered Repayment	**+9%**	**+7%**	**+3%**	**+6%**

For the proprietary sector, when the percent of increase in the number of borrowers in default is greater than the percent of increase in borrowers entered repayment, the default rate calculation is inflated.

For the private sector's FY 2012 reported iCDR, when the percent of decrease in the number of borrowers in default is greater than the percent of decrease in the number of borrowers entered repayment, the default rate calculation is deflated.

The total percent of data manipulation between the numbers for public sector and proprietary sector borrowers in default and borrowers entered repayment represents the following:

Table 6: YOY Total % of Difference in iCDR Manipulation

3-Year CDR	Total % of Difference in # of Borrowers in Default	Total % of Difference in # of Borrowers Entered Repayment
FY 2009	14%	13%
FY 2010	11%	10%
FY 2011	8%	7%
FY 2012	12%	8%

Table 7: YOY Comparison of DOE iCDR Briefings to iCDR PEPS300 Data

Year-over-year Comparison of iCDR % from Official Briefings and Institution iCDR (PEPS300) Data				
	FY 2009 iCDR% 2012 Release	**FY 2010 iCDR% 2013 Release**	**FY 2011 iCDR% 2014 Release**	**FY 2012 iCDR% 2015 Release**
PUBLIC				
Official DOE Briefing	11.0%	13.0%	12.9%	11.7%
iCDR (PEPS300) Data	**11.1%**	**13.1%**	**13.0%**	**11.7%**
PRIVATE				
Official DOE Briefing	7.5%	8.2%	7.2%	**6.8%**
iCDR (PEPS300) Data	7.5%	8.2%	7.2%	**7.2%**
PROPRIETARY				
Official DOE Briefing	22.7%	21.8%	19.1%	**15.8%**
iCDR (PEPS300) Data	**22.6%**	**21.6%**	**18.9%**	**15.4%**

Prior to 2015, the reporting manipulation was limited to the public and proprietary sectors. In 2015, the private sector data also showed gross misrepresentation.

> *When big decisions are made about sectors as a whole, we risk forcing students into underperforming community colleges because they are "free" while many students miss opportunities for high-quality training and employment opportunities that result from education experiences at for-profit institutions.*

The Obama Administration has eliminated the FFEL Program and is well on its way to eliminating the proprietary sector as a whole. Public support for these two agendas has been driven by inaccurate reporting and does not support quality in higher education for American citizens.

The Motivation Behind These Agendas

In February 2009, I was a negotiator in the Negotiated Rulemaking for the Team II Loan Issues that was a part of the 2008 Reauthorization of the Higher Education Act of 1965. Our negotiating team was holding our first round of negotiations in the U.S. Department of Education office when the budget was released. The room started to buzz with vibrating cell phones as news of this reached the public. The noise rose to a level where I felt we were sitting inside of a beehive. Because of the intensity, we stopped to look at the news coming in. The DOE representatives were just as shocked as the non-federal negotiators and spectators. We ended the negotiations early.

In September 2009, the House passed the Student Aid and Fiscal Responsibility Act[2] (SAFRA) to eliminate the FFEL Program. Although President Obama claimed it would save $87 billion, the bill never passed the Senate.

The following year, provisions in SAFRA that eliminated new bank-run loans for the FFEL Program as of July 1, 2010[3], were passed under the Health Care and Education Reconciliation Act (HCERA) of 2010. Yes, that's right—the elimination of FFELP was included in the law that brought us Obamacare. At the time of the HCERA enactment, the Congressional Budget Office (CBO) estimated the 10-year savings for student loans at $61 billion.

From the beginning of President Obama's campaign to date, he has publicly claimed that eliminating the FFELP community would save taxpayers money and reduce costs for students. Yet in April 2014, the CBO projected federal profits over the next ten years to be in excess of ***$127 billion***[4]. Actual profits reported have shown these numbers to be grossly underestimated.

> *Government profits for federal student loans for 2013 alone were $41.3 billion, and this profit goes into the federal General Fund, not back into education!*

How could this happen? Obama used his executive authority to implement repayment programs (Pay-As-You-Earn or PAYE and REPAY) that drop payments so low that, in most cases, the interest accruing is greater than the minimum payments required.

And, how do lenders make money? Through interest payments.

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2. https://www.govtrack.us/congress/bills/111/hr3221
3. http://www.gpo.gov/fdsys/pkg/PLAW-111publ152/pdf/PLAW-111publ152.pdf
4. http://www.cbo.gov/sites/default/files/cbofiles/attachments/44198-2014-04-StudentLoan.pdf

These repayment plans that appear to be helpful to students, drop payments to levels where little to no principal will ever be paid; where payment schedules are increased from ten years to twenty or twenty-five years; and where students will have to pay lump sum amounts in the form of taxes when the loan balance, often larger than the original loans, is "forgiven" and reported as income. ***If these students haven't paid down their loans in 20–25 years, how will they ever be able to pay a lump-sum debt to the IRS?***

Could this famous epic, *The Wizard of Oz*, have some commonality to what's been going on with higher education? Think back to the story…

> **Dorothy:** *"If you were really great and powerful, you'd keep your promises." (Tin Man, Cowardly Lion, and Scarecrow shake in fear.)*
>
> **Wizard:** *"Do you presume to criticize the great Oz? You ungrateful creatures! Think yourselves lucky that I am giving audience tomorrow instead of 20 years from now. The great Oz has spoken!"*
>
> *(Toto, the dog, runs over and pulls the curtain away to expose an ordinary man.)*
>
> **Wizard:** *"Pay no attention to the man behind the curtain! The great Oz has spoken!"*

It's not coincidental that many of the posts for this scene refer to President Obama and the way that the U.S. government is being run.

This book is written to provide evidence of the facts that are backed up by publicly available data and reports to show that the current belief system on education is misguided. Data are being manipulated, then pushed onto the public to support this erroneous belief system. This annihilates our American education system by allowing substandard quality to exist at nonprofit institutions while implementing extreme standards that often force closure of for-profit institutions that provide education and training for at-risk students who the nonprofit traditional colleges do not want to educate. The probable unintended consequences of these practices are limiting options for training and education of low- to middle-income students and creating the need to expand and establish new entitlement programs that support an uneducated people.

Look at the facts—all of the facts—and decide for yourself!

Student Loan Default Rates Are Used as a Measure of Quality Education

> *Since 1990, the U.S. Department of Education has used cohort default rates as a measure of quality in higher education. The premise is that there is quality when the students pay their loans. The DOE's regulatory definitions are based on laws primarily found in the Higher Education Act and its amendments.*

The U.S. Department of Education released the most recent cohort default rate (CDR) information and data on September 22, 2014 that included CDRs for FY 2009, FY 2010, and FY 2011.

> **September 22, 2014**
>
> **(Loans) Subject: FY 2011 3-Year Official Cohort Default Rates Distributed September 22, 2014 http://ifap.ed.gov/eannouncements/092214FY20113-YearOfficialCohortDefaultRatesDistributedSept222014.html**

The 3-year cohort default rate definition is based on the federal fiscal year which begins on October 1st of each year and ends on September 30th of the following year. Two data points are used. The first defines the "cohort" of borrowers as the number of borrowers who enter repayment in a federal fiscal year (FFY1). The second data point defines the number of those borrowers in repayment in FFY1 who default before the end of the third federal fiscal year (FFY3). The cohort default rate is the percent of defaulters divided by the number of borrowers who entered repayment.

The 3-year cohort default rate equals:

NUMERATOR: # of borrowers who entered repayment in FFY1
and who defaulted before the end of FFY3

DIVIDED BY

DENOMINATOR: # of borrowers who entered repayment in FFY1

The CDR rates determine if a college can continue eligibility for Title IV federal funding, including Pell Grants and federal student loans (Stafford Loans).

Schools face loss of eligibility to participate in these programs when they have one CDR rate over 40% or three consecutive years over 30%. CDRs also determine if a college is eligible for certain disbursement benefits that improve cash flow when they have three consecutive rates under 15%.

The first time that a 3-year cohort default rate could be used to determine eligibility was in 2014.

In prior years, a 2-year CDR definition was used.

In 2014, numerous public institutions would have lost eligibility if the DOE had not granted exceptions.

EXCEPTION #1: September 23, 2014—Adjustment of Calculation of Official Three Year Cohort Default Rates for Institutions Subject to Potential Loss of Eligibility.[5] Colleges subject to loss of Title IV Eligibility (federal student loans and grants), receive adjustments to change defaulted borrowers to non-default status (in repayment) in the three most recent 3-year cohort default rates when the borrower had multiple loans where at least one loan was in default and at least one loan was in good standing for a minimum of 60 consecutive days.

These circumstances noted in the announcement as reasons for the CDR adjustments—multiple loan programs, loan transfers, multiple loan servicers—have existed since 2010 when SAFRA legislation, part of the Health Care and Education Reconciliation Act of 2010, was passed; when a mass exit of lenders led to large numbers of loan transfers; and when the DOE was allowed to purchase FFELP loans made on or after October 1, 2007 as a way of keeping some lenders in business (known as "conduit" or "PUT" loans).

By the way, the FY 2012 CDRs released on September 28, 2015, have also been adjusted for schools facing sanctions; however, this was only disclosed in individual letters to those schools affected and not in an official DOE electronic announcement.

Why did the DOE change the CDR calculation criteria without Congressional approval?

5. http://ifap.ed.gov/eannouncements/092314AdjustmentofCalculationofOfc3YrCDRfor-InstitutSubtoPotentialLossofElig.html

How does the DOE know that students without multiple loans weren't adversely affected by the obvious loan servicing issues?

If the DOE thought it important enough to make these adjustments for schools facing sanctions, why wasn't it important enough to adjust the CDRs for ALL schools?

Many schools lost disbursement benefits as a result of the improper servicing and no longer had three consecutive rates under 15%. Many schools in California no longer qualified for state funding based on having default rates under the state's CDR threshold currently set at a 15.5% threshold. Additionally, the reputations of institutions are largely based upon the cohort default rates that make it into the news each year and that are mandated to be disclosed. Wouldn't it be prudent to correct this situation for all schools?

What did the DOE do to prevent these defaults?

I traveled to Washington, DC when the first huge group of conduit loans were purchased and transferred to DOE servicers, and took almost 10 months to appear on the new servicing system. I met with David Bergeron, a top official for postsecondary education and the U.S. Department of Education, and explained to him that every deferment, forbearance and special payment arrangement was dropped during the transfer and the loans immediately went into default. I asked him to find a solution so that these kids didn't wrongly suffer the consequences of default when they had done everything right in getting deferments, forbearances and alternate payment arrangements when they could not make timely payments. **The U.S. Department of Education did nothing.**

The students affected by the poor servicing for conduit loans have suffered tremendous adverse consequences to their credit and financial stability. Please, explain what the DOE has done to provide relief to the students affected by this? Has the DOE set up programs for the students to get out of default?

Is the DOE pursuing all normal means for collecting the defaulted loans that it would had the student actually knowingly defaulted? For example, is the DOE imposing wage garnishment in addition to requiring[6] voluntary on-time payments in 10 months for these affected students to rehabilitate their loans?

Has the DOE ever requested Congressional support for helping the students

6. More details are provided in *Chapter IV. 2014 Cohort Default Rates*.

in these high-CDR portfolios up to and including full rehabilitation, waiver of all interest and fees, and corrections to the students' credit reports?

At this point, we will have to rely upon Congressional action to get these kids out of default, repair their credit, and correct the cohort default rates of those institutions the affected borrowers attended.

EXCEPTION #2: Erroneous Data Appeal—Incorrect Borrower Enrollment.[7] Advised all data managers that received an Erroneous Data Appeal based on incorrect enrollment information to accept the appeal, if otherwise correct, without regard to when the enrollment change occurred.

Timely enrollment reporting is clearly defined in regulations, and exceptions have NEVER been allowed during adjustments or appeals. Current enrollment reporting requires schools to update enrollment status at least every 30 days. A waiver to this will allow schools to change data that would otherwise not be acceptable for the purpose of cohort default rate adjustments and appeals or, for that matter, any other reasons. Timely enrollment guidelines exist to keep databases accurate and to ensure that many laws and regulations can be upheld, such as the 150% rule, interest subsidy payments, and satisfactory progress standards to name a few. In other words, lack of enforcement for timely reporting will lead to fraudulent reporting to avoid CDR sanctions.

Is it all of a sudden OK to break the rules?

Why is the DOE accepting enrollment data changes *during* the appeal process that were not timely reported when the requirements and methods of appropriate reporting have been so clearly defined?

Cohort default rates have been defined by Congress and used as a measure of institutional quality since 1993. The schools allowed to "adjust" their default rates through the Erroneous Data Appeal process already have a high default rate bringing into question their administrative capabilities.

Why would the DOE then allow these schools to have adjustments to their default rates based on one more indicator of poor administrative capabilities with untimely enrollment reporting?

7. http://ifap.ed.gov/eannouncements/092314ErronousDataAppealIncorrectBorrower-Enroll.html

The grace period and repayment schedules for student loans are based on the last date of at least half-time enrollment status. If enrollment statuses are not properly reported by an institution, that directly affects the servicing of the students' loans. Do federal student loan servicers accept enrollment changes that would change a student's repayment schedule when the enrollment change is not timely reported? For example, if a loan enters repayment based upon the anticipated graduation data but the student actually dropped prior to that date—and the change in enrollment was not timely reported—does the federal servicer change the repayment schedule, reapply the payments based on the change after the fact, and put the student into delinquent status? Or do they bring the loan current through administrative forbearance? And do they charge the student interest for these adjusted and unpaid loan payments?

Correct reporting of enrollment status obviously affects many things. How does allowing schools that don't comply with timely enrollment reporting help the students who attend their schools?

Have changes in enrollment dates that weren't timely reported been accepted for Erroneous Data Adjustments and Erroneous Data Appeals prior to the September 23, 2014 Electronic Announcement that mandated data managers accept Erroneous Data Appeals even when the enrollment reporting wasn't timely?

When erroneous data are corrected during the draft cohort default rate processes, is it permanently changed in the National Student Loan Data System (NSLDS) that is the data depository for loan servicing and CDR reporting?

When erroneous data are corrected during the official CDR appeal processes, are they permanently changed in the NSLDS?

Understanding that many of these data corrections move borrowers from one cohort to another, are the corrected data permanently changed in a school's cohort default rate?

If the untimely reported changes in enrollment status are not permanently changed in the NSLDS, is there risk that a student will incorrectly be counted in more than one CDR?

> *Will these schools get a "pass" in their audits when they have findings for these same enrollment updates that have not been submitted in a timely manner?*

There are many unanswered questions related to the U.S. Department of Education's actions. Congress and the DOE insist that these CDR rates are backed by law and existing regulations are a measurement of the quality of education.

> *Why have exceptions been made since the U.S. Department of Education began managing the majority of federal student loans?*

Ironically, representatives for community colleges and other minority-serving institutions—*the same people who brought forth and supported 3-year cohort default rates*—had statements ready touting the importance of these CDR adjustments and appeal exceptions and supporting the DOE's decision.

At the same time, the proprietary schools knew nothing about this and several were so far down the road of closing their schools that when they received written communication that they actually had rates under the threshold and weren't subject to loss of eligibility, it was too late to turn back—they did the right thing and had numerous conversations with the DOE and were never told about the adjustments that gave rates under the threshold.

One such proprietary school in Erie, Pennsylvania, that had been in business for 150 years learned on September 22, 2014, <u>that it actually had three (3) cohort default rates under the threshold and was therefore not subject to sanctions</u>. At that time, most students would finish their programs before the school closed or had transferred out to other institutions to complete their programs as part of teach-out agreements the school had arranged. Most of the students would be able to pursue their dreams—except the 54 nursing students who could not find another school to attend to finish their education—54 nursing students, some with years invested in pursuit of their passion to help others, on the street with broken hearts and crushed dreams.

This story impacted me deeply when I heard it on September 22nd—when I knew there was nothing that I could do to help them. This story enraged me, made me cry for days, and became my motivation for writing this book.

Was saving a few schools from loss of Title IV Eligibility the only reason that default rates were adjusted? I say, "Hail, Dorothy!" Expose the man behind the curtain!

> ***Everyone Sings:*** *We're off to see the wizard, the Wonderful Wizard of Oz, We hear he is a whiz of a wiz, if ever a wiz there was, If ever, oh a wiz there was, the Wizard of Oz is one because, Because, because, because, because, because, BECAUSE of the wonderful things he does…*
>
> *Let's take a look at some of these wonderful things.*

On September 24, 2014, the DOE released its "National Default Rate Briefing for FY 2011 3-year Rates" (DOE Briefing or Briefing). The school CDR data (PEPS300) for all of the three most recent 3-year rates including FY 2009, FY 2010, and FY 2011 that support the DOE Briefing are also posted on the DOE's IFAP website.

In September and October 2014, I pulled down all relevant CDR data files and the DOE Briefing and began to analyze the information.

AGENDA ITEM #1: How has the government handled the transition to 100% direct lending? The government has over-promised, under-delivered, and now they are lying about it.

The first loan program default rates under the new Obama regime were published in 2012, right before the presidential election where Obama was re-elected. At the time, a "briefing" was published for both the FFEL Program and the Federal Direct Student Loan Program (FDSLP or FDSL Program). The only other documentation to support the briefing data was a "Top 100 Loan Holders" PDF document so, at the time, the briefing information could not be audited.

In September 2014, the DOE posted the comprehensive data for the FY 2009 3-year Cohort Default Rates by loan program and I was able to audit the briefings. In addition to the Official Loan Program Briefings discrepancies, a disturbing trend in default rates for loans transferred to the U.S. Department of Education emerged.

These "conduit loans," otherwise known as "PUT Loans" were purchased by the DOE to slow down the mass exit of FFELP lenders when they were eliminated from making new loans. These conduit loans included any FFELP loan disbursed on or after October 1, 2007.

The first transfers did not go well, and many students have been suffering the consequences ever since because their loans should never have gone into default.

Even though I told DOE officials early in the process that these loans had defaulted in error, the DOE officials chose to do nothing to correct the problems for the students or for the schools they attended.[8]

Table 8: DOE-Controlled Loan Portfolio Performance

USDOE-Held Conduit Loan Performance						
LID	**LENDER NAME PROVIDED BY DOE**	**COHORT YEAR**	**CURR RATE**	**CURR DEF**	**CURR REP**	**DOLLARS IN REPAY**
899577	U.S. DEPT OF ED/ 2008-2009 LPCP	FY 2009-3YR	21.2%	148,171	697,298	$ 3,232,796,415
898577	US DEPT OF ED/ 2007-2008 STPP	FY 2009-3YR	27.1%	19,598	72,201	$ 359,620,740
895577	**US DEPT OF ED/ABCP CONDUIT 09-10**	**FY 2009-3YR**	**59.8%**	**26,774**	**44,769**	**$ 346,999,081**
897577	**U.S. DEPT OF EDUCATION/ 2009-2010 LPCP**	**FY 2009-3YR**	**54.3%**	**1,294**	**2,381**	**$ 7,257,268.00**
899577	U.S. DEPT OF ED/2008-2009 LPCP	FY 2010-3YR	14.5%	226,621	1,558,484	$ 3,549,408,535
895577	**US DEPT OF ED/ABCP CONDUIT 09-10**	**FY 2010-3YR**	**56.6%**	**25,433**	**44,872**	**$ 388,261,027**
897577	U.S. DEPT OF EDUCATION/ 2009-2010 LPCP	FY 2010-3YR	18.2%	148,636	815,265	$ 3,961,533,085
895577	**US DEPT OF ED/ABCP CONDUIT 09-10**	**FY 2011-3YR**	**58.6%**	**14,455**	**24,666**	**$ 248,497,076**
895577	**US DEPT OF ED/ABCP CONDUIT 09-10**	**FY 2012-3YR**	**56.0%**	**3,916**	**6,998**	**$ 68,645,140**

The DOE stopped reporting CDRs by loan program after the FY 2010 3-year CDRs were released in September 2013. They have also neglected to include their own data in the files posted on their website for loan holder default rates.

When the loan holder data is compared to the institution data contained in the PEPS300 data files (iCDR), I have been able to estimate the DOE-controlled and direct loan default rate.

8. https://studentaid.ed.gov/sa/sites/default/files/fsawg/datacenter/library/July-2011ECASLAReport.pdf

Table 9: YOY Comparison of DOE Loan Portfolio Reporting vs Available Data

3-YR CDR	DOE National Official iCDR Briefing	iCDR Data PEPS300	REPORTED DOE Loan Program CDRs	ACTUAL DOE-held CDRs	Estimated DOE % of Total iCDR Volume
FY 2009	13.4%	**13.2%**	**8.6%** DOE Briefing	**23.9%** 2014 Loan Holder Data	22.7%
FY 2010	14.7%	**14.5%**	**12.8%** DOE Briefing	**16.5%** 2014 Loan Holder Data	57.5%
FY 2011	13.7%	**13.6%**	**10.7%** 2014 DOE Loan Holder Data	**15.0%** 2014 Loan Holder Data plus iCDR PEPS300	75.8%
FY 2012	11.8%	**11.7%**	**6.6%** 2015 DOE Loan Holder Data	**12.2%** 2015 Loan Holder Data plus iCDR PEPS300	86.4%

AGENDA ITEM #2: Could the assault on the proprietary sector be a diversion for the DOE's own poor performance for managing student loan defaults?

There is no doubt in my mind that these default rates are what led to the "adjustment" of the CDRs released in 2014 and to the "exception" for timely reporting in CDR appeals. If schools don't have to do appeals to remain in the Title IV loan and grant programs, they don't have to look at the data. This thought gave me insight to continue to examine the 2014 Official CDR data.

Cohort Default Rates: *The CDR information reported by the U.S. Department of Education is a little off—is it that big of a deal?*

DOE-released information is used by the public and students to decide which schools are of good quality and which are of bad quality. The manipulation in this reporting seems to support "the story" that the Obama Administration and certain lawmakers want the public to believe: That all proprietary schools are predatory and should be eliminated. The DOE's own databases show otherwise.

Since the CDRs influence the public opinion, reputation and *value of schools in addition to determining federal funding eligibility, shouldn't the U.S. Department of Education publish accurate calculations for these rates?*

These patterns net results that support an agenda that has nothing to do with quality education or serving the students' best interest—the DOE and certain critics of the proprietary sector want politicians and the public to buy into their plan so they can move forward with eliminating proprietary schools through legislation and regulations known as Gainful Employment—their agenda is not the truth.

The Gainful Employment Agenda

Quality measures and metrics are a good idea when these are reasonably administered, are based upon fair and realistic measurements, and are applied to all institutions. Every institution has challenging students and this is not determined by tax status—it is determined by the physical location of the school and the socioeconomic background of the students served.

If the laws and regulations can't be applied to all institutions, the standards are likely not fair and equitable.

Another controversial subject where public perception in the higher education arena has been swayed by inaccurate data reporting is known as "Gainful Employment" (GE). This law requires higher education training to prepare students for gainful employment. The current definition, however, does not include all institutions and is limited to the for-profit proprietary schools and certain programs at private and public schools. The majority of programs offered by private and public nonprofit institutions are not included in the current definition!

Since 2009, the U.S. Department of Education has pushed implementation of federal regulations that are not backed by law onto a limited number of colleges and programs. The DOE insists that the GE regulations are a measurement of the quality of education yet isn't applying these rules to all institutions. Why? Because there is an agenda that has nothing to do with validating the quality of education—it is validating a misguided belief system.

If the Gainful Employment measures were applied to all institutions and all pro-

grams, would there be any support for the GE regulations at all? Let's take a look at what has happened so far...

Gainful Employment *Original* Federal Regulations:

- GE metrics and measures are not defined by law.
- In December 2009, a negotiated rulemaking team was unable to reach consensus on the proposed federal regulations for GE.
- Over 90,000 comments were submitted during the Notice of Proposed Rulemaking (NPRM) process.
- Final regulations were published on October 29, 2010.
- Association of Private Sector Colleges and Universities (APSCU), an organization representing proprietary colleges, filed a lawsuit against the DOE.
- On June 30, 2012, the DOE received a U.S. District Court for the District of Columbia ruling to vacate the rules because they were found to be arbitrary and capricious; however, the DOE's authority to write the rules was upheld.
- The DOE filed a motion to reinstate the rules.
- On March 19, 2013, the federal court issued a decision that denied the DOE reinstatement request including reporting requirements although it did not affect the GE disclosure requirements.

Gainful Employment 2.0 *Subsequent* Federal Regulations:

- On April 16, 2013, the DOE published a notice of intent to establish a Negotiated Rulemaking Committee that included GE.
- Negotiations for GE 2.0 began on September 13, 2013 with even harsher measures than originally written that include a "zone" threshold where programs can lose eligibility *beyond* the minimum standards set forth in the original GE measures.
- Consensus was not reached.
- Again, thousands of comments were submitted during the NPRM process.

- Against strong recommendations and requests from U.S. Congressional members to hold back publication of GE 2.0 final regulations, the DOE published the final rules on October 31, 2014.
- Meetings with those affected by the regulations as required by law were still being held when the final regulations were published.
- The DOE admitted that some of the language was problematic, and it published the regulations with the intent of correcting the language before the implementation date of July 1, 2015.
- APSCU and Association of Proprietary Colleges (APC), both representing proprietary institutions, filed lawsuits against the DOE—two different judges upheld the GE regulations.
- APSCU has filed an appeal.

Table 10: Gainful Employment Debt-to-Earnings (D/E) Definitions for Original and GE 2.0 Regulations

Gainful Employment Rate Definitions		
	GE 1.0	**GE 2.0**
Repayment Rates		
Passing	**Over 35%**	**No longer eligibility measure and included in disclosures**
Failing	**Under 35%**	
Annual Debt-to-earnings Rates		
Passing	**12% or Less**	**8% or Less**
Zone	**n/a**	**Over 8% and Under 12%**
Failing	**Over 12%**	**Over 12%**
Discretionary Debt-to-earnings Rates		
Passing	**30% or Less**	**20% or Less**
Zone	**n/a**	**Over 20% and Under 30%**
Failing	**Over 30%**	**Over 30%**

Reviewing Table 10 I find it's hard to imagine that this is the "short version" of the story, but it is. More details about the deception and manipulation behind these regulations are provided in this book in Chapter V. Gainful Employment Manipulation. I wanted to provide this basic history of gainful employment to show the extent of the work put into the Administration's efforts to enforce these gainful employment regulations on a limited number of institutions and programs.

Now, you'll get a taste of the rest of the story…

FY 2011 GE Informational Rates Were Incomplete, Inaccurate, and Misled Public Opinion about Results

There were two sets of data for the FY 2011 GE Informational Rates:

1. The **"Streamlined"** data released to the general public included rates for 3,787 programs.
2. The more comprehensive **"Final"** data not released to the general public included 13,587 programs and the data details behind the GE rates.

A disproportionate number of schools from each sector were reported in the "FY 2011 Streamlined Informational Data" that was released to the public compared to the comprehensive "FY 2011 Final Informational Data."

Table 11: GE Programs Included in Final vs Streamlined Data by Sector

SECTOR	# Programs in Final Data	# Programs in Streamlined Data	% of Streamlined to Final # Programs
PUBLIC	5,301	268	5.1%
PRIVATE	616	111	18.0%
PROPRIETARY	7,847	3,408	43.4%

The payments in the comprehensive "Final" FY 2011 GE Informational Rate data weren't calculated properly using the defined standard repayment schedules.

1. The payment calculations for programs where all sectors are compared were the most accurately reported ratios:
   - The UNDERGRADUATE program payments were consistent

with the average debt amount and the defined length of repayment period.

- The POST BACCALEAUREATE program payments were similar to the payments calculated for the average debt amount and defined length of repayment period. The payments for the proprietary programs had the biggest discrepancy.

2. The payment calculations for credential levels where the proprietary schools had the only programs reported (foreign programs excepted), were inaccurately calculated too high. The average payments for these programs showed:

Proprietary Associate's Degree:	**85% too high**
Proprietary Bachelor's Degree:	**160% too high**
Proprietary Master's Degree:	**45% too high**
Proprietary Doctorate Degree:	**149% too high**
Proprietary First Professional Degree:	**77% too high**

Debt-to-earnings (DTE) calculations take the annual total of debt payments using defined standard repayment calculations and divide that total by the annual earnings (D/E). But these grossly inflated payments had a negative impact of significantly and erroneously increasing the debt-to-earnings calculations which made the results look much worse than they actually were. **Grossly exaggerated debt-to-earnings ratios based on inflated inaccurate payments gave the false impression that proprietary school programs left their students with high debt that they could not afford to pay.**

In fact, the proprietary sector had the following averages[9] when correct payments were applied to the gainful employment metrics:

Proprietary Undergraduate Certificate:	**Pass 2 of 3 metrics**
Proprietary Associate's Degree:	**Pass 3 of 3 metrics**
Proprietary Bachelor's Degree:	**Pass 3 of 3 metrics**
Proprietary Post Baccalaureate Certificate:	**Pass 3 of 3 metrics**
Proprietary Master's Degree:	**Pass 3 of 3 metrics**
Proprietary Doctorate Degree:	**Pass 3 of 3 metrics**
First Professional Degree:	**Pass 3 of 3 metrics**

9. The rates were calculated and based on available data in the FY 2011 Final GE Data.

When correct payments were applied to FY 2011 failing programs, only 6 of 193 proprietary programs remained failing.

Where did the "zone" definition come from in GE 2.0?

Just my theory:

1. After hearing my testimony in May 2013, about the inaccuracy of the data used in the FY 2011 GE Informational Rates, the DOE went back and recalculated the payments.
2. The DOE's misguided beliefs were not supported by the data when the appropriate payments were applied and rates were recalculated.
3. Even though the DOE used several hundred pages of preamble language to support the thresholds that it used in the original GE regulations, it decided to come up with a measure that would recapture those schools that were lost when correct payment calculations were applied.
4. The DOE developed the "zone" as another arbitrary and capricious method solely targeted at eliminating certain programs and having nothing to do with actually measuring the quality of education.
5. To ensure that its FY 2012 GE Informational Data would not be audited (by me) like the GE 1.0 data was, the "median debt" data was left out of the data, making it impossible to verify the accuracy of the rates that were used for publishing GE 2.0 final regulations.

Does There Appear to Be Another Agenda with GE?

If the GE 2.0 (FY 2012) Informational Rates are accurately calculated, why is the DOE withholding pertinent data that is needed to verify the accuracy of the calculations?

Is it because the calculations aren't accurate—again?

Is it because full disclosure of the accurate data wouldn't support their misguided belief system and would derail a plan to eliminate proprietary schools even when the majority of these schools are performing well?

The U.S. Department of Education published final regulations on October 31, 2014, knowing there were issues with the language, and saying it would pull them back or adjust the regulations, if needed, so that it could force implementation on July 1, 2015.

Am I the only one thinking this sounds way too similar to the broken promises that we live with under the Affordable Care Act?

Equal Application of Quality Metrics

Having quality standards for every sector would be appropriate for the students, schools, taxpayers, and America in general. As currently written, the GE regulations do not require the same quality standards for certain public and private colleges that would ensure positive outcomes and performance for all students. **This habit of writing laws and regulations that only apply to certain sectors or programs leads to a decline in quality education for students.** Requirements for cohort default rates, cash flow requirements (called 90/10 in higher education), graduation rates, and the ability to find gainful employment after graduating are all designed to protect the students and create fiscal responsibility. How can the students and fiscal interest truly be protected if certain institutions aren't held to the same quality measures?

If the quality metrics are good measures, they should be applied to all institutions.

Is Tax-Filing Status Really an Indicator of Good or Bad Quality in Education?

As an example, the following is a comparison of two colleges in Tucson, Arizona that serve students of similar socioeconomic backgrounds: Pima Community College (PCC) and Pima Medical Institute (PMI).

Table 12: Comparison of Performance Metrics for Public (PCC) and Proprietary (PMI)[10]

INSTITUTION COMPARISON FY 2010 STATISTICS	Pima Community College (PCC) College Scorecard *	Pima Medical Institute (PMI) School Disclosure Info
Tax Filing Status	**Nonprofit**	**For-profit**
Graduation Rate*	10.2%	75.0%
FY 2010 Default Rate	23%	11.5%
Tuition	$2,968*	$11,070
Average Debt	$5,867	$7,000
Average Cost (Ave Debt/ Grad%)	**$575 per % of Graduation***	**$93 per % of Graduation**

The College Scorecard for Pima Community College shows an average student loan debt of $5,827—high considering almost 90% of their students aren't completing in a timely manner. The average loan debt divided by the graduation rate, yields the cost per graduation percentage point (completion) of $575. Somehow in the current belief system, the statistics for Pima Community College are acceptable because it is a public nonprofit school.

By comparison, Pima Medical Institute does not have a College Scorecard

10. Referring to information in Table 12:

The College Scorecard is posted on http://www.whitehouse.gov/issues/education/higher-education/college-score-card. FY 2010 data was available at the time of our research.

Graduation Rate is the acceptable time for being counted as a "graduate" and for receiving federal student aid funds and benefits is when a student completes a program or degree within 150% of the original expected course length. For example, bachelor's degrees have a 4-year expected completion time; students who complete within 6 years count as graduates; and qualified students receive Title IV funding and interest subsidies on in-school deferments for up to 6 years.

Non-profit Tuition does not include state and federal grant money that is not available to for-profit colleges. When this is added to the average cost, PCC costs students and taxpayers much more than PMI, a comparable college servicing the same location and student clientele.

Dollars per % of Graduation is calculated by dividing the average loan debt by the graduation percentage to get a cost per percent of graduation—giving an apples-to-apples comparison of cost to the student for what is received.

A comprehensive analysis of school data is provided in Chapter V. Gainful Employment Manipulation of this book.

and was happy to provide their amazing statistics as required in disclosures to students. The average student loan debt is $7,000—low considering that 75% of their students are graduating in a timely manner. When the average loan debt is divided by the graduation rate, the cost per graduation percentage point (completion) is $93. Somehow in the current belief system, Pima Medical Institute is considered unacceptable because it is a for-profit or proprietary school.

According to the Federal Student Aid website:[11]

"In February 2013, the Administration released the College Scorecard, a new planning tool to help students and their families make more educated decisions about college.

"Using the college scorecard, students and their families can look up the cost and assess the value of colleges. Each scorecard highlights five key pieces of data about a college: costs, graduation rate, loan default rate, average amount borrowed, and employment."

Only 308 or 14.4% of all proprietary colleges were included in the College Scorecard website.

> **Scarecrow:** *Come along, Dorothy. You don't want any of "those" apples.*

The students, parents, press, lawmakers and public rely on the College Scorecard for pertinent information about colleges so that informed decisions can be made. When I told the owner of Pima Medical Institute that his school was missing from the College Scorecard site, Richard (Dick) Luebke, Jr. wasn't surprised and replied, "It must be because of our good numbers."

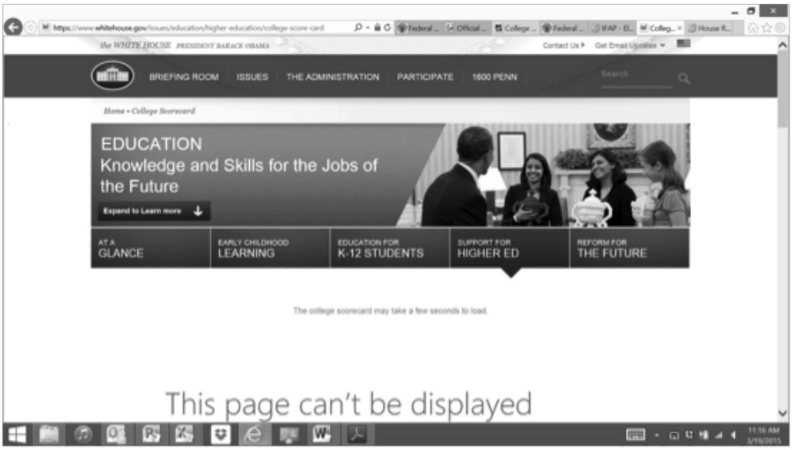
> *How can good decisions be made when certain good schools are missing from DOE websites and limited data is provided?*

> *Since I began speaking publicly on this subject in January 2015, the College Scorecard data has disappeared twice.*

11. https://studentaid.ed.gov/about/announcements/college-scorecard

The first time that the College Scorecard information disappeared was sometime between February 13, 2015 and March 18, 2015.[12]

Table 13: March 18, 2015 College Scorecard Search Results:
THIS PAGE CAN'T BE DISPLAYED (whitehouse.gov screenshot)



We tried to identify when the database had been removed using several companies that periodically archive snapshots of websites. Two sites shut down when the College Scorecard URL was entered and wouldn't show us anything for the College Scorecard URL. These were:

- https://screenshotmachine.com/
- http://snapito.com/index.html

At this time, we can only verify that the College Scorecard data were available on February 13, 2015 and were no longer available on March 18, 2015. Over a dozen DOE employees were present during my last speech on February 23, 2015.

Has the data been eliminated to cover this up?

The second time the College Scorecard information disappeared was on September 17, 2015, less than two weeks after its release on September 5, 2015.

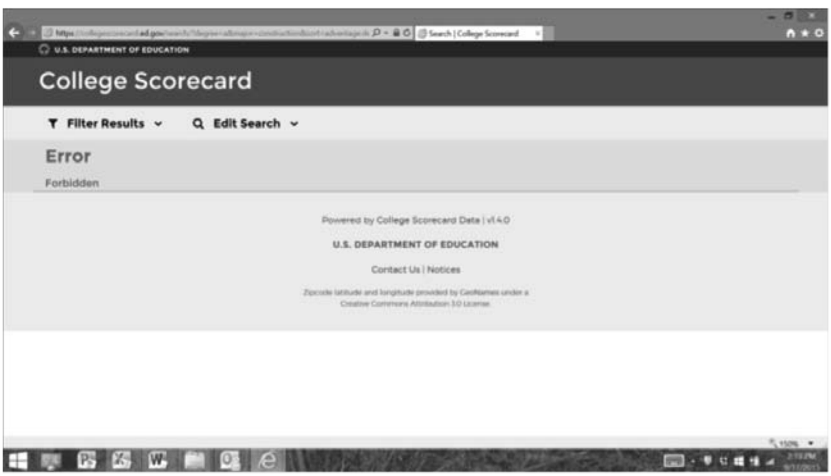
12. The Wayback Machine website last archived the College Scorecard site on February 13th. The information is available at the following link: https://web.archive.org/web/20150213214414/http://www.whitehouse.gov/issues/education/higher-education/college-score-card

Luckily, I was able to capture some screenshots prior to the data being removed. The information was available in a downloadable zip file until September 17th. After I began downloading the file, the site went down. When it came back up, I tried looking at groups of schools and received an error message stating: "Error Forbidden." No matter what I put into the system for searches from individual schools to groups of schools, the same message occurs.

Widespread criticism of the new College Scorecard came from many different sources this fall when the public and interested parties found out that those schools reported did not include all schools, and when definitions of data provided were blatantly excluding certain students and statistics. I was no longer the only person questioning the Administration's and the DOE's intent.

> *Is it a coincidence that the "New" College Scorecard search began returning an "Error Forbidden" message for every search on September 17, 2015, after I began downloading the zip file with the College Scorecard data?*

Table 14: September 17, 2015 College Scorecard Search Results: ERROR FORBIDDEN (DOE screenshot)



Freedom of Education Is Important

There are many reasons students choose to attend proprietary institutions and not public or private schools. I know, because I was an at-risk student who graduated from a proprietary institution when I was 19 years old. I grew up in a small town in Montana; one that was smaller in population than the public institutions that offered me scholarships to attend. I chose to forfeit the scholarships to attend a small proprietary school that I could quickly graduate from, one that had a limited population that I could emotionally handle at the time, and where I could study what drove my passion for a career. The education and support that I received from my proprietary school helped me break away from the abusive home where I grew up and shaped my future to help other at-risk students have access to higher education.

Proprietary institutions serve a very special niche, and the majority of institutions follow the laws and regulations that are mandated. There is no doubt that quality measures are needed to ensure good outcomes for students. But focusing on and manipulating facts and applying extreme examples to all will result in the loss of colleges that do a great job of educating the proprietary sector. Creating educational opportunities for all people requires that we develop a means to apply consistent quality standards to everyone and hold them accountable when they fail.

Manipulated facts undermine the value and importance of for-profit proprietary institutions that primarily serve at-risk students. These are the students for whom the Higher Education Act was written in the first place.

> *Without quality education, we have a people who do not have the education, training, or discernment to make good decisions that ensure America will be a safe, productive, financially stable, and healthy, happy nation in the future. Without it, dependency upon the government to tell us what to do, when to do it, and how to live will increase. Increased government control equates to fewer and diminished freedoms.*

Education Is One of Many Freedoms Being Compromised

The most disturbing fact is that education is only one area where this is happening. When we consider the application of smoke and mirrors that cover up actual facts for education, healthcare, national security, missing money from government accounting, social security funds, welfare and entitlement programs, taxation, and all other areas of government control, the level of manipulation has the potential to end America as we know it. These injustices have already begun.

The DOE wants all citizens to believe that proprietary schools are greedy and have bad results while all the public schools do a better job.

> *It wants people to believe that community colleges can better educate at-risk students than proprietary institutions. This is spin, not fact.*

I urge you to ask yourself, "What are you, as an American, going to do to protect your freedom while ensuring you know the factual truth so you can make sound, informed decisions about your life and the lives of your children?

How Many of Us Are Already Living the Life of a Zombie?

Kids talk about it on a regular basis, fearing the "zombie apocalypse." Look at the facts. Many are already there…

Until Americans take the time to research facts behind decisions that are being made on our behalf, we will continue to be led down the wrong path. Now is the time to question everything and assume nothing.

zombie [zom-bee]
Informal. A person whose behavior or responses are wooden, listless, or rote: automaton.

wooden [woo d-n]
Adjective. Expressionless, vacant, lifeless, impassive.

listless [list-lis]
Adjective. Having or showing little or no interest in anything; languid; spiritless; indifferent.

rote [roht]
Adjective. Proceeding mechanically and repetitiously; being mechanical and repetitious in nature; routine; habitual.

automaton [aw-tom-uh-ton]
Noun. A person or animal that acts in a monotonous, routine manner, without active intelligence.

Reference: dictionary.com