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From: NAICU Presidents Network

Sent: Thursday, October 28, 2010 3:42 PM

To: NAICU Presidents Network

Subject: [presnet] Update on Fraud and Abuse Regulations

Dear Colleagues,

This morning, the U.S. Department of Education released the bulk of the anticipated regulations intended to address fraud and abuse in the for-profit sector. The department will issue the most controversial sections of the gainful employment rules separately, once additional public comment is received. None of the regulations would go into effect before July 1, 2011.

As you know from our [earlier communication](#), NAICU acknowledges the need for the government to respond to the pattern of for-profit higher education scandals, but believes we must ensure that any additional government oversight (1) be directed at the purported areas of abuse, and (2) continue to recognize the independence of our institutions' governance structures and diversity of missions.

It is not easy to craft such a balance. We have worked diligently for the past year – including serving as formal federal negotiators on the proposed regulations – to help strike the appropriate balance between accountability to taxpayers and protection of institutional independence.

The two most [pressing issues for NAICU](#) have been state authorization and credit hour, where we have a number of questions about proposed oversight. There are other areas of concern as well.

In total, the partial regulations are nearly 1,000 pages long ([Today's Inside Higher Ed article](#) includes a link to the full regulations). The more than 150 pages of introductory comment on credit hour and state authorization alone make it clear that the Education Department is well aware of NAICU's concerns, and of your efforts to weigh in on these issues.

The answer to the core question of whether the department's changes strike the right balance for our institutions and taxpayers will come through a thorough read of all 968 pages of the regulations.

Much of media coverage and on-line analyses of the proposed regulations issued last summer were incorrect, because of improper cross-referencing to current law and existing regulations by analysts. Through a careful of the full regulations, we hope to avoid such misinterpretations.

We want to ensure that students counting on America's higher education system are not failed by it, and that taxpayers' dollars are not wasted. At the same time, NAICU will continue its efforts to maintain the historical balance between institutional autonomy and governmental accountability.

Thank you for your patience as we work through this incredibly complex, and increasingly partisan, policy issue. We will be getting back in touch regarding next steps.

David

David L. Warren
President, NAICU