

SARGE ADVISORS
**FINANCIAL, OPERATIONAL &
EXECUTIVE ADVISORS FOR HIGHER ED**

November 21, 2017

Open Letter to Higher Education Colleagues Impacted by
Gainful Employment and Appeal for Financial Sponsorship

Dear Friends and Colleagues:

I am very excited and honored to have been nominated and selected as a primary negotiator for the upcoming Department of Education's Gainful Employment Negotiated Rulemaking Committee 2017-2018, representing CFO's and Business Officers. I am looking forward to a healthy debate where innovative thoughts and ideas can be brought forth and hopefully implemented. I will be your voice and advocate to the federal government.

I am seeking your support for this opportunity to impact our future. The Department of Education provides the opportunity to participate as a negotiator but not reimbursement for expenses related to this important work. With the expectation of spending three separate weeks in Washington DC over the next few months, this is likely to cost each negotiator approximately \$6,000.

I am appealing for financial assistance to help offset the direct expenses of this work with a suggested donation of \$500 or an amount that is comfortable for you. If you are inclined to provide such a token of support, you may mail a check to:

SARGE Advisors
15129 E. Poundstone Place
Aurora, CO 80015

Or use my Paypal account at sandy.sarge@sargeadvisors.com.

Below is an excerpt of my thinking and part of the message I hope to bring to Washington. With your help, I will represent our sector with passion, new insights and integrity that focuses on what we all want – to help students. And, I will report back to you on our findings and progress.

Thank you in advance for your help and support.

Excerpt of Position:

If I were to put the Gainful Employment situation into my own words I would say that the Department of Education's has a perception issue. The ED holds out *its perception* that students in the for-profit sector incur excessive debt because these schools are "looking for ways to cheat and steal from students," "want to line the pockets of our investors with as much money as possible." Because of this, schools who are not classified as public or private, not for profit institutions are required to prove that the incurrence of this debt was "worth it" to the student. The Department developed the Gainful Employment regulations as one means of measuring this "worth" or value. But from my perspective, they missed a vital piece that needs attention. Rather than trying to

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interpret value, a very personal and subjective concept, we should be focusing on a real and tangible student concern - reducing the actual debt incurred.

The Department already sets limits on when and how much money students can borrow or receive in grants. These limits are reasonable – you must be in college, attending classes, passing those classes and making progress towards graduation in a timely manner. That all makes sense and if students do not take these steps, they cannot and should not receive federal student aid. But if a student does take these steps, investing their time and energy at a school of their choice, *this should be proof enough that this student sees value in the educational path they chose.*

Instead, the HEA added measurements that were intended to “prove” value. Gainful Employment measurements and the 90/10 rule are such mechanisms.

While the premise of wanting to protect students is a lofty goal, what students really need is lower debt. They are capable of choosing their own educational paths; they do not need a federal agency defining and interpreting value for them. Instead, they need their government to find ways to bring the cost of higher education down. And to students, cost made of up two key elements – the cost of going to school (i.e. tuition and fees) AND the cost of borrowing funds to pay for school (i.e. origination fees and interest).

If, in the end, we were able to reduce these two things, the need for Gainful Employment regulations goes away. This should be the ultimate goal of our government and in particular these upcoming committee meetings.

As I prepare for my committee duties, I am asking colleagues within our sector to give me their thoughts and frustrations, concerns and ideas about how to make GE better for students and schools. I don't want to go to Washington with just my own ideas; I want to be armed with the perceptions and thoughts of others as well. Please email me with any information you think will be valuable as I enter these negotiations.

Thank you for your attention and support,

Sandy Sarge

Sandy Sarge
President