Secretary of Education Miguel Cardona  
United States Department of Education  
400 Maryland Avenue, SW  
Washington, DC 20202  

June 26, 2023  

Dear Secretary Cardona,  

As non-profit organizations that work toward equity in education, we support the Department’s goal to increase transparency for students and protect them from predatory behavior from Online Program Management Companies (OPMs). We implore the Department, however, to do so in a way that does not interfere with the work non-OPMs do to support increasing access to and completion
of quality higher education programs, especially for low-income students and students of color, and the work that non-OPMs do to increase the supply of diverse PK-12 educators serving these same students.

While our organizations take different approaches to assisting students, many partner with Institutions of Higher Education (IHEs) to support students traditionally underserved by our nation's education systems. This work is closely aligned with the Administration's stated goal of increasing college access and completion. Many of us work to increase the number, quality, and diversity of educators working with low-income and marginalized students, addressing a critical national need. Others employ research-driven approaches to help students enter and complete college, such as providing coaches or mentors or connecting students with benefits to help them meet their basic needs. Others support students as they transition from college to career, helping them attain family-sustaining jobs.

As non-profit organizations, we are concerned that the sweeping changes proposed in the non-regulatory Third Party Servicing (TPS) guidance will interfere with our ability to continue to support students and educators, let alone grow and scale impact. The financial burden of becoming a TPS may be manageable for the profit-generating companies for whom the rule is intended, but for non-profits, its impact would be significant and reduce their ability to serve students. The extensive audit guide requires a site visit, interviews with management, and a review of at least 25% of student files, selected through an extremely detailed, federally-mandated methodology. This process is estimated to cost $40,000 to $50,000 annually for small nonprofits and the cost will increase based on the size of the organization. Teach For America, for example, will need to audit 1,000 student files to comply with this requirement. Furthermore, these requirements may be updated and expanded by the Office of the Inspector General at any time. For many organizations, this administrative burden is significant in comparison to the amount of revenue they receive from colleges, which in many cases is negligible or non-existent.

Recruiting more educators is an essential strategy to fill critical shortages. Providing one-on-one coaching to college students to stay in high-quality programs is a proven strategy to increase completion rates. And, ensuring that low-income students of color have support in identifying, applying to, and completing post-secondary programs is even more essential to increasing social and economic mobility for the most marginalized students in our country. This work is even more urgent in light of growing and persistent racial gaps in educational attainment. In the decade before COVID-19, the number of Black students enrolled in higher education fell by 22 percent, before declining another 7 percent since the onset of the pandemic. This is despite the fact that Black high school students are now more likely to aspire to go to college than white students. Additionally, the country's K-12 teaching workforce is far less racially diverse than its students. Since racially diverse teachers improve the academic performance of racially diverse students, and likelihood of those students going to college, the Department should avoid any action that will reduce the pipeline of diverse teachers to K-12 schools.

The Department ought to be able to distinguish between mission-driven non-profit organizations working to address critical educational equity gaps and for-profit companies exploiting low-income students for financial gain. If it is not able to develop guidance that is better targeted at addressing the problem it is intending to solve, perhaps a different approach entirely is warranted.

We hope that as the Department carefully reviews the numerous comments it received and considers changes to the guidance, it will act to further the Department's own goals of diversifying
the educator and principal workforce and addressing the college completion crisis. Doing so requires excluding non-profit organizations from these onerous requirements and narrowly targeting the guidance at organizations suspected of engaging in predatory behavior.

Sincerely,

America Forward
American Psychological Association Services
Bottom Line
Braven
College Possible
College Success Foundation
EDGE Consulting Partners
Education Reform Now
Higher Learning Advocates
KIPP Public Schools
National Center for Teacher Residencies
National College Attainment Network
National Council on Teacher Quality
New Leaders
OneGoal
One Million Degrees
Teach For America
Teach Plus
TNTP
uAspire
Urban Teachers

Cc: James Kvaal, Under Secretary of Education, Roberto Rodriguez, Assistance Secretary, Office of Planning, Evaluation and Policy Development