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Rep. Foxx Calls for Streamlining Regulations and Cutting Spending

By Eric Kelderman

Washington

U.S. Rep. Virginia Foxx, a Republican from North Carolina, said on Tuesday that one of her priorities for higher education in the new session of Congress would be to question the amount and scope of regulation that the U.S. Education Department applies to colleges, in particular the proposed "gainful employment" rule that could have a major impact on the nation's for-profit institutions.

She also repeated earlier comments that the Pell Grant program, which provides college scholarships for low-income students, would not be exempt from Republican proposals to slash the federal budget.

Representative Foxx, the newly named chairwoman of the higher-education subcommittee in the U.S. House of Representatives, made her remarks at the annual conference of the Council for Higher Education Accreditation, an association that represents some 3,000 postsecondary institutions and sets standards for 60 accrediting organizations that seek to be recognized by the council, including the major regional and national accreditors.

The gainful-employment rule has become a target of Republicans in Congress, who have largely been more sympathetic than Democrats to the concerns of the for-profit colleges. The rule, which has yet to be issued in final form, would cut off federal student aid to programs whose graduates carry high student-loan debt relative to their income and have low loan-repayment rates.

Representative Foxx said that although higher-education institutions should expect federal money to come with demands for accountability, it was not clear to her that the proposed rule made sense. And if it did make sense, she said, it should clearly apply to both for-profit and traditional nonprofit colleges.

While Representative Foxx said she would like her subcommittee to discuss a host of education regulations that could be passed

down to the state governments, she said she would not be "rushing to legislate," but instead would focus on oversight with regular hearings.

'Not Prejudging the Issue'

Eduardo Ochoa, assistant secretary for postsecondary education at the U.S. Education Department, spoke to the conference after Representative Foxx had finished. He said he did not take her comments as a threat to try to scuttle the regulations.

"What I heard from Congresswoman Foxx, I'm going to take at face value, and I thought it was measured," he said. "She said the rules may be unfair. She is not prejudging the issue ... and so there is an interesting conversation there," he said.

Mr. Ochoa also said that the department's next draft of the rule may quell concerns of the proprietary colleges, though he gave no specifics on what those changes were or when they would be released.

"The regulations as they come out are going to be significantly different—I think they're going to be better, nuanced, and I think that there's a lot there that people will appreciate having other views reflected."

Gregory O'Brien, president emeritus of the for-profit Argosy University, said that having the Republicans in control of one chamber of Congress would be a welcome balance to the regulatory ambitions of Democrats in Congress and the Education Department: "I think there may be some slowing of a train."

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