

MAJORITY MEMBERS:

ROBERT C. "BOBBY" SCOTT, VIRGINIA,  
*Chairman*

RAÚL M. GRIJALVA, ARIZONA  
JOE COURTNEY, CONNECTICUT  
GREGORIO KILLI CAMACHO SABLÁN,  
NORTHERN MARIANA ISLANDS  
FREDERICA S. WILSON, FLORIDA  
SUZANNE BONAMICI, OREGON  
MARK TAKANO, CALIFORNIA  
ALMA S. ADAMS, NORTH CAROLINA  
MARK DESAULNIER, CALIFORNIA  
DONALD NORCROSS, NEW JERSEY  
PRAMILA JAYAPAL, WASHINGTON  
JOSEPH D. MORELLE, NEW YORK  
SUSAN WILD, PENNSYLVANIA  
LUCY MCBATH, GEORGIA  
JAHANA HAYES, CONNECTICUT  
ANDY LEVIN, MICHIGAN  
ILHAN OMAR, MINNESOTA  
HALEY M. STEVENS, MICHIGAN  
TERESA LEGER FERNÁNDEZ,  
NEW MEXICO  
MONDAIRE JONES, NEW YORK  
KATHY E. MANNING, NORTH CAROLINA  
FRANK J. MRVAN, INDIANA  
JAMAAL BOWMAN, NEW YORK  
MARK POCAN, WISCONSIN  
JOAQUÍN CASTRO, TEXAS  
MIKE SHERRILL, NEW JERSEY  
JOHN A. YARMUTH, KENTUCKY  
ADRIANO ESPAILLAT, NEW YORK  
KWEISI MFUME, MARYLAND



COMMITTEE ON  
EDUCATION AND LABOR  
U.S. HOUSE OF REPRESENTATIVES  
2176 RAYBURN HOUSE OFFICE BUILDING  
WASHINGTON, DC 20515-6100

MINORITY MEMBERS:

VIRGINIA FOXX, NORTH CAROLINA,  
*Ranking Member*  
JOE WILSON, SOUTH CAROLINA  
GLENN THOMPSON, PENNSYLVANIA  
TIM WALBERG, MICHIGAN  
GLENN GROTHMAN, WISCONSIN  
ELISE M. STEFANIK, NEW YORK  
RICK W. ALLEN, GEORGIA  
JIM BANKS, INDIANA  
JAMES COMER, KENTUCKY  
RUSS FULCHER, IDAHO  
FRED KELLER, PENNSYLVANIA  
GREGORY F. MURPHY, NORTH CAROLINA  
MARIANETTE MILLER-MEEKS, IOWA  
BURGESS OWENS, UTAH  
BOB GOOD, VIRGINIA  
LISA C. MCCLAIN, MICHIGAN  
DIANA HARSHBARGER, TENNESSEE  
MARY E. MILLER, ILLINOIS  
VICTORIA SPARTZ, INDIANA  
SCOTT FITZGERALD, WISCONSIN  
MADISON CAWTHORN, NORTH CAROLINA  
MICHELLE STEEL, CALIFORNIA  
JULIA LETLOW, LOUISIANA  
VACANCY

October 15, 2021

The Honorable Miguel Cardona  
Secretary  
U.S. Department of Education  
400 Maryland Ave, SW  
Washington, DC 20202

Dear Secretary Cardona:

We write to request additional information about the U.S. Department of Education's (Department) evaluation of applications submitted by institutions of higher education to convert from proprietary institutions to nonprofit institutions. On May 27, 2021, the Department submitted a report to Congress entitled "Report on Proprietary Institution Conversions" (Report), which details the Department's process for evaluating conversion requests.<sup>1</sup> We are concerned these applications are not processed thoroughly in a reasonable time period. The COVID-19 pandemic undoubtedly caused a strain on the Department's process and led to further delays; however, we are hopeful these issues can be appropriately remedied.

According to the Report, in September 2018 the Department organized a new workgroup to handle change in ownership applications (CIO Workgroup).<sup>2</sup> The CIO Workgroup is responsible for reviewing all applications from proprietary institutions that seek to be recognized as nonprofit institutions. Although not explicit, the Report implies that the workgroup is also responsible for approving all non-conversion change of control applications.

The Report thoroughly describes the process by which the Department staff review change of control conversion applications. While we appreciate the Department working to improve the thoroughness of its review, there still appears to be a significant delay in that review. For example, several anecdotal reports suggest that the Department is spending over a year to process post-transaction change of control applications. Further, this Spring, an institution saw

<sup>1</sup> <https://www.republicreport.org/wp-content/uploads/2021/06/Report-to-Congress-on-Proprietary-Institution-Conversions.pdf>

<sup>2</sup> Ibid.

its post-transaction conversion request denied five years after its initial request was submitted to the Department.

The Department must process all change of control applications, including conversion applications, within a reasonable time. Forcing institutions to wait for years unnecessarily impedes their ability to serve students and has a chilling effect on mergers and acquisitions in the higher education industry.

In order to better assess the Department's current capacity to process change of control applications in a timely manner, we request the following information:

1. In the past three fiscal years, the average length of time taken for the Department to process fully comprehensive pre-acquisition applications involving a conversion. Please indicate the number of applications that are still pending, including how long each of those applications has been pending.
2. In the past three fiscal years, the average length of time taken for the Department to fully process comprehensive pre-acquisition applications not involving a conversion. Please indicate the number of applications that are still pending, including how long each of those applications has been pending.
3. In the past three fiscal years, the average length of time taken for the Department to fully process post-transaction change of control applications involving a conversion. Please indicate the number of applications that are still pending, including how long each of those applications has been pending.
4. In the past three fiscal years, the average length of time taken for the Department to fully process post-transaction change of control applications not involving a conversion. Please indicate the number of applications that are still pending, including how long each of those applications has been pending.
5. An estimation of the percentage of time each employee of the CIO Workgroup listed in the Department's Report spends working on matters relating to the Workgroup.
6. The number of employees assigned to the CIO Workgroup tasked with reviewing change in ownership applications on a full-time basis. Please indicate whether either of the two attorneys assigned to the workgroup work on change in ownership applications on a full-time basis.
7. We understand the Department recently began offering abbreviated pre-acquisition reviews. Please describe why the Department decided to offer this service and how many institutions have applied for abbreviated pre-acquisition reviews.

Please contact Chance Russell ([chance.russell@mail.house.gov](mailto:chance.russell@mail.house.gov)) with the Committee Staff and Kevin O'Keefe ([kevin.okeefe@mail.house.gov](mailto:kevin.okeefe@mail.house.gov)) with Representative Keller's staff with any questions regarding this request. Thank you for your prompt reply to this letter.

Sincerely,

A handwritten signature in blue ink that reads "Virginia Foxx". The script is cursive and fluid.

Virginia Foxx  
Ranking Member  
U.S. House Committee on Education and Labor

A handwritten signature in blue ink that reads "Fred Keller". The script is cursive and fluid.

Fred Keller  
Member of Congress