



**Bureau for Private Postsecondary Education**  
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**Advisory Committee Meeting Minutes**  
**Tuesday, May 15, 2018**  
**9:30 a.m.**

**Department of Consumer Affairs**  
**Hearing Room, 1<sup>st</sup> Floor**  
**1625 North Market Blvd.**  
**Sacramento, CA 95834**

**Advisory Committee Members in Attendance**

1. Joseph Holt
2. Katherine Lee-Carey
3. Margaret Reiter
4. Megumi Tsutsui
5. EJ Aguayo (on behalf of Assemblymember Jose Medina)
6. Sarah Mason (on behalf of Senator Jerry Hill)

**Committee Members Absent**

Gabrielle Jimenez  
Diana Amaya  
Tamika Butler  
Hanya Carbajal  
David Vice

**Bureau for Private Postsecondary Education (Bureau) and DCA Staff in Attendance**

Dr. Michael Marion Jr., Bureau Chief  
Leeza Rifredi, Deputy Bureau Chief  
Yvette Johnson, Enforcement Chief  
Beth Scott, Enforcement Chief  
Marina O'Connor, Licensing Chief  
Robert Bayles, Education Administrator  
Scott Valverde, Office of Student Assistance & Relief Chief  
Mina Hamilton, Legal Counsel, Department of Consumer Affairs  
Kristy Schieldge, Legal Counsel, Department of Consumer Affairs  
Kent Gray, Legislative Analyst  
Dean Grafilo, Director, Department of Consumer Affairs (partial attendance)

### **Agenda #1 - Welcome, Introductions, and Establishment of a Quorum**

BPPE Advisory Committee Chair Katherine Lee-Carey called the meeting to order at 9:31 AM. She welcomed two Advisory Committee members present on behalf of Senator Jerry Hill and Assemblymember Jose Medina. Sarah Mason represented Senator Hill, and EJ Aguayo represented Assemblymember Medina.

### **Agenda #2 - Public Comment on Items not on the Agenda**

Angela Perry of The Institute for College Access and Success (TICAS) provided a public comment. Ms. Perry commented on the potential acquisition of Devry University by Cogswell Education. She stated TICAS is interested in the role of the Bureau in regard to the acquisition.

### **Agenda #3 - Review and Approval of February 15, 2017, Advisory Committee Meeting Minutes**

Margaret Reiter moved to approve the minutes; Joseph Host seconded the motion. (Ms. Lee-Carey: Aye; Ms. Reiter: Aye; Mr. Holt: Aye; Megumi Tsutsui: Aye; Ms. Mason: Aye; Mr. Aquayo: Abstained). The motion passed.

### **Agenda #4 - Remarks by Representative of the Department of Consumer Affairs**

Dean Grafilo, Director of DCA, provided remarks on behalf of DCA. He stated he is looking forward to working with the Bureau on the new IT system project. He commented on the most recent Director's quarterly meeting. He noted that various policy and procedures were discussed at that meeting. He added that the next quarterly meeting will be held July 30, 2018.

Ms. Reiter asked about the status of the Bureau's IT project. Dr. Marion noted that the Bureau is ahead of schedule with the project.

Ms. Reiter asked if the Department has conducted an analysis on why the Bureau has not been on the forefront of identifying high risk institutions that eventually cause harm to students following unexpected closures. Mr. Grafilo stated that the Department is always open to working with other agencies to lead in consumer protection. Dr. Marion added that the Bureau is proactively working to train staff regarding this issue.

## **Agenda #5 - Bureau Operations Update and Discussion [Items under Agenda #5 taken out of order.]**

### **Compliance Report:**

BPPE Enforcement Chief Beth Scott provided a report on compliance including the annual reports unit. Ms. Scott stated the frequency and number of inspections conducted have been steadily increasing. Ms. Scott described the new established conference calls conducted by the Annual Reports unit. She noted that the calls are an hour and half in length and provide institutions with an opportunity to ask questions. She added that the calls are being modified and improved upon, and the calls have been contributing to more successful inspection results. She also noted that attendance to Bureau workshops has increased due outreach efforts.

Ms. Scott stated that the annual report portal opens on August 1, 2018 for 2017 annual report submissions. She added that 2017 annual reports are due by December 1, 2017. Ms. Lee- Carey suggested sending institutions a reminder that placement rates are required in the 2017 annual reports.

Ms. Scott reported that the unit has two inspector positions and one office technician position vacant.

Ms. Mason asked what classification are the inspectors. Ms. Scott replied that inspectors are both Associate Governmental Program Analysts (AGPA) and Staff Service Analysts (SSA). Ms. Mason asked how long do inspections last. Ms. Scott detailed that inspections generally occur over the span of one business day and sometimes over two business days. Ms. Mason commented that she is grateful for the work the unit has done in regard to barber/cosmetology schools.

Ms. Reiter asked how the students are questioned during the inspections. Ms. Scott responded that students are both questioned through interviews and surveys. Ms. Reiter asked if the Committee could see the survey given to students. Ms. Scott noted that surveys are being improved through automation due to the Bureau's new SCANTRON processor.

### **Enforcement Report:**

BPPE Enforcement Chief Yvette Johnson provided a report on enforcement. She explained that staff assisted students with \$21,795.02 in refunds directly to students or to their federal student aid account. She noted that staff also helped students with the issuance of transcripts and student records.

Ms. Johnson reported that the Bureau is working with the Attorney General's Office with training in the areas of report writing, investigative techniques, and witness testifying. She added the Bureau has also been working with other DCA boards and bureaus, and outside agencies to aide in the investigative process.

Ms. Johnson noted that of the ten vacancies since last reporting, the unit is down to three vacancies.

Ms. Lee-Carey asked how unapproved institutions are identified. Ms. Johnson stated that there are staff members that focus on researching and discovering unapproved institutions. She added that the Bureau also receives outside tips/complaints on unapproved institutions.

Mr. Holt asked if there are specialized teams that focus on specific types of complaints. Ms. Johnson noted that some staff are dedicated to specific types of issues. Mr. Holt asked if the new IT system will impact the complaint backlog. Ms. Johnson noted that staff would be able to more quickly generate statistical data, which would allow them to spend more time on working with complaints.

Ms. Tsutsui asked about pending complaints and how the bureau communicates with those students. Ms. Johnson replied that an acknowledgment letter is sent to the student. She added that if additional information is needed, then staff sends another letter to the student. She noted that staff turnover has affected communication. Ms. Tsutsui asked if there is a way to set standard time frames to follow up with the student. Dr. Marion stated there is currently a communication plan in work, and noted that the new IT system will be very helpful with keeping staff on track in regard to communication.

Ms. Mason asked what classification are the Compliant Analysts. Ms. Johnson stated the majority are AGPA. Ms. Mason asked if cases are still being tracked once they go to the Attorney General's Office. Ms. Johnson responded that they are still tracked. Ms. Mason asked for an example of an unsubstantiated closure of a complaint. Ms. Johnson gave the example of an unsubstantiated complaint as one where a student claims that they did not receive a refund, when records indicate they in fact did receive a refund.

Ms. Reiter asked if the software mentioned to help track student complaints was in reference to the overall IT system project. Dr. Marion responded that the tracking software statement was in reference to the new IT system. Ms. Reiter asked if there is a short-term solution to address communication between staff and students who submit complaints. Dr. Marion replied that a short-term solution will be considered in conjunction with the long-term solution that will come with the new IT system.

Ms. Reiter asked if there is any on-going analysis conducted to find broader issues within narrow complaints. Ms. Johnson stated that some issues identified in complaints are referred to compliance. Ms. Reiter asked how situations are handled when a student claims "x" and the school claims "y." Ms. Johnson responded that staff looks at documentation for evidence, interviews other students, and conducts further investigations to assist in making a determination. Ms. Reiter requested that the Bureau provide the committee with a sampling of not substantiated-unsubstantiated complaints. Ms. Johnson stated that she brought a summary of allegations and closure reasons from January 2018. Ms. Reiter requested that statistics of

complaints that have been referred to outside agencies be included in the next enforcement report.

#### Licensing Report:

Marina O'Connor introduced herself as the new Bureau Licensing Chief. She referred to the first page of Attachment 5C in the meeting packet and pointed out that the number of "pending assignment new full approval applications" had dropped from 26 to 17 since April 1, 2018. She added that only 2 of the 17 were submitted as complete applications. She continued that the number of "pending assignment renewal full applications" had dropped from 36 to 16. She noted that the current median date of renewal for full approval applications in que is February 2, 2018.

Ms. Lee-Carey commented on the lack of a pathway available for registration of out of state non-accredited institutions.

Ms. Lee-Carey asked for a status update on ACICS in regard to the Bureau. Ms. O'Connor noted that licensing has been receiving inquiries about the reinstatement of ACICS by the Department of Education. She noted that there is an ACICS FAQ page available on the Bureau website. Dr. Marion added that the Bureau proactively disseminated information as soon as the Bureau learned about the reinstatement of ACICS.

#### Quality of Education/Education Administration Report:

Education Administrator Robert Bayles provided a report on the Quality of Education Unit. He explained that part of the Quality of Education Unit's mission is the tracking of accreditation plans for non-accredited institutions. He noted that back in 2014 Senate Bill 1247 was passed, which required all degree granting institutions to either be accredited or make progress towards accreditation. Mr. Bayles referred to and outlined Attachment 5D in the meeting packet.

Ms. Lee-Carey questioned if the institutions included under the California Education Code section 94885.5 category included institutions who had to submit an accreditation plan when ACICS lost recognition by the Department of Education. Mr. Bayles clarified that institutions listed under that category in Attachment 5D does not include ACICS institutions.

Ms. Mason asked, of the 49 institutions under an accreditation candidacy status, if there were any trends showing preference towards an accreditor. Mr. Bayles responded that anecdotally it is scattered. He added that he could provide that information to the Committee at the next meeting.

### Office of Student Assistance and Relief (OSAR) Report:

Office of Student Assistance and Relief (OSAR) Chief Scott Valverde provided a report on OSAR. Mr. Valverde reported that OSAR staff has been working to increase awareness of the services OSAR provides through various sources of media including: press releases, social media, OSAR website, and on-site presentations with OSAR partners. He noted that OSAR is working to extend student outreach efforts by building relationships with OSAR's statutory partners and cultivating relationships with new partners.

Mr. Valverde detailed how staff is working towards the principal of individualized customer service. He gave an example of assigning specific staff to a specific school closure and/or specific claim from start to finish to foster the individualized approach. He added the staff is receiving on-going training to strengthen that approach.

Mr. Valverde stated that staff is working heavily on preparations for the next potential school closure. He added that OSAR is proactively working with the enforcement unit and is focusing on schools of concern to get ahead of closures before they occur. He noted the preparation ensures staff an effective deployment of resources and a tailored approach towards a potential school closure.

Mr. Valverde commented on requests previously made by the Committee. He noted that an OSAR flyer and information is being sent with Bureau responses to student transcript requests. He added the next step will be to refine the OSAR flyer and follow-up procedures. He stated that staff are taking additional steps to contact students prior to closing a claim by using LexisNexis to research student contact information. He added the next step will be to conduct coordinated training and to incorporate LexisNexis in to processes and procedures.

Mr. Valverde detailed staff's efforts to expand outreach. He noted that staff is working more with high school students and their parents. He stated that staff has participated in a series of events put on by the National Association of College Admissions and Counseling (NACAC). He added that staff is in the early stages of developing an OSAR led workshop, which is expected to launch in the Fall of 2018. He noted that staff has participated in Black Expo and CalVet events. He stated that he has been working with the California Community Colleges Chancellor's Office to explore outreach opportunities. He added that he has been working with the California Workforce Investment Works to include OSAR information at One-Stop Career Centers. He noted that staff is also working with local community centers.

Mr. Valverde presented a video that was developed to walk students through the STRF application form. He noted that material included in the video was based on common mistakes found in STRF applications. He added that staff is now working on a video that will give a broad overview of OSAR services.

Ms. Reiter suggested including information on leave of absence in the video. She questioned if students fully understand what all "loan documents" entails. She added it could be helpful to

add an explanation of “loan documents.” She asked how students would present information about what they paid for legal services. She continued that she was not sure how legal aides would be reimbursed for services if they do not charge the student for the services. Kristy Schiedge, DCA legal counsel, explained that students may only claim legal fees if the fees were paid by the student. Mr. Valverde added that OSAR has not received any claims that include legal fees. Ms. Reiter stated she thought the intent of including legal fee coverage in STRF was to promote students use of legal services.

Mr. Holt questioned what controls and protections does Mr. Valverde have in place to ensure the intended scope of OSAR is maintained. Mr. Valverde explained that OSAR has worked vigorously to uphold transparency of the work OSAR does and to also work closely with the Bureau. He added that he reviews OSAR resources and staff duty statements to evaluate how they mesh with the intent of OSAR along with statutory mandates and provisions. He noted that a focus of OSAR is to ensure staff is prepared in the event of a big school closure and to make every attempt to head off any big school closure.

Ms. Reiter asked if OSAR has worked towards providing students assistance with understanding where and how to file complaints. Mr. Valverde explained that goal is built in to staff procedures. He added that referrals are being made when appropriate. Ms. Reiter asked if that is something that is included in OSAR presentations. Mr. Valverde stated that information on where and how to file a complaint is included in OSAR presentations.

Ms. Reiter asked what information about OSAR is being sent out with transcript request responses. Mr. Valverde stated that the current one-page OSAR flyer is being sent out, but that staff is working on fine tuning the flyer.

Ms. Mason asked if electronic submission of STRF applications had been considered. Ms. Rifredi noted electronic submission is one of the key components being considered with a new IT system.

Ms. Mason questioned what materials are provided when conducting outreach regarding students making informed decision when choosing a school to attend. Mr. Valverde explained that the one-page OSAR flyer is provided. He added that each outreach presentation is customized based on the audience, which includes general talking points and specific items for that audience to consider. He noted some specific items may include red flags, recommendations on research tools, and links to outside resources that may include valuable information pertaining to that audience. Ms. Mason requested examples of those materials be provided to the Committee.

Ms. Mason asked how red flags were developed. Mr. Valverde explained that the red flags are constantly evolving. He stated that when meeting with OSAR partners red flags is always a hot topic of discussion. He added that staff reviews enforcement and complaints internally to identify trends. He noted that staff also engages with students to further try to determine what might be a red flag.

Ms. Tsutui suggested that the National Student Loan Data System and credit reports are good resources for students to use to find loan information. She also suggested offering STRF materials in a variety of languages.

Mr. Valverde outlined Attachment 5E in the meeting materials.

Ms. Reiter commented that if OSAR staff is making recommendations on STRF claims then there could be a conflict of interest in the event a student appeals the decision on a STRF claim.

Ms. Schieldge referred to statute CEC 94949.73(b)(2), and commented that OSAR is tasked with helping to determine the relief eligibility of students. Dr. Marion clarified that the Bureau makes the decision on STRF claims. Ms. Reiter noted that the language states that OSAR is to assist the student determine their relief eligibility, not assist the Bureau. She continued that OSAR is intended to help students and not to reduce the workload of the Bureau. Dr. Marion responded that the Bureau will review the process and ensure the Bureau is complying with statute.

Public Comment:

Ms. Perry stated that TICAS is pleased with the work OSAR is doing. She continued that TICAS would be happy to provide feedback or assistance to the Bureau if needed.

**Agenda #6 - Status Updates on Regulations**

Dr. Marion pointed to the meeting agenda and provided a status update on Bureau regulations. He stated that Registration for Out-of-State Private Postsecondary Educational Institutions (CEC sections 94850.5 and 94801.5) has been approved by DCA and is currently under review by the Business, Consumer Services, and Housing Agency (Agency). He continued that English as a Second Language Programs (Title 5, CCR, Section 70000 (k)) is under review by the DCA. He noted that the Application for Verification of Exempt Status (CEC Sections 94874, 94874.2, 94874.7, 94874.5, and 94927.5); Title 5, CCR Section 71395) is under review by the Office of Administrative Law (OAL). He added that Compliance with Laws and Procedures (Title 5, CCR, Section 71755) is still being drafted by Bureau staff. He stated that Issuance of Citations (Title 5, CCR, Section 75020 (b)) was approved on May 8, 2018.

Ms. Mason asked what the typical processing timeframes are for regulations. Kent Gray, Bureau Legislative Analyst, stated that processing times vary depending on DCA and Agency.

Public Comment:

Raymond Trybus with San Diego University of Integrative Studies provided a public comment. He stated that if the drafted regulatory language for the exemption of English as second language (ESL) programs is approved, then the Bureau's duty of protecting students will be



hindered. Mr. Trybus referred to an example client agreement between an ESL school and an international recruiter (agent). He stated that, per the client agreement, the agent is responsible for payments and refunds between the student and the school. He added that once a refund is made from the school to the agent it is up to the agent to provide the refund to the student. He noted that the Bureau would have no oversight to ensure the transaction was conducted fairly.

### **Agenda #7 - Presentation and Discussion of Income-Share Agreements (ISA) in Private Postsecondary Education**

Ms. Lee Carey stated that many questions have arisen regarding income-share agreements (ISA) and how they relate to Bureau structure. She continued that the presenter today would provide some clarity on how an ISA works to inform the Committee for further discussion on ISA.

Tonio DeSorrento, CEO of Vemo, provided a presentation on ISA. He explained that Vemo provides and services ISA to students. He noted that Vemo has no stake in the ISA's, and that Vemo's fees are paid by school clients. He added that the agreements are between the student and the school.

Mr. DeSorrento explained that an ISA is where a school credits tuition into a student's account in exchange for a promise from the student to pay a percentage of their post graduate income over a designated period of time. Ms. DeSorrento noted that some students do not have the money for tuition upfront and do not have the ability to get a loan.

Mr. DeSorrento pointed out that an ISA gives schools the incentive to ensure its graduates get jobs that pay a fair salary. He added that ISA help alleviate debt to income ratios for graduates.

Mr. DeSorrento stated that Vemo provides consumer protections in ISA by including the following: payment caps, minimum income thresholds, maximum payment terms, no control over student's post graduate choices, disclosures, and interactive financial literacy. He explained that a payment cap is the maximum a student will pay regardless of the student's income. He stated that a minimum income threshold is the amount of income below which the student does not have to make a payment. He added that the threshold ensures students are not required to make a payment during an economic hardship. He noted that if a student is earning below the minimum income threshold and is not making a payment, then the amount owed does not increase. He stated that every Vemo ISA clearly outlines the term of an ISA. He added that once the term ends then payments are no longer required, even if a student has never paid at all due to their income remaining under the minimum income threshold.

Mr. DeSorrento stated that Vemo ISA does not require a student to get a specific job or reside at a specific location.

Mr. DeSorrento detailed Vemo ISA disclosures. He stated that the disclosures include the following: an outline of the percentage of post graduate income the student will pay, the

number of payments that will be required, the amount of tuition being credited to the students account, and the payment cap. He added that students are given 30 days to accept the agreement and three days to cancel the agreement if accepted.

Ms. Lee Carey questioned what would happen if a student was unable to finish a program or if the student withdrew from the program prior to completing it. Mr. DeSorrento replied that the contracts incorporate school refund policies, which are based on the state regulations where the school is located. He noted that the amount of tuition owed through the ISA would be prorated based on the time the student spent in the program.

Ms. Lee Carey asked what would happen in the event of a school closure. Mr. DeSorrento stated that Vemo would be subject to state regulations. He added that in instances when students have tuition refunded due to a school closure, ISA students are not required to pay anything.

Ms. Reiter asked what exactly Vemo does for the school, and asked how the school pays Vemo. Mr. DeSorrento replied that Vemo develops the terms of an ISA and tailors them for a specific school. He continued that Vemo monitors graduate's incomes and collects payments from the students for the schools. He added that Vemo also adjusts ISA for schools. He stated that Vemo is generally paid a flat monthly fee from the schools for the services they provide.

Ms. Reiter asked how an ISA would be adjusted for students who are based in different geographic locations with different economic opportunities who are in a distance online learning program. Mr. DeSorrento stated that Vemo has not yet participated in any distance learning online programs.

Ms. Reiter asked for an example of a payment cap. Mr. DeSorrento gave the example of a program at Purdue University that has a payment cap of 2.5 times the initial amount advanced. He continued that the average payment is roughly 1.4 to 1.5 times the initial amount advanced. He noted that some people, based on their income, will pay much less than what was advanced. He added that the people who earn the most post graduate also pay the most. He gave another example of a program at Point Loma Nazarene University where the payment cap is 1 times the initial amount advanced.

Ms. Reiter asked what percentage of income would an individual have to pay from the ISA examples provided. He stated the percentage would vary. He gave examples of the payment being 10% to 20% of an individual's income or lower depending on the debt burden to the individual.

Ms. Reiter asked how would the ISA handles a situation where a student already has student loan debt. Mr. DeSorrento stated that the amount of tuition a student would be eligible for under an ISA would likely be lower than the amount a student with no student debt would be eligible for under an ISA. He added that the percentage of income owed varies based on the amount of tuition advanced under the ISA.

Ms. Reiter asked what kind of credit analysis is performed on a student prior to entering an ISA. Mr. DeSorrento stated that a credit score would not keep a student from entering an ISA. He added that there is no variable pricing based on individual risk.

Ms. Reiter asked how do schools cover operating expenses for services that are not being paid upfront by the student. He stated schools may cover expenses with working capital. He added they may limit the number of participants to be able to afford to offer ISA. He noted schools may also borrow to support current operations. Ms. Reiter asked what lenders are providing financing to schools to cover ISA. Mr. DeSorrento replied that the majority of financing has come from impact investors, philanthropies, or mission oriented investors. He added that some traditional lenders are starting to show interest.

Ms. Reiter asked for input on what sort of limits or caps should be placed on ISA. Mr. DeSorrento stated Vemo would support limits and caps on ISA. He added that ISA will only work long term with consumer protections in place.

Ms. Reiter asked how to keep bad actor schools from misusing ISA. Mr. DeSorrento stated that an ISA is only worthwhile to a school if the student succeeds. He noted that it would be important to track any tactics a bad actor school might employ to get around federal requirements, such as the 90/10 rule. He added that an ISA can only show up as revenue for a school if the student is successful and making payments on the ISA.

Ms. Reiter asked if Vemo has looked in to any legal restrictions that might exist in reference to ISA. Mr. DeSorrento stated that an ISA is a very different category from an assignment of wage type scenario.

Mr. Holt asked how schools deal with ISA regarding accounting. Mr. DeSorrento stated that accounting practices are up to the schools.

Mr. Holt asked how Vemo addresses gainful employment in regard to federal requirements. Mr. DeSorrento stated that Vemo schools have a stricter outlook on gainful employment because the schools do not get paid unless the students are successful.

Ms. Tsutsui asked if the payment cap was for the monthly payments or the overall amount to be paid. Mr. DeSorrento clarified payment cap is for the overall amount to be paid.

Ms. Tsutsui asked if a student used an ISA for undergraduate then proceeded to graduate school would the payments be deferred. Mr. DeSorrento stated that it would depend on the school, but Vemo works with schools to build deferment options in to the agreements. Ms. Tsutsui asked how would a student disability be treated. Mr. DeSorrento stated that a permanent disability would result in no payments being made because of the minimum threshold. He continued that a temporary disability may result in a lower payment requirement during the time of the disability.

Ms. Tsutsui questioned what would happen if a student had other financial obligations that hindered the student from making the required ISA payment. Mr. DeSorrento stated that it would be up to the school to work with the student. He added that if the schools asked Vemo to continue to collect the same amount, then Vemo would be obligated to collect.

Ms. Reiter asked if ISA have any specialty treatment in bankruptcy cases. Mr. DeSorrento stated that ISA does not have any specialty treatment in regard to bankruptcy.

Ms. Reiter questioned how the minimum threshold formulas compare to federal poverty levels. Mr. DeSorrento stated that the lowest minimum threshold of all Vemo clients is only a little higher than the federal poverty level.

Ms. Reiter asked what is the typical time frame for an ISA. Mr. DeSorrento replied that the time frame can range from 36 months to 120 months.

Ms. Reiter asked if Vemo gives students truth in lending disclosures. Mr. DeSorrento replied that they do not give truth in lending disclosures because they are not loaning money to students. He added that Vemo does give a disclosure equal to truth in lending in that Vemo disclosures match the timing, frequency, and quality criteria. He added that Vemo discloses to the students a detailed outline of the terms of the agreement. Ms. Reiter stated that the point of truth in lending disclosures is to allow customers to compare different opportunities.

Ms. Reiter asked how many for profit schools and how many non-profit schools work with Vemo. Mr. DeSorrento replied that it is roughly half and half.

#### Public Comment:

Ms. Perry stated that TICAS agrees it is important to focus on the cost and the funding of student's educational pursuits. She stated that it is imperative to pay attention to who ISA are being marketed to, and the student financial gaps ISA are supposed to be addressing. She noted that ISA complexities come with new issues. She added that ISA can be risky for low income students who have few assets. She continued that she hopes the Bureau considers data on how students' future earnings are projected and on schools' targeted revenues and profits generated in reference to ISA.

Ms. Lee Carey asked how an ISA would be riskier for an at risk or underserved student. Ms. Perry stated that certain demographics are paid less income in comparison to other demographics. She added that even though a demographic makes less money they are still required to pay the same percentage of their income under an ISA.

#### **Agenda #8 - Future Agenda Items**

Ms. Reiter suggested discussing the classifications of Bureau staff regarding retention.

**Agenda #9 - Adjournment**

Ms. Lee-Carey adjourned the meeting with the consent of all Committee members present.