



PA EDUCATION ASSOCIATION

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April 18, 2023

Nasser Paydar, PhD
Assistant Secretary for Postsecondary Education
U.S. Department of Education
400 Maryland Avenue SW
Washington, DC 20202

Dear Assistant Secretary Paydar:

On behalf of the PA Education Association (PAEA), the national organization representing all 303 accredited PA programs in the United States, we are writing in response to the Department of Education (ED)'s intent to establish negotiated rulemaking committees to prepare proposed regulations related to programs under Title IV of the Higher Education Act. Specifically, we would like to emphasize the Association's ongoing concerns with the Dear Colleague Letter issued in February 2023 pertaining to third-party servicer oversight. The unintended consequences of a broader definition of third-party servicers, as proposed by ED in its initial Dear Colleague Letter, would include higher costs for institutions, burdensome reporting requirements for external organizations, and limited value in terms of improved education outcomes for students. **As ED undertakes negotiated rulemaking this fall, we therefore urge the Department to maintain a strict definition of third-party servicers as those entities which contract with institutions of higher education predominantly to process and administer federal student aid.**

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On April 11, following significant community feedback on ED's Dear Colleague Letter, the Department announced that it was delaying the effective date of the guidance and clarifying that clinical education partnerships would not constitute third-party servicer relationships. As first written, the Department's expanded definition of third-party servicers would have very likely included hospitals, private doctor's offices, community health centers, and the array of other clinical settings that provide the practical experiences necessary for students to complete their programs. At a time where 85% of PA programs nationwide are reporting that their existing clinical sites are taking fewer students than before the COVID-19 pandemic, new and burdensome audit, reporting, and liability requirements on an already-limited supply of clinical sites could have been a very real threat to the future of our health care workforce.¹ **We applaud the Department's clarification that it does not consider clinical settings to be third-party servicers for the purposes of these requirements.**

Beyond the impact on clinical education, PAEA has remaining concerns about the Department's expanded definition of third-party servicer activities pertaining to recruitment, admissions, and instructional content. PAEA's centralized application service - CASPA - streamlines the PA school application process for tens of thousands of applicants each year, reduces applicant costs that would otherwise be incurred through a non-centralized admissions process, and is administered in a high-quality manner as evidenced by its adoption by the vast majority of PA programs nationwide. Any new compliance requirements imposed by third-party servicer requirements that are not clearly justified by evidence would only serve to increase the cost of applying to PA school, threatening other key goals of the Department and PAEA such as more diverse PA student cohorts and a more affordable pathway to higher education for all students.

Additionally, while the Department's updated announcement clarified that it does not consider "course-sharing consortia and arrangements between Title IV-eligible institutions to share employees to teach courses or process financial aid," as third-party servicer activities, it does not speak specifically to instructional resources provided by external professional associations. As a member service, PAEA routinely publishes curricula and educational

¹ PA Education Association. (2021). *COVID-19 Rapid Response Report 3*.
<https://paea.edcast.com/insights/ECL-c621408d-c82a-43f5-a067-75a03494d8be>.



resources that are integrated into PA programs nationwide and are rigorously vetted for quality assurance prior to publication. Third-party servicer designation for these purposes, as is the case for centralized application services, has no basis in evidence and would only serve to increase the cost of publishing resources that aim to strengthen student training. **For these reasons, PAEA urges the Department to ensure that centralized application services like CASPA and instructional content provided by professional associations are not subject to new third-party servicer requirements and that third-party servicers are narrowly defined in any negotiated rulemaking pursued by the Department.**

Thank you for the opportunity to share the Association's comments. Should you have specific questions or if you would like additional information, please contact Senior Director of Government Relations Tyler Smith at 703-667-4356 or tsmith@PAEAonline.org.

Sincerely,

Linda Sekhon

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