Jason Altmire (00:04):
Hello and welcome to another edition of Career Education Report. I am Jason Altmire, and today we have a very special guest and she’s very special because I have known her for a long period of time from both of our past lives. It is Barbara Mistick and she's the president of the National Association of Independent Colleges and Universities, which is one of the most prominent and definitely one of the most interesting associations in all of higher education. And we're going to talk about the issues that are important to her members. But first of all, Barbara, I thank you very much for being with us.

Barbara Mistick (00:38):
Congressman Altmire, it's a pleasure to be with you.

Jason Altmire (00:44):
Now I have to call you Dr. Mistick.

Barbara Mistick (00:44):
No, I just wanted to identify when we first met each other was back in your congressional days. I think we were both in the library world at that particular time.

Jason Altmire (00:53):
Yeah, that's right. Yeah, Barbara Mistick has been an entrepreneur. She has been a professor. She has been a school president, a college president, and she ran the Carnegie Museum in Pittsburgh, which is a really big deal. And now she’s running the association. The acronym is NAICU. So when you hear us say NAICU, that's what it is. And I find it really to be one of the most interesting associations, even outside of education because you have such a diverse membership. And when you think about private nonprofit colleges in America, you have over 1,000 members. And we’re talking about major research universities, church-related colleges, historically Black colleges and universities, art and design colleges, liberal arts, science, engineering, business, law, women’s colleges, two year schools. You run the gamut. You have everything. It's got to be very difficult and challenging to prioritize issues and to manage the work of the association with such a diverse membership.

Barbara Mistick (02:01):
What makes it really fascinating, every day is a new and interesting activity or a new and interesting issue to deal with. So that's really wonderful. But I find that there are some commonalities among our members. I mean, I often will say that our largest member is NYU, which has about 50,000 students. But at the same time we have institutions that are maybe seminaries or there’s some kind of a divinity school that just has a couple hundred students. But the vast majority sit in that range in the middle between about 2000 students to 20,000 students, kind of that group. So I think we can identify the issues that will touch everybody. There are certainly issues that impact parts of our sector in a different way than they do others.

Jason Altmire (02:51):
Regarding issues that touch everybody, you had the unfortunate circumstance of starting your role not long before the COVID epidemic shut everything down. And of course in higher education there were
some very important and unique issues that touched on schools. How did you handle that, being new to the role and having to manage what was going on?

Barbara Mistick (03:13):
It's certainly been an interesting couple of years for all of us. I was really lucky that I got to start in September of 2019, so it was a little bit before the pandemic. And we have this wonderful relationship with a set of statewide organizations that represent prospective states. It's associations just like NAICU but state executives. We call it NAICUSE to make it even more complicated in the association language. And I was running around the country really trying to get to know my peers in each of those states. And so I got a nice chance to get up to speed, and it was just invaluable for me as the pandemic came into play because everything really changed. And I'm sure you remember those days. We were on the phone. I remember a Christmas Eve and a New Year's Eve at the end of the Trump administration when we were waiting for that second stimulus bill to be signed and it had already gone through Congress.

(04:15):
It really made a difference to me to have that some relationships around the country. We have a wonderful board of member presidents and we certainly, like everybody else, did a lot of calls during the pandemic and really looked to see what was going on, not just what we could do from the federal side. And certainly the stimulus was critically important to the stability of our sector, to the ability of our sector to be there and be able to be back at running again right away as we came out of the pandemic, started to recover from the pandemic, but to really understand what was going on in each of the states, too.

(04:54):
So as you I'm sure will recall, it was very different what was happening in one state, just even, it wasn't just the vaccine issues, but it was the delivery of services. Some institutions were back in person almost immediately. They missed that spring semester in 2020, but they were back again in the fall. So it was really interesting to see all of those differences. I think in some ways it got me up to speed. There's nothing like a crisis when you come in to really get you up to speed on the issues in your sector and what would really make a difference. And I do think that Congress really understood that, and certainly the stimulus funds that came to all parts of the higher ed ecosystem were extremely important.

Jason Altmire (05:40):
And now that things are mostly back to normal in higher education, there are huge issues that are pending. We have a presidential administration that is very active on higher education issues and is trying to push the envelope as far as they possibly can with regard to student aid and issues like that. And again, with such a diverse membership that you have, you have to focus on all of these issues. How is your membership at NAICU different than, say, the public universities or other types of schools? What are the issues that you focus on that might be unique to your membership?

Barbara Mistick (06:18):
Certainly we have a very diverse membership, and sometimes the issues that we are dealing with do overlap with the various other sectors of the ecosystem. And then there are particular issues that just impact our sector. So what we try to do is to make sure that we're taking leadership on those issues that
just impact our sector, that we're contributing when we're looking at things that impact the whole ecosystem. So actually the COVID pandemic is a good way to think about that because during the pandemic, it was really all the sectors working together that I think generated the kind of support that we were able to get from Congress. It was working together really made a difference. And I think there are a lot of issues on which we can work together that we do within the ecosystem. We all care about certain things. Student aid would be one of those issues. Funding for student aid would be one of those issues.

(07:13):

But there are regulatory pieces that come to our private nonprofit sector that aren't impacting the public sector. So on those particular issues, we've got to take the lead and really be front and center and make sure that the interests of our members are understood in the administration.

Jason Altmire (07:33):

And I'll get to some of those regulatory issues momentarily. But I think the biggest difference, the most tangible difference between your members and, say, public universities and community colleges is those institutions, for the most part, get huge public subsidies often at the state level. Your members, I'm guessing, for the most part, do not have that same type of benefit. So when funding issues come up and issues related to that type of dynamic, how do you handle that with your membership?

Barbara Mistick (08:07):

I think you've identified a very real issue for us. At the top of the list of things that we work on is equity, equity for our sector when you're looking at either regulatory issues or funding issues or our policy issues. So our sector, I think one of the fascinating things, and perhaps not well understood about the private nonprofit sector, is that we have about the same percentage of Pell students as the public sector does. Often people have this, it's really a misconception to think that the whole private nonprofit sector is the elite, the hyper elite part of our membership. And it's not because if you look at their universe of 1,700 private nonprofit colleges in the United States, a lot of those are regional colleges, they're small institutions. And so when you look across the sector, we are at about 41% Pell eligible students for our institutions. And the public sector is about 43% Pell eligible. And we do all of that without the same level of state support.

(09:14):

So those issues are critically important to us. Often these things get in the weeds. As you well know, there are a lot of devil in the details. But things like maintenance of effort, we dealt with a lot of that during the pandemic. What was going to happen on the state side? Would private institutions be eligible for some of the funding streams that the states had because of the three rounds of stimulus that came to the states? So we were very actively involved in each one of those pieces.

(09:43):

At the end of the day, I think the states valued the sector as much I think as the feds did. And I've really seen many of the states just step up and make sure that the private nonprofit colleges were eligible for the same levels of funding, for the same kind of support, particularly when you come to things that like mental health issues, issues that impact all the students, all the learners on a campus. I think states,
and large, not all, but by and large have been supportive of each part of the ecosystem. As a matter of fact, it might've been a silver lining to the pandemic for states to understand how important each part of the ecosystem was.

Jason Altmire (10:22):
There’s a lot of issues that bring the higher education community together. There are occasionally issues that drive different interests apart. But if you think about the Supreme Court ruling, not just on debt forgiveness, but on the affirmative action and admissions, think about third party servicers guidance that came forward. I think when the casual observer thinks about, well, what would a higher education association focus on? You’re thinking about student aid and issues like that, but there are so many issues, Title IX, which come up that bring everyone together. Can you talk a little bit about how, let's use the third party servicers as an example, when that came up. How do you gauge the interest and the prioritization among your members? How important it is, and then how do you work with the rest of the higher education community to go forward with your agenda?

Barbara Mistick (11:15):
Right. So the third party servicers, that is a good example to talk about because it really was a proposal that came out from the Department of Education that was perhaps not as fully considered as it might have been.

(11:30):
And I think one of the challenges for us, I venture to say it might be true for the other associations as well, is that we do have a diverse membership base. So it takes us some time to get the right kind of feedback from our members. And I think one of the things that's frustrating, particularly right now, is when we have just a 30-day comment period. I'm a believer that if we're going to have good policy, it has to have a good process. And if we just have a 30-day period of time, we've just had a chance, sometimes you know how big these regulatory pieces are, they can be a couple hundred pages, they can be 1,000 pages, and we've got to take some time to analyze all of that, to look at the intersections with the other parts of the policy, and then we need time to go back to our members and find out exactly how this rolls out on their campus.

(12:21):
So we do have a system of action alerts where we go to our members and we ask them for feedback. The third party servicers were complicated because I think no one expected how many parts of the enterprise third party servicers were. And so if you were a small institution, you had servicers. If you have study abroad programs, you had servicers. If you had platforms for your software, I mean it was everywhere across the board. So I do think that we were successful in that particular example of getting a 60-day comment period, so we were able to get more robust feedback to the department. I do think that department figured out that they had that overreached a bit, and they did pull back pretty quickly and agreed the third party issue had far greater implications than they had originally anticipated. So I'm going to be interested in what they propose in this upcoming negotiated rulemaking on this topic.

(13:23):
I mean, this is a place where we do have a process. We do have this mechanism called negotiated public rulemaking. So rather than just going out and sort of putting a flyer out there and saying, "We're going to do this, this, and this," we really need to have that process and be able to go through that process. So I am kind of grateful that we got back to that. But certainly we had to engage all of our members to understand how much of an overreach this was and how critically it would've impacted everybody. It didn't matter if you were the largest campus or the smallest campus. It impacted everyone.

Jason Altmire (13:59):
And there are a few issues that I have encountered in the three years that I've been at career education colleges and universities that stimulated as much interest among our membership and got people as fired up as that one. And we have certainly had a lot of big issues that have affected our members. You outlined a number of concerns with the overseas issues and so forth that when you think about them, when that guidance came out, how do you think that the department got itself into a position where they had a number of proposals that just did not seem to be very well-thought-out and it brought the higher education community together because there were just so many very obvious flaws with it.

Barbara Mistick (14:45):
And I think that is the end of the story, too. When something comes out like this, and it does impact everybody, there were joint letters. We do work in conjunction with the rest of the ecosystem. And when there are issues like this that touch everybody, we'll sign on collectively so that there's a sense that the whole ecosystem is upset about this. It's not going to work for anybody. But then there usually specific things. And so we'll weigh in on those specific things that impact our institutions that might not impact, for example, the public sector. So I think in this particular case, higher ed is very complicated. It's a complex enterprise. We were just talking as we got started about the size and the different kinds of members that make up just my sector, just the private nonprofit sector. Multiply that by your sector, by the community colleges, by the publics, and so on.

(15:38):
So I think that perhaps it takes time to understand how complicated all of that is. I think it does benefit if you've had some experience on a campus. I mean, having been a campus president gave me unique insights to the third party servicer. I could see how many pieces it would touch. I'm not sure that the department I think sometimes will analyze an issue. This has happened a couple of times. They'll analyze an issue for internally for maybe a year or a year and a half, but they're not getting that external perspective. And that's the piece where a process like negotiated rulemaking can come in because in those processes, there are representatives from each of the parts of the ecosystem, and that can bring a greater knowledge and understanding. So I think that is what was missed here in this piece, but it just touches everything.

(16:33):
If you've got a contract for health services, it was just so far-reaching. I was sitting actually in a meeting the day that that guidance came out. I was just about to speak to a group of, you'll like this, Jason, to a group of college and university librarians because I can never say no to librarians. There's just something in my background that doesn't allow me to do that. And the person who was speaking before me was talking about how they did all of their marketing services, all of their enrollment brochures and everything else were done by a firm in the UK. So that's a third party servicer and it's a servicer that's
not even in the United States. So it is I think become very incumbent on us to try and educate each of
the subsequent administrations when they come in so that they will understand the complexity, but
then communication just becomes so critical.

Jason Altmire (17:31):
And as you were talking, I found it interesting because you were saying there's certain things that affect
different parts of higher education, different ways, and some things that affect everybody. And there is
a rule, and I won't get too deep in the weeds because we've done other shows on it, programs on it, but
borrower defense to repayment, which gives students the opportunity to seek repayment when they
feel that they've been misled throughout the process. And the Biden administration has proposed a very
sweeping rule. Really they actually implemented the rule, although it is tied up in court right now. Do
your members view that particular rule as something that affects them? I know it's tempting to say,
well, this was designed to go after for-profit schools, but as you know better than anybody, the way that
it is written, it actually is very sweeping and it can affect other types of schools. And borrower defense
claims are now starting to see an uptick across all types of schools in higher education. Is this something
that is of interest to your members?

Barbara Mistick (18:33):
Absolutely. I think that within the Higher Education Act, there are places where there's not a clear
differentiation between for-profit and not-for-profit. And so there is a sweeping arch that occurs. And
some of the issues that you're talking about, like borrower defense, do impact the nonprofit sector as
well. And I think that there is a lot of concern as we're looking particularly at return on investment and
looking at borrower defense claims and looking at the new requirements that the department wants to
put in place, that this could very much have an impact on whether a student selects to go on to college
or to a university, or whether somebody goes back for a degree or whether a learner seeks some
additional skill enhancement. Because there's going to be different kinds of requirements about the
return on investment.

(19:30):
So I think institutions are very concerned about that anytime there is increased oversight that's
proposed, anytime that there is kind of this push on accountability. I mean, we're very supportive of the
issue of accountability. And we certainly believe that we should be accountable to the public and we
should be accountable to taxpayers who make a lot of opportunity available for students and learners at
higher education institutions. We have to be accountable to the Department of Education for federal
student aid. We have to be accountable to accreditors, to students for educational quality, to states for
the appropriate oversight that the state has. There are boards of directors, trustees at institutions, the
IRS. I mean there are mission related organizations that some of our members belong to. So there are
lots of layers of accountability, and we are very supportive of those layers of accountability as long as
they're reasonable and as long as they're equitably applied.

(20:34):
So this piece about borrower defense, it's going to impact our sector as much as it will impact your
sector. And I think that the claims that are there currently, the percentage of claims that have been
lodged against private nonprofit institutions are about the same as the percentage of our sector is to the
ecosystem. So we're about 20% of the overall ecosystem. So I think we want to make sure that we're
accountable, but there's always going to be dispute. Anybody has experiences, your experience, my experience, we could have done the same exact thing and feel differently about it when it's over. And so I think you're going to see that particularly in borrower defense.

Jason Altmire (21:14):
And we would caution the department or consumer groups in particular to advertise borrower defense as a way to get your loans repaid. Now that the Supreme Court has overturned the president's idea of loan repayment, this has been advertised a little bit as an alternative way to get your loans repaid, which is of course not what it is designed to do.

Barbara Mistick (21:37):
Right. And certainly the proposal that the White House and the administration put out on loan forgiveness has really put a spotlight on this issue. And I think it is an economic issue. I know that's why a lot of this interest has come on borrowers. But we really have to be careful that we don't cut America's future by being so focused on just this borrower's side so that we discourage students from accessing the education that they want. I mean, really, a lot of people will talk about higher ed as a transformational experience. It's really an experience of hope. And we don't want to take hope away from the American public. So if we get too locked into any one of these parts of policy that the administration's put forth, we could lose students and lose our economic edge. And I think that's something to be concerned about.

Jason Altmire (22:31):
And as we close, I'm going to ask you a question that I already know the answer to, but I think it will be of great interest, at least some people. It's a niche issue. But I misspoke earlier. I said that you had led the Carnegie Museum and it was in fact the Carnegie Library in Pittsburgh, and there is a difference, and it's an important difference.

Barbara Mistick (22:50):
Congressman, I wasn't going to correct you.

Jason Altmire (22:54):
Well, as we record this, we're on video. We can see each other, one another. And I saw your face when I said that. I knew immediately what had happened. But yes, I do want to correct, it was Carnegie Library. And you also were involved with the Heinz School of Public Policy at Carnegie Mellon University. And I was in New York recently, and I was at an event and just chitchatting and the subject of Carnegie came up. And of course they corrected me immediately. They thought that they said, "Well, it's actually Carnegie, Carnegie Hall." And I said, "No, no, I'm from Pittsburgh. Let me explain the situation." But you are an expert on this, and I know you get probably asked about this more than anybody. Can you explain how you pronounce that name?

Barbara Mistick (23:41):
It is Carnegie, and you're correct about that. So he came from Dunfermline, Scotland, and that was the pronunciation. I think certainly Carnegie was very interested in being a player in New York. And as those institutions were started and settled in New York, they did change how they pronounced that. But those
of us here in Western Pennsylvania where Andrew Carnegie’s very first public library is located, understand the difference in the pronunciations.

Jason Altmire (24:13):
Great. Well, I'm glad we settled that. Thank you very much for being with us. It's been an honor to have you. It's great to be with you again. And if somebody wanted to learn more about NAICU and the association of what you're working on, how would they find you? How would they learn more?

Barbara Mistick (24:30):
I can certainly just come to our website. There's lots of information there. It's naicu.edu.

Jason Altmire (24:36):
Dr. Barbara Mistick, thank you for being with us.

Barbara Mistick (24:39):
Thank you, Jason.

Jason Altmire (24:42):
Thanks for joining me for this episode of the Career Education Report.Subscribe and rate us on Apple Podcasts, Google Play, Spotify, or wherever you listen to podcasts. For more information, visit our website at career.org and follow us on Twitter @CECUed. That's @C-E-C-U-E-D. Thank you for listening.

Speaker 3 (25:18):
[inaudible 00:25:18]