

MEDIA ADVISORY

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CONTACT: [Shannon Gallegos](#)
510/318-7915
[Gretchen Wright](#)
[Johanna Díaz](#)
202/371-1999

Financial Aid Expert Debbie Cochrane to Testify on For-Profit Colleges at California Legislative Oversight Hearing

WHAT: Debbie Cochrane, program director of The Institute for College Access & Success (TICAS), will testify tomorrow at a state legislative hearing entitled “California's Oversight of Private Postsecondary Education.”

This joint oversight hearing of the Assembly Higher Education Committee and Senate Business, Professions and Economic Development Committee will focus on how California’s regulation of private postsecondary education, including the for-profit college industry, can ensure that both students and taxpayers are well served.

WHEN: Tuesday, February 14, 2012, at 1:30pm (Pacific Time)

WHERE: California State Capitol, Room 437. Cochrane will be available for comment after the hearing,

TESTIMONY HIGHLIGHTS: Cochrane will discuss trends and disparities related to reliance on federal and state taxpayer-backed student aid, student borrowing and default rates, and completion of credentials at for-profit colleges compared to other types of schools. She will also address a recent change to the Cal Grant program, which makes California colleges with high student loan default rates ineligible to participate. Key facts from her testimony include:

- Compared to other types of colleges, for-profit colleges have the highest share of students with debt and the highest federal student loan default rates. These schools enroll a disproportionate share of African-American, Hispanic, and low-income students, who are more likely to borrow, borrow more, and default at for-profit colleges than similar students at other types of schools.
- Two-thirds (67%) of all California students who entered repayment on their federal loans in 2008 and defaulted by 2010 attended for-profit colleges, compared to 47 percent nationally. Yet in California and nationally, only about one in 10 students attended for-profit schools.

- The average three-year default rate for federal loan borrowers at California for-profit colleges (24.2%) is more than five times the average rate at California private nonprofit colleges (4.8%) and almost four times the rate at California public colleges (6.5%).
- In California, the small fraction of students attending for-profit colleges (about one in 10) collectively received \$105 million from the state Cal Grant program in 2010-11 -- more than all the students at California community colleges combined.
- Nationally, more than a quarter of all state grant dollars going to for-profit college students came from California's Cal Grant program. In California, the average state grant received by for-profit college students was about \$6,900, while the average for all other states was \$1,900. (The most recent national comparison data is for 2009-10.)

Cochrane's written testimony will be available online at <http://ticas.org/pub.php> once the hearing begins. The link to listen to the hearing live is at <http://ahed.assembly.ca.gov/hearings>.

An independent, nonprofit organization based in Oakland, CA, The Institute for College Access & Success (TICAS) works to make higher education more available and affordable for people of all backgrounds, nationally and in California. For more about our programs and initiatives, including the Project on Student Debt, see <http://ticas.org>.

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