

**STATEMENT OF PAULINE ABERNATHY**

Vice President of the Institute for College Access & Success

**March 14, 2014**

CONTACTS: [Bill Swindell](#) 510/318-7902 [Gretchen Wright](#) 202/371-1999 [Shannon Gallegos](#) 510/318-7915

**Proposed Gainful Employment Rule Must Be Strengthened to Protect Students and Taxpayers from Career Education Programs that Over-Charge and Under-Deliver**

“While we commend the Administration for [issuing](#) a proposed gainful employment regulation today, the draft rule is soft on career education programs that consistently leave students with debts they can’t repay, and too hard on low-cost programs where most students do not borrow at all. Rather than requiring failing programs to limit enrollment until they improve, the draft rule gives bad programs every opportunity to put more students at risk. And it does not require schools to provide any relief to students who took on debt to enroll in programs that lose eligibility for federal funds.

“The Department of Education’s press release rightly notes the severity and scope of the problem, and it credits state Attorneys General and the Consumer Financial Protection Bureau for taking action against predatory practices. But the proposed rule would do little to protect the one million students that the Department acknowledges are currently enrolled in programs that don’t meet its modest proposed standards. Such programs could keep receiving federal funding for years: they could even increase the number of students they enroll and saddle with unmanageable debt, at immense taxpayer expense.

“The draft rule fails to address most of the [recommendations](#) made by more than 50 organizations that advocate for students and college access, veterans, consumers, and civil rights. For example, a program where 99% of students drop out with heavy debts that they can’t pay down could still pass the proposed standards, and schools could still enroll students in programs that lack the accreditation needed for employment in the state where the students reside.

“Students and taxpayers need and deserve a stronger final rule that will adequately protect them from programs that over-charge and under-deliver. There is still time for the Administration to make improvements that will better hold career education programs accountable for preparing their students for gainful employment, as required by law.”

*About gainful employment: The gainful employment rule covers career education programs at public, nonprofit, and for-profit colleges. Most covered programs are at public community colleges. For more on the gainful employment rule, see [www.protectstudentsandtaxpayers.org](http://www.protectstudentsandtaxpayers.org).*

###

*An independent, nonprofit organization, [The Institute for College Access & Success](#) (TICAS) works to make higher education more available and affordable for people of all backgrounds. TICAS’ [Project on Student Debt](#) works to increase public understanding of rising student debt and the implications for our families, economy, and society. Follow us on [Twitter](#).*