



**Statement of Pauline Abernathy**  
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## **Passage of Controversial Amendment to Block Gainful Employment Rule Puts Students and Taxpayers at Risk**

“In the wake of a massive special-interest lobbying campaign by the career college industry, the U.S. House of Representatives passed a controversial amendment that requires the government to turn a blind eye to waste, fraud and abuse in career education programs that receive billions of dollars in taxpayer-funded student aid.

“Numerous investigations have revealed widespread problems in the career college industry. The U.S. Department of Education is currently considering new rules that would finally enforce a longstanding law requiring all career education programs—public, nonprofit or for-profit—that receive federal student aid to ‘prepare students for gainful employment in a recognized occupation.’ Supporters of a strong gainful employment regulation include leading advocates for civil rights, students, consumers and veterans.

“Despite overwhelming evidence of the need for stronger regulation to protect students and reduce wasteful spending, the House today voted to continue subsidizing career education programs that routinely leave students with steep debts they cannot repay and credentials they cannot use. The abuses in the career college industry are similar to those behind the subprime mortgage crisis, but the effects of defaulted student debt can be even more severe, with borrowers stuck in debt for life while taxpayers foot the bill.

“The Kline amendment prevents the government from holding career education programs accountable to students and to taxpayers. It wastes taxpayer money by continuing to prop up programs that aggressively recruit, deceive and defraud first-generation college students, students of color, low-income students and veterans.

“We applaud the bipartisan group of House members who voted against this wasteful amendment and voted for students and taxpayers, including a majority of the Congressional Black, Hispanic, and Asian and Pacific-American caucuses. We urge the Senate and Obama Administration to stand firm in protecting taxpayers and students and stand up to the multi-million dollar lobbying campaign and advertising blitz by the career college industry.”

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NOTE: For more about gainful employment, see <http://protectstudentsandtaxpayers.org/>.

*An independent, nonprofit organization, the Institute for College Access & Success works to make higher education more available and affordable for people of all backgrounds. The Institute's Project on Student Debt works to increase public understanding of rising student debt and the implications for our families, economy, and society. For more information see [www.projectonstudentdebt.org](http://www.projectonstudentdebt.org) and [www.ticas.org](http://www.ticas.org), or follow us on Twitter at [www.twitter.com/TICAS\\_org](http://www.twitter.com/TICAS_org).*