

October 21, 2015

Dear Members of Congress:

As organizations working on behalf of students, consumers, veterans, faculty and staff, civil rights and college access, we write to convey our strong opposition to any appropriations rider that would delay or block implementation of the Education Department's gainful employment regulation. This common-sense regulation is designed to protect both students and taxpayers by stopping federal funding for career education programs that consistently leave students worse off with debts they cannot repay.

Congress should be *increasing* student and taxpayer protections, not scaling them back. Numerous [investigations](#) have revealed widespread waste, fraud and abuse in the for-profit college industry in particular, including [deceptive and aggressive recruiting](#) of students; false or inflated [job placement rates](#); and [dismal completion rates](#). Some schools have gone so far as to enroll students [without their consent](#) and use tactics that invoke "[pain](#)" and "[fear](#)" to pressure students into enrolling. Predatory for-profit colleges have [recruited veterans, students of color](#) and [women](#) especially aggressively. Currently, [37 state attorneys general](#) are jointly investigating allegations of fraud and abuse by for-profit colleges, multiple attorneys general have filed suits and reached multi-million dollar settlements, and the Department of Justice, Securities and Exchange Commission, and Consumer Financial Protection Bureau have suits pending against colleges that have received *billions* of dollars in taxpayer funding.

[Two federal courts concluded this year](#) that the regulation is a reasoned approach to enforcing the Higher Education Act's requirement that all career education programs receiving Title IV funding "prepare students for gainful employment in a recognized occupation."

The gainful employment regulation helps protect students and taxpayers from schools like Corinthian by forcing the worst performing career education programs to improve or lose eligibility for federal funding before burying countless students with insurmountable debt loads. In fact, the gainful employment regulation has already had a positive impact. For instance, previously many career education programs did not disclose basic information regarding their cost, debt levels, and completion or job placement rates. Now, they must. In addition, the threat of sanctions under the regulation has prompted many of the biggest for-profit colleges to eliminate some of their worst programs, freeze tuition, and implement other reforms, such as giving students trial periods before banking their tuition checks. If the regulation were repealed, industry analysts have made clear that the companies will reverse these and other reforms. Yet, that is just what the House and Senate appropriations bill riders would do—repeal the current regulation, including its consumer disclosure requirements.

Finally, it is worth noting that the gainful employment statutory requirement and regulation apply to *all* career education programs, not just those offered by for-profit colleges. In fact, they apply to more programs at public colleges than at for-profit colleges. But almost all career education programs at public and nonprofit institutions pass the regulation's tests for the simple

reason that they are serving students far better. Some career education programs, including at for-profit institutions, do a good job training students for successful careers. Those are the programs that should be receiving federal aid, and the gainful employment rule helps channel taxpayer resources in that productive direction.

Congress should not be blocking regulations designed to ensure taxpayer dollars are spent wisely. We need to be cutting wasteful spending, not subsidizing programs that routinely leave students and families buried in debts they cannot repay—and leave taxpayers holding the bag.

Thank you for considering our views.

Sincerely,

Air Force Sergeants Association
American Association of University Professors (AAUP)
American Association of University Women (AAUW)
American Federation of Labor-Congress of Industrial Organizations (AFL-CIO)
American Federation of Teachers, AFL-CIO
American for Financial Reform
Association of the United States Navy (AUSN)
Center for Law and Social Policy (CLASP)
Center for Public Interest Law
Center for Responsible Lending
Children's Advocacy Institute
Consumer Action
Consumers Union
Crittenton Women's Union
Dēmos
The Education Trust
Empire Justice Center
Generation Progress
Housing and Economic Rights Advocates
Initiative to Protect Student Veterans
The Institute for College Access & Success
The Leadership Conference on Civil and Human Rights
League of United Latin American Citizens (LULAC)
MALDEF
Mississippi Center for Justice
NAACP
National Association of Consumer Advocates
National Association for College Admission Counseling (NACAC)
National Consumer Law Center (on behalf of its low-income clients)
National Consumers League
National Education Association (NEA)
National Women's Law Center
NCLR (National Council of La Raza)

New Economy Project
New York Public Interest Research Group (NYPIRG)
Paralyzed Veterans of America
Project on Predatory Student Lending of the Legal Services Center of Harvard Law
Public Citizen
Public Counsel
Public Good Law Center
Public Law Center
Service Employees International Union (SEIU)
Student Debt Crisis
University of San Diego School of Law Veterans Legal Clinic
U.S. PIRG
Veterans Education Success
Veterans for Common Sense
Veterans' Student Loan Relief Fund
VetJobs
VetsFirst, a program of United Spinal Association
Vietnam Veterans of America
Woodstock Institute
Young Invincibles

cc:

Hon. Shaun Donovan, Director, Office of Management and Budget
Hon. Arne Duncan, Secretary of Education
Hon. Jason Furman, Chair, Council of Economic Advisors
Hon. Cecilia Muñoz, Director, White House Domestic Policy Council
Hon. Jeffrey Zients, Director, White House National Economic Council