

Congress of the United States
Washington, DC 20515

May 27, 2014

Ashley Higgins
U.S. Department of Education
1990 K Street, N.W.
Room 8037
Washington, DC 20006-8502

Re: Program Integrity: Gainful Employment
Docket ID: ED-2014-OPE-0039

Dear Ms. Higgins:

We write to express our support for a robust “gainful employment” rule and applaud the Department’s progress in the rulemaking process. We urge the Department of Education to strengthen the final regulation to end federal taxpayer funding for career education programs that consistently leave students with debts they cannot repay after providing inadequate academic preparation.

We believe the gainful employment requirement in the Higher Education Act needs to be defined and implemented through robust regulations that protect students and taxpayers from fraud and abuse. Lacking a clear definition, the gainful employment statute has not yet succeeded in preventing career education programs from saddling students with unmanageable student loan debt while failing to provide students with the high quality education that they expect. Such outcomes are obviously bad for students, and they waste taxpayer-funded student aid.

While many career education programs are effective and affordable, the rule drafted by the Education Department is rightly focused on programs that routinely leave students with insurmountable levels of debt; however, to more effectively protect students, it should be improved. The final regulation should: (1) set high standards for career education programs for which students have to borrow financial aid; (2) create no loopholes for programs with high borrowing and dropout rates; (3) reward low-cost programs that do not require most graduates to borrow; and (4) end funding for career education programs that consistently target and recruit students for their federal aid dollars—particularly veterans, working parents, and other Americans—and leave them with high debts they are unable to repay.

Approximately 86% of students who earned certificates from for-profit institutions took out loans, and the median loan amount borrowed was \$11,000.¹ These numbers are even higher

¹ Department of Education, *Proposed Rule on Program Integrity: Gainful Employment*, 79 Fed. Reg. 16426, 16434 (Mar. 25, 2014) (amending 34 C.F.R. pts. 600 and 668) (online at

for associate degree recipients.² For-profit colleges enroll only 13% of all students, but account for nearly half of all federal student loan defaults.³

Student demographics do not explain these default rates. The for-profit college industry trade association's own study concludes that, even after accounting for differences in demographics and graduation rates, students enrolled in programs at for-profit colleges are at least twice as likely to default as students enrolled in programs at other types of schools.⁴

We call on the Department to protect students and taxpayers by issuing a final regulation that promotes improvements at career education programs and prevents federal aid from being used to pay for programs that fail to prepare their students for careers that will enable them to pay back their debts.

Sincerely,



ELIJAH E. CUMMINGS
Member of Congress



MARK TAKANO
Member of Congress

www.federalregister.gov/articles/2014/03/25/2014-06000/program-integrity-gainful-employment).

² *Id.*

³ Department of Education, *Obama Administration Takes Action to Protect Americans from Predatory, Poor-Performing Career Colleges* (Mar. 14, 2014) (online at www.ed.gov/news/press-releases/obama-administration-takes-action-protect-americans-predatory-poor-performing-ca).

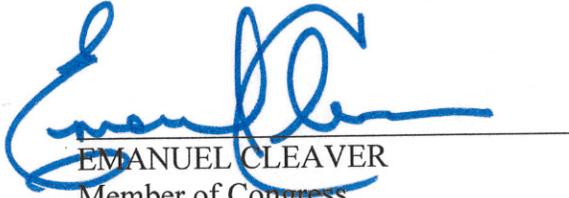
⁴ Charles River Associates, *Report on Gainful Employment* (Apr. 2, 2010) (prepared for Career College Association) (online at www.whitehouse.gov/sites/default/files/omb/assets/oira_1840/1840_04232010-h.pdf).



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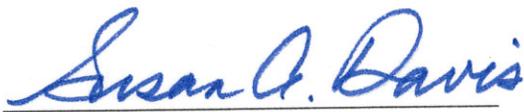
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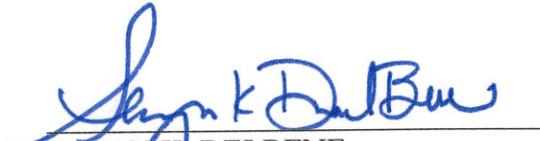
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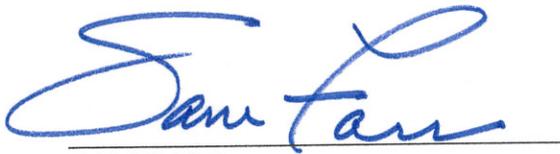
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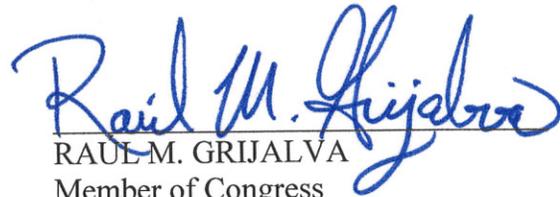
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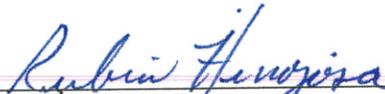
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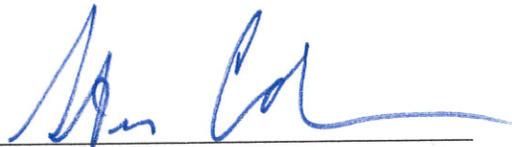
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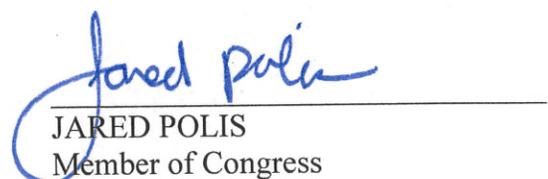

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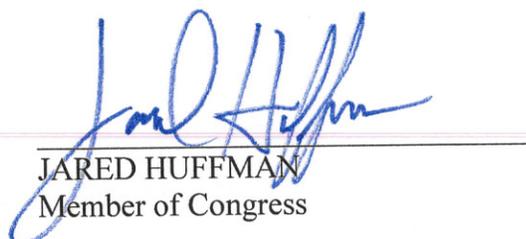

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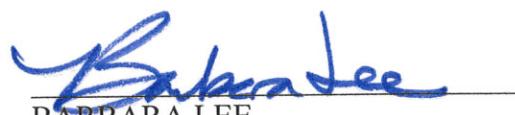

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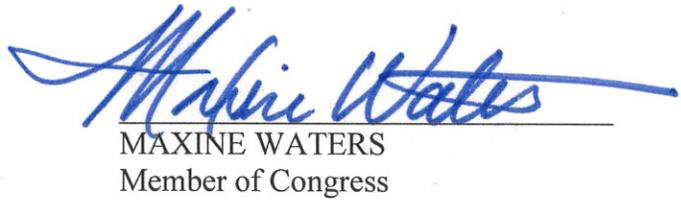
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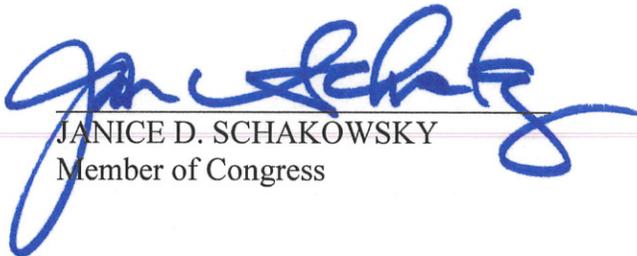
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