

Congress of the United States
Washington, DC 20515

December 13, 2013

The Honorable Arne Duncan
Secretary of Education
U.S. Department of Education
400 Maryland Avenue, SW
Washington, D.C. 20202

Dear Secretary Duncan:

We write today to express our support for your efforts to define the "gainful employment" requirement for career education programs through the negotiated rulemaking process.

The Higher Education Act of 1965 requires that all career education programs that receive Title IV funds "lead to gainful employment in a recognized occupation." Yet, there is no official definition of "gainful employment," making the provision difficult to enforce. Defining this term will help protect student and taxpayer investments in career education programs and enforce current law.

A majority of career education programs are offered by public colleges and require students to borrow little or nothing to attend. By contrast, students attending certain for-profit college programs have to borrow huge sums that they consistently are unable to repay. For-profit colleges enroll just 13% of all students, but account for nearly half of all federal student loan defaults. Student demographics alone do not explain these default rates. The Career College Association's own study concludes that, even after accounting for differences in demographics and graduation rates, students at for-profit colleges are at least *twice as likely* to default as students at other types of schools.

More than ever, we need a rule that ends federal financial aid for programs that consistently leave students – our veterans, working parents, and other Americans struggling to build new lives – without decent incomes and with insurmountable debt. Federal aid should only go to career education programs that effectively train students and help them build careers.

Last year a federal district judge upheld the Department of Education's authority to issue regulations to enforce the statutory "gainful employment" requirement. Although the judge vacated the 2011 gainful employment regulation because of defects in two areas, he ultimately confirmed the need for regulation, concluding, "The Department has set out to address a serious policy problem, regulating pursuant to a reasonable interpretation of its statutory authority.... Concerned about inadequate programs and unscrupulous institutions, the Department has gone looking for rats in ratholes — as the statute empowers it to do."

We support allowing the gainful employment rulemaking process to run its course. Efforts to slow that process are an affront to the hard-working students who invest their time, talent, and money in career education programs and to the American taxpayers whose dollars support these programs. We encourage the Department to move decisively towards issuing a final regulation.

Sincerely,


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