RIVERBENDER.COM

Durbin enlists Illinois high school educators to sound the alarm on for-profit colleges

April 24 2018 10:30 AM

WASHINGTON – With high school seniors making decisions about their educational futures, U.S. Senator Dick Durbin (D-IL) is enlisting the help of Illinois high school principals, counselors, and teachers to warn college-bound students and their families about the risks associated with attending for-profit colleges. In today's letter, Durbin calls on educators to give students "accurate and up-to-date information about their post-secondary education options, including the risks associated with attending for-profit colleges."

"Students attending for-profit schools are too often left with a degree or certificate that employers do not recognize, credits that do not transfer to other legitimate institutions, and almost twice the amount of average debt of their fellow students attending public institutions like community colleges," Durbin wrote. "For an Illinois student, getting the right information from the right person can mean the difference between a successful future and a lifetime of student debt and despair."

This is the fifth consecutive year that Durbin has written to Illinois educators and school leaders regarding the risks of predatory for-profits. Organizations helping to distribute today's letter include Illinois Principals Association, Illinois Federation of Teachers, Illinois Community College Trustees Association, National Association of College Admissions Counseling, National Education Association, American Federation of Teachers, and Illinois Education Association.

"We appreciate Senator Durbin's efforts to educate Illinois students about their college options," said Jason Leahy, Executive Director of the Illinois Principals Association. "It is important that students and families understand the risks associated with for-profit colleges and consider more affordable alternatives among our accredited Illinois community colleges and not-for-profit institutions."

For-profit colleges enroll only nine percent of post-secondary students, but they take in 17 percent of all Department of Education federal student aid dollars and account for 33 percent of all federal student loan defaults.

Full text of the letter is available below:

April 23, 2018

Dear Principal:

This is the fifth consecutive year I write to you asking for your help ensuring that your students receive accurate and up-to-date information about their post-secondary education options, including the risks associated with attending for-profit colleges.

Every day, for-profit colleges target high school students via advertisements on social media, the internet, television, and public transportation. Fueled by the profits these companies stand to earn at the expense of students and taxpayers, their advertisements often make wild promises about the job prospects and future earnings potential of their students. But too many students at for-profits quickly learn that the reality is much different. Students attending for-profit schools are too often left with a degree or certificate that employers do not recognize, credits that do not transfer to other legitimate institutions, and almost twice the amount of average debt of their fellow students attending public institutions like community colleges. Its why, although for-profit colleges enroll only nine percent of post-secondary students, they take in 17 percent of all Department of Education federal student aid dollars and account for 33 percent of all federal student loan defaults.

The most notorious of these companies in Illinois were Corinthian Colleges, Inc. (operated Everest Colleges), ITT Tech, and Westwood College. These companies engaged in a variety of fraudulent and predatory practices, including falsifying job placement rates, to lure students into enrolling and pushing them into high cost private student loans that they could never pay back. They eventually collapsed under the weight of their own wrongdoing—and left thousands of students in Illinois in the lurch. But they were not unique. Nearly every major for-profit college company has been investigated or sued for deceptive practices. According to publicly available information, the following for-profit colleges operating campuses or programs in Illinois are or have been owned by companies currently facing investigation or lawsuits by Attorney General Lisa Madigan, other state Attorneys General, and/or federal agencies or that have recently paid millions as part of state and/or federal settlements:

- Ashford University – owned by Bridgepoint Education, Inc.

- American Intercontinental University – owned by Career Education Corporation (CEC)
- Chamberlain College of Nursing and DeVry University – owned by Adtalem Global Education
- Illinois Institute of Art (part of "The Art Institutes") and Argosy University*
- Kaplan University* (now Purdue Global University)
- Universal Technical Institute
- University of Phoenix – owned by Apollo Education Group

Additionally, a number of for-profit institutions have been placed on Heightened Cash Monitoring (HCM) by the U.S. Department of Education. Institutions are placed on HCM when the Department identifies concerns related to the school's financial instability or compliance issues with federal regulations. The designation results in greater scrutiny of the school by the Department and, in the words of former Under Secretary of Education Ted Mitchell, should serve as a "caution light" for students when considering that school. According to the most recently available public data, for-profit colleges operating in Illinois on the Department's HCM list include:

- American Academy of Art*
- American InterContinental University (CEC)
- DeVry University (Adtalem)
- ETI School of Skilled Trades
- Hairmasters Institute of Cosmetology
- The Illinois Institute of Art* (part of "The Art Institutes")
- Kendall College
- La' James International College
- Larry's Barber College
- Shear Learning Academy of Cosmetology
- Taylor Business Institute
- Tribeca Flashpoint College*

Regulatory scrutiny and financial instability can mean that a company or school is more likely to close – abruptly or as part of a planned company restructuring. Such closures put students at risk of having their education disrupted, losing credits when they start at a new school, and taking on more debt to finish their studies. Closures that harm students have become increasingly common. Between 2014 and 2016, more than 1,000 for-profit campus locations around the country closed.

Parents and students often also look at an institution's accreditation status as an indicator of legitimacy and quality. After all, if an institution is accredited by a federally recognized accreditation agency, students are able to use federal student loans to attend the institution. However, some accreditors have been slow to address the widespread fraud and abuse in the for-profit college industry—making a school's accreditation status an unreliable predictor of academic quality. Consider the Accrediting Council for Independent Colleges and Schools (ACICS). This organization put its stamp of approval on predatory institutions like Corinthian, ITT Tech, and Westwood Colleges. Despite clear evidence of these companies' abuses, ACICS continued to accredit them. In fact, Corinthian and ITT Tech were fully accredited by ACICS to the very day that they declared bankruptcy. In 2016, the Department of Education revoked ACICS' federal recognition because of its shameful track record, but recently Secretary Betsy DeVos has taken steps to restore this deadbeat accreditor's status. Schools carrying ACICS accreditation should continue to be a major red flag.

Rather than rely on a school's accreditation status, students and families can find reliable indicators of a college's quality through the College Scorecard. Created by the Obama Administration, the Scorecard provides information on median earnings, typical debt after graduation, and typical monthly federal student loan payment. It can be accessed online at https://collegescorecard.ed.gov.

Additionally, a federal regulation known as the Gainful Employment rule is meant to ensure that career training programs prepare students for jobs that pay enough to allow students to reasonably repay their student loan debt. Under the first year of Gainful Employment disclosures, over 98 percent of programs that failed the Gainful Employment criteria were operated by for-profit schools. Of those that failed in Illinois, all were operated by for-profit companies. While Secretary DeVos has taken steps to roll back this common-sense rule and prevent the data from being easily accessible to students and families, students should ask schools for the Gainful Employment disclosures for the career education programs they are considering and use it to compare their options. The most recently available Gainful Employment data for all career programs is available at https://studentaid.ed.gov/sa/about/data-center/school/ge by clicking on "Download the Debt to Earnings data spreadsheet."

With few exceptions, this data will reveal to students that their best option is to enroll in a community college. Unlike for-profit schools, community colleges offer quality programs with credits that will almost always transfer to other schools. They do this at a fraction of the cost of attending a for-profit and free of the dark cloud of scrutiny that hangs over the for-profit college industry after years of misconduct and preying on students. You are a trusted voice in your school and community, and I encourage you to work closely with your local community colleges and other not-for-profit institutions to ensure students have information on quality, affordable post-secondary education options.

You have dedicated your life to preparing Illinois students for better opportunities through education. For-profit colleges have proven themselves to be a direct threat to your efforts. But you have the power to prevent them from winning. For an Illinois student, getting the right information from the right person can mean the difference between a successful future and a lifetime of student debt and despair. I appreciate your support in this effort and encourage you to reach out to my office at 202-224-2152 if you have any questions.

Sincerely,