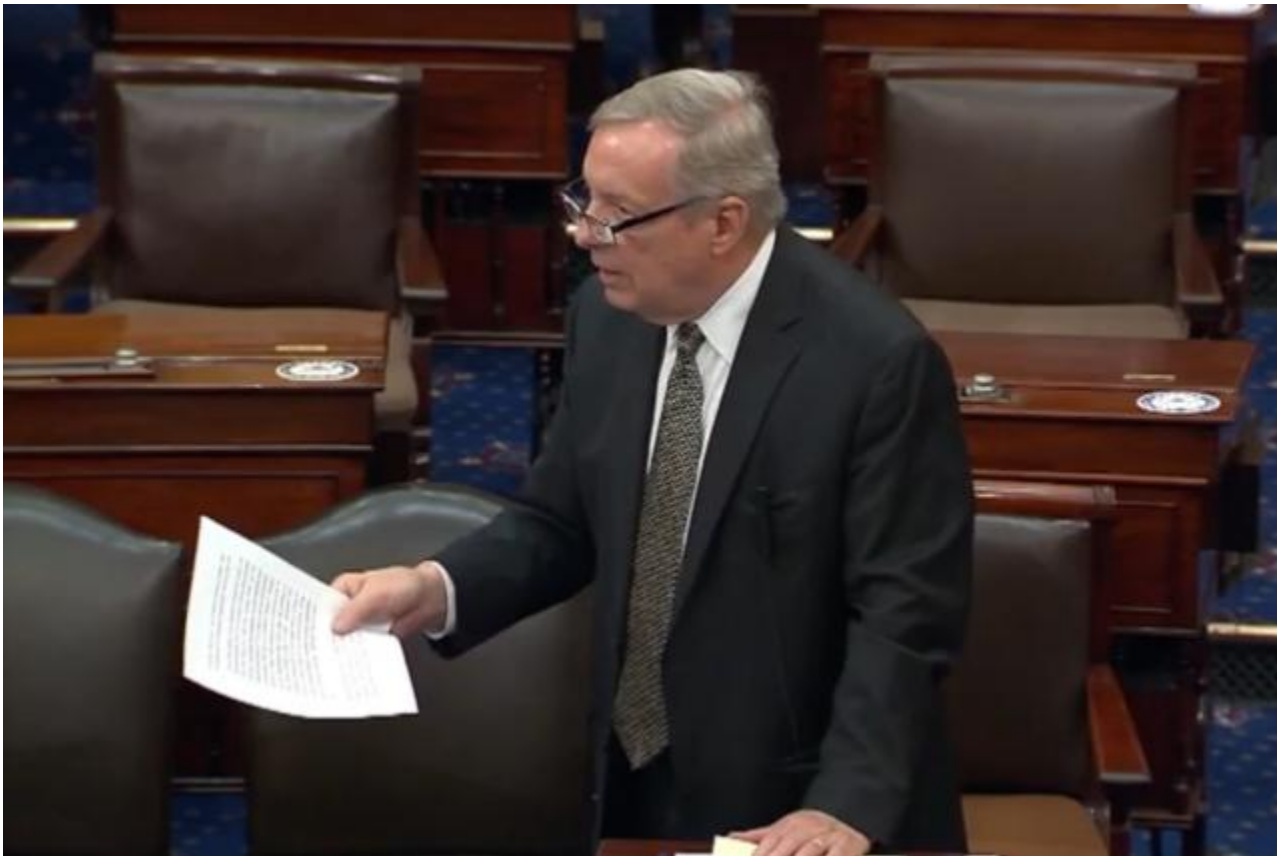


Durbin Leads Colleagues In Urging Department Of Education To Reinstate The Gainful Employment Rule

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WASHINGTON – U.S. Senate Majority Whip Dick Durbin (D-IL) today led six of his colleagues in sending a public comment letter to Department of Education Secretary Miguel Cardona, urging him to reinstate the Gainful Employment Rule. The proposed Gainful Employment Rule uses a debt-to-earnings (DTE) ratio and an earnings premium (EP) test to determine whether career education programs, including all programs at for-profit colleges, are providing value and preparing their students for “gainful

employment.” Programs that consistently saddle students with too much debt or do not produce wages for their students that are higher than a high school graduate would lose eligibility to receive Title IV federal financial aid.

The Obama Administration put the Gainful Employment rule into effect in 2014, but under the Trump Administration, then-Secretary of Education Betsy DeVos rescinded the Gainful Employment Rule in 2019. Without the Gainful Employment rule in place, for-profit colleges have been able to prey on students, leaving them with debt and often a worthless degree. The Biden Administration’s recently proposed Gainful Employment Rule has the strongest accountability framework yet and includes financial transparency for students. As the new rule is open to public comment, Durbin and his colleagues issued their strong support for the proposal.

“The Biden-Harris Administration’s proposed regulations mark the strongest accountability framework for career training programs subject to gainful employment requirements (‘career training programs’) to date, and would establish critically needed financial value transparency. We believe such regulations will make important progress to ensure program integrity, proper oversight, and accountability for institutions of higher education that receive taxpayer-funded federal financial aid. We urge the Department to keep these strong gainful employment and transparency provisions to protect students and taxpayers in the final rule,” wrote the Senators.

The Senators noted in the letter that the Gainful Employment Rule will prevent predatory for-profit colleges from siphoning off federal student aid while leaving program graduates with few employment opportunities.

“The data clearly and consistently show that for-profit colleges have a history fraught with abuse, fraud, and poor student outcomes. Under the 2014 GE rule that was rescinded by the previous administration in 2019, 98 percent of failing programs were at for-profit colleges, and while for-profit colleges enrolled just eight percent of all postsecondary students, they accounted for more than 30 percent of all student loan defaults. One study found that students attending a four-year program at a for-profit college are more likely to use federal loans, have larger debt originations, default, and experience worse labor market outcomes compared to students who pursue a four-year degree at a public institution,” the lawmakers continued.

Durbin and his colleagues also noted that the proposed Gainful Employment Rule would better protect students of color, who often are targeted by the for-profit college industry.

“The Department’s proposal also would address the regulatory status quo governing the for-profit college industry, which has troubling racial and equity implications. For far too long, for-profit colleges have targeted vulnerable populations, including students of

color, veterans, women, and low-income students, leading to widening disparities in educational and financial outcomes that already persist in our higher education system,” the lawmakers wrote. “The Department’s proposed rule will reinstate key requirements for institutions and protect more than 700,000 students per year who receive Title IV aid and enroll in failing career training programs.”

Continuing on, Durbin and his colleagues expressed their support for financial transparency for students and families pursuing a postsecondary education.

Durbin and the Senators wrote, “We also support the Department’s proposal to increase transparency measures for students, including the creation of a website to house information, such as career training programs and non-career training programs’ cost of attendance, median loan debt, earnings of graduates, programmatic accreditation, and licensure exam passage rates. We further applaud the Department’s move to require institutions of higher education to provide a link to the Department’s disclosure website. We also commend the Department’s proposal to mandate that students provide acknowledgement that they have seen warnings of ‘high-debt-burden’ programs before the Department disburses Title IV aid.”

Concluding their letter, Durbin and his colleagues urged the Department to reinstate the rule this fall, ensuring that students could be protected from low-financial value higher-education programs as soon as next year.

“The Department’s proposed rule is an important step forward in supporting students and improving accountability for institutions of higher education. After four years without the GE rule, we strongly urge the Department to issue the final rule by November 1, 2023, so that the rule can take effect on July 1, 2024. Additionally, we urge the Department to continue efforts to protect students and taxpayers outside the rulemaking process, including by immediately and efficiently using its current oversight and enforcement authorities to hold bad actors accountable,” the Senators concluded.

Joining Durbin in sending today’s letter were U.S. Senators Bernie Sanders (I-VT), Richard Blumenthal (D-CT), Sherrod Brown (D-OH), Mazie Hirono (D-HI), Chris Van Hollen (D-MD), and Elizabeth Warren (D-MA).

Full text of the letter is available [here](#).