

Durbin Introduces Bill To Create Interagency Committee To Improve Oversight Over For-profit College Industry

February 4 2024 1:04 PM



WASHINGTON – U.S. Senate Majority Whip Dick Durbin (D-IL), along with U.S. Senators Tina Smith (D-MN), Richard Blumenthal (D-CT), Jeff Merkley (D-OR), and Elizabeth Warren (D-MA), today reintroduced the Proprietary Education Oversight Task Force Act, legislation that will establish an interagency committee tasked with improving coordination of federal oversight of for-profit colleges to ensure that students are not scammed out of an education and into a mountain of debt. The bill would require the committee to publish an annual report, detailing enforcement actions taken against

for-profit colleges across federal agencies. It also would require the committee to publish a For-Profit College Warning List for potential students to help them make informed decisions about their options for post-secondary education.

“Predatory for-profit colleges rake in billions in federal student aid rather than to provide a quality education to students, who are often drowning in debt with a near-meaningless degree. We must step in to provide the proper federal oversight to stop this industry from continuing to take advantage of students,” said Durbin. “The Proprietary Education Oversight Task Force Act will give the power back to students. With readily available information about which colleges are known to take financial advantage of students, students will have the tools to make the best decision for the future of their education.”

“Students should be protected from predatory institutions that will leave them with thousands of dollars of debt and limited job prospects,” said Smith. “This bill will protect students and taxpayers alike by improving the oversight of for-profit colleges.”

“For-profit colleges all too often put profit and enrollment over education by luring students into insufficient academic opportunities and leaving them with insurmountable debt,” said Blumenthal. “With the Proprietary Education Oversight Task Force Act, we bring transparency and accountability to the forefront of the for-profit college industry, creating an environment that supports students in their academic endeavors.”

The Proprietary Education Oversight Task Force Act would:

- Task the committee with improving enforcement of federal laws and regulations and increasing accountability of for-profit colleges to students and taxpayers. The committee would be required to hold regular meetings as a group and with State Attorneys General and other stakeholders to coordinate federal and state activities related to for-profit school oversight;
- Create an easily accessible complaint collection and tracking system for students, parents, and stakeholders to report misconduct in the for-profit college industry. This system would allow the committee to more easily share data with federal, state, and accrediting agencies;
- Require the committee to publish a whole-of-government report on the for-profit college industry. The report would include federal oversight actions, student complaints, data on student outcomes, and financial information related to executive compensation, marketing, and other metrics; and
- Require the committee to publish a For-Profit College Warning List for Parents and Students made up of schools that have engaged in illegal activities or for which there is sufficient evidence of widespread or systemic fraudulent or predatory practices.

The interagency committee would include officials from the Department of Education (the Department), the Consumer Financial Protection Bureau, the Department of Justice, the Securities and Exchange Commission, the Department of Defense, the Department of Veterans Affairs, the Federal Trade Commission, the Department of Labor, and the Internal Revenue Service.

While for-profit colleges enroll only eight percent of post-secondary students, they account for 30 percent of federal student loan defaults. Despite well-known misconduct, for-profit colleges received more than \$14.2 billion in federal student aid in the 2022-2023 academic year.

Over the last decade, the collapse of industry giants, such as Corinthian Colleges and ITT Technical Institute, have shed light on the widespread fraud in the for-profit college industry. The for-profit college business model has been shown to aggressively target veterans, service members, low-income students, and students of color in recruitment efforts to access federal student aid.

Durbin has long been sounding the alarm against predatory for-profit colleges. Durbin's continuous pressure on three presidential administrations was instrumental in securing the borrower defense [group discharge](#) of all remaining federal student loans for those who attended any campus owned or run by Corinthian Colleges, including 26,000 Illinois students. Similarly, Durbin's repeated calls to discharge the student loans of former [ITT Technical Institute](#) and [Westwood College](#) attendees led to the Department's widespread discharge of \$3.9 billion and \$1.5 billion in relief respectively for those impacted by the schools' closures in 2016.

Each year, Durbin pens a [letter](#) to Illinois education professionals urging them to warn high school seniors about the dangers of attending for-profit colleges.

The bill has earned support from the American Federation of Teachers, Americans for Financial Reform, Center for American Progress, Complete College America, National Association for College Admission Counseling, National Consumer Law Center (on behalf of its low-income clients), National Education Association, New America, Project on Predatory Student Lending, Student Borrower Protection Center, The Education Trust, The Institute for College Access & Success, UnidosUS, Veterans Education Success, and Young Invincibles.