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31 House Democrats Send Letter to Secretary of Education Calling for Regulations to Protect Students from Unmanageable Debt and Worthless Degrees

Washington DC – Earlier today, Rep. Mark Takano (D-CA), Rep. Elijah Cummings (D-MD), Rep. Raul Grijalva (D-AZ), and Rep. Mike Honda (D-CA), joined by 27 additional House Democrats, sent a letter to United States Secretary of Education Arne Duncan supporting the Department’s efforts to finalize gainful employment regulations.

In the letter, the signee’s state, “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.”

Reps. Takano, Cummings, Grijalva, and Honda were joined by Reps. Julia Brownley, Tony Cardenas, Judy Chu, Steve Cohen, John Conyers, Danny Davis, Susan Davis, Suzan DelBene, Keith Ellison, Marcia Fudge, Ruben Hinojosa, Rush Holt, Jared Huffman, Hank Johnson, Barbara Lee, Alan Lowenthal, Grace Napolitano, Gloria Negrete McLeod, Colin Peterson, Jared Polis, Lucille Roybal-Allard, Raul Ruiz, Bobby Rush, Jackie Speier, Maxine Waters, Henry Waxman, and Frederica Wilson.

“With for-profit colleges, who enroll just 13% of American students, accounting for nearly half of all federal student loan defaults, I support the Department of Education’s plan to officially define the term ‘gainful employment,’” said Rep. Takano. This new rule will help ensure that programs receiving federal student loan funds are providing our students with the skills and education they need to thrive. Students and taxpayers deserve rules for loans that protect students from unmanageable debt.”

"We need these rules to ensure students get what they bargained for--an education that will help them find a good job in the field they study," said Rep. Elijah Cummings. "Retention rates are far too low at many of these institutions, and more must be done to keep students engaged. For those who do graduate, too many have left these schools with nothing to show for their time and money other than insurmountable debt. If these institutions are truly committed to educating students from underserved communities, they need to be equally committed to demonstrating positive outcomes for those students."

Giving students worthless degrees and squeezing them for every penny along the way is like overcharging for a house that’s already on fire,” Rep. Grijalva said. “The damage to them, their families and our economy doesn’t end when they leave school. We shouldn’t subsidize this kind of self-inflicted damage with taxpayer dollars, and that’s why we need a stronger rule that protects our young people rather than exploiting them.”

“I support the Secretary in his efforts to finalize gainful employment regulations,” said Rep. Honda. “Ensuring that the cost of education does not saddle our students with a lifetime of unrealistic debt is vitally important to the success of our higher ed system. I will continue to work to ensure that students at all levels have access to quality, affordable education.”

This week, Rep. Takano also delivered a petition to Speaker of the House John Boehner, containing over 101,000 signatures in opposition to HR 2637, which would prohibit the Department of Education from issuing gainful employment regulations.

Organizations that support the gainful employment rulemaking process include: the Air Force Sergeants Association (AFSN), the Association of the United States Navy (AUSN), the Children’s

Advocacy Institute, Iraq and Afghanistan Veterans of America (IAVA), the Education Trust, the NAACP, the National Association for College Admissions Counseling, the National Education Association, the National Guard Association of the United States (NGAUS), NCLR (National Council of La Raza), the Neighborhood Economic Development Advocacy Project, Paralyzed Veterans of America, Returning Veterans of America, Vietnam Veterans of America, and more.

Full text of letter:

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,

MARK TAKANO

ELIJAH CUMMINGS

RAUL GRIJALVA

MIKE HONDA

JULIA BROWNLEY

TONY CARDENAS

JUDY CHU

STEVE COHEN

JOHN CONYERS

DANNY DAVIS

SUZAN DAVIS

SUZAN DELBENE

KEITH ELLISON

MARCIA FUDGE

RUBEN HINOJOSA

RUSH HOLT

JARED HUFFMAN

HANK JOHNSON

BARBARA LEE

ALAN LOWENTHAL

GRACE NAPOLITANO

GLORIA NEGRETE MCLEOD

COLIN PETERSON

JARED POLIS

LUCILLE ROYBAL-ALLARD

RAUL RUIZ

BOBBY RUSH

JACKIE SPEIER

MAXINE WATERS

HENRY WAXMAN

FREDERICA WILSON

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