

April 3, 2019

The Honorable Susan Davis  
House Education Committee  
2176 Rayburn HOB  
Washington, DC

The Honorable Bobby Scott  
House Education Committee  
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Washington, DC

Dear Chairwoman Davis:

You, Chairman Scott and I all hold a common goal. We seek to provide both access to higher education and outcomes that enable students to pursue their chosen careers. I had the ability to help pursue this common goal for sixteen years as a Member of Congress from Wisconsin, and a Member of both the full Education Committee and its Higher Education Sub-Committee. You hold this goal in your hands today.

As you know, I am currently the President and CEO of Career Education Colleges & Universities; the national voice for our nation's proprietary career schools. It is in this capacity, that I must write in response to the Majority Party's opening comments at today's hearing "Strengthening Accountability in Higher Education to better serve Students and Taxpayers." Quite frankly, declaring war on the one sector in higher education most engaged in providing underserved students with career skills won't achieve our common goal.

At a time when America's elite colleges are dealing with multiple admissions scandals, and America's premier colleges are confronting academic fraud for their athletes, it is difficult to accept that a hearing on accountability looks only at us. Some level of objectivity and accountability for all sectors of higher education is needed today. I'm writing in hopes that you and I can find a way to set aside the ideological rhetoric of the past to seek common ground that best serves the students we seek to serve.

The continued use of the word "predatory" to negatively describe an entire sector of schools – their leaders, their staff and students – is a disservice. Statements such as "For-profit colleges have, by definition, a fiduciary duty to its stakeholders to maximize profits, often at the expense of students" is rhetoric that comes only from the likes of Robert Shireman who believes the private sector is inherently bad. I know neither of you share that thought because you seek to encourage the many family-owned businesses in your congressional districts.

I encourage you to go to <https://collegecompletion.chronicle.com/>. and look at the cost per completion of students by sector. You will see that our sector continues to provide the most education for the cost of any sector in higher education; despite the lack of an operating subsidy.

Accountability is all about outcomes! Our schools enroll a very different student body than any other sector of higher education. 67% of our students are women. 42% of our students are African-American or Hispanic. Over 80% of our students qualify for federal financial aid. We are proud of serving these students.

We continue to encourage anyone to look at the outcomes of our schools. We have much higher completion rates (3 times better) than public two-year schools. Our time to completion is the best in all of higher education because we provide accelerated, focused academic programs that work.

I am the first to admit our sector grew too much, and too fast. I've said this often in my speeches, writings and public comments. But at the same time our sector has faced a decade of ideological attacks, regulatory scrutiny, hostile AG harassment, and incredible reputational damage. Our opponents have devalued the academic awards of our students and destroyed our enrollments. In the six years between 2009/10 and 2016/17, we have experienced a 1.5 million decrease in annual enrollments! At this same time, over 600 campuses/schools have closed. Yet, in 2016/17 our sector provided 494,333 academic awards – an increase of 103,000 such awards annually despite the 1.5 million smaller student enrollment base. When one looks at our sector's response to a call for improved outcomes, we stand above all the rest.

For reasons I don't understand, our sector continues to be criticized for its marketing. But, the majority of our students are adults over 25. We don't reach our prospective students through high school guidance offices. We must compete in the marketplace to introduce our schools, our programs and our opportunities. If one looks at the NCES "Condition of Education: 2018" you will find that our sector spends 27% of our budget on instruction and 63% of our budget on Student Services for a total of 90% of our budgets on the student's success. This compares with only 54% by public schools and 62% by private non-profit schools. Perhaps this government data explains why we can take the most at-risk students and achieve the best outcomes of any sector.

I cannot begin to share with you my deep frustration with our opponents who have spent years seeking to destroy our sector. Now that they have succeeded in closing many schools they raise the very issue of "too many school closures!" One cannot have it both ways.

In a hearing before Congresswoman Rose DeLauro's Sub-Committee on Labor, HHS, Education Appropriations earlier this spring, she held another of these attacks on our sector and its schools. During the hearing, Congressman Tom Cole asked every one of her carefully selected witnesses (all opposed to our sector) if the Congress should just outlaw the very existence of the sector? Even our most hostile opponents such as Robert Shireman said, "No."

As experts in higher education, you are both well aware that the Free College movement is resulting in a significant movement by our nation's community colleges to become the 2-year feeder system to state colleges offering liberal arts degrees. More and more, every sector of American society is concerned with the dramatic gaps in qualified, skilled professionals for their sector, and their communities.

Our sector has made a public commitment to provide 5 million career professionals over this decade. In the first two years of this campaign we have produced 1,227,129 new career professionals. America needs these professionals. Your communities need these professionals. Your constituents need this opportunity to become a professional. But the never-ending war on our sector has to stop, or there will be no opportunity for your constituents to obtain mid-level skill occupations.

We share your commitment to accountability. But accountability doesn't begin by denying students access to our schools simply because they are low-income or veterans. Accountability is

about results! We stand ready to work with you to impose a common set of outcome metrics on all programs at all schools. We suggest they include:

- Retention
- Completion
- Placement in field of Study
- Average income (5+ years of work in field of study)
- Average debt
- Time to completion
- Cost/completion

Once we have mastered the right metrics, and the right calculations for such metrics we stand ready to work with you in imposing appropriate triggers or guard rails against all poorly performing programs at all schools. If a school has a bad outcome, it has two choices: Improve the program or end it!

This ideological battle has to stop. I spent my entire Congressional Career building bridges across the partisan divide. I stand ready to do it again. All I ask is that you become a partner in this important process – for the sake of the students we both seek to serve.

Sincerely,

A handwritten signature in black ink that reads "Steve Gunderson". The signature is written in a cursive, flowing style.

Steve Gunderson  
President & CEO  
Career Education Colleges & Universities