

September 9, 2020

"A Phone Call from Congresswoman Virginia Foxx"**September 2020**

Dear Colleagues:

Last Friday, just as we were preparing to close for a Labor Day Weekend, the scheduler for Congresswoman Virginia Foxx called. She wanted to set up a call for Labor Day morning. Well, when our biggest champion in the entire Congress wants to talk on a holiday, we say, "Sure, what time?"

The call was first set for 9:30 a.m. By Sunday evening, the scheduler was back in touch as the Congresswoman had to change the time due to a new conflict. So we set the time for noon. Steve Gonzalez, our Senior VP for Government Affairs, and I were on the call by 12 o'clock sharp. Virginia Foxx joined the call at 12:01 p.m.

"Steve and Steve," she began. "I want to apologize for interrupting your holiday. But I wanted to call and ring the alarm!" She then proceeded to share that she had recently spent some time reviewing the Biden-Harris official campaign website.

"Have you looked at it?" she asked. I admitted that I had not paid attention to the website but that we had followed the public statements of both Biden and Harris carefully. "You need to," she responded in her North Carolina accent.

[Here is what it says:](#)

Scroll down www.joebiden.com, and you'll see a section titled: Education Beyond High School. To no one's surprise, the section again lifts the community college sector as the solution for all our workforce training needs. And it goes on to make a financial commitment that is really "unrealistic." It calls for investing \$50 billion in community college business partnerships to provide high-quality training programs. Then it calls for \$8 billion to help community colleges improve their facilities and equip schools with technology.

But here is what alarms Congresswoman Foxx. Later in this same section are these words:

"Stop for-profit education programs from profiteering off of students. Students who started their education at for-profit colleges default on their student loans at a rate three times higher than those who start at non-profit colleges. These for-profit programs are often predatory – devoted to high-pressure and misleading recruiting practices and charging higher costs for lower quality education that leaves graduates with mountains of debt and without good job opportunities. The Biden Administration will require for-profits to first prove their value to the U.S. Department of Education before gaining eligibility for federal aid. The Biden Administration will also return to the Obama-Biden Borrower's Defense Rule, forgiving the debt held by individuals who were deceived by the worst for-profit college or career profiteers. Finally, President Biden will enact legislation eliminating the so-called 90/10 loophole that gives for-profit schools an incentive to enroll veterans and servicemembers in programs that aren't delivering results."

For starters, the website has to manipulate the data to get close to their allegation! The opening statement claims that our students default at three-times that of students at non-profit schools. If you combine all schools within a

given sector, the 3-year default rate is 9.6% for public schools, 6.3% for private non-profits, and 15.2% for proprietary.

But when one looks at the default rates for less-than-2-year schools, publics have a 12.7%; private non-profits have a 16.6%: and proprietary are at 17.6%. Or, if you look at 2-3 year schools, we see 15.9% for public (community colleges), 15.2% for private non-profits, and 17.7% for proprietary.

My biggest concern with the website, however, are these words:

"The Biden Administration will require for-profits to first prove their value to the U.S. Department of Education before gaining eligibility for federal aid."

We have told you many times that some within the Democrat Party seek to remove our sector from participation in all Title IV programs. Here is the proof!

In Congresswoman Foxx's telephone call, she emphasized that she was not calling to raise money at this time. Instead, the purpose of her call was to mobilize the sector into action in ways that understand the urgency of the election before us. Specifically, she asked us to consider getting involved in specific Congressional races where we might make a difference, or to consider the President's campaign. I assured her that we were already involved in supporting many friends of our sector – incumbents and challengers.

We promised her that we would develop a list of specific races for both the House and the Senate, where our sector is actively engaged. We promised to share this information with her by the end of this week. She told us that her giving promotes the following type of candidates: women, patriots (veterans), and young guns. She believes with the right dynamics, the Republican party is likely to pick up seats in the election.

Our Message to You:

CECU is actively engaged in the election in several ways. First, we use our PAC to support candidates. This year a number of you are donating to the PAC with a request that we direct your donations to specific types of candidates. Second, our individual events for friends of the sector have become the most popular as many individuals want to choose who receives their financial support. Thanks to virtual meetings, we have been able to host some very productive conversations with specific candidates.

To counter the Biden-Harris agenda to eliminate the sector, we plead with you to become involved. (Congresswoman Foxx was more direct. She told us to tell our members it was time to "stretch those wallets" understanding the importance of this election.)

We encourage you to first start at home. If your Member or Senator is supportive, you need to be there for them. If not, and it is a viable race, support challengers who have a real chance.

Second, and most importantly, we are ALL IN THIS TOGETHER! Please reach out to your colleagues and friends in the sector – or us at CECU. Step up and step in to help where your help can be most effective. This election will dramatically impact each of us. Let's understand the election's potential impact on our sector and respond appropriately.

When Congresswoman Foxx concluded her conversation with us, she said, "The only dog I have in this fight is freedom! I want to protect people's freedom to make their own choices."

That includes the freedom to select where to pursue their post-high school career education!

Thanks for who you are, and all that I know you will do!

Sincerely,

Steve Gunderson