

## United States Senate

WASHINGTON, DC 20510-4305

October 27, 2010

Mr. Carl Barney  
Post Office Box 1157  
Crystal Bay, Nevada 89402

Dear Mr. Barney:

Thank you for contacting me regarding the "gainful employment rule" under consideration at the U.S. Department of Education. I appreciate having the benefit of your comments on this matter.

As you know, the Higher Education Act requires institutions of higher education to train students for "gainful employment in a recognized occupation" as a condition of enrolling students who receive federal financial aid. This provision was instituted to ensure that federal education subsidies would be used to help students obtain training in a trade or profession, find employment, and repay their loans. Yet, when the law was first adopted in 1965, Congress neglected to define the terms "gainful employment" and "recognized occupation," and concerns have been raised that many students eligible for federal financial aid, especially those attending proprietary or for-profit institutions of higher education, are unable to find jobs relevant to the training they received.

Critics of proprietary schools have suggested that these schools deserve greater federal scrutiny. Some argue that the schools' for-profit status and tuition-driven business model can create incentives for fraud, especially in student recruitment, while others express concern about high federal student loan default rates associated with these institutions. In response, the U.S. Department of Education proposed regulations that establish reporting and disclosure requirements and performance measures linked to loan repayment rates.

I am concerned that the Department's proposed rules will undercut the ability of proprietary institutions to continue to meet the rapidly changing education and workforce training needs of today's industry. Furthermore, the Department's focus on proprietary institutions ignores similar concerns about gainful employment and student indebtedness at other public and private non-profit institutions of higher education.

I believe it is vital that our workforce remain competitive so that our economy can remain the world's strongest, and a dynamic and growing economy requires entrepreneurs and individuals who are willing to further their education and learn new skills. Many individuals would be unable to achieve their goals without federal financial assistance for higher education. While I am troubled by reports of rising student indebtedness, I believe that students and their families should have the flexibility and freedom to make informed decisions about their own finances. More importantly, students should have access to a diverse range of educational options that best suit their career interests and the needs of business and industry.

I appreciate having the opportunity to represent you in the United States Senate. Thank you for taking the time to contact me.

Sincerely,

A handwritten signature in blue ink that reads "John Cornyn". The signature is written in a cursive style with a large initial "J" and a stylized "C".

JOHN CORNYN  
United States Senator