



## News

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### Focus on For-Profits (Yes, Again)

January 26, 2011

WASHINGTON -- There remain at least some higher education conferences that aren't dominated by discussion of for-profit colleges. The meeting of campus housing officers tends to focus elsewhere, for instance -- after all, few commercial institutions bother with residential students -- and you wouldn't have found a lot of professors from publicly traded companies presenting on the fruits of their research at [the just-completed Eastern confab](#) of the American Philosophical Association.

But just about every meeting related to higher education policy these days seems to revolve in meaningful if not large part around the issues raised by the fastest-growing, and most controversial, sector of colleges and universities. [This week's meeting here](#) of the Council for Higher Education Accreditation is the most recent and powerful example.

It went beyond the formally scheduled sessions about the institutions, though it had those -- one featuring leaders of two of the biggest players in the industry, the University of Phoenix and Kaplan, Inc., and another discussing the challenges posed to accrediting agencies by the financially complex and fast-changing colleges. (Several accrediting agencies, including the Western Association of Schools and Colleges' senior commission, are examining their policies to decide whether they need different or additional tools to assess the finances and recruiting and other practices of for-profit institutions, for instance.)

But even a standard staple of the annual CHEA meeting -- presentations from key Congressional and executive branch officials about matters important to educators and accreditors -- this year focused heavily on issues related to for-profit institutions. In her first speech to a higher ed audience since being named to head the postsecondary subcommittee in the House of Representatives in the new Congress, Representative Virginia Foxx (R-N.C.) offered skeptical words about the wisdom of the rules the Education Department is crafting to ensure that vocationally oriented programs prepare their students for "gainful employment."

Foxx stopped short of saying that she would oppose the rules -- which, at least in [the last version published by the department in July](#), would judge programs' value in part by linking graduates' incomes to their levels of student debt. But she seemed to denigrate the process by which they were drafted, which she said "concentrate[d] arbitrary power over a select group [of colleges] in the hands of a few unelected bureaucrats." If a debt-income ratio makes sense -- "and I'm not sure it does," she said -- "it should make sense for every last institution that receives federal aid."

(Foxx also promised that the committee would hold "several hearings a week," many focused on "whether the federal government's role in higher education can be fulfilled by the states," she said. Foxx described herself not as "anti-government," but as "pro-liberty" for individuals.)

Not surprisingly, the other featured speaker at the accrediting meeting, Eduardo M. Ochoa, assistant secretary for postsecondary education at the aforementioned Education Department, spent much of his time at the meeting talking about for-profit colleges, when he wasn't offering a slightly tortured defense, to a fairly skeptical audience, of the department's stance on [the credit hour](#).

Much of what Ochoa said was unlikely to surprise or please officials at for-profit institutions themselves, as he explained the sector's largely unfettered growth as having resulted, in part, from a "market failure" in which there were not enough checks (through good consumer information and government regulation) to dampen the temptation of the "profit-making" institutions to take advantage of a not-fully-informed or -protected public.

(He also bristled, ever so politely, at Foxx's suggestion that the gainful employment rules were the work of "unelected bureaucrats," noting that while career service employees drafted the regulations, "they have been reviewed and approved by presidentially appointed, Senate-confirmed officials, so there is a public endorsement." And the president who appointed those officials is up for reelection every four years, Ochoa went on to point out.)

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But in a question-and-answer session with reporters after his talk, Ochoa went further than his colleagues at the Education Department have done so far (at least in hearing range of this reporter) in suggesting that the agency may make major changes in its "gainful employment" regulations when it issues a final version of them in the coming months.

Ochoa said it was "frustrating" for him to read and watch the barrage of advertising that advocacy groups for for-profit colleges have unleashed against the forthcoming rules, particularly their emphasis on "things we have heard about and listened to, and taken a lot of it to heart."

"The regulations as they come out will be significantly different, better," and "people will appreciate their suggestions having been listened to," Ochoa said.

He declined to be any more specific about the changes that might be forthcoming, and how they might address the concerns raised by opponents.

— **Doug Lederman**

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