

Hearing or head hunting?

By Larry Edward Penley - 03/09/11 03:23 PM ET

Sen. Tom Harkin (D-Iowa), as chairman of the Senate Committee on Health, Education, Labor & Pensions (HELP), has scheduled a hearing entitled Bridgepoint Education, Inc.: A Case study in For-Profit Education and Oversight. The premise for his hearings has been to investigate the Department of Education. However, it appears that this is a subterfuge for portraying the for-profit sector in the worst possible light in order to restrict students' access to career-oriented colleges.

In a press release announcing this Thursday's upcoming hearing, Chairman Harkin noted that the lone target of his "case study" [Bridgepoint Education] was singled-out because more than 60% of their bachelor's degree students had withdrawn before finishing their degrees.

What Senator Harkin will conveniently overlook is that 11 of 16 publicly-funded community colleges in the Senator's home state of Iowa report graduation rates that are comparable or worse to those of Bridgeport. He will also overlook the challenges that publicly-funded community colleges are facing in meeting demand as local, state and county governments reduce funding.

The senator and the staff of the Department of Education should be asking, how do we improve access to higher education? How do we raise graduation rates from traditional colleges as well as for-profit ones? How can we take advantage of for-profit career career-oriented degree programs in a still challenged economy?

Sen. Harkin's hearing is not an investigation of the Department of Education; rather it is the equivalent of the Kennedy Center Honors for congratulating Department of Education bureaucrats on effectively shutting out minority, economically disadvantaged, and older students from a legitimate choice of an educational path to their careers.

At issue is what is known as the "Gainful Employment" rule. It dictates strict, unyielding ratios between a career-oriented college graduates' earnings in the first few years in the workforce and what their college loans total.

It does not apply to traditional colleges and universities like Colorado State University where I was president. Were the same rule applied to programs from universities like Colorado State, they would be mandated to shut down entire departments like Art, English, and History. These are very valuable disciplines, but their graduates struggle to find work and often earn low wages in their early years in the workforce. The gainful employment rule would not apply to elite universities like Stanford and Yale where costs of tuition can be paid for by wealthy parents.

Instead, the gainful employment rule will be exclusively applied to career-oriented colleges and universities. Yet, career-oriented colleges and universities are granted the authority to confer degrees by exactly the same

accreditation bodies with the very same standards for schools like a Georgetown or Duke. But the proposed gainful employment rule will be unfairly applied exclusively to privately funded, proprietary schools, even though publicly funded community colleges have student default rates which, in many cases, are much higher than career-oriented colleges.

Instead of addressing these questions, the federal government is focusing on protecting publicly-funded programs, notwithstanding the ability of the private sector to perform at least as well, and in many cases, better and more efficiently than some of the programs that bureaucrats seem dedicated to saving.

The typical student at a career-oriented college is older than his or her counterpart at a traditional post-secondary school; has at least some work experience; is likely to have a family; and, most importantly, has already decided on a career path. In contrast, students at many traditional colleges and universities are often unsure about a major or career direction. They may well not have marketable skills upon graduation until completing two or more years of post-graduate study.

The single most important predictor of employment is level of education. Americans with less than a high school diploma are four times more likely to be affected by long-time joblessness (about 16 percent) than a college graduate. Iowa's unemployment rate is one of the lowest in the nation, because of its heavy dependence on modern agribusiness. However, other states are not so blessed.

Iowa is known for its excellent chiropractic colleges. I do not believe that Sen. Harkin would attempt to put them out of business because they are different from the Carver College of Medicine at the University of Iowa. Yet that is exactly what he is doing to proprietary colleges and universities by promoting the gainful employment rule as the solution to loan defaults, graduation rates, and other perceived shortcomings of the higher education sector.

We need our senators – including Sen. Harkin – to look across the national landscape to find ways to increase the number of students in higher education and to encourage education paths for those Americans who will not be able to receive at a traditional non-profit school or public college or university.

Larry Edward Penley is past president of Colorado State University, past dean of the W.P. Carey School of Business at Arizona State University and author of the blog [Access With Success](#).

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