



News

Ganging Up On 'Gainful Employment'

March 18, 2011

WASHINGTON — A surprisingly bipartisan House of Representatives **approved** an amendment to the continuing budget resolution last month that would block the Education Department from carrying out its proposed regulation requiring that for-profit colleges and other vocational programs ensure that their students are prepared for “**gainful employment**.” Since this legislative victory, for-profit college advocates on Capitol Hill have fiercely lobbied the Education Department to withdraw the regulation, which they say would overburden institutions with reporting and force them to seek federal approval before creating new programs.

Thursday, at a **hearing** of the House Committee on Education and the Workforce, several Democrats once again joined Republicans in vocalizing concern about the proposed regulation. But neither legislators nor the for-profit-college advocates who spoke before the committee offered substantive suggestions for how to modify the regulation to their liking or, ultimately, whether they would take immediate and concrete legislative steps to block the “gainful employment” rule.

Other legislators argued that there are much larger issues facing higher education, such as the state of the federal financial aid program.

Among those who spoke out against the regulation before the committee was Jeanne Herrmann, chief operating officer of Globe University, a for-profit institution in Minnesota. She argued that the regulation would limit her institution’s ability to quickly design and roll out programs for “high-demand industries.”

“We fully support the president’s objective of regaining the nation’s premier rank in proportion of citizens with at least one year of postsecondary education by 2020, but the GE proposed rule will actually work against that objective by restricting choice and access,” Herrmann said. “We simply do not understand why the federal government would, especially at this time in our country’s history, seek to implement a rule that would impact job placement in fast-growing occupations. In short, the department could not have contrived a more anti-student and thereby anti-employer and anti-taxpayer proposed rule.”

A mix of Republicans and Democrats on the committee agreed. Most were more nuanced, however, in their reasoning, and focused more on the perception that the regulation would “limit students’ choice,” as Representative John Kline, the Minnesota Republican who heads the committee, stated at the start of the hearing.

“I think all of us in this room agree that access is critical, but access to what?” said Arnold Mitchem, president of the Council for Opportunity in Education, a group that works with institutions that host federal TRIO programs to specifically help low-income students graduate from college. “Mountains of debt? Personal and career success must be the answer to the access question.... Many low-income and first-generation students are not achieving success after participating in for-profit programs. Instead, we are seeing students who emerge with considerable loan burdens and without the ability to obtain meaningful employment or transfer the credits earned at for-profit institutions to accredited, publicly supported or independent institutions.”

Mitchem argued that many for-profit institutions purposely target low-income students, adding that he believed there is a “moral imperative” to protect these individuals.

Representative Raul M. Grijalva, a Democrat from Arizona, was one of the few Democrats at the hearing who spoke out firmly in

support of the regulation. He said it was “amazing” to him that the same legislators — referring mainly to his Republican colleagues — who argue that the “government needs to tighten its belt” and that “taxpayer money needs to be used prudently” do not consider this regulation a method of ensuring efficient use of taxpayers’ funds.

Still, amid the back and forth about “gainful employment,” at least one legislator expressed concern about what he sees as a much bigger issue that is being lost in the shuffle.

“I’m troubled by what we’re doing here,” said Representative Timothy H. Bishop, a Democrat from New York. “This is the fourth hearing that this committee has held ... on regulation of higher ed. Yet, we haven’t spent a second dealing with what I consider the single greatest problem confronting higher ed today — particularly its students — and that is the pending devastation of the student financial aid programs as **proposed** by the Republicans.”

Among other cuts, the Republican **plan** would trim the Pell Grant maximum from \$5,500 to \$4,705 next year. Bishop’s comments suggest that those Democrats who take issue with the “gainful employment” regulation — like him, splitting with some of their colleagues — are likely to coalesce and reunite Democrats in the push for saving aspects of the federal financial aid program in any upcoming budget battle.

— **David Moltz**