

Legislative Proposal Request Form

Title *(Should be short and articulate the subject of the proposal)*

For Profit but Not For Students

Sponsors *(Groups that are supporting this proposal)*

The Senate bill is sponsored by Senator Richard Durbin and its House counterpart is sponsored by Representative Elijah Cummings. In addition, President Obama has announced various plans to increase oversight of for-profit colleges in the past, including conditioning federal aid on post-graduation employment data and closing loopholes which allow for-profit colleges to take advantage of financial benefits afforded to veterans, a proposal which has received wide bipartisan support.

Describe the issue *(What is the problem, why should Western work on it, and what is the solution?)*

For-profit colleges are engaging in manipulative and deceptive activities in order to maximize profits and enroll students. Many for-profit schools utilize aggressive marketing and recruiting tactics, provide programs of questionable value, and often cost far more than comparable programs offered at public schools. These colleges, which are actually private companies, receive billions in federal student aid while students take on substantial amounts of debt trying to get through for-profit programs while the majority of for profit eventually drop out and those who do graduate struggle to find jobs. The vast majority of these institutions' revenue comes from consumers, many of whom rely on loans and Pell grants. That means the federal government is essentially bankrolling schools that often produce very discouraging outcomes." "The Institute for College Access and Success (TICAS) has described the 90-10 loophole as one that allows the schools to "aggressively and deceptively recruit" veterans, servicemembers, and their families—particularly spouses—to enroll in "high-priced, low-quality programs."

What are you advocating for *(Specify the legislative action you are looking for)*

Proprietary Education Oversight Coordination Committee as proposed in S. 396 and HR 747 to provide oversight of deceptive practices during the recruitment process, retention rates and after graduation job prospects. "In October, the Department of Education announced it would create an interagency oversight committee based on the Proprietary Education Oversight Coordination Improvement Act - introduced by Durbin, Cummings and U.S. Senator Tom Harkin (D-IA) - which aimed to improve enforcement of federal laws and regulations while increasing accountability of for-profit colleges to students and taxpayers. Today's legislation would codify those efforts and ensure the task force is providing useful information to policymakers and parents and students," (eNews Park Forest). This Act would require the committee to publicize a warning list of schools "that have engaged in illegal activities or for which there is sufficient evidence of widespread or systemic abusive, unethical, fraudulent or predatory practices," (via Senate press release).

Who do you have as support so far? *(Identify at least one legislator who would be willing to sponsor a bill for this issue, and list any organizations or individuals that would support the proposed action)*

This bill is already being sponsored by Senator Richard Durbin and Representative Elijah Cummings. The Institute for College Access and Success has also shown

support for increasing oversight of these colleges and their predatory lending practices, as has the American Council on Education. This bill specifically is supported by the United States Student Association, the American Federation of Teachers, the National Education Association, the National Association for College Admissions Counseling, VetJobs and Veterans Education Success. As of 2014, 37 state attorneys general, both Democrats and Republicans, were jointly investigating fraud and abuse in the for-profit college industry.

The following Attorneys General signed on to a letter in support of the Act: Dustin McDaniel (Arkansas), George Jepsen (Connecticut), Lisa Madigan (Illinois), Tom Miller (Iowa), Jack Conway (Kentucky), Janet T. Mills (Maine), Doug Gansler (Maryland), Jim Hood (Mississippi), Chris Koster (Missouri), Catherine Cortez Masto (Nevada), Gary King (New Mexico), Ellen Rosenblum (Oregon), Kathleen Kane (Pennsylvania) and Robert Cooper, Jr. (Tennessee).

Who needs to be moved/potential opposition? *(Identify specific legislators, committees, and organizations)*

Bills attempting to regulate for-profit colleges have failed in committee before because they were deemed not germane to the committees the bills originated in. For example, a bill failed a committee because it was determined to not be directly related to financial aid. This bill is in a committee related to the overall structure of the government, though, since this would establish a new committee.

The biggest opposition to this will be moving it out of committee, especially since there has been wide bipartisan support for various oversight proposals, including Obama's recent budget item that would close loopholes for these colleges. The other major opposition will naturally come from the lobbying arms of these for-profit schools.

Provide any legislative background and context for the issue. *(Has this issue been worked on recently, how far did it get, other legislative history, where is the public at with issue, etc.)*

"For-Profit Education: The Failure to Safeguard the Federal Investment and Ensure Student Success", a 2-year investigation by the Senate Committee on Health, Education, Labor, and Pensions demonstrated that Federal taxpayers are investing billions of dollars a year, \$32 billion in the most recent year, in companies that operate for-profit colleges. Yet, more than half of the students who enrolled in in those colleges in 2008-9 left without a degree or diploma within a median of 4 months. Currently at the Federal level, Richard Durbin sponsored S. 396 Proprietary Education Oversight Coordination Improvement Act. The bill was assigned to Congressional Committee on Feb. 5, 2015 and was designed to establish a committee to coordinate federal oversight and protect students. H.R. 747, sponsored by Elijah Cummings, was introduced Feb. 5, 2015, as well. There has been legislative action taken by several states including Maryland, California, Michigan, and Connecticut, demonstrating a need for protection of student and taxpayer investments. "Much of the recent legislation provides safeguards and transparency for students, holds schools accountable for providing meaningful degrees, and evaluates allocation of state student aid" (National Conference of State Legislatures, July 2013).

S. 2204 (Previous version of S. 396): introduced April 3, 2014 and died, sponsored by Richard Durbin

H.R. 4391 (Previous version of H.R. 747): introduced April 3, 2014 and died,
sponsored by Elijah Cummings