



PRESS RELEASE

**Attorney General Frosh Leads Coalition of State Attorneys
General in Suing the U.S. Department of Education
for Refusing to Enforce the Gainful Employment Rule
*Lawsuit Filed Against Education Secretary DeVos for Refusing to Enforce Rule
That Protects Students and Taxpayers from Abuse by Predatory For-Profit
Schools***

BALTIMORE, MD (October 17, 2017) – Maryland Attorney General Brian E. Frosh today led a coalition of 18 states in suing the U.S. Department of Education and Secretary Betsy DeVos for refusing to enforce the Gainful Employment Rule, a federal regulation designed to protect students from predatory for-profit schools. Today’s filing was co-led by Maryland Attorney General Frosh and Pennsylvania Attorney General Josh Shapiro.

“The Department of Education is again eliminating crucial protections for student borrowers,” said Attorney General Frosh. “Students seek higher education degrees to get better, higher paying jobs. When predatory institutions fail to deliver the education and training they promise, students are saddled with burdensome debt, and their employment prospects are not improved.”

The complaint, filed in U.S. District Court for the District of Columbia, alleges that the Department of Education violated federal law by refusing to enforce the Gainful Employment Rule, which implements the requirement in the Higher Education Act that all for-profit schools, all vocational schools, and non-degree programs at all other schools “prepare students for gainful employment in a recognized occupation.”

The Gainful Employment Rule has two important aspects. First, it empowers prospective students to make informed decisions by requiring schools to provide information about the program’s average debt load, the loan repayment rate of all students who enroll in the program, the percentage of students who graduate from the program, the number of graduates who obtain employment in a field related to the program, and the average earnings of graduates. Second, the Gainful Employment Rule assesses whether schools’ programs provide education and training to their students that lead to earnings that will allow students to pay back their student loan debts. If the programs fail the objective metrics, federal student loans and grants would no longer be provided to those programs.

On July 5, 2017 and August 18, 2017, the Department announced its intent to delay large portions of the Gainful Employment Rule without soliciting, receiving, or responding to any comment from any stakeholder or member of the public, and without engaging in a public deliberative process. The Department has also publicly stated that it has no plans to calculate the necessary metrics to determine whether programs are failing the Gainful Employment Rule's minimum requirements. State attorneys general argue in their lawsuit that the delays have no legal justification and the Department's actions are "arbitrary and capricious and an abuse of discretion."

[Today's complaint](#) asks the Court to declare the Department's delay notices unlawful and to order the Department to implement the Gainful Employment Rule.

Attorneys General Frosh (Maryland) and Shapiro (Pennsylvania) were joined by the attorneys general of California, Connecticut, the District of Columbia, Delaware, Hawaii, Illinois, Iowa, Massachusetts, Minnesota, New York, North Carolina, Oregon, Rhode Island, Vermont, Virginia and Washington in filing today's lawsuit.