



PRESS RELEASE

Attorney General Frosh Calls On Education Secretary Betsy DeVos to Scrap Plan to Eliminate Key Protections for Students from Predatory For-Profit Schools

BALTIMORE, MD (September 14, 2018) – Maryland Attorney General Brian E. Frosh today joined a coalition of 21 Attorneys General to formally oppose U.S. Department of Education Secretary Betsy DeVos’ plan to eliminate the Gainful Employment Rule—a critical federal protection for students who attend for-profit educational institutions.

In formal comments filed with the U.S. Department of Education, the Attorneys General argue that Secretary DeVos’ plan to eliminate the Gainful Employment Rule violates the Department’s legal obligations and disregards strong evidence that accountability standards are needed to protect students and taxpayers who interact with these for-profit schools—and often find themselves mired in onerous debt.

“Secretary DeVos’ plan to eliminate protections for students is short-sighted and dangerous,” said Attorney General Frosh. “Allowing for-profit colleges to accept and enroll students while withholding or obscuring the real cost of their education, ability to pay back student loans, and chances for making a living wage after graduation is unconscionable. I will continue to fight to protect our students from this arbitrary plan to dismantle these protections.”

The Gainful Employment Rule enforces the Higher Education Act’s requirement that applicable programs “prepare students for gainful employment in a recognized occupation.” The rule was prompted by concerns that some career-focused programs leave students with unaffordable levels of debt relative to their post-graduation earnings, leading to widespread loan default.

The Gainful Employment Rule has two key aspects:

1. The rule helps prospective students make informed choices by requiring schools to provide information about the program’s average debt load, the loan repayment rate of students who enroll in the program, the percentage of students who graduate, the number of graduates who obtain employment in a field related to the program, and average earnings of graduates.
2. The rule also 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 repeatedly fail these metrics, federal student loans and grants would no longer be provided to those programs.

Secretary DeVos' proposal to do away with the Gainful Employment Rule comes less than a year after a coalition of 19 Attorneys General, including Attorney General Frosh, sued DeVos and the Department of Education for violating federal law by refusing to enforce this Rule. That lawsuit remains pending in the U.S. District Court for the District of Columbia.

The attorneys general argue in their comments that by rescinding the Gainful Employment Rule without replacing it with similar protections for students, the Department harms students and taxpayers and undermines the Higher Education Act.

The comments were led by Attorney General Frosh and Pennsylvania Attorney General Josh Shapiro. In addition to Maryland and Pennsylvania, the Attorneys General of California, Connecticut, Delaware, Hawaii, Illinois, Iowa, Kentucky, Maine, Massachusetts, Minnesota, New Jersey, New York, North Carolina, Oregon, Rhode Island, Vermont, Virginia, Washington, and the District of Columbia joined in filing today's comments.