

October 17, 2023

The Honorable Virginia Foxx
Chair, Committee on Education & the Workforce
U.S. House of Representatives
Washington, DC 20515

Dear Chairwoman Foxx,

On behalf of the undersigned organizations, representing a diverse array of taxpayer, limited government, and free market interests, we write to urge your Committee to take action against the Department of Education's recently finalized regulation on Gainful Employment. Once fully implemented, the Rule would have profound negative consequences on career colleges and the millions of students they serve. We therefore respectfully ask that this Committee introduce a Congressional Review Act resolution and reverse this Rule.

As you are aware, the Department of Education's new 700-page regulation relating to Financial Value Transparency and Gainful Employment was officially published into the federal register on October 10th. Our coalition shares [your concern that the Rule is a](#) "sweeping regulatory package with substantial implications for students, institutions, and taxpayers."

This regulation is the latest in a concerted effort to completely shutter career colleges – institutions of higher education that prepare students with important trade skills before they enter the workforce. Career colleges help equip students with hands-on experience in fields such as public safety, medical and nursing, cosmetology, senior-care, and much more. Importantly, programs at career colleges are often more affordable and offer greater flexibility than traditional four-year schools.

Our collective concern revolves around two arbitrary tests established by this regulation. The first test requires graduates' debt to be equal or less than 20 percent of their discretionary income, or 8 percent of total income, while the second test requires that at least half of a for-profit college's graduates earn more than a typical high school graduate. A consequence of a program failing to meet these standards would result in a loss of access to federal funding and future students will no longer be able to pay tuition with federal aid.

Notably, these proposed requirements would apply to all programs offered by for-profit higher education institutions, but only non-degree granting programs by non-profit institutions. By stifling students' ability to attend programs at career colleges the department is pushing students to the community colleges and traditional private and public colleges many sought to avoid.

The regulation as written is overly prescriptive and simply serves to shutter an important segment of the higher education system instead of protecting students. As a consequence, ED estimates that roughly 700,000 students in 1,800 programs would likely fail to meet the requirements established by these proposed regulations. And as the *Wall Street Journal* editorial board [aptly noted in an October 8th piece](#), the Department of Education’s “single-minded goal is to eliminate for-profit colleges and drive their students into nonprofit and public colleges that are often no better on gainful employment.”

The federal government shouldn’t punish students who choose for-profit colleges or vocational training, but that is exactly what the DOE is doing. To ensure students have all options available to them, it is crucial that you work to expeditiously reverse this Rule through a CRA – which our organizations would strongly support.

Sincerely,

Gerard Scimeca
Chairman
Consumer Action for a Strong Economy

Seton Motley
Founder & President
Less Government

Wendy Damron
President & CEO
Palmetto Promise

Saulius “Saul” Anuzis
President
60 Plus Association

Will Swaim
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California Policy Center

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Stephanie Smith
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John Hinderaker
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Randy Hicks
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Charles Moran
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Thomas Jones
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Mario Lopez
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