

## Regulation of For-Profit Colleges

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3 WHEREAS, a college degree represents a gateway to a decent livelihood, and for-profit colleges  
4 have grown exponentially because they promise an achievable path to degree completion, and

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6 WHEREAS, at least 70 percent of funding at for-profit colleges is estimated to come from  
7 federal sources<sup>1</sup>, and

8  
9 WHEREAS, an associate degree may cost four times more at a for-profit college than at a  
10 comparable public college<sup>2</sup>, and

11  
12 WHEREAS, 96% of students at for-profit colleges take out student loans<sup>3</sup>, and students' default  
13 rate from these colleges is four times higher than from community colleges<sup>4</sup>, and

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15 WHEREAS, students from for-profit institutions suffer from a higher unemployment rate and  
16 lower earnings than do comparable students from other schools<sup>5</sup>, and

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18 WHEREAS, the *New York Times* recently reported that Secretary of Education, Betsy DeVos has  
19 “effectively killed investigations” by a special team constituted during the Obama administration  
20 to police fraudulent activity by for-profit colleges by drastically limiting its mandate and has  
21 appointed industry insiders to key positions in the team<sup>6</sup>; has moved to dismantle “Gainful  
22 Employment” regulations that cut off funding to low-performing programs and make it easier for  
23 defrauded students to wipe out their loans<sup>7</sup>, and

24  
25 WHEREAS, the AFT has taken a strong position<sup>8</sup> against predatory practices of the for-profit  
26 college industry and supports legislation to protect students from deceptive and fraudulent  
27 practices<sup>9</sup>:

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29 **RESOLVED, that the AFT demands a full and independent investigation of the practices**  
30 **and outcomes of for-profit colleges, and**

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32 **RESOLVED, that the AFT demands the reinstatement of regulations regarding federal**  
33 **funding of the for-profit college sector, and to easily facilitate loan forgiveness for**  
34 **defrauded students.**

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<sup>1</sup> <https://www.brookings.edu/blog/brown-center-chalkboard/2017/01/11/how-much-do-for-profit-colleges-rely-on-federal-funds/>

<sup>2</sup> <https://tcf.org/content/facts/8-facts-will-make-think-twice-enrolling-profit-college/>

<sup>3</sup> [https://www.help.senate.gov/imo/media/for\\_profit\\_report/PartI-PartIII-SelectedAppendixes.pdf](https://www.help.senate.gov/imo/media/for_profit_report/PartI-PartIII-SelectedAppendixes.pdf)

<sup>4</sup> <http://time.com/money/5099019/for-profit-college-student-loan-default/>

<sup>5</sup> <http://www.nber.org/papers/w17710>; <http://www.nber.org/papers/w22287>

<sup>6</sup> <https://www.nytimes.com/2018/05/13/business/education-department-for-profit-colleges.html>

<sup>7</sup> <https://www.politico.com/story/2017/08/31/devos-trump-forprofit-college-education-242193>

<sup>8</sup> <https://www.aft.org/news/new-report-looks-regulating-profit-colleges>

<sup>9</sup> <https://www.aft.org/news/pro-students-act-cracks-down-predatory-profiteers>