Regulation of For-Profit Colleges

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

WHEREAS, at least 70 percent of funding at for-profit colleges is estimated to come from federal sources¹, and

WHEREAS, an associate degree may cost four times more at a for-profit college than at a comparable public college², and

WHEREAS, 96% of students at for-profit colleges take out student loans³, and students’ default rate from these colleges is four times higher than from community colleges⁴, and

WHEREAS, students from for-profit institutions suffer from a higher unemployment rate and lower earnings than do comparable students from other schools⁵, and

WHEREAS, the New York Times recently reported that Secretary of Education, Betsy Devos has “effectively killed investigations” by a special team constituted during the Obama administration to police fraudulent activity by for-profit colleges by drastically limiting its mandate and has appointed industry insiders to key positions in the team⁶; has moved to dismantle “Gainful Employment” regulations that cut off funding to low-performing programs and make it easier for defrauded students to wipe out their loans⁷, and

WHEREAS, the AFT has taken a strong position⁸ against predatory practices of the for-profit college industry and supports legislation to protect students from deceptive and fraudulent practices⁹:

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

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

² https://tcf.org/content/facts/8-facts-will-make-think-twice-enrolling-profit-college/
⁴ http://time.com/money/5099019/for-profit-college-student-loan-default/
⁵ http://www.nber.org/papers/w17710; http://www.nber.org/papers/w22287