

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 sources¹, and

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

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12 WHEREAS, 96% of students at for-profit colleges take out student loans³, and students' default
13 rate from these colleges is four times higher than from community colleges⁴, 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 schools⁵, 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 team⁶; 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 loans⁷, and

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

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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.**

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

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

³ https://www.help.senate.gov/imo/media/for_profit_report/PartI-PartIII-SelectedAppendixes.pdf

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>

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

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

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

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