

Congress of the United States
Washington, DC 20515

December 13, 2013

The Honorable Arne Duncan
Secretary
U.S. Department of Education
400 Maryland Avenue, SW
Washington DC 20202

Dear Secretary Duncan:

We write concerning the Department of Education's latest efforts to rewrite its "gainful employment" regulations. While we share your desire to ensure that both student interests and tax-payer funds are adequately protected, we are concerned by the process by which the Department has addressed these issues, and believe every effort should be made to limit adverse impacts on individuals who face limited access to educational opportunities.

Therefore, we hope that you can provide us with data to help in better understanding the Department's latest proposal. In particular, we have two requests:

- (1) We would like to see the impact of the regulation on all programs at all institutions of higher education, rather than the limited subset of institutions and programs targeted by the Department.
- (2) We also ask that you provide us with data regarding the impact on students by demographic.

We believe that your most recent comments on President Obama's proposal to create a rating system for colleges imply that this information will be an important component to any eventual solution. As a result, if the gainful employment regulation being proposed by the Department is the new quality measure for program eligibility, we presume that this will become a primary metric on how the President's rating system will be structured.

As you know, in October, the National Center for Education Statistics (NCES) released a report entitled, "Degrees of Debt: Student Borrowing and Loan Repayment of Bachelor's Degree Recipients 1 Year After Graduating: 1994, 2001, 2009." The report found that, in 2009, 26 percent of bachelor's degree recipients at public four-year institutions, who were repaying their loans, faced monthly loan payments greater than 12 percent of their monthly income. More specifically, the report found that, for private non-profit institutions, 39 percent of graduates exceeded the 12 percent debt-to-earnings threshold. Meanwhile, 35 percent of graduates from private sector colleges exceeded the threshold.

The NCES findings are of particular concern to us, because the Department's proposed regulation effectively requires an 8 percent debt-to-income ratio in order for a program to pass. Using this report, it is foreseeable that tens of thousands of programs would likely fail the proposed gainful employment regulation, which would negatively impact millions of students nationwide.

We thank you for your attention to this matter, and look forward to continuing our work to enact responsible measures that preserve access to postsecondary education and expand career choices for all Americans. We hope that you will respond to our request for information promptly.

Sincerely,



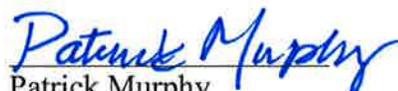
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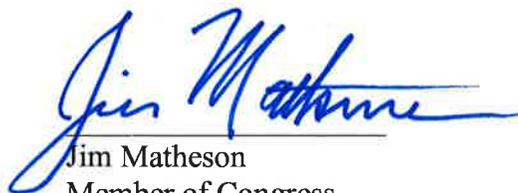
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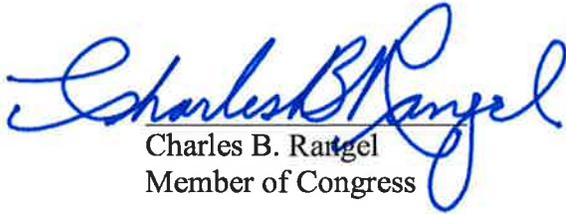
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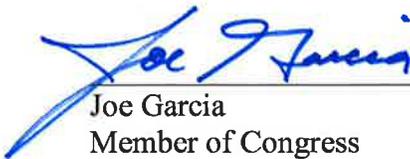
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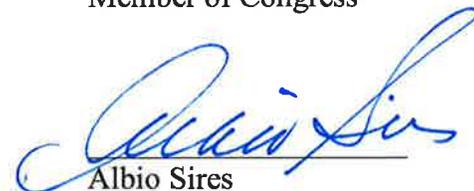
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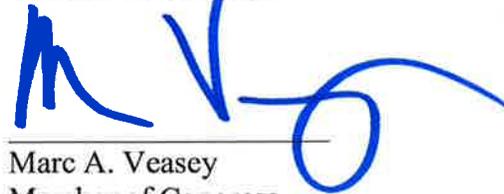
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