

United States Senate

WASHINGTON, DC 20510-1304

April 28, 2022

Dear Principal:

It is that time of year again. Each spring, for the last nine years, I have written to you asking for your help ensuring Illinois' students receive accurate and up-to-date information about their post-secondary education options, including the risks associated with attending for-profit colleges. You and your colleagues around the state have answered that call.

But, first, I want to recognize you for answering a different call—that of guiding our children and communities through the challenges of the COVID-19 pandemic. At the same time, you undoubtedly faced personal challenges and difficulties in your own families and households. It hasn't been easy, and I want to thank you for your incredible dedication to Illinois students and families.

As our nation continues to recover from the pandemic, economic uncertainty looms over your students' postsecondary education decisions—likely causing many of your students to reevaluate their plans. According to the National Student Clearinghouse Research Center, total undergraduate enrollment dropped 3.5 percent from the spring of 2020 to the spring of 2021. Fewer students seeking postsecondary education will have negative consequences for the future economy and country. Not all postsecondary institutions, however, have fared the same. Community colleges have seen enrollment declines of nearly 10 percent from the spring of 2020 to the spring of 2021. On the other hand, enrollment at four-year for-profit colleges has, alarmingly, held fairly steady.

For-profit colleges pounce on economic uncertainty to exploit students who are trying to better their future through education. We've seen it before—most recently during the Great Recession. They spent massively on marketing, bombarding students with misleading advertisements. Owners and investors lined their pockets while students paid exorbitantly high tuition in exchange for often worthless degrees. As of December 2021, more than 423,000 borrowers had applied for discharge of their federal student loans from the Department of Education as a result of being defrauded by their schools—the vast majority coming from those who attended for-profits.¹

For-profit schools are using the same tactics today. According to the Brookings Institution, for-profit colleges spent about \$400 per student on advertising, compared to just \$14 by public universities prior to the pandemic. The Century Foundation has found that these for-profit companies have spent even more during the pandemic. Some even are using the pandemic itself in ads to target students.

¹ Department of Education. (2021, December). borrower-defense-report-dec-2021. <https://studentaid.gov/data-center/student/loan-forgiveness/borrower-defense-data>.

In the last several years, several major for-profit college companies have collapsed under the weight of their own wrongdoing, including Corinthian College, Inc. (operated Everest Colleges), ITT Tech, Education Corporation of America, Vatterott, and Dream Center’s Argosy University and Illinois Institute of Art. These companies engaged in a variety of fraudulent and predatory practices. When they closed abruptly, hundreds of thousands of students across the country—including thousands in Illinois—were left with student loans and no degree. These closures put students at risk of having their education disrupted, losing credits when starting at a new school, and taking on more debt to finish their studies. Since 2014, more than 2,000 for-profit campus locations around the country have closed, including 68 campus closures in Illinois.

As was the case with these examples, regulatory scrutiny and financial instability can indicate that a company or school is more likely to close. Nearly every major for-profit college company has been investigated or sued for deceptive practices. According to publicly available information, the following for-profit college companies and brands operating in Illinois are currently or have been the subject of investigations or lawsuits by state Attorneys General and/or federal agencies, have recently paid millions as part of state and/or federal settlements for deceptive practices, or been found guilty of fraud in a court of law.

- American Intercontinental University and Colorado Technical University – owned by Perdoceo Education Corporation (formerly Career Education Corporation)
- Ashford University – owned by University of Arizona and operating as University of Arizona Global Campus
- DeVry University – formerly owned by Adtalem Global Education
- Kaplan University – now known as Perdue University Global
- Lincoln Educational Services – operating in Illinois as Lincoln College of Technology
- University of Phoenix

Additionally, a number of for-profit institutions have been placed on Heightened Cash Monitoring (HCM) by the U.S. Department of Education (Department). Institutions are placed on HCM when the Department identifies concerns related to the school’s financial instability or compliance issues with federal regulations. The designation results in greater scrutiny of the school by the Department and, in the words of former Under Secretary of Education Ted Mitchell, should serve as a “caution light” for prospective students. According to the most recently available public data, for-profit colleges operating in Illinois on the Department’s most recent HCM list include²:

- American Academy of Art College
- Cannella School of Hair Design
- DeVry University
- ETI School of Skilled Trades
- Hairmasters Institute of Cosmetology
- John Amico School of Hair Design 2
- Midwest Technical Institute
- Northwestern College

² Department of Education. (2022, April 27). Schools-on-HCM-March-2022. <https://studentaid.gov/data-center/school/hcm>.

- The Salon Professional Academy
- State Career School
- Taylor Business Institute
- Tri Country Beauty Academy

Parents and students often look at an institution's accreditation status as an indicator of legitimacy and quality. After all, if an institution is accredited by a federally recognized accreditation agency, students are able to use federal student loans to attend the institution. However, some accreditors have been slow to address the widespread fraud and abuse in the for-profit college industry—making a school's accreditation status too often an unreliable predictor of academic quality. Consider the Accrediting Council for Independent Colleges and Schools (ACICS). This organization put its stamp of approval on predatory institutions like Corinthian, ITT Tech, and Westwood Colleges. Despite clear evidence of these companies' abuses, ACICS continued to accredit them. In fact, Corinthian and ITT Tech were fully accredited by ACICS to the very day that they declared bankruptcy.

Rather than relying on a school's accreditation status, students and families should seek information about outcomes. Here's one outcome statistic I hope you will remember and explain its significance to your students: for-profit schools enroll just 8 percent of all postsecondary students, but account for 30 percent of all federal student loan defaults. Families can find information about a specific school's student outcomes through the College Scorecard. Created by the Obama Administration, the Scorecard provides information on median earnings, typical debt after graduation, and typical monthly federal student loan payment. It can be accessed online at <https://collegescorecard.ed.gov>.

Additionally, a federal regulation known as the Gainful Employment rule is meant to ensure that career training programs prepare students for jobs that pay enough to allow students to reasonably repay their student loan debt. Under the first year of Gainful Employment disclosures, more than 98 percent of programs that failed the Gainful Employment criteria were operated by for-profit schools. Of those that failed in Illinois, all were operated by for-profit companies. Former Secretary DeVos unfortunately repealed this rule. I hope we can reinstate this important protection for students. Still, students should ask schools for Gainful Employment disclosures for the career education programs they are considering and use it to compare their options. The most recently available Gainful Employment data for all career programs as of 2018 is available at <https://studentaid.ed.gov/sa/about/data-center/school/ge> by clicking on "Download the Debt to Earnings data spreadsheet."

The Gainful Employment data will often reveal to students that their best option is to enroll in a community college. Unlike for-profit schools, community colleges offer quality programs with credits that will almost always transfer to other schools. They do this at a fraction of the cost and free of the predatory record that hangs over the for-profit college industry after years of misconduct. I encourage you to work closely with your local community colleges and other not-for-profit institutions to ensure students have information on quality, affordable post-secondary education options.

You have dedicated your life to preparing Illinois students for better opportunities through education. For-profit colleges have proven themselves to be a direct threat to your life's work. For an Illinois student, getting the right information from the right person, especially at this time of uncertainty, can mean the difference between a successful future and a lifetime of student debt. I appreciate your support in this effort and encourage you to reach out to my office at 202-224-2152 if you have any questions.

Sincerely,



Richard J. Durbin
United States Senator