

Opinion | EDITORIAL

Let the Students Profit

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The Obama administration has proposed tough and much-needed regulations for lucrative for-profit colleges. Industry is predictably pushing back hard, with legions of high-priced lobbyists and organized letter-writing campaigns. The administration must hold its ground.

The final rules, due out in November, must be strong enough to rein in businesses that have made an art of enrolling students who have no chance of graduating and stripping them of state and federal grants and loans. Besides ending such abuses of students, the regulations are needed to protect taxpayers, who foot the bill for waste and abuse in the college aid program.

Honest, well-run for-profits play an important role in educating students who may not qualify for traditional schools. Over the last decade, far too many institutions have been cited for saddling students with ruinous debt. A recent report from the Government Accountability Office found fraudulent or deceptive practices at all 15 of the for-profit colleges visited by investigators posing as prospective students.

Some college officials encouraged applicants to falsify financial aid forms; students were also pressured into signing enrollment contracts before they were allowed to speak to financial aid representatives who would clarify costs. The programs offered at the for-profits schools were substantially more expensive than comparable programs at nearby public colleges. In one example, a student who inquired about the cost of studying for a massage therapy certificate was told that \$14,000 was a fair price, even though the local community college offered the same courses for \$520.

The new rules would grant the Department of Education stronger authority to stop schools from making false or misleading statements about financial charges or the employability of their graduates. Schools would be barred from paying recruiters based on how many students they brought in. Most important, the new rules would cut off federal aid to programs that repeatedly saddled students with debt that is defined as unaffordable under a new formula that takes earnings into account.

The for-profit sector is claiming that such abuses are rare and says that these rules would hurt the poor and minority students who are disproportionately enrolled in for-profit schools. In fact, the rules would go a long way toward preventing those students from being preyed upon and saddled with debt that follows them for the rest of their lives.

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