

## For-Profit Colleges: Republicans Include Generous Provisions to Aid For-Profit Colleges in Draft Bailout Legislation; Higher Ed Advocacy Groups Fight Back

Speaker of the House Nancy Pelosi recently announced that House Democrats would put forward their own legislation to provide coronavirus relief and industry bailout money, but an early Senate Republican version of the bill included significant help to the for-profit college industry.

The higher education section of the Senate Republican draft coronavirus bailout legislation, formally known as the [Coronavirus Aid, Relief and Economic Security \(CARES\) Act](#), includes two provisions that would disproportionately benefit for-profit colleges—the first would allow higher education institutions to keep federal Title IV money even if a student drops out during an emergency, and the second would grant the Secretary of Education broad discretion to waive statutory or regulatory requirements related to assessments, accountability, allocation of funds, and reporting.

Some for-profit colleges engage in a business model that drives significant student dropouts, meaning that the most predatory schools would actually be rewarded for engaging in predatory conduct by the draft Republican language because they would be paid even if students drop out.

Further, for-profit colleges often nearly exceed or exceed metrics designed to establish a floor for integrity, including cohort default rates and 90/10 rule compliance. Any flexibility around accountability rules would significantly benefit for-profit colleges that would otherwise violate such rules.

Senator Durbin, a critic of the for-profit college industry, said in a statement provided to The Capitol Forum, “Temporary, emergency flexibilities to respond to the current health and economic crisis must be done responsibly to ensure we’re not putting students and taxpayers at greater risk.”

Regarding the broad deference to the Secretary of Education to waive accountability rules, a spokesperson for The Institute for College Access and Success commented, “The scope of the waiver is breathtaking. It could apply to virtually any consumer protection, from protecting students from high default rates to any limit on who is eligible for federal funds and how they are spent. And the waivers can be extended indefinitely.”

Additionally, a group of 22 higher education advocates sent [a letter](#) to Congress opposing the waiver authority, concluding:

“Authorizing the U.S. Secretary of Education to uniformly waive hundreds of significant student protections contained within the Higher Education Act is an extreme overreach and fundamentally

unnecessary for dealing with the coronavirus crisis. Additionally, this expansive, dangerous authority would be granted for a longer time period than any other emergency provision within this part of the bill, and it could be extended without limit. This public health crisis shouldn't be used as an excuse to turn a blind eye to colleges in ways that will harm students and taxpayers, especially when millions are at their most vulnerable.”

The 22 education groups asked for Congress “to dramatically narrow the proposed expansion of waiver authority in this bill.”

Click [here](#) for a link to the draft McConnell legislation or [here](#) for a summary of the legislation.