

AG Kaul: Eight states to stop Trump administration's illegal elimination of safeguards for college students

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MADISON, Wis. – Attorney General Kaul filed suit yesterday with 18 other Attorneys General to stop U.S. Education Secretary Betsy DeVos from eliminating critical protection for students considering enrolling in for-profit colleges and vocational schools.

“The Trump administration’s repeal of the Gainful Employment Rule will put more Wisconsinites at risk of enrolling, without fair warning, in programs that turn out to have little value,” said AG Kaul. “The Wisconsin Department of Justice will continue to fight to prevent Wisconsinites from being scammed by predatory for-profit colleges.”

For years, for-profit and vocational colleges engaged in fraudulent and abusive practices — including deceptive marketing — to convince students to enroll in useless academic and training programs. Those practices left students across the country with piles of debt and no jobs to pay off that debt.

In 2014, the Department of Education issued a rule requiring the worst offending programs to warn students about the dangers of enrolling and ultimately would have made those same programs ineligible to enroll students using federal financial aid. This rule was known as the Gainful Employment Rule, named for the provision

in the Higher Education Act, which it enforced.

In a new rule set to take effect next week, the Department of Education has repealed the Gainful Employment Rule's protections with the Repeal Rule, which is a license for for-profit colleges to take advantage of students looking to find educational programs to help advance their careers.

The 2014 rule worked to hold for-profit institutions accountable for the future success of their students, and reinforced a requirement in the Higher Education Act that all for-profit schools, all vocational schools, and non-degree programs at all other schools should "prepare students for gainful employment in a recognized occupation."

The Repeal Rule, through which the Trump Administration has effectively announced it will not enforce a key part of the Higher Education Act, will injure Wisconsin and its taxpayers in several important ways:

1. Students will use aid that states offer to help their residents better their lives to instead, unwittingly, enroll in worthless for-profit programs,
2. Instead of enrolling in public institutions of higher education that states have established to make the crucial benefits of higher education available to everyone, students will enroll in worthless proprietary or vocational programs, causing taxpayers to lose the value of their investment in state systems of higher education
3. Now that the U.S. Department of Education has decided to stop regulating for-profit colleges, students will look to states to make sure predatory institutions selling substandard programs are held accountable.
4. Despite states' increased enforcement efforts, more students will enroll in worthless programs run by proprietary institutions, forcing more students to carry an inordinate financial debt load.

The states' lawsuit says Education Secretary DeVos' "decision to repeal the GE Rule

without promulgating any alternative standard for implementing the Higher Education Act's Gainful Employment provision is arbitrary, capricious, and contrary to law ... and must be set aside."

AG Kaul is joining the lawsuit, which is being co-led with Pennsylvania, Maryland, Colorado, and New Jersey, along with Connecticut, Delaware, District of Columbia, Hawaii, Illinois, Massachusetts, Michigan, Minnesota, New York, North Carolina, Oregon, Rhode Island, Vermont, and Virginia.

<https://www.doj.state.wi.us/news-releases/ag-kaul-and-18-states-stop-trump--administration%E2%80%99s-illegal-elimination-safeguards>