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CAAL
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MEMORANDUM

TO: Dr. Bettie Rose Horne, Chair, and Members, Committee on Academic Affairs and Licensing

FROM: John Lane, DMA, Interim Director of Academic Affairs

Update on Gainful Employment Regulations

On June 23, 2015, the United States District Court for the District of Columbia ruled in favor of U.S. Department of Education regulations created to enforce monitoring of “gainful employment in a recognized occupation”¹ as a student outcome for vocational programs. Outcomes for graduates such as high debt-to-income ratios as a result of low employment rates and employment in low-paying jobs may lead to the institutions’ loss of eligibility for federal student aid for specific academic programs. The loss of eligibility would be significant since “more than 80 percent of students at for-profits borrow federal student loans.”² Furthermore, the Department of Education “estimates that about 1,400 programs serving 840,000 students, of whom 99 percent are at for-profit institutions – would not pass the accountability standards.”³ Enforcement of the regulations went into effect July 1, 2015. The plaintiff in the case, the Association of Private Sector Colleges and Universities, intends to appeal.

This summary is provided for information to members of the Committee on Academic Affairs and Licensing. Additional information about gainful employment and the court’s decision can be found at the following links:

1. [Fact Sheet: Obama Administration Increases Accountability for Low-Performing For-Profit Institutions](#)
2. [Memorandum Opinion](#), U.S. District Court for the District of Columbia, June 23, 2015.

¹ U.S. Department of Education, “Fact Sheet: Obama Administration Increases Accountability for Low-Performing For-Profit Institutions,” U.S. Department of Education, July 1, 2015, accessed July 7, 2015, <http://www.ed.gov/news/press-releases/fact-sheet-obama-administration-increases-accountability-low-performing-profit-institutions>.

² Ibid.

³ Ibid.