



# South Carolina Commission on Higher Education

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ACAP  
9/10/15  
Agenda Item 5e

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## MEMORANDUM

**TO:** Members, Advisory Committee on Academic Programs  
**FROM:** John Lane, DMA, Interim Director of Academic Affairs

### Update on Gainful Employment Regulations

At its meeting on July 15, 2015, the Committee on Academic Affairs and Licensing (CAAL) requested an update on gainful employment regulations. The Academic Affairs staff provided the following summary of the 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”<sup>1</sup> 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.”<sup>2</sup> 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.”<sup>3</sup> 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.

In addition, Academic Affairs staff informed Committee members that 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.

This summary of the information provided to CAAL is presented for information to members of the Advisory Committee on Academic Programs.

<sup>1</sup> 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>.

<sup>2</sup> Ibid.

<sup>3</sup> Ibid.