



Legislation Text

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Res. No. 543

Resolution urging the United States Department of Education and Arne Duncan, Secretary of Education, to reconsider the “Gainful Employment” rule that as proposed could derail the educational careers of millions of Americans and have a disproportionately negative effect on low-income and minority students who want to attend college.

By Council Members Cumbo, Richards and Rose

Whereas, The United States Department of Education (“the Department”) has proposed regulations requiring career training programs, including for-profit institutions, community colleges and technical schools, to “prepare students for gainful employment in a recognized occupation,” or risk losing eligibility for Title IV federal financial aid; and

Whereas, In the Department’s proposed regulations, career programs would need to meet key requirements to establish that they sufficiently prepare students for gainful employment; and

Whereas, According to the Department’s website, “[i]nstitutions must certify that all gainful employment programs meet applicable accreditation requirements and state or federal licensure standards”; and

Whereas, According to the Department’s website, “[a]ll gainful employment programs must pass metrics to continue eligibility in the student financial aid program, including: the estimated annual loan payment of typical graduates does not exceed 20 percent of their discretionary earnings or 8 percent of their total earnings and the default rate for former students does not exceed 30 percent”; and

Whereas, According to the Department’s website, “[a]dditionally, institutions must publicly disclose information about the program costs, debt, and performance of their gainful employment programs so that students can make informed decisions”; and

Whereas, The Department’s argument for the proposed regulations is to target primarily for-profit

institutions whose students disproportionately graduate with high student loan debt and federal default rates; and

Whereas, Although the Department has the best of intentions to mitigate this problem that may be prevalent among some institutions, it is unfair to many other schools that enable their students to achieve their educational and career goals; and

Whereas, Should the proposed “Gainful Employment” rule be implemented, an estimated 7.5 million students could be denied access to career programs over the next decade, according to *Forbes*, including students of color, low-income students, women, older adults, members of the armed forces and veterans who otherwise could not attain a college degree at a traditional institution of higher education, according to opponents of the rule; now, therefore be it

Resolved, That the Council of the City of New York calls upon the United States Department of Education and Arne Duncan, Secretary of Education, to reconsider the “Gainful Employment” rule that as proposed could derail the educational careers of millions of Americans and have a disproportionately negative effect on low-income and minority students who want to attend college.

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TC