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ATTORNEY GENERAL RAOUL FILES LAWSUIT OPPOSING FEDERAL GOVERNMENT'S ELIMINATION OF SAFEGUARDS FOR COLLEGE STUDENTS

Chicago — Attorney General Kwame Raoul today joined a coalition of 19 attorneys general in filing a lawsuit to stop U.S. Education Secretary Betsy DeVos from eliminating critical protections for students considering enrollment in for-profit colleges and vocational schools.

In 2014, the Department of Education issued the Gainful Employment (GE) Rule, which cuts off programs at for-profit colleges and vocational schools from federal financial aid if students are not able to make enough money to repay their loans following graduation. If a program is close to being cut off, the GE Rule requires disclosure that students' costs outweigh program benefits. The GE Rule was implemented to enforce a provision of the Higher Education Act that requires certain programs to "prepare students for gainful employment in a recognized occupation".

In a new rule set to take effect next week, the Department of Education repealed the entirety of the GE Rule's protections (the "Repeal Rule"), which is in effect a license for for-profit colleges to take advantage of students looking to find educational programs to help advance their careers.

"For years, for-profit and vocational colleges have engaged in fraudulent and abusive practices to convince students to enroll in programs that left them without jobs and with debt they cannot repay," Raoul said. "Repealing the Gainful Employment rule is irresponsible, illegal, and will do nothing but harm hundreds of thousands of students."

Raoul and the coalition argue that Education Secretary DeVos' decision to repeal the GE Rule without enforcing any alternative standard for implementing the applicable provisions of the Higher Education Act is arbitrary, capricious, and contrary to law.

In the lawsuit, Raoul and the coalition assert that that the Repeal Rule, through which the federal government has effectively announced it will not enforce a key part of the Higher Education Act, will harm the states and their taxpayers because students will enroll in worthless proprietary or vocational programs instead of public institutions of higher education established by states. As a result, these students will use aid otherwise offered for other purposes and be forced to carry inordinate financial debt loads.

Joining Raoul in the lawsuit are the attorneys general of Colorado, Connecticut, Delaware, the District of Columbia, Hawaii, Maryland, Massachusetts, Michigan, Minnesota, New Jersey, New York, North Carolina, Oregon, Pennsylvania, Rhode Island, Vermont, Virginia, and Wisconsin.