

Press Releases

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ATTORNEY GENERAL MADIGAN SUES U.S. DEPARTMENT OF EDUCATION FOR REFUSING TO ENFORCE GAINFUL EMPLOYMENT RULE

Lawsuit Filed Against Education Department & Secretary DeVos for Refusing to Enforce Rule That Protects Students and Taxpayers from Abuse by Predatory For-Profit Schools

Chicago – Attorney General Lisa Madigan, along with 17 other attorneys general, filed a lawsuit against the U.S. Department of Education and Secretary Betsy DeVos for refusing to enforce the Gainful Employment Rule, a federal regulation designed to protect students from predatory for-profit schools.

The complaint, filed in U.S. District Court for the District of Columbia, alleges that the Department of Education violated federal law by refusing to enforce the Gainful Employment Rule, which implements the requirement in the Higher Education Act that for-profit schools, vocational schools and non-degree programs at other schools "prepare students for gainful employment in a recognized occupation."

"As the Department of Education eliminates critical oversight such as the Gainful Employment Rule, it abandons millions of students across the country to the false promises of predatory schools," Madigan said. "The Gainful Employment Rule was implemented to protect students from enrolling in programs that fail to provide an education that leads to gainful employment and instead leave students with a lifetime of debt."

The Gainful Employment Rule empowers prospective students to make informed decisions by requiring schools to provide information about the program's average debt load, the loan repayment rate of all students who enroll in the program, the percentage of students who graduate from the program, the number of graduates who obtain employment in a field related to the program and the average earnings of graduates. It also assesses whether schools' programs provide education and training to their students that lead to earnings that will allow students to pay back their student loan debts. If the programs fail the objective metrics, federal student loans and grants would no longer be provided to those programs.

In anticipation of the Gainful Employment Rule, for-profit schools have already shut down hundreds of poor performing programs at schools across the country, saving students and taxpayers millions of dollars in unnecessary debt and a lifetime of misery.

On July 5 and August 18, the Department of Education announced its intent to delay large portions of the Gainful Employment Rule without soliciting, receiving or responding to any comments from any stakeholder or member of the public and without engaging in a public deliberative process. The Department also has publicly stated that it has no timetable to provide schools with information necessary to calculate the metrics to determine whether programs are failing the Gainful Employment Rule's minimum requirements. Madigan and the other attorneys general argue in their lawsuit that the delays have no legal justification and the Department's actions are "arbitrary and capricious and an abuse of discretion."

Today's <u>complaint</u> asks the court to declare the Department's delay notices unlawful and to order the Department to implement the Gainful Employment Rule.

Joining Madigan in filing today's lawsuit are the attorneys general from: California, Connecticut, the District of Columbia, Delaware, Hawaii, Iowa, Maryland, Massachusetts, Minnesota, New York, North Carolina, Oregon, Pennsylvania, Rhode Island, Vermont, Virginia and Washington.

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