

# United States Senate

Washington, DC 20510-1304

April 29, 2014

Dear Principal:

I write to you about the often irresistible lure of for-profit colleges and ask for your help to ensure that your students are receiving honest and accurate information about their higher education options.

Students can hardly ride a CTA bus, watch their favorite prime-time sitcom, or surf the internet without being bombarded by attention-grabbing advertisements from for-profit colleges offering a hassle-free enrollment process, federal financial assistance, flexible schedules and a promised path to high-paying jobs and a better life. But too often it doesn't work out that way. On average, for-profit colleges leave their students with more debt than traditional schools and account for 46 percent of all federal student loan defaults.

I have heard too many heartbreaking stories of Illinois students, often low-income or minority students, who thought they were doing the right thing by signing up at a for-profit college. But after attending, many students find their dream has turned into a nightmare when they end up with a worthless degree that employers don't even recognize, credits that don't transfer, and almost twice the average debt of their fellow students who attended traditional public schools.

Many for-profit colleges are facing increased scrutiny from federal and state regulators for a variety of abuses including fraudulent marketing and recruiting practices, falsifying job placement rates, and predatory lending practices. According to a chart recently published by the *Chronicle of Higher Education*, the following for-profit companies that operate campuses or programs in Illinois are facing active investigations or lawsuits by the Illinois Attorney General or federal agencies:

- Career Education Corporation (operates International Academy of Design and Technology, American Intercontinental University, Harrington College of Design, Le Cordon Bleu, Sanford Brown)
- Corinthian Colleges, Inc. (operates Everest Colleges)
- DeVry
- Education Management Corporation (operates The Illinois Institutes of Art, Argosy University)
- ITT Educational Services, Inc. (operates ITT Technical Institutes)
- Kaplan (operates Kaplan University Online)

Sadly, while their students are burdened with debt and their companies face investigation, many for-profit college CEO's and their investors are doing quite well. In 2012, the CEO of

Career Education Corporation received more than \$3 million in executive compensation. The amount was \$3 million for Corinthian's CEO, \$6.2 million at DeVry, \$1 million at Education Management Corporation, and \$5.5 million for the CEO of ITT Education Services. What's more, because these schools target students who qualify for federal student aid, much of their revenue – often close to 90 percent – comes from federal taxpayers. Last year, the industry received more than \$25 billion in federal funding. If it were a federal agency, the for-profit college industry would be the ninth largest.

While I continue to work in the halls of Congress to correct federal policies that enable this industry to take advantage of students, I ask you to use your position in the halls of Illinois' high schools to ensure your graduating students have the tools necessary to protect themselves from schools who seek to take advantage of them. You should help your students access data on student outcomes through resources like the President's College Scorecard. You should encourage guidance counselors to have frank discussions with students about one of the basic tenants of the for-profit college industry and what it may mean for their experiences – that for-profit colleges' first responsibility is to their shareholders and not always to their students.

Finally, it is important that students understand there are alternatives to for-profit colleges. Unfortunately, a recent survey by Public Agenda found that 75 percent of for-profit college students didn't consider public or non-profit colleges before enrolling in a for-profit school. Community colleges often offer similar programs as for-profits and at a fraction of the cost. I encourage you to work closely with your local community colleges and other not-for-profit institutions to ensure students have information on these programs.

For the sake of your students, I hope you will give serious consideration to my requests. I look forward to working with you on behalf of Illinois students.

Sincerely,

A handwritten signature in black ink that reads "Dick Durbin". The signature is written in a cursive, flowing style.

Richard J. Durbin  
United States Senator