

# United States Senate

WASHINGTON, DC 20510-1304

April 21, 2023

Dear Principal:

This year marks a decade since I first wrote to you asking for your help to ensure Illinois students receive accurate and up-to-date information about their postsecondary education options, including the risks associated with attending for-profit colleges. Each year for the last nine years, you have worked to guide students to pursue quality postsecondary options.

I want to recognize you for your dedication to our students, families, and communities during these unprecedented times. After teaching through a global pandemic, you have continued to show up for students as our nation navigates pandemic learning loss, tragic and senseless school violence, the youth mental health crisis, and teacher shortages. I appreciate your commitment to Illinois students and families.

As our nation and economy continue to recover from the pandemic, we have seen workforce shortages across various industries. For example, in 2020, it was estimated that Illinois will have a shortage of 15,000 registered nurses by 2025, and in 2022, the Illinois State Board of Education had more than 5,300 unfilled educator positions. Furthermore, our nation is still recovering from undergraduate enrollment declines during the COVID-19 pandemic. Labor shortages, combined with fewer students seeking postsecondary education, will have negative consequences for the economy.

Although it is important for students to pursue postsecondary education, not all postsecondary institutions offer the same quality of education, job prospects, or potential to pay down student debt. For-profit colleges frequently offer promises of well-paying jobs in a field of study, but in reality, they exploit students through poor-quality education and high prices. For-profit colleges spend heavily on marketing and recruitment, bombarding students with misleading messages, and they target students from low-income communities and communities of color. The Brookings Institution found that before the COVID-19 pandemic, for-profit colleges spent approximately \$400 per student on advertising, compared to just \$14 per student spent by public universities.

For-profit colleges also charge higher tuition than public universities—all the while producing higher debt loads and poorer job outcomes for students. According to the Federal Reserve, students who attend for-profit institutions take on more student debt and are more likely to default on their student loans than those attending similarly selective public schools. As of January 2023, more than 779,785 borrowers had applied for discharge of their federal student loans from the Department of Education (Department) as a result of being defrauded by their schools—the vast majority of applications coming from those who attended for-profits.<sup>1</sup> Since

<sup>1</sup> <https://studentaid.gov/data-center/student/loan-forgiveness/borrower-defense-data>.

2021, the Department has discharged \$14.5 billion in federal student loans for more than one million borrowers who were defrauded by for-profit colleges. It also recently reached a settlement to discharge an additional \$6 billion in federal student loans for 200,000 borrowers who attended 151 predatory institutions. Nearly all of the schools on the list are for-profit colleges.

From January 2014 to January 2022, more than 2,200 for-profit campus locations around the country closed, including 67 campuses in Illinois. In the last decade, several of the largest and most notorious for-profit college companies have collapsed under the weight of their own wrongdoing, including Corinthian College, Inc., which operated Everest Colleges; ITT Tech; Alta Colleges, Inc., which operated Westwood College; Education Corporation of America; Vatterott; and Dream Center's Argosy University and Illinois Institute of Art. These companies engaged in a variety of fraudulent and predatory practices, including falsifying job placement rates and pushing students into high-cost, private student loans that they could never pay back. When they abruptly shuttered their doors, hundreds of thousands of students across the country—including thousands in Illinois—had their education disrupted and were left with student loans, no degree, and the inability to transfer credit.

These bad actors, unfortunately, are not unique. Nearly every major for-profit college company has been investigated or sued for deceptive practices. According to publicly available information, the following for-profit college companies and brands operating in Illinois or offering degrees exclusively online are currently or have been the subject of investigations or lawsuits by state Attorneys General and/or federal agencies, have recently paid millions as part of state and/or federal settlements for deceptive practices, or been found guilty of fraud in a court of law:

- American Intercontinental University and Colorado Technical University—owned by Perdoceo Education Corporation (formerly Career Education Corporation)
- Ashford University—owned by University of Arizona and operating as University of Arizona Global Campus
- Capella University – owned by Strategic Education, Inc.
- Chamberlain University and Walden University, which are owned by Adtalem Global Education, and DeVry University, which was formerly owned by Adtalem Global Education
- Empire Beauty School
- Grand Canyon University
- Kaplan University – now known as Purdue University Global
- Lincoln Educational Services – operating in Illinois as Lincoln College of Technology
- University of Phoenix

Financial instability at for-profit colleges can indicate that a company or school is more likely to close. A number of for-profit institutions have been placed on Heightened Cash Monitoring (HCM)—a step the Department can take to provide additional oversight for institutions with financial or federal compliance issues. According to the most recent, available public data, for-profit colleges operating in Illinois on the Department's HCM list include:

- American Academy of Art College
- Cannella School of Hair Design
- DeVry University
- ETI School of Skilled Trades
- Hairmasters Institute of Cosmetology
- John Amico School of Hair Design 2
- Northwestern College
- Shear Learning Academy of Cosmetology
- Taylor Business Institute
- The Salon Professional Academy
- Trenz Beauty Academy
- Zen Shiatsu Chicago

Accreditation status often is an indicator to parents and students that schools provide quality education. After all, if an institution is accredited by a federally recognized accreditation agency, students are able to use federal student grants and loans to attend the institution. Some accrediting agencies like the Accrediting Council for Independent Colleges and Schools (ACICS), however, put their stamp of approval on predatory institutions like Corinthian, ITT Tech, and Westwood College for years, despite clear evidence that these companies defrauded students. In fact, Corinthian and ITT Tech were fully accredited by ACICS to the very day that they declared bankruptcy. Although the Department has made strides to crack down on for-profit colleges, including terminating federal recognition of ACICS, history shows that a school's accreditation status cannot always be a reliable source of academic quality.

Rather than relying on a school's accreditation status, students and parents should seek information about student outcomes. Here's one outcome statistic I hope you will remember and explain to your students: for-profit schools enroll just eight percent of all postsecondary students but account for 30 percent of all federal student loan defaults. Students can find information about individual schools' student outcomes through the College Scorecard, which provides data on median earnings, graduation and retention rates, typical debt after graduation, and typical monthly federal student loan payments. It can be accessed online at <https://collegescorecard.ed.gov>.

An additional student outcome resource that students can access is data related to the Department's Gainful Employment (GE) rule. The GE rule acts as a guardrail against career training programs that leave students with unaffordable debts relative to their earnings. Under the first year of GE disclosures, more than 98 percent of programs that failed the GE criteria were operated by for-profit schools. Of those that failed in Illinois, all were operated by for-profit companies. Although former Secretary of Education Betsy DeVos repealed this rule, the Biden Administration is working to reinstate it. As we await the forthcoming GE rule, students still should ask schools for their GE disclosures for career education programs and use this information to compare their options. The most recent, available GE data for all career programs is available by clicking on "Download the Debt to Earnings data spreadsheet" at <https://studentaid.gov/data-center/school/ge>.

With few exceptions, the GE data also reveal that a student's best option for career training programs is through a community college. Unlike for-profit colleges, community colleges offer affordable, quality programs with credits that will almost always transfer to other schools. As a trusted voice in your school community, I encourage you to work closely with your local community colleges, public universities, and other not-for-profit institutions to ensure students have information on quality, affordable postsecondary education options.

You have dedicated your career to ensuring that Illinois students can access excellent educational opportunities. I appreciate your support in warning students about the risks of for-profit colleges—institutions that undermine your work. Your advice can make the difference between a successful future and a lifetime saddled with student debt. I encourage you to continue to sound the alarm on for-profit colleges and to reach out to my office at 202-224-2152 if you have any questions.

Sincerely,



---

Richard J. Durbin  
United States Senator