

Congressman Glenn "GT" Thompson

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Thompson Joins 9 Members of PA Delegation in Letter to Education Secretary Duncan Opposing Proposed 'Gainful Employment' Rules

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Washington, D.C.—The U.S. Department of Education has proposed a rule that has the potential to close some private secondary institutions and keep fewer students from accessing federal lending for career and technical education.

"I joined nine of my colleagues in the Pennsylvania delegation in a letter to U.S. Education Secretary Arne Duncan to protest what is called the gainful employment regulation that is currently under consideration," said U.S. Representative Glenn 'GT' Thompson, R-Howard.

The Education Department has proposed a regulation to attempt to fix what they perceive as an over borrowing problem by denying federal funds for student aid, to any institution that does not meet their standard of "an eligible program of training to prepare students for gainful employment in a recognized occupation."

The crux of the situation comes in the definition of "gainful employment". The Department currently is considering a regulation to define "gainful employment" by establishing an arbitrary eight percent debt-to-earnings threshold based on student debt for recent graduates of each program offered by the institution. Another way of saying that is a question posed by the Department: "Are graduates with typical student debt able to repay their loans in ten years without taking more than 8 percent of the expected earnings in the occupation?"

The letter reads: "Primarily, we believe it is beyond the authority of ED (the Education Department) to define this term in this manner and that Congress should ultimately be responsible for creating such a definition once it has had an opportunity to examine the issue, hold hearings and debate this topic."

The biggest concern in the letter is that some educational programs will not be able to continue and more importantly, fewer students will have access to career education. "This would occur at a time when the U.S. is aiming to increase its credentialed workforce in the competitive global marketplace and when more Americans are finding themselves in need of new or additional training to find employment in their local communities," the letter continues.

Other Members signing the letter were: Todd Platts, Tim Holden, Charlie Dent, Kathy Dahlkemper, Joe Pitts, Bob Brady, Tim Murphy, Bill Shuster and Jim Gerlach.

The letter concludes: "No one is supportive of institutions that may take advantage of students, but this proposal does more harm than good. Providing students with meaningful disclosures will serve the dual purpose of consumer protection and additional transparency."

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