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CORRECTION TO THIS ARTICLE

The editorial should have said that the regulations being considered by the Obama administration would also affect short-term training programs at nonprofit schools.

How to discourage college students

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THE OBAMA administration is considering rules that could sharply limit the availability of for-profit colleges to American students. The government is right to fashion reasonable regulation to discourage fraud or misleading practices, but it would be wrong to impose rules that remove an option that is especially useful for poor and working students.

Readers should know that we have a conflict of interest regarding this subject. The Washington Post Co., which owns the Post newspaper and washingtonpost.com, also owns Kaplan University and other for-profit schools of higher education that, according to company officials, could be harmed by the proposed regulations.

But our feelings about career colleges, as the for-profits are often called, are consistent with our editorial policy on education more broadly: that is, the more options available to parents and students, the better. Particularly among some Democrats, that's not always the prevailing view. But for the most part it has been the philosophy of the Obama administration, which is why an effort to narrow choice in this area would be inconsistent as well as misguided.

In a [speech on higher education in Texas](#) this month, President Obama noted that getting more Americans into -- and successfully out of -- college is an economic imperative. "It's an economic issue when the unemployment rate for folks who've never gone to college is almost double what it is for those who have gone to college," [Mr. Obama said](#). "Education is an economic issue when nearly eight in 10 new jobs will require workforce training or a higher education by the end of this decade." But the president noted that in college completion the United States has been "slipping. In a single generation, we've fallen from first place to 12th place in college graduation rates for young adults." He vowed to reverse that trend.

Part of the answer, as he argued, lies in improving community colleges, which can be a road to opportunity but which graduate only 30 per cent of their students within six years. Also key is offering more generous Pell grants, which the administration managed to do by taking control of the student loan business, a legislative initiative we supported. Part may lie with improving accountability in four-year colleges and universities, a process that the George W. Bush administration gingerly embarked upon.

But it's difficult to imagine achieving Mr. Obama's goal of 8 million more college graduates by 2020 if the for-profit sector is severely constricted. According to the Career College Association, as of 2006-07 about 9 per cent of the nation's 25 million college students were attending tax-paying schools such as Kaplan or Strayer University, and the

number has been growing rapidly. It's been growing because for-profit schools have been adept at meeting the needs of working students who want to advance their careers but can afford to study only part-time and, often, online.

The government has an important role to play in helping to ensure that these students aren't taken advantage of. A recent [Government Accountability Office](#) video revealed repugnant instances of misleading and high-pressure recruiting, including by Kaplan employees. It's also reasonable to discourage students from paying for courses that promise but fail to deliver improved career prospects, which is why statistics on repayment of government loans are relevant.

Government data released last week suggested that only 36 percent of for-profit students are paying back their government loans on time. The figure was on a par with other institutions that educate a high proportion of low-income students; the University of the District of Columbia, for example, was said to have a 33 percent repayment rate, and Bowie State University, 22 percent. Yet the new regulations would limit federal loans only to students attending for-profit schools whose repayment average falls below a given threshold.

The truth, though, is that for all schools the numbers are misleading. They count as deadbeats students who have restructured their loans, with government approval, to pay only interest for the first few years, until their earnings can be expected to grow, and who remain up to date on their restructured payment schedules. It makes no sense to retroactively punish schools, and their potential students, for practices that the Education Department has encouraged until now.

If the data released Friday are used without further refinement, the effect will be to deprive many working students of their best option for higher education -- and to worsen the national problem that Mr. Obama has dedicated himself to solving.