



Press Office: (202) 226-0853
Thursday, March 17, 2011

Rep. George Miller (D-CA) Statement at the Hearing on “*Education Regulations: Roadblocks to Student Choice in Higher Education*”

WASHINGTON, D.C. – Below are the prepared remarks of U.S. Rep. George Miller (D-CA), the ranking member of the House Committee on Education and the Workforce for the hearing on “Education Regulations: Roadblocks to Student Choice in Higher Education.”

Thank you Mr. Chairman and thank you for holding this hearing.

The topic we’re discussing this morning is one that isn’t new to us on this committee and isn’t new to the higher education industry.

But it is one that has a significant impact on many communities across this country.

For-profit or career colleges play an important role in this economy.

Many career colleges provide job training opportunities that Americans need to help get ahead. Taxpayer subsidize these opportunities through federal student loans, which students use at some of these schools to get the education they need.

It was become apparent, however, that a handful of bad programs are not only failing their students, but they’re also wasting taxpayer dollars.

Instead of students earning a certificate from these programs better prepared for the workforce or for a career, they’re only leaving with crippling amounts of debt.

In fact, a recent report from the Department of Education showed that nearly one in four borrowers at for-profit colleges default on repaying their loans within three years.

This number is staggering.

These are taxpayer subsidies that are being given away without any real accountability.

In some cases, these institutions take in 90 percent of their revenue from federal student loans.

With federal money in play, we have an obligation to both the students and the taxpayers.

Ensuring accountability with this money is what the administration is trying to do with their new gainful employment regulation.

It is completely fair to expect institutions profiting from federal taxpayer money to have a standard to meet in terms of what their schools need to provide for their students.

It is a tragedy to see that many students from some of these schools graduate with much higher debt and default in excess of 45 percent of the time. Some of these programs simply do not provide the kind of educational atmosphere and the success ratio that they should.

In fact, only 22 percent of students graduated from for-profit colleges, compared with 65 percent at private colleges or 55 percent of students at public universities.

A recent report from Ed Trust showed that 24 percent of all Pell Grant recipients are at for-profit colleges even though they only represent 12 percent of total college enrollment. This number has nearly doubled from 10 years ago.

The report also shows that for-profit colleges account for 43 percent of all federal student loan defaults.

Given their growing reliance on the taxpayer dollar, the performance of for-profit schools should be a concern to every member of this congress.

It should be a concern to the taxpayers, and it is a concern to this Administration.

When we see the kinds of scandals that have erupted in the past at some of these institutions, again not all of them, you have to ask what's going on and what can we do to fix it?

This isn't about what you end up doing in your career over time but about whether or not you got what you paid for and whether the institution you attended delivered the services that they promised.

In this economy, graduating from a career education program should mean a job, not stifling debt.

It is irresponsible to not insist on some level of accountability when billions of federal dollars and students' financial security are at risk.

The case is very clear. We have to demand more quality and affordability from schools on behalf of students and taxpayers, not less.

I look forward to hearing from our witnesses and continuing this conversation.

###