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ASSOCIATION OF
PRIVATE SECTOR COLLEGES
AND UNIVERSITIES

April 14, 2016

The Honorable John King
Secretary
Department of Education
400 Maryland Ave., SW
Washington, DC 20202

Dear Mr. Secretary:

On behalf of the 2.6 million students, attending over 3,000 private sector institutions, I am writing to request the Department delay the imposition of any penalties related to the gainful employment regulation for one year. The purpose of this request is to enable institutions to transition their programs in response to the Department's planned debt-to-earnings ratios scheduled for release this year. The basis for this request is three recent studies making clear that recent graduates face significant challenges in finding work related to the value of their degrees.

Recently, Bloomberg News published a story by Matthew Boesler sharing results of a recent New York Federal Reserve study. The report makes clear that early employment experience is often underemployment compared to a student's academic credentials.

The study states, "Our analysis demonstrates that new college graduates typically take some time to transition into the labor market and find jobs that utilize their education." The report continues, "High rates of unemployment and underemployment are not uncommon among college graduates just beginning their careers."

This study confirms the results of two previous studies published in 2015 by the Georgetown Center for Education and the Workforce showing a dramatic lack of job recovery in middle-skills jobs. In August of 2015, the study "Good Jobs Are Back" wrote, "The downside of this recovery is that middle-wage jobs have not fully recovered: in spite of the 1.9 million jobs added in the recovery, middle-wage jobs remain 900,000 jobs below their pre-recession employment level."

A second study, "Six Million Mission Jobs" released in December stated, "There are still 2 million fewer jobs for workers with some college or an Associate's degree than there would have been if the recession had not occurred."

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These studies confirm that graduates at all levels, from all institutions, struggle to find employment at the level they thought they would obtain upon graduation. Such data makes clear that using debt-to-earnings ratios in a graduate's third year of employment inaccurately reflect the long-term earnings gains of graduates. Using such data will negatively impact many good programs that are simply caught in the delayed economic recovery for middle-skill jobs.

The negative impact on the economy, highlighted by these studies, combined with the overly bureaucratic implementation of the regulation, have now produced a new, unexpected challenge for institutions seeking to comply. The delay in issuing the completers data, combined with expected similar delays in the publishing of debt-to-earnings ratios gives institutions no time to study the data, determine if it is inaccurate, or make changes to programs in order to comply. Accordingly, in the interests of the rule's integrity and the students' access to such programs, we respectfully request that the first year of the regulation be implemented without penalty. Such a good faith effort will enable institutions to comply without impeding student access. But it will not delay the program changes the Administration sought in promulgating this regulation.

We look forward to working with you in ways that consider the current economic realities as you proceed with implementation of this new rule. We believe the request made honors your commitment to the gainful employment regulation while also recognizing the reality of the current economy.

Sincerely,

Steve Gunderson
President & CEO