

# Five Policies the Biden-Harris Administration Must Tackle to Protect College Students

**Lanae Erickson**

Senior Vice President for the Social Policy & Politics Program

[@LanaeErickson](https://twitter.com/LanaeErickson)

**Debbie Cochrane**

Executive Vice President, The Institute for College Access and Success (TICAS)

**Antoinette Flores**

Director of Postsecondary Education, Center for American Progress

**Amy Laitinen**

Director of Higher Education, New America

**Carrie Wofford**

President, Veterans Education Success

**Robert Shireman**

Director of Higher Education and Excellence and Senior Fellow, The Century Foundation

With the nation deep in a global pandemic that has forced an economic recession, the newly elected Biden-Harris Administration has much work ahead to ensure students are protected in this time of unprecedented uncertainty.

There are worrying signs. Enrollments at community college have dropped significantly during the current crisis, while enrollments at for-profit and online programs are up.

Graduate program enrollment is up. Marketing and recruiting activities have picked up -- and too often it is deceptive and misleading. More colleges are considering for-profit companies to

establish and outsource their online programs. Students are facing greater danger than they did even during the last recession, when aggressive and misleading recruiting practices by some for-profit colleges helped drive millions of students into programs that left them either with no degree or with an essentially worthless degree. Meanwhile, Education Secretary Betsy DeVos has systematically dismantled protections for students and taxpayers built up by the Obama Administration, leaving students stranded when their colleges closed precipitously and saddling millions with debt for worthless programs.

Consumer protection issues have never been more important than they are now. That's why our organizations—the Center for American Progress, New America, The Century Foundation, The Institute for College Access and Success, Third Way, and Veterans Education Success—have teamed up to call on the Biden–Harris Administration to make accountability a top priority for the Education Department, including with these priorities.

**Protect students from shoddy higher education programs.** For-profit colleges have driven an increase in student loan default and delinquency, and left students unemployed or with unacceptably low earnings. The Obama–Biden Administration raised the floor on for-profit and non-degree programs and made it easier for borrowers whose schools took advantage of them to get relief on their loans, but Secretary DeVos rolled it all back. Reinstating strong requirements for programs that promise to provide “gainful employment,” and writing a new rule that deters institutions from preying on and lying to students, should be a top priority for the Administration. Additionally, the Administration should rescind guidance that allowed schools to skirt rules that ban payments that offer an incentive to recruit students in large numbers, often with predatory tactics, using certain types of contracts.

**Ensure students have access to high-quality programs.** Schools have figured out how to game the sole universal measure of terrible borrower outcomes—the cohort default rate (CDR)—and evade accountability; and the Trump Administration has weakened federal rules for the accreditors charged with improving college quality. Additionally, with the rise of distance education, 49 states (excluding California) and the District of Columbia have joined a reciprocity agreement known as NC-SARA, where member states delegate their role in approving and overseeing colleges their students attend to the state in which a college is located, undermining key higher education safeguards in many states. The Administration must create incentives to lower student loan default risk and ensure access to a quality education.

**Protect veterans from predatory colleges.** Servicemembers, veterans, and military-connected students have long been targeted by predatory low-quality institutions, and a loophole currently in the law gives for-profit colleges an incentive to see service members as nothing more than dollar signs in uniform. The law was intended as a market viability test — forbidding for-profit schools from being entirely dependent on federal aid from the

Department of Education. But the GI Bill, administered by a different agency, was overlooked, and now the “90/10 loophole” allows for-profit universities to load up on GI Bill funds and military student aid to skirt the cap on federal aid. The end result is schools that are now fully or nearly fully taxpayer-subsidized and heavily reliant on recruiting veterans. The Administration should work to close the 90/10 loophole, kick predatory colleges out of the GI Bill and military tuition assistance and off of military bases, and crack down on predatory websites designed to scam veterans and servicemembers -- something Beau Biden started in 2012.

**Prevent failing colleges from using federal money as a bail-out fund.** The Education Department’s attempt to prevent the waste of taxpayer dollars at colleges that burn through cash, abruptly close, and leave students without a path to graduation are too often inadequate. Financial oversight reform was overdue even before the pandemic. Now, financial shocks from the pandemic have heightened both the need for improved accountability, especially among rapidly growing online programs, and the risk that financially failing schools will use federal money as a bail-out fund. The Administration must triage the highest-risk schools and take action to protect students and taxpayers.

**Make data and transparency a priority.** Data are essential for shining a spotlight on inequity in higher education, revealing who has access to a high-quality postsecondary education and who doesn’t. The Biden-Harris Administration should make the publication and utility of federal higher education data a priority throughout the next four years, including improving information on student outcomes across racial/ethnic groups; working with Congress to pass the College Transparency Act; and improving the utility of consumer-facing data tools like the College Scorecard and GI Bill Comparison Tool. Consumers and taxpayers alike deserve to know where they are more likely to get a return on their higher ed investment.

The next several years look to be difficult ones for the higher education sector. But they will be much, much harder for students if bold steps aren’t taken to protect them from the abuses and profiteering seen throughout the last recession. The Biden-Harris Administration should undo the damage wrought by Betsy DeVos and make these issues a central priority of its time in the White House.

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