

Redeeming For-Profit Colleges and Universities: How Public Policy Can Ensure Quality and Success



INSTITUTE
FOR HIGHER
EDUCATION
LEADERSHIP
& POLICY

Su Jin Jez

Institute for Higher Education Leadership & Policy
Department of Public Policy & Administration

Sacramento State

AEFP

3/15/13

Evil for-profits...

- Deception in recruiting
- Student debt and default rates
- Quality of education

But lots of students attend, complete

- Move beyond minimizing harm

Questions considered

- What is the current policy environment for for-profits?
- Ideas on reforming policy to promote the success of for-profits' students

Major policies targeting for-profits

- 90/10 rule
- Publication of key program information
- Gainful employment regulations

For-profits also self-regulating...

- Toned down aggressive recruiting practices
- Orientations for at-risk students
- Free trails
- Raised admissions standards

From predators to allies: CLARITY IN RECRUITING

- Current policy: publish program information
- But students are not getting the information
- Reformed policy: further guidance on how to publish program information; comparative data

From predators to allies: UNSHACKLING STUDENTS FROM DEBT

- Current policy: gainful employment rule
- But this rule is currently on hold
- Is the problem the high loan balances?
 - Capping tuition
 - Providing more grant-based financial aid
- Or should we focus on the default rates themselves?
 - For-profit degree value?
 - Drop outs?

From predators to allies: QUALITY OF EDUCATION

- Current policy: accreditation? State authorization? 90/10 rule
- But these rely on a lot of assumptions to be effective
- Reformed policy: revisit the 90/10 rule

Final thoughts

- For-profits have much room for improvement
- Focus on four main tools:
 - More and better information
 - Use free markets to improve quality
 - Strengthen state authorization process
 - Increased accountability regarding student defaults
- *Would love to hear your thoughts!*

Thank you!

Su Jin Jez

jez@csus.edu

(916) 278-5955

<http://webpages.csus.edu/~jezs/>