

Senator Harkin and honored members of the Senate committee, on Health, Education, Labor, and Pension.

My name is Eric Schmitt. I am an alumnus of Kaplan University. Around the time this committee and the Department of Education began looking at the excesses of the for-profit education sector, I received an email from my alma mater asking me to “Get Involved by Telling the U.S. Education Department and Congress Why the “Gainful Employment” Regulation is Unfair and Needs to Be Stopped.” This got me interested in what was happening in Washington and I knew I should make my voice heard. Since I am sure my alma mater wouldn't find what I have to say useful to their cause, I decided to make my voice heard in another forum. After taking on \$45,000 in student loans and spending years job-hunting without success, I feel it is important to tell my story.

I graduated with an Associate degree and Bachelor's of Science in Paralegal Studies with an emphasis in Personal Injury. In the course of pursuing my degrees, I have been an on-campus student as well as part of a new generation of students, the distance learners attending online.

My involvement with a for-profit college began in 2002; I was working at an inbound customer service firm and felt I needed a change for the better. I didn't think a traditional college would work for me, being, at the time, a 27-year-old father of two. I met with an admissions counselor who told me all about the campus. It had day and night classes for non-traditional students like me. I took their entrance exam (which seemed very simplistic, but who was I to judge?), and I chose a major. My suggested choices were between paralegal and accounting. I chose the paralegal path because, after a stint on jury duty, I discovered an intuitive understanding of the intricacy of the legal process and a fascination with the interpretation of fact and statute. The admissions representative assured me this was a good choice, saying student services placed 100 percent of students out of that program.

In the orientation after I enrolled, all prospective students were asked their intended major. An administrator would pull up a slide on a power point presentation, which would show us our average salary for that profession in our zip code, according to salary.com. I remember the paralegal average being \$30,000 to \$36,000 a year. As part of the presentation, one of the school administrators asked for a volunteer to come forward. I was the volunteer. He gave me \$10. The moral of this tale was that for taking a risk, you would be rewarded. He says we all took the initiative when we enrolled at Kaplan. The reward, he said, was that since the school had such a great reputation with local businesses, that finding work in our fields would be easier. Kaplan had this great education by focusing their programs on marketable skills rather than on general education requirements. I knew that I would take out loans to pay for my education, but since the school advertised their career-focused programs that gave you the skills you needed to work in the field I figured it would be worth it.

I worked overnights and went to school in the evening. My experience in class at Kaplan was relatively smooth with the exception of the difficulty I had finding the classes I needed to graduate. The same introductory classes were always being offered, but upper level classes required for my degree were pushed off. After putting up a petition to appeal to the administration to offer the advanced classes, such as law office management, in a classroom format, as opposed to self-study, I spoke to the Dean about this issue. I was chided for the tone of my petition. I explained to him that I wanted to learn in a classroom environment because I wanted these skills, not just a letter grade. The Dean responded that they needed to keep these introductory classes on the schedule to handle the influx of new enrollees. I pointed out that some of us needed this class and other advanced classes in order to graduate. Since my protests had no effect on the schedule, I adapted and took the class through an independent study, meeting once a week with an instructor for an hour.

During this conversation, the Dean learned of my interest in law school, He told me about that I could get my law degree online with an affiliated school, Concord University. It seemed, with a few

hiccups, that Kaplan could provide everything I needed to fulfill my dream of practicing law. I was sure with my grades and references that I would have no difficulties finding a job after graduation.

My associate degree track required an externship. Ideally I wanted to get a paying job that would satisfy the externship and began applying to local businesses early in my second year. I used job specific and non-targeted resumes to apply to every law office in the Waterloo and Cedar Falls area. I only had one response when a law office staff secretary who was leaving her job recognized me from Kaplan, forwarded my resume to her boss as a possible replacement. I was not hired. I finally went to my Program Chair who did help me find an attorney I could take my externship through, although it was unpaid. My externship was a less than rewarding experience. I quickly learned that my supervising attorney was gaining a reputation as an unreliable and unethical member of the bar and I felt it necessary to distance myself from him.

In 2004 I graduated with an associate degree in paralegal studies. I had a 3.76 GPA, I was the President of the Law Club and had the recommendation of most of my instructors. Upon graduating, I continued my job search. I hoped that since I now had my Associate of Applied Science degree, my job search would be more productive.

This did not turn out to be the case. I wanted to get a jump on finding a job so a few months before graduation I began applying to every posting related to my field I saw, in both the public sector and the private sector. I also contacted other employers even if they did not advertise open jobs including law offices, banks, credit unions, and even bail bond offices. After applying to a position or a business, I would contact them once or twice a week until the position had been filled or that I was notified there were no open positions. I never received a call back for an interview.

The school's Career Services didn't seem prepared or able to help me. I stopped into the office on campus a few times, but always seemed to get contradictory or confusing resume tips from them.

Career Services would frequently send out emails notifying graduates of jobs being offered that I had seen on Iowa Workforce Development or in the Waterloo Courier. These were jobs postings I could apply to on my own instead of driving to the school.

I struggled to find any work with my degree so I took a four month unpaid internship. I knew there was no chance of being hired, but I wanted to improve my likelihood of being picked up elsewhere. I hoped a credible reference would help. In early June 2005 with my unemployment running out I finally settled for a job doing inbound customer service. This was the very field I went to get an education in order to escape.

In late 2005 I received a letter from Kaplan that they were now offering their Bachelor of Science in the Paralegal Studies program on campus via the “School within a School” program. School within a School meant that the online class format was still used, but there was a seminar for one hour per week on campus or via conference call. In early 2006 I enrolled, eager to continue my education since I assumed it had to have been my fault that I never received an interview. I also wanted desperately to leave the customer service industry and I thought that a four-year degree would better help me do that. The School within a School program, I don't believe, even lasted a full year into my Bachelor's program. The campus seminars were abruptly ended without explanation or acknowledgment. I continued at Kaplan in a fully online education environment. I could have tried to transfer, but I had heard from many sources that Kaplan credits rarely transferred. The most important bit of knowledge I gained during this time was from a one-term adjunct instructor, who, when I told her of my plan to continue my education through Concord Law School, informed me that the school was not recognized in Iowa for taking the BAR exam. That information was eye opening. The Dean apparently didn't know or forgot to mention this little problem with Concord.

I continued on and graduated in 2008 with a 3.16 GPA. Since getting my Baccalaureate degree, I have had one temporary job using it, which lasted two weeks. I have applied to every opening I have

found through my continued an ongoing search. I have sent my resume far and wide. I volunteered and I took on another internship to make more connections and build references. I took on temporary work with the 2010 Decennial Census, which was rewarding but didn't much to do with my field of study. Since then my choices for work have been an assembly line laborer in a pesticide plant, a flagger on road construction for the season, or other temporary work.

So what is the end of my Kaplan "success story"? I cannot say that even once my degree has opened any doors of employment for me. I slowly learned what most employers really thought of Kaplan degrees and graduates. I had heard rumors and horror stories all through my education that once Kaplan was done with you they really didn't care what kind of job you found. There were stories of graduates who never found work, and that if you tried to transfer that most other colleges refused to accept the credit hours. The judge who reviewed my child support said that despite having recently lost my \$10.50 an hour janitorial job I "would be able to get a job making as much or more with (my) education." But now I owe \$45,000 in student loans without a permanent job to pay those bills. Only very rarely in the past seven years since completing my Associate degree have I been able to make any payments at all and the debt continues to pile up. The loans from my Associate Degree went into default late last year. The loans from my Bachelor's Degree are in deferment but I have no idea how I will manage after my deferment allotment runs out. Because of the deferment and forbearances, the interest has added thousands of dollars on top of my original balance. In this battle it seems as if even time is against me.

I realize it is probably too late for me, but I am sure there are other parents out there looking to make a better life for their families. The crushing debt and lack of opportunity of this mistake has cost me more than any amount of money. I had to sell my house after my divorce because I couldn't pay for it. I have had to give up opportunities to visit with my children since I could not afford to travel to see them. The financial hardship strains the most important relationships in my life. I refused for years to

marry my current wife Mira for fear of dragging her down into this crushing burden. The lifetime promise of a college degree has become a lifetime burden that I only can hope I bear alone. The debt and the magnitude of my mistake is with me like a constant weight. I have lied awake at night dreading what I might have to do to save my family from this burden. To even once have to consider cutting ties with everyone you love and who loves you to save them from a mistake is a horrible burden to bear. I hope that this committee and the Department of Education can make sure those families like mine have a real chance at building their future with a real education.

Sincerely,

Eric Schmitt