The Return on the Federal Investment in For-Profit Education: Debt Without a Diploma

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Executive Summary:

For-profit education companies claim to offer access to higher education to low-income and minority students. Data analysis of 16 for-profit schools indicates that they are more likely to offer their students debt without a diploma.

Enrollment is growing even more quickly than previously understood and masks high withdrawal rates:

Annual enrollment measures fail to capture that, because of high withdrawal rates, schools must recruit large numbers of new students each year to maintain, or grow, their enrollment levels.

In 2008-09, one school started the year with an enrollment of 71,246 and ended the year with an enrollment of 89,479. However, the school added 120,638 new students over the course of that year. Recruiters had to enroll 120,000 new students to increase enrollment by a net of 18,000 for the following year.

Fourteen out of 16 schools analyzed recruited a greater number of new students than their entire starting enrollment in 2008-09, however their net enrollment only increased by 22 percent.

Students at for-profit colleges leave without a diploma at an alarming rate:

The data received and analyzed by the Committee provides new evidence that, at many schools, more than half of students withdraw within two years of enrollment.

In total, out of 16 for-profit schools analyzed, 57 percent of students who entered school between July 2008 and June 2009 have withdrawn.

Over a three year period, an estimated 1.9 million students have left the 16 for-profit schools, most with nothing to show for their time in a for-profit school but student loan debt.

Two large for-profit schools that enroll a combined 44,000 students across the country in associates degree programs have withdrawal rates above 75 percent for 2008-09 enrollees.

Almost all students at for-profit schools take out student loans to pay high tuition and they are likely to amass significant debt even in a few months:

For 2008-09 students withdrawing from associates or bachelors programs, median attendance was approximately 20 weeks. A student who attended for that length of time would pay approximately $8,800 to $11,000 in tuition.

Most students at for-profits borrow to pay tuition. More than 95 percent of students at two-year for-profit schools and 93 percent at four-year for-profit schools took out student loans in 2007, while only 16.6 percent of students attending community colleges and 44.3 percent at public four-year institutions borrowed during the same period.
According to a 2005 report published by the National Center for Public Policy and Higher Education, students who drop out without completing their degree were ten times more likely to default on their student loans, which may foreclose the opportunity to earn their diploma at another school.

**High enrollment and withdrawal is driving up the amount of federal dollars flowing to for-profits:**

Across the schools analyzed, the amount of federal dollars flowing to for-profit schools is escalating rapidly. Eight schools have more than doubled the amount of Pell grant dollars they received between 2006 and 2009, with three more schools nearly doubling. At least two additional companies have seen increases of 85 percent or more in Pell grant funding between fiscal year 2009 and 2010.

Federal programs outside the Department of Education are also experiencing rapid growth in funds flowing to for-profits. Between fiscal year 2009 and 2010, two schools saw increases of $56 million in non-Title IV student aid funds received and a third is on pace to see an increase of up to $85 million.

**Despite dismal student outcomes, for-profit institutions are raking in record profits:**

For the 16 companies analyzed, profits in 2009 totaled $2.7 billion. Between fiscal year 2009 and 2010 alone one company doubled its profits from $119 million to $241 million, while a second went from $235 million to $411 million.

**For-profit college revenues are largely made up of the taxpayer dollars intended to support student success:**

This report for the first time provides a full picture of the federal revenues flowing to some for-profit schools.

Across 14 schools analyzed, federal dollars total 87.4 percent of 2009 revenues and ranged from 93.1 percent of revenues to 85.2 percent of revenues.

Enrolling low-income students requires a commitment to provide support and resources to ensure those students succeed. Based on the poor outcomes at many for-profit schools, those schools are falling short in adequately assisting the students they claim to be serving.

The data analyzed suggests that some for-profit schools are efficient government subsidy collectors first and educational institutions second. Under current law, a for-profit school can be extremely profitable while failing a majority of its students. This is clearly not what Congress intended when it allowed for-profit schools to access federal student aid dollars.
Investigation Background:

In June of this year, Senator Tom Harkin, Chairman of the Senate Committee on Health, Education, Labor and Pensions (HELP Committee) began investigating whether the rapidly growing investment in for-profit schools is benefiting taxpayers, through a more educated citizenry, and students, by allowing them to obtain the skills and education they need to increase their lifetime earning power. As part of a hearing on June 24, 2010, the Chairman released an initial report titled “Emerging Risk?: An Overview of Growth, Spending, Student Debt and Unanswered Questions in For-Profit Higher Education.”

The HELP Committee held a second hearing on August 4, 2010, focused on recruitment and marketing practices and featuring a report by the Government Accountability Office (GAO). The GAO testified that investigators visited 15 for-profit schools and found deceptive, misleading or fraudulent recruitment practices at every one. On August 5, 2010, the Chairman issued a document request to 30 for-profit education companies to better understand the range of practices across the for-profit spectrum. This report is based on an analysis of information provided in response to that document request. It focuses on the eight largest publicly traded and the eight largest privately held for-profit education companies that offer certificate, associates or bachelors programs.

Introduction

Because of the power of higher education to improve both individual lives and our economy, the federal government will invest more than $140 billion to aid postsecondary students this year alone. For this investment of federal dollars to pay off, higher education institutions must increase the knowledge and skills of their students.

For-profit schools take credit for providing access to large numbers of low-income and minority students who have historically not been well served by traditional institutions of higher education. But college enrollment alone is not a sufficient goal for the government’s student loan and grant policies. Schools must also produce graduates able to meet the needs of the workforce and pay off their loans. Thus, policymakers must ask if the federal investment in for-profit colleges is really serving students and our society.

Publicly available data fails to provide an accurate picture of the true size of the federal investment in for-profit schools, or to accurately assess whether the schools are doing a good job of serving students. An analysis of newly-provided data finds that more than half of students are leaving these for-profit schools with debt but without a diploma. Among the group of students tracked for this report, 57 percent departed without a diploma within two years after enrolling. Across each of the 16 schools analyzed there were few bright spots in withdrawal rates. In total these schools have lost 1.9 million students in the past three years.
For-profit colleges offer access to programs that are on average significantly more expensive than public institutions of higher education. A student who attends a for-profit school, even for a short period of time, can amass a significant amount of debt that can take years to repay.\(^5\)

Almost all of the 1.9 million students who withdrew from the 16 colleges analyzed in this report over the past three years will leave with substantial debt.\(^6\) Students who leave school without earning a diploma are ten times more likely to default on their loans according to a National Center for Higher Education Policy report.\(^7\)

These outcomes are of particular concern to Congress and the federal government because of the extent to which for-profit colleges reap this profit from federal subsidies. The 14 schools that provided comparable data for this report received 87.4 percent of their revenue from federal taxpayer dollars in 2009.\(^8\) Moreover, despite high withdrawal rates, and heavy debt burdens for students, the companies are generating tremendous profits. The total fiscal year 2009 profit for the 16 schools examined was $2.7 billion dollars.

If for-profit schools are leaving large numbers of students worse off, and costing taxpayers and students significant amounts of money with no real benefit, it is incumbent on Congress to look closely at that federal investment. This report suggests more should be done to ensure that taxpayer dollars are being spent effectively on educating the students attending for-profit schools. Alarmingly, the data collected in this report show that for the majority of students enrolled at for-profit institutions, debt is a far more certain outcome than a degree.

**Fast Growing Schools…**

Across the country, and online, for-profit schools are expanding rapidly. Enrollment growth at some institutions is occurring at a rate and scale that is unparalleled in the history of American higher education. In July 2007, School H started the school year with 8,342 students. However, over the next thirty-six months the company brought in an additional 160,000 students.\(^9\)
While School H demonstrates the largest growth, almost every school examined in this report is engaged in rapid enrollment growth. In 2008-09, 14 out of 16 schools analyzed recruited a greater number of students than their entire starting enrollment.\textsuperscript{10}

School B began the 2008-09 year, with an enrollment of 71,246 and ended the year with an enrollment of 89,479. However, over the course of the year it added 120,638 new students. Recruiters at School B had to enroll 120,000 new students to increase enrollment by only 18,000 students for the following year.\textsuperscript{11}

As a group, the 16 schools had one million students enrolled as of July 1, 2009. Over the next 12 months they brought in 1.2 million new students. These high numbers are consistent with the aggressive recruitment practices detailed in the HELP Committee’s August 4\textsuperscript{th} hearing.

For-profit schools present themselves as responding to the growing demand for education in a down economy. In particular, they claim to be responding to the needs of working adults and low-income students. However, growing enrollments only tell part of the story. In fact, while students are entering for-profit schools at phenomenal rates, they do not appear to be staying in school. The 16 schools added 1.2 million new students to their starting enrollment of 1 million. However, the schools ended the year with only 1.3 million students, meaning nearly one million students departed those schools in the course of the year. Only a fraction of those students left with a degree.\textsuperscript{12}

...Fast Departing Students

Data collected for this report indicates that students are overwhelmingly departing most for-profit institutions before completing their degree or diploma.\textsuperscript{13} The Committee analyzed data for each student who enrolled at each of 16 for-profit schools between July 1, 2008 and June 30, 2009 (2008-09) looking at whether the student was continuing, had completed or had withdrawn by August 2010. The conclusions were striking.

| Outcomes for Students Enrolling in 2008-09 At 16 Schools Through August 2010 |
|---------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|                                | Real Student Enrollment | Completed | % Completed | Students Still Enrolled | % Still Enrolled | Students Withdrawn | % Withdrawn | Median Day Enrolled Before Withdrawal |
| Associates Degree Students     | 450,500            | 38,003       | 8.4%       | 123,391            | 27.4%           | 289,106         | 64.2%         | 136             |
| Certificate Students           | 198,211            | 111,865      | 56.4%      | 6,406              | 3.2%            | 79,940          | 40.3%         | 112             |
| Bachelors Degree Students      | 310,509            | 14,325       | 4.6%       | 118,481            | 38.2%           | 177,703         | 57.2%         | 141             |
| Students at 5 Largest Schools By Enrollment | 701,484 | 121,532 | 17.3% | 170,995 | 24.4% | 408,957 | 58.3% | 127 |
| Students At All Schools        | 959,220            | 164,193      | 17.1%      | 248,278            | 25.9%           | 546,749         | 57.0%         | 131             |

Nine hundred and fifty nine thousand students enrolled at the 16 schools during 2008-09. Five hundred and forty seven thousand of those students, or 57 percent, withdrew by August 2010. Among associates degree students at these 16 schools, 64.2 percent of students withdrew before completion. By contrast, only 8.4 percent have completed, while 27.4 percent are still attending. Bachelor degree students have not fared much better as 57.2 percent have withdrawn by the end of the second year.
There is some variation across the 16 schools. At one publicly-traded school, 84.4 percent of the nearly 8,000 students pursuing associates degrees starting during 2008-09 withdrew by August of this year. At a second school 76 percent of its 36,000 associates degree seekers withdraw over the same period. The top five schools by enrollment, all publicly traded companies, together account for 409,000 students who have left the schools. Among these five, even at the schools with the lowest withdrawal rates, 61.7 percent of associates and 50.3 percent of bachelors degree students withdrew within the period analyzed.

On the whole, the data shows astonishingly high withdrawal rates. Out of the 15 associates degree programs analyzed, 12 have withdrawal rates over 50 percent, and two more have rates between 40 and 50 percent. Out of the 14 bachelors degree programs analyzed, all but two saw at least 50 percent of their 2008-09 entering class withdraw. The remaining two programs saw more than 44 percent of that class withdraw. Certificate programs had substantially lower withdrawal rates. Overall, 5 out of 11 schools with certificate programs had withdrawal rates lower than 35 percent.

For-profit schools are enrolling a growing number of students. What this data suggests, however, is that not all of these schools are providing students with a real opportunity to earn a degree or certificate. While these institutions may be successful as companies, the withdrawal rates, combined with high debt, raise serious concerns about whether they are successful as educational institutions.

The High Cost of Withdrawal

The vast majority of students who attend a for-profit college take out loans to finance their education. According to the National Postsecondary Student Aid Survey, 95.4 percent of students at two-year for-profit schools, and 93.4 percent at four-year for-profit schools, took out federal student loans in 2007-08. By comparison, only 16.6 percent of students attending community colleges took out loans during the same time period. At four-year public schools the borrowing rate was 44.3 percent, still half the rate of four-year for-profit colleges.
Unlike their peers at non-profit institutions, almost all of the students who withdraw from a for-profit school will leave school with loan debt. Many of those students have low-incomes and will have greater difficulty dealing with the substantial loan debt they have incurred compared with more affluent students. Further, by failing to complete a degree, these students will miss out on most of the financial benefits associated with higher education. According to a 2005 report published by the National Center for Public Policy and Higher Education, students who drop out without completing their degree were 10 times more likely to default on their student loans.16

The harsh reality for students attending for-profit colleges is that even a brief enrollment can result in significant debt. The high rate of borrowing by students attending for-profit schools is due in part to higher tuition rates. According to GAO’s August 4th testimony at a hearing of the HELP Committee, of the 15 schools investigated, 14 had higher tuition than the nearest public college offering a similar program.17 One particular for-profit college offered a “computer-aided drafting certificate” for $13,945, when the same program at a community college would cost $520.18 The cost of an associates degree offered by the second largest for-profit is over $38,000, and a bachelors degree from the same school can cost up to $96,500.19 Thus, a student who enrolls in a for-profit school even for a short period of time can amass many thousands of dollars of debt that can take years to repay.

To estimate the student loan burdens of students withdrawing from these institutions this analysis looked at how long they remained enrolled. Among students who withdrew from the 16 schools, median attendance was approximately 20 weeks. If that student attended full-time and took 12 credits per term he or she could still incur a substantial debt. For the five schools in the chart above, a student attending for 15 to 22 weeks could incur a tuition debt from $8,800 and $11,300.

While grant aid would likely offset some of the cost of tuition for some students, others are equally likely to have borrowed above the cost of tuition in order to cover living expenses while going to school. As a result, most still face the likelihood of accumulating considerable debt in just four or five months.

For many students attending a for-profit college, withdrawing does not allow them simply get on with their lives and start over. Their decision to enroll in college has likely left them with a financial burden that could take many years to repay. While federal

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loans do have flexible repayment options, they are non-dischargeable in bankruptcy. Furthermore, students who are in default on their student loans are not eligible for additional student loans, meaning that many may find the opportunity to try again to attain a degree foreclosed. Given the low rate of borrowing at community colleges, students are risking far less in pursuing higher education at these public institutions.

**Large and Growing Profits**

Considering the hundreds of thousands of students who are dropping out of for-profit colleges each year and the significant debt that they are incurring, one might think that these schools are struggling financially. Indeed, the industry commonly compares its student outcomes to cash strapped non-profit institutions that serve large percentages of low-income students. However, far from struggling, these institutions are incredibly profitable. Profit margins for privately held and publicly traded companies are comparable, with the more profitable schools reporting profits ranging from 16 to 37 percent. For just the 16 companies analyzed, in 2009 profits totaled $2.7 billion.

Profit growth has not slowed despite high rates of student withdrawal or the economic challenges facing most of the country. For two companies with recently completed fiscal years, dollar profits have nearly doubled between fiscal year 2009 and 2010.

Most industries or companies that provide a product that fails to work for more than half of their customers will likely find themselves quickly out of business. A combination of federal largesse that makes the risk appear deceptively low to students, huge dollars spent on aggressive marketing and recruiting campaigns, and the tendency of individual students to see their failure as only their own and not tied to a larger industry pattern may be giving for-profit colleges a rare opportunity to evade market accountability. The data
provided by for-profit colleges does not go so far as to show that they are profiting off of the failure of their students. However, it undoubtedly shows that they are extremely profitable in spite of poor results for the majority of the individuals they enroll.

**Growing Dependence on Federal Aid**

For-profit colleges depend on federal student aid for a significant portion of their revenues. According to information provided by 16 schools to the HELP Committee, the federal investment in these institutions has grown rapidly in the last several years.

There are some safeguards in place to protect taxpayer money. In the 1992 reauthorization of the Higher Education Act, Congress mandated that for-profit schools receive no more than 85 percent of their revenues from federal student aid programs. Over the past fifteen years, through a combination of changes sought by the for-profit sector and new legislation, the rule has been weakened repeatedly, including increasing the allowable percentage to 90 percent. While it continues to be tracked by the Department of Education, the measure significantly understates the actual share of federal dollars currently flowing to schools. For example, the 90/10 rule fails to capture federal revenues paid to for-profit schools from federal non-Title IV student aid programs. In addition, following intense lobbying by the for-profit sector, schools are not required to account for Title IV funds flowing from the 2008 $2,000 Stafford loan increase until 2012.
New information gathered for this report provides a more accurate picture of the full universe of federal dollars flowing to for-profit schools. For the 14 schools that provided comparable data, when the full amount of Title IV cash receipts are added together with federal non-Title IV federal dollars flowing to for-profit schools, the aggregate federal share of the schools revenues is actually 87.4 percent. 23

Among the 14 schools the share of federal dollars received ranges as high as 93.1 percent of revenues. State dollars also provide a significant revenue source to some for-profit schools, as much as 2.9 percent in at one school. Even the school with the smallest share of Title IV aid, 11 percent, receives 93.1 percent from federal taxpayer dollars because of money they receive from other federal programs.

It is important to note that to the Committee’s knowledge, all of the schools analyzed are in compliance with the 90/10 rule including the four schools receiving more than 90 percent federal aid. Given the many sources of federal revenue that are excluded, it appears that the 90/10 rule as currently written provides insufficient protection to taxpayers. Based on this analysis, at least the largest publicly traded and privately held for-profit colleges are nearly completely reliant on federal revenues.

**Rapidly Increasing Federal Dollars**

Across the schools analyzed, the amount of federal dollars flowing to for-profit schools is escalating rapidly. Eight schools more than doubled the amount of Pell grant dollars they received just between 2006 and 2009, with three more nearly doubling. At least two companies have seen increases of about 85 percent in Pell grant funding just between fiscal year 2009 and 2010. These increases, from $143 million to $266 million, and $193 million to $358 million, respectively, have significant implications for the federal government funding these grants.
The Committee has previously noted the rapidly increasing enrollment in for-profit institutions. That enrollment growth is paralleled by an increasing share of federal Pell grants and federal Stafford loans, as well as other federal programs.

Because companies derive significantly more of their revenue from Stafford and Pell than other federal programs, the growth in revenues from these non-Title IV programs has received less attention. However, many schools are nevertheless experiencing dramatic increases in receipt of other federal revenue. Between fiscal years 2009 and 2010, two schools saw increases of $56 million in non-Title IV funds received and another is on pace to see an increase of up to $85 million. While much of this increase is traceable to GI bill funds, Workforce Investment Act funds and Vocational Rehabilitation dollars flowing to the schools are also increasing rapidly.

Conclusion

For-profit colleges are growing at an astounding rate, propelled by significant investments in marketing and an aggressive recruitment model. However, the new enrollments are hiding real institutional problems. More than half of students will withdraw from for-profit colleges within the first two years. At some schools, students pursuing associates degrees withdraw at a rate of more than 75 percent within the first two years. For students attending a for-profit school a degree is a possibility, but debt without a diploma is far more likely.

The high withdrawal rates raise a fundamental question about the value of for-profit schools for low-income students. These institutions ask students with the most modest financial resources to take a big risk by enrolling in their high-tuition schools. If students succeed they may increase their income. However, if they drop out, as an overwhelming majority does at some institutions, they are left with significant debt, and a serious risk of default. Debt will not only make day-to-day life more difficult for former students, it may also hinder them from returning to school and completing their degree.

That companies are incredibly profitable even as hundreds of thousands of their students leave every year is deeply concerning. That these institutions should derive these profits almost entirely from federal revenues raises serious questions about federal policies regulating this sector. It is the obligation of Congress and federal regulators to provide effective government oversight and regulation of federal financial aid dollars. However, many for-profit schools appear to be operating without the academic quality that would generate interest from a broad range of students and financial commitments from outside the federal financial aid system.

Eight schools more than doubled the amount of Pell grant dollars they received just between 2006 and 2009, with three more nearly doubling. At least two companies have seen increases of about 85 percent in Pell grant funding just between fiscal year 2009 and 2010. These increases, from $143 million to $266 million, and $193 million to $358 million, respectively, have significant implications for the federal government funding these grants.
Finally, the high withdrawal rates, coupled with high profits, suggest that not all for-profit schools are quality educational institutions. Some appear to be nothing more than highly efficient government subsidy collectors. For these companies, high dropout rates and low student success rates appear to be irrelevant. The schools can be profitable, and many are, even if most of their students fail, so long as their federally subsidized marketing machine can continue to convince more Americans to enroll.

**Methodology**

Unless otherwise noted, the source of all charts and tables in this report is the HELP Committee majority’s analysis of documents provided by for-profit schools between August 26, 2010 and September 29, 2010. The analysis covers information from the eight largest publicly traded and the eight largest privately held for-profit education companies that were asked to provide documents and that offer certificate, associates or bachelors programs.

The federal share of each school’s revenue is calculated using the cash receipts submitted as a percent of the revenue reported by the school for the fiscal year 2009 90/10 calculation. In calculating revenue for 90/10 purposes, schools count all tuition fees and other institutional charges, student tuition, 50 percent of the value of institutional loans, scholarships or tuition discounts, ECALSA exclusions, and campus based activities. The revenue number does not include Federal Work Study funds paid to students, Leveraging Educational Assistance Program (LEAP) funds, institutional matching dollars, lender refunds or book and supplies. The aggregate share is calculated as an average of those shares and is not weighted based on enrollment. Profits and profit margins are calculated based on the operating income (revenues minus the costs spent on education, marketing, and administration before taxes and depreciation) and revenues reported by the companies.

For purposes of calculating enrollment and withdrawal figures, companies were asked to provide two sets of data. One set tracking continuing enrollment, new enrollments, withdrawals, and completions on a program-by-program basis for fiscal years 2007, 2008, and 2009. And a second set tracking enrollment, completion, and withdrawal on a student-by-student basis for students who enrolled between July 1, 2008 and June 30, 2010.

The “withdrawals” category includes all students that each school defined as no longer enrolled. This includes students who may have been dismissed. The analysis relied on each school’s own categorization of whether a student was actively enrolled or not. Most schools define enrollment as whether a student has attended class in some specified number of days; with most of them defining enrollment as attending class once in the past 30 days. However, this period to measure active enrollment ranged from attendance in the past 10 to 90 days.

2 The 30 schools receiving requests include the fifteen for-profit education companies that are publicly traded, as well as fifteen privately held for-profit education companies, selected based on varying size and geography. Together the schools make up a significant share of the for-profit sector that received $24 billion in federal student aid in 2009. The request seeks information including tuition, marketing, revenue sources, student persistence and performance, and institutional financial aid practices. The Committee commends the companies for their cooperation with this effort to better understand the industry and looks forward to their continued cooperation as the production of information continues.


4 U.S. Senate HELP Committee majority staff analysis of documents.

5 U.S. Senate HELP Committee majority staff analysis of documents.


8 U.S. Senate HELP Committee majority staff analysis of documents.

9 U.S. Senate HELP Committee majority staff analysis of documents.

10 U.S. Senate HELP Committee majority staff analysis of documents.

11 U.S. Senate HELP Committee majority staff analysis of documents.

12 U.S. Senate HELP Committee majority staff analysis of documents.

13 U.S. Senate HELP Committee majority staff analysis of documents.

14 U.S. Department of Education, National Center for Education Statistics, 2007–08 National Postsecondary Student Aid Study (NPSAS:08). That borrowing level included students in short term certificate programs as well as associates and bachelors degree programs.


19 U.S. Senate HELP Committee majority staff analysis.
The theory of this requirement was that if the schools provided a quality education, then they could attract enough students who would be willing to pay tuition from their own pockets, not only with student aid dollars.

The 2008 reauthorization of the Higher Education Act also changed the impact of a 90/10 violation from immediate suspension of Title IV eligibility to a provisional eligibility status for two years. Institutions that violate 90/10 for two consecutive years lose their federal aid eligibility for at least two years.

This includes the Post 9/11 Veterans Educational Assistance Act that pays for educational benefits for active duty military and their family members, other veterans benefits, the Workforce Investment Act that provides educational benefits to job seekers, and the Vocational Rehabilitation program that provides benefits to individuals with disabilities, among other sources.

This calculation was performed by adding fiscal year 2009, cash basis federal and state revenue provided by the 16 companies to the Committee, and dividing that total by the amount of tuition revenues the schools themselves used to determine their required 90/10 rule calculation. For example, if a school had $100 million in 90/10 revenues and $75 million in Title IV receipts (excluding ECALSA loan increases), they would have a 90/10 of 75 percent. The analysis added all Title IV dollars and non-Title IV federal funds for each school, for a new total (for example $80 million) which was divided by the reported revenue number to determine a more accurate federal share. These numbers were then averaged together for 14 schools. Two schools provided cash receipt numbers in excess of reported 90/10 revenues making it impossible to accurately calculate the federal share for these two schools, in a timely manner. Most schools subtracted payments for student living expenses from Title IV receipts. Three schools, N, P and C provided a total amount of living expense payments but did not track those payments or subtract them from Title IV receipts. In calculating revenue for 90/10 purposes, schools count all tuition fees and other institutional charges, student tuition, 50 percent of the value of institutional loans, scholarships or tuition discounts, ECALSA exclusions, and campus based activities. The revenue number does not include Federal Work Study funds paid to students, Leveraging Educational Assistance Program (LEAP) funds, institutional matching dollars, lender refunds or book and supplies.