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STATES SUE OVER SCRAPPING OF OBAMA-ERA RULES ON FOR-PROFIT COLLEGES

Democratic attorneys general sue over rule intended to protect students from predatory forprofit schools

By Douglas Belkin October 17, 2017

A coalition of Democratic attorneys general from 18 states and the District of Columbia filed a lawsuit Tuesday against the U.S. Education Department and Secretary Betsy DeVos for not enforcing an Obama-era rule intended to protect students and taxpayers from predatory for-profit schools.

In June, Mrs. DeVos suspended the so-called "gainful employment" rules before they took effect. If enacted they would have cut off federal funding for schools where students leave with high debt and end up in jobs with low salaries.

The suit, filed in the U.S. District Court in Washington, D.C., calls Mrs. DeVos's suspension of those rules "unlawful" and accuses her of trying to "run out the clock" through a series of delays until she can implement new regulation.

"Failing to implement the Gainful Employment Rule leaves students vulnerable to exploitation and fraud," said New York Attorney General Eric T. Schneiderman, who is among those who filed the suit.

Liz Hill, spokesman for Mrs. DeVos, called the suit politically motivated.

"This is just the latest in a string of frivolous lawsuits filed by Democratic attorneys general who are only seeking to score quick political points," Ms. Hill said. "While this administration, and Secretary DeVos in particular, continue work to replace this broken rule with one that actually protects students, these legal stunts do nothing more than divert time and resources away from that effort."

In July, the same group of attorneys general sued Mrs. DeVos over the rollback of another Obama regulation that empowered students who were defrauded by for-profit colleges to apply for loan forgiveness.

Mrs. DeVos has said the rules passed under Mr. Obama were overly burdensome and would have proved costly to taxpayers and proposed "a regulatory reset."

She said colleges have argued the rules are so broadly written they would have exposed the schools to frivolous lawsuits and penalties, leading to mass taxpayer forgiveness of student loans even when schools did nothing wrong.

In addition to Mr. Schneiderman in New York, the attorneys general involved in today's lawsuit include California, Connecticut, Delaware, Hawaii, Iowa, Illinois, Maryland,

Massachusetts, Minnesota, New Mexico, North Carolina, Oregon, Pennsylvania, Rhode Island, Vermont, Virginia, Washington and the District of Columbia.