

Congress of the United States
House of Representatives
Washington, DC 20515-5400

June 20, 2023

The Honorable Miguel Cardona
Secretary
U.S. Department of Education
400 Maryland Avenue SW
Washington, D.C. 20202

Re: Gainful Employment Public Comment
Docket ID ED-2023-OPE-0089

Dear Secretary Cardona:

We write to express our gratitude to the U.S. Department of Education (ED) for considering our concerns about the proposed Gainful Employment regulation in relation to the specific economic conditions in Puerto Rico. It is extremely important that ED continues to acknowledge that Puerto Rican proprietary institutions fulfill a vital role in preparing students for employment so they can earn salaries sufficient to support themselves and their families, and repay their debt to ED.

As we have previously conveyed to ED, Puerto Rico does not have community colleges, and therefore proprietary institutions on the Island are fulfilling that important role. In Puerto Rico, 40% of total graduates are from proprietary institutions and 76% of post-secondary certificate and associate degree graduates are from proprietary institutions. Proprietary institutions impact key economic areas such as health (47% of total graduates), construction (90% of total graduates), mechanic and repair technician (95% of total graduates), culinary and tourism related (93% of total graduates), among others.

Completion rates of 63% in the proprietary sector are competitive with private non-profit and public higher education sectors. In addition, the cost of programs at these institutions is similar or less than at the private non-profit universities in Puerto Rico, as opposed to the continental United States. The students graduate with less debt (\$6,125) than at the non-profit universities (\$9,923) and at similar levels as compared to the local public university (\$5,856).

We believe that this regulation will create an additional barrier to higher education, particularly for many underserved students with financial challenges who do not have the option of community colleges in Puerto Rico. These students are dependent on financial aid as a pathway out of their financial situation to pursue higher education and obtain gainful employment.

The Gainful Employment (GE) Dataset also highlights one of the unique economic characteristics in Puerto Rico, which is a significant lack of accurate earnings data. Based on the GE Dataset, 78.3% of the total GE programs in Puerto Rico had no data to calculate Debt to Earnings or

Earnings Premium. There is a lot of missing information from not only proprietary institutions in Puerto Rico, but also from public and private non-profit institutions. This reflects the substantial challenge with obtaining accurate earnings data on the Island.

As you know, in the past 5 years, Puerto Rico faced substantial challenges that precluded improving the Island's economy. We fear the proposed GE regulation will further hinder Puerto Rico's capacity to prepare future professionals to join the workforce.

In part due to recent federal and state initiatives, key economic indicators on the Island are improving, including unemployment rates and a reduction in the informal economy by incentivizing taxpayers to report their income through the Earned Income Tax Credit. This has resulted in a higher percentage of people reporting tax returns.

However, it will take several years to reduce the significant informal economy, affecting debt to earnings ratios and the earnings premium measure. This is important for Puerto Rico's education system, considering that many students are in areas of study that are mainly cash paying jobs and it will be significantly hard to have earnings reported for any formula.

We therefore request that the ED continue to acknowledge the unique conditions in Puerto Rico by establishing a three-year moratorium of the GE regulation on the Island. This will provide appropriate time to obtain accurate completed earnings, while allowing students to continue accessing financial aid as a pathway to improve their quality of life and obtaining affordable opportunities of studies.

Given the impact of these regulations, we appreciate your consideration of our correspondence, in accordance with all applicable laws, rules, and regulations.

Sincerely,



Jenniffer González-Colón
Member of Congress



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Member of Congress



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