"Louisiana's education legislation is a Trojan Horse of the for-profit education industry"

Governor Jindal’s education “reforms” pave the way for the for-profit education industry to take control over both state and federal education funding going into Louisiana. The law enacted requires the Louisiana Department of Education to recognize credits from for-profit middle and high schools attended by students in Louisiana. LSU will, in turn, be required to recognize the credits of for-profit high schools attended by incoming freshmen at LSU. This legislation brings the for-profit colleges one step closer to the real prize, which is to force LSU to accept the credits of the for-profit colleges. LSU will eventually be destroyed by the for-profit education industry if the current legislation is upheld by the Louisiana Supreme Court.

Nikesh Jindal, the Governor’s brother, and his law firm Gibson Dunn & Crutcher, have been the lead lawyers in fighting regulations by the U.S. Department of Education requiring the online for-profit colleges to apply for a license to operate a “school” in each state where these companies are enrolling students. For more information and copy of the court decision and the regulation in question, see http://higheredwatch.newamerica.net/blogposts/2011/guest_post_ed_dept_s_state_authorization_rule_does_more_harm_than_good-56943.

The student loans and Pell grants going to the for-profit colleges completely bypass the state governmental budgeting process. And this explains how the for-profit education industry has increased its share of the U.S. Higher Education Act revenues from $4.0 billion in 2001 to almost $36 billion in 2012. This has occurred more remarkably, at the same time every state university has taken drastic cuts to its budget. LSU alone has already incurred a cut of $625 million from its budget, and much bigger cuts are just around the corner. Only last year LSU law school faced the prospect of having its national ranking lowered because of a $2.0 million budget shortfall. LSU joined the ranks of the top academic universities in the U.S. just four years ago. As things stand, it will be all down hill from here for LSU’s budget and academic ranking.

The for-profit colleges “recruit from the bottom.” These companies have enslaved a generation of the poorest people in society with student loan debt, while providing them literally with no training. Many students attending for-profit colleges are high school drop-outs, enrolled under so-called “ability to benefit” rules. The industry spent 25% of their budgets on advertising and paying recruiters according to a July 2012 report by the U.S. Senate Committee on Health Education Labor and Pensions. University of Phoenix, for instance, is the largest advertiser on Google, spending $500,000 per day targeting minority students. The dollars being drained away from traditional public universities are displacing academically capable students in favor of those without even the most basic skills to benefit from higher education. The for-profit education industry justifies inflating their tuition in the name of serving the needy, when in fact they distribute all of their profits to shareholders.
LSU was built in times of prosperity for the country and for Louisiana. The sequester that went into effect on March 1, 2013 is only the first step in many future reductions in revenue going from Washington to Louisiana. The people of Louisiana must stand up and protect LSU now. For-profit education should have no place in Louisiana – middle school, high school, or college. Governor Jindal is not an educator, and Louisiana should not entrust him with its institutions of education that were built long before his arrival in the State. The Louisiana Supreme Court should strike down the Governor’s dangerous experiment with its education system when it meets on March 19, 2013.