

Statement by Van Heffner
President and Chief Executive Officer of the Nevada Hotel and Lodging Association
Submitted in Response to “Education Regulations: Roadblocks to Student Choice in
Higher Education”
House Committee on Education and the Workforce

For the record, my name is Van Heffner. I am President and CEO of the Nevada Hotel and Lodging Association (NHLA). The NHLA is the unifying voice of Nevada's multi-billion dollar hospitality industry. Serving Nevada since 1979, this trade association represents more than 300 hotel casinos statewide with approximately 150,000 rooms and over 200,000 employees.

Nevada's hospitality industry is heavily dependent on a knowledgeable and well-trained workforce. Southern Nevada's tourism and hospitality industry have been well served by graduates of the institutions that will be harmed by the Department of Education's proposed "Gainful Employment" regulation. These institutions have provided students the education that has given them the essential skills and talents that have supported Nevada's economy.

Private sector post-secondary schools like the Art Institute of Las Vegas provide career training for the jobs they need to succeed in today's economy. This institution provides a broad range of education options that provide a skilled workforce to the hospitality industry in Nevada. In Las Vegas, the entertainment capital of the world, the Art Institute of Las Vegas and the Culinary Institute of Las Vegas have graduated over 1,000 students in past 8-years. And many employers are eager to express the important role the Art Institute plays for their business.

Nevada has the dubious distinction of having the highest unemployment rate in the nation at over 14.2% according to the Bureau of Labor Statistics rankings and the U.S. Department of Education's proposed rule would prevent hundreds of Nevadans as well as future students from acquiring the job skills they need to work in and support our critical tourism industry to help reduce this troubling statistic. Unfortunately, the proposed "Gainful Employment" rule is discriminatory. Our industry is particularly concerned about the bias this proposed rule holds against students who must borrow money to attend college.

The Gainful Employment rule proposed by the Department of Education would render many of these career-oriented degree programs ineligible for Title IV financial aid if students fail to meet a debt service-to-income ratio test.

This rule is arbitrary and unfair to those who want to pursue careers with lower starting salaries in the culinary arts for example. Essentially, these students would be ineligible to qualify for the same federal funding as classmates who opt for careers that may initially pay better starting salaries. Because this rule discriminates against those who must borrow to attend college, access to post-secondary education may move out of reach for many low-income and minority students.

Not all students are meant to attend traditional four-year colleges and universities. Fortunately, for-profit institutions provide these students with an alternative to traditional schools in the form of a high quality education. The Gainful Employment rule is unacceptable and I believe the Department of Education has overstepped its statutory authority with this ruling and should rescind it. Matters of education policy should be administered by Congress, on the advice or counsel of the Education Department.

The Nevada Hotel and Lodging Association was encouraged to see the passage of an amendment co-sponsored by Representatives Kline, Foxx, Hastings and McCarthy to defund this detrimental rule. Even more encouraging than the bipartisan support this amendment gained, all three House members of the Nevada Congressional delegation voted in support of the measure – illustrating just how important career colleges are to Nevada.

Without proprietary schools, Nevada's hospitality industry cannot fill its jobs with qualified graduates. The Art Institute of Las Vegas and the Culinary Institute of Las Vegas work hard to educate students so that they are career-ready upon graduation. However, if the "Gainful Employment" rule is implemented, it will make creating new jobs for these qualified individuals and decreasing Nevada's unemployment rate next to impossible.

Thank you for the opportunity to address you on this important issue to the industry that I represent.