

INFO SHEET

DEPT. of EDU. 90/10 RULE

SEEKING ASSISTANCE:

Requesting Inclusion of 90/10 Rule Repeal in NDAA

BACKGROUND

The 90/10 Rule within the Higher Education Act applies solely to proprietary (privately-owned taxpaying) colleges which provide critical US defense and cutting-edge technology education in fields including cybersecurity, computer science, drone tech innovation, and artificial intelligence and equip veterans with state-of-the-art training. The 90/10 Rule requires that no more than 90% of their tuition revenues brought by students can come from federal student aid loans and grants. In addition, at least 10% of tuition must come from a student's personal funding sources or other private sources, many of which are further disqualified under the Dept. of Education's Presumption Rule. Up until 2021, DoD/GI Bill earned education benefits were considered personal money for veteran students and part of the 10% portion of the rule, as it was a tuition benefit they had earned. Under the Biden Administration, Congress changed this in 2021 (effective 2023) making the rule even harder for proprietary colleges to meet and limiting students' access to them. If a college fails the 90/10 Rule, it quickly goes on track to lose Title IV student aid eligibility which can often result in college closure as a funding path most students rely on.

Proprietary colleges are restricted by the 90/10 Rule from educating more students invaluable to the US defense and workforce and must be repealed.

Congress's 90/10 Rule prevents colleges from reducing tuition, harms them for admitting veterans and low-income students, restricts high-demand field education access, and is duplicative with extensive, existing regulatory oversight by ED, CFPB, VA, state regulators, and accrediting bodies.

REAL-WORLD CONSEQUENCES OF THE 90/10 RULE TODAY

01

MEANINGFULLY
RESTRICTS US
TALENT PIPELINE

- The Dept. of Education confirms proprietary colleges supplied over 70% of medical assistants, 36% of electricians, 41% of aircraft mechanics/techs, 19% of nurses, among others in 2022 alone.⁴
- **Proprietary colleges are restricted by the 90/10 Rule from educating more students critical to defense fields and the workforce**

02

HARMS
AMERICAN
DEFENSE
CAPACITY

- The US suffers from a cyber talent gap of 514,000+ positions¹ - proprietary colleges provide over 12%² of cyber graduates annually in US
- Moreover, they provide 6% of the Computer Systems Analyst supply, 37% of Homeland Security Bachelor graduates³, and 41% of all Aircraft Mechanics/Technicians⁴ among many other high-tech fields such as AI, Computer Science, and software engineering and educate
- **Proprietary colleges provide critical supply of graduates that are closing the education gap in technical fields needed for US national security and defense; it is not possible without them**

03

PUNISHES
COLLEGES
SERVING
VETERANS

- In 2023, Congress revised the rule counting veteran earned education benefits as a Federal fund source to colleges instead of earned and private to the veteran
- Now, for every Veteran admitted, their earned GI education benefits push up the colleges' 90/10 ratio pushing them closer to non-compliance and closure
- **This is a counterproductive outcome for veterans who earned these benefits through service to their country and will force colleges to limit veteran enrollment or face possible closure**

04

PREVENTS COLLEGE
FROM REDUCING
TUITION, OTHER

- **The rule creates misaligned incentives penalizing colleges for reducing tuition and rewarding higher tuition rates.** When a college lowers its tuition, this reduces out-of-pocket ("10" money) first pushing the colleges 90/10 ratio closer to non-compliance
- Congressional policy should be to increase college affordability, not penalize colleges for lowering tuition

05

DISCRIMINATES
AGAINST ONE
SECTOR

- The 90/10 Rule discriminatorily applies to just one sector - privately-owned taxpaying colleges - not public universities or private, non-profit colleges
- The National Defense Committee pointed out if the rule were applied to all colleges fairly, 80% of 2-year colleges and 40% of public four-year colleges "would be out of compliance"⁵
- **The 90/10 Rule is discriminatory and measures funding sources not education quality and must be repealed**

06

HARMS LOW-
INCOME AND
NON-TRADITIONAL
STUDENTS

- Colleges serving high percentages of low-income students are penalized more due to those students requiring greater federal aid ("90" money)
- **As a result, schools face pressure to limit enrollment of the neediest students who could benefit from career-focused education the most** - the opposite of what Congress desires

¹ CyberSeek.org. US Cybersecurity Supply/Demand Heat Map. June 2026.

² Analysis of US Dept. of Edu. NCES (IPEDS) Completions Data, 2023, Cyber-specific CIP Codes.

³ Lightcast and CECU Research Foundation, April 2025. Talent Shortages and Student Outcomes Report.

⁴ IPEDS, 2023. Career Education in the United States, CECU. 2024.

⁵ NDC White Paper 2023. The DOE's Unwarranted Limits on Veterans' EARNED Education Benefits.