



# AMERICAN FEDERATION OF TEACHERS, LOCAL 212

Milwaukee Area Technical College  
Affiliated with AFT, AFT-WI, AFL-CIO & MALC



Executive Officers:

Michael Rosen, Ph.D, President  
Kevin Mulvenna, Executive Vice-President

Staff:

Frank Shansky, Director of Labor Relations  
Pamela Bautch, Office Manager

June 5, 2013

Alderman Michael Murphy  
City Hall, Room 205  
200 E. Wells St  
Milwaukee, WI 53202

Dear Alderman Murphy,

Thank you for supporting substitute ordinance #120737 that would deny city of Milwaukee funds to any for-profit college or developer leasing or selling to a for-profit college that does not meet the United States Department of Education federal financial aid regulation standards.

The ordinance specifically cites the Education section of the Code of Federal Regulations, Part 668 (34 CFR 668), which deals with the provisions around federal financial aid, including what institutions of higher education must do to be eligible to receive federal student financial aid funding.

During the Committee's meeting you requested details on the content of 34 CFR 668.

Some of the topics covered by 34 CFR 668 are:

- **Incentive Compensation** (668.14): this section includes a prohibition on providing payment incentives to successfully enroll or secure financial aid for students at a school.
- **90/10** (668.28): This requires colleges to receive no more than 90% of their revenue from federal financial aid sources authorized through the Higher Education Act (does not include GI Bill benefits).
- **Misrepresentation of Employability of Graduates** (668.74): prohibition on false or misleading statements about a college's plans to maintain a placement service for graduates or otherwise assist its graduates to obtain employment, about likely future employment outcomes of students, etc.
- **Cohort Default Rate** (668.187 & 668.206): colleges will lose their eligibility if the 2-year cohort default rate of their former students is greater than 40%, if the overall cohort default rate is greater than 40%, or if the three most recent cohort default rates are each 30 percent or greater.
- **Gainful Employment**: any future regulations related to the statutory requirement on Gainful Employment will be in 34 CFR 668 as well.

Alderman Michael Murphy  
June 5, 2013  
Page 2

I hope this information addresses your concerns.

If you have any additional questions, please don't hesitate to call me at (414) 467-8908 or email me at [mrosen@local212.org](mailto:mrosen@local212.org)

Thanks again for supporting this important legislation.

Sincerely,

A handwritten signature in cursive script that reads "Michael Rosen".

Michael Rosen, Ph.D.  
Economics, MATC  
President, AFT Local 212

CC: James Bohl  
Robert J. Bauman  
Willie C. Wade  
Terry L. Witkowski  
Milele A. Coggs  
Nik Kovac  
Jose G. Perez  
Dr. Michael Burke