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Over the past decade, policymakers and advocates have built a major reform agenda to hold colleges accountable for how their students fare in the job market. In some regards, the reformers have been wildly successful. There is now more information available about student outcomes (including post-enrollment earnings) at colleges and universities than ever before, much of it collected and published by the federal government through the *College Scorecard*.

Despite this wealth of new data on student outcomes, some advocates and lawmakers still want to measure college quality based on obscure accounting rules. Consider the ongoing efforts to expand the so-called “90/10 rule” that applies to for-profit colleges. Some 30 years ago, before data on student outcomes were widely available, lawmakers developed this rule to cut off federal grants and loans to any for-profit college that earned more than 90% of its revenue from such programs. The *assumption* was that these were low-quality institutions.

One would think the 90/10 rule has been rendered unnecessary now that policymakers can assess student outcomes directly through the new data systems like the *College Scorecard*. But surprisingly, the 117th Congress recently expanded the 90/10 rule to include more federal programs like education benefits for veterans and servicemembers. Congressional Democrats now plan to further expand the rule and change the ratio from 90/10 to 85/15. In their view, the policy will protect military students from attending institutions with sub-par outcomes.

In an analysis published earlier this year, the Veterans Education Project offered evidence to suggest that this reasoning is ill-informed at best, and counterproductive at worst. We also find that up to one in five for-profit institutions, regardless of the quality of their student outcomes, could suddenly fail the 90/10 rule if the proposed changes are adopted. These modifications to the 90/10 rule could radically alter the educational choices for over 100,000 military students who enroll at these institutions each year.

Specifically, we find that the recent inclusion of military benefits in the 90/10 rule could cause 87 for-profit institutions that currently pass the 90/10 rule to fall out of compliance. If the revenue restriction is limited further from 90% to 85% (an “85/15 rule”), as advocates now propose, we estimate that 333 institutions currently in compliance could violate the rule. These institutions represent about 5 percent and 20 percent of for-profit institutions that participate in student aid programs operated by the U.S. Department of Education, respectively.

We also find that there are hundreds of public institutions that produce student outcomes in line with those at the for-profit colleges failing a 90/10 rule that includes GI Bill and Department of Defense benefits. Such evidence undermines the argument that the 90/10 rule is necessary to root out the lowest quality for-profit institutions.

Policymakers should not settle for an outdated policy that will produce such severe and unintended consequences. They can identify institutions directly—public, nonprofit and for-profit alike—that aren’t serving students well by using data that is now readily available.

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