Gainful Employment Update

Cynthia Hammond and Greg Martin| July 2016
U.S. Department of Education

Federal Student Aid
An OFFICE of the U.S. DEPARTMENT of EDUCATION
PROUD SPONSOR of the AMERICAN MIND®
U.S. Department of Education

Agenda

- Regulation
- Which Programs are GE Programs
- Reporting
- Metrics
- Disclosures
- Certifications

Regulations

- Final Rule published October 31, 2014
  - Effective – July 1, 2015
  - New Disclosures Effective – January 1, 2017
- Dear Colleague Letter GEN 15-12 – posted June 30, 2015

Which Programs are GE Programs

The HEA provides that to be Title IV-eligible an educational program must be offered by:

- A public or non-profit postsecondary educational institution, if the program leads to a degree; or
- Any institution, if the program prepares students for "gainful employment in a recognized occupation"

Generally, all non-degree programs must lead to *gainful employment*

Generally, most programs at for-profit institutions must lead to *gainful employment*

Which Programs are GE Programs

- Electronic Announcement #53 – What is a Gainful Employment (GE) Program?
- GE Operations Manual

GE Reporting

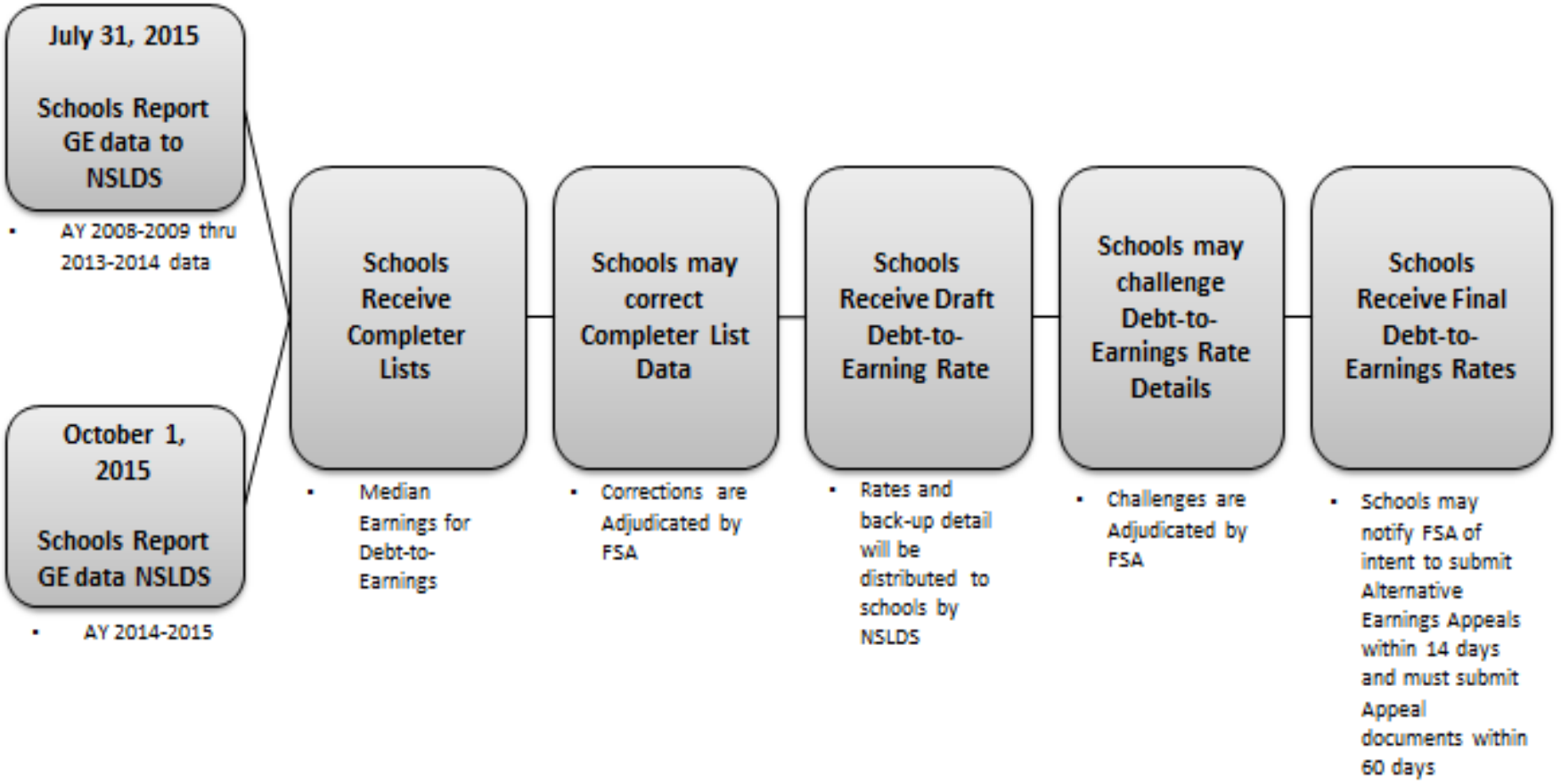
- Report all Title IV Students by July 31, 2015
  - Report 2008-09 through 2013-14 award years
  - Programs with Medical and Dental Residencies report 2007-08 through 2013-14 award years
- Report 2014-15 Award Year by October 1, 2015
- **Report 2015-16 Award Year by October 1, 2016**
- Title IV students only

Reporting Accuracy

- Data Quality
  - Completeness
  - Accuracy
  - Consistency
- Data Quality Reviews

Debt to Earnings Measures

Debt to Earnings Overview



Cohort Periods

- D/E rates are calculated using debt and earnings of students who complete a GE program during a specific cohort period
- Cohort period is either two or four years
  - Two-year cohort used if 30 or more students completed during the period
  - Four-year cohort used if fewer than 30 students completed during the two-year cohort period
  - If fewer than 30 students completed during the four-year cohort period, D/E rates will not be calculated

Cohort Periods

- Two-year cohort is students who completed the program during the 3rd and 4th award years prior to award year for which rates are calculated
- Four-year cohort is students who completed the program during the 3rd,4th, 5th and 6th award years prior to the award year for which rates are calculated
- D/E rates calculation for 2014-15
  - Two-year cohort period is 2010-11 and 2011-12
  - Four-year cohort period is 2008-09, 2009-10, 2010-11 and 2011-12

D/E Rates Calculation

- Corrections and Challenges – two 45-day periods
  - Corrections following the release of the Draft Completers Lists
    - Correct inaccuracies in school-entered reporting data (CIP codes, institutional debt figures, tuition and fees amounts, etc.)
    - Correct improper inclusion/exclusion from the list (exclusions will be covered on the next slide)
  - Challenges following the release of the Draft D/E Rates
    - Limited to loan debt information only
  - Watch for upcoming webinars and information on the IFAP site

D/E Rates Calculation

- Exclusions
  - Any of student's Title IV loans are in a military-related deferment
  - Any of student's Title IV loans have been approved or are under consideration for a Total and Permanent disability discharge
  - Student was enrolled in any other eligible program during the calendar year for which SSA earnings are obtained
  - For undergraduate GE programs, student completed a higher-credentialed undergraduate GE program at the same institution
  - For graduate GE programs, the student completed a higher-credentialed graduate GE program at the same institution
  - The student is dead

D/E Rates Calculation

Discretionary Income Rate = $\frac{\text{Annual Loan Payment}}{\text{Annual Earnings – (1.5 x Poverty Guideline ($11,670))}}$

Annual Earnings Rate = $\frac{\text{Annual Loan Payment}}{\text{Annual Earnings}}$

Accountability Metrics

The Department will analyze the salary data for the 2014 calendar year and the debt of the graduates in the 2010-11 and 2011-12 award year (in the typical case – absent issues of small programs, medical students, etc.)

Debt to Earnings (D/E)	Debt to Discretionary Income	Rating	Ineligible for Title IV
Less than or equal to 8%	Less than or equal to 20%	Pass	n/a
8% < D/E ≤ 12%	20% < Discretionary D/E ≤ 30%	Zone	Fail and/or in the zone, for 4 consecutive years
Greater than 12% or $0 income	Greater than 30% or $0 income	Fail	Fail 2 out of any 3 consecutive years

Calculating Median Loan Debt

Annual Loan Payment = (1) Median Loan Debt of Program Completers, (2) Amortized Over Repayment Period, (3) At the Appropriate Average Interest Rate

To calculate median loan debt, take for each student, the lesser of:

- the loan debt incurred; or
- the total tuition, fees, books, equipment, and supplies

- Remove, if applicable, the appropriate number of highest loan debts related to graduates that are unmatched by SSA; then
- Calculate the median of the remaining amounts

Calculating Median Loan Debt

Student	Actual Debt	Actual Charges (with books, etc.)	Lower Value
Amy	$50,000	$35,000	$35,000
Bobby	$40,000	$32,500	$32,500
Chrissy	$40,000	$30,000	$30,000
Danny	$40,000	$30,000	$30,000
Emily	$25,000	$30,000	$25,000
Fanny	$25,000	$30,000	$25,000
Gary	$0.00	$30,000	$0
Holly	$0.00	$30,000	$0

- SSA can't find one number—remove highest value
- Median Debt is $25,000

D/E Rates Calculation

- Annual loan repayment
  - Calculated by determining the median loan debt of students who completed the program during the applicable cohort and amortizing that debt
  - Includes private education loans and total amount outstanding on any other credit extended by the institution
  - Capped at lesser of total amount of student's tuition and fees, books and supplies, and equipment or the total amount of debt the student incurred for the program

D/E Rates Calculation

- Annual earnings
  - Based on earnings obtained from SSA
  - ED submits a list to SSA of students who completed the program during the cohort period and received Title IV aid
  - SSA calculates and returns the mean and median annual earnings of students on the list for whom it was able to match earnings data for the GE "earnings year"
    - SSA does not provide individual earnings data or the identity of any student

Draft GE Completers List

- Draft GE Completers List was send to SAIG mailbox June 1
- GE Completers List pages on the NSLDS Professional Access Website available to enter corrections June 14
- **45 day Corrections Period – ends July 28, 2016**
- GE Electronic Announcement #78 provided guidance on the types of Corrections and the Comments and Supporting Documentation that should be included

Draft GE Completers List Corrections

- The only method for institutions to submit corrections is the new GE Completers List pages on the NSLDS Professional Access Website

- The following are the only corrections to a completer (student) that can be submitted:

  - Add GE Completer (student)
    - GE Program for completer must exist in the institutions GE Completers List file
  - Update Student Identifiers
  - Exclusion Removal/Addition
  - Update or Add GE Program Data
  - Delete GE Program Data
    - When all GE Program Data for a student is deleted, the student will not be included in the GE Program at time of calculation

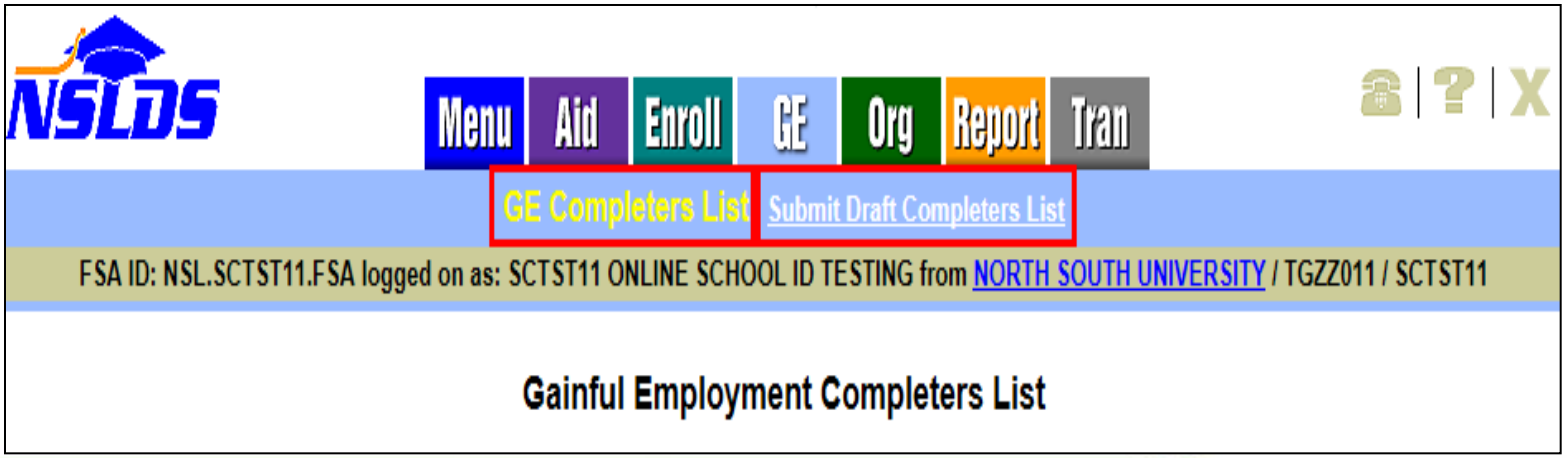
This correction type is entered on the GE Completers Add Page

These corrections types are entered on the GE Completer Update Page

GE Tab on NSLDSFAP

Two links under the GE Tab:

- GE Completers List Link
  - Gainful Employment Completers List Page
  - Add Gainful Employment Completer Page
  - Gainful Employment Completer Update Page
- Submit Draft Completers List Link
  - Submit Draft Gainful Employment Completers List Page



Disclosures

Required Disclosures

- Occupations
- Normal time to complete program
- On-time graduation rate for completers
- Tuition & fees, books & supplies, room & board
- Placement rate for completers (as determined by State or Accreditor methodology)
- Median loan debt
- Other program information provided by the Secretary (none currently)

Disclosure Availability

- Include the Template in all promotional materials about the GE program
  - Promotional materials include invitations, ads, course catalogs, social media, etc. that mention or otherwise refer to a specific GE program
  - If not feasible to include the Template, include a live link or URL to it and clearly explain what is available at that Web page
- Prominently display direct links to the Template on:
  - The GE program home page
  - Other institutional Web pages about the GE program

GE Disclosure Resources

- GE Disclosure Template http://www2.ed.gov/policy/highered/reg/hearulemaking/2009/negreg-summerfall.html
  - Requirement
  - Template application
  - Quick start guides
  - Bulk data file upload tool
  - Help desk: 855-359-3697, gedt@inovas.net

Disclosures Under New Final Rules

- Institution must use the disclosure template provided by ED to disclose information about each GE program to enrolled and prospective students
- Will include Student Warnings, if applicable
- ED will identify information that must be disclosed in the template in a notice published in the Federal Register
- Information to be disclosed may include, but is not limited to, the items listed on the following slides

Potential Future Disclosure Items

- Primary occupations
  - by name and SOC code the program prepares students to enter, along with links to occupational profiles on O*NET
- Program's completion and withdrawal rates
  - for full-time and less-than-full-time students
- Length of the program
  - in calendar time (i.e., weeks, months, years)
- Number of clock-hours, credit-hours or equivalent, as applicable, in the program
- Total number of individuals enrolled in the program during the most recently completed award year
- Loan repayment rate
  - for any one or all of the following groups of students who entered repayment on Title IV loans during the two-year cohort period:
  - All students who enrolled in the program
  - Students who completed the program
  - Students who withdrew from the program

Potential Future Disclosure Items

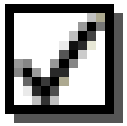
- Total cost of tuition and fees, and the total cost of books & supplies, and equipment that a student would incur for completing the program within the length of the program
- Placement rate for the program
  - (if institution is required by accreditor or State to calculate a placement rate for either the program or the institution, or both) using the required methodology of that accreditor or State
- Of individuals enrolled in the program during the most recently completed award year, the percentage who received a Title IV loan or private loan for enrollment in the program
- Median loan debt of any or all of the following groups:
  - Those students who completed the program during the most recently completed award year
  - Those students who withdrew from the program during the most recently completed award year
  - All of the students referenced above

Potential Future Disclosure Items

- Mean or median earnings of any one or all of the following groups of students
  - Students who completed the program during the cohort used by ED to calculate the most recent D/E rates for the program
  - Students who were in withdrawn status at the end of the cohort period used by ED to calculate the most recent D/E rates for the program
  - All of the students referenced above
- Most recent program cohort default rate
- Most recent annual earnings rate

- Whether program does or does not satisfy:
  - Applicable educational prerequisites for licensure or certification in each State within the institution's MSA*
  - Applicable educational prerequisites for professional licensure or certification in any other State for which the institution has made a determination regarding such requirements*
  - *For any State not described above, must include statement that the institution has not made a determination about licensure or certification requirements in those states*
- Whether program is programmatically accredited and the name of the accreditor
- Link to ED's College Navigator website or similar federal resource

Certification



Certifications

- *Transitional Certification - Due December 31, 2015*
  - Required of currently participating institutions offering GE programs
    - New or returning institutions that have an E-App in process will have the required certifications included in the resulting Program Participation Agreement (PPA)
  - Must be signed by institution's President/Chancellor/CEO
- Certifications renewed when institution recertifies PPA or when something materially changes

Certifications

- Institution must update information about its GE programs using the Application to participate in Federal Student Aid Programs (E-App) so that its Eligibility and Certification Approval Report (ECAR) is current
- Institution must certify that each GE program it offers:
  - Is approved by a recognized accrediting agency or otherwise included in the institution's accreditation by its recognized accreditation agency
    - If a public vocational institution, is approved by a State agency recognized to approve such programs in lieu of accreditation
  - Is programmatically accredited if required by a Federal governmental entity or by a governmental entity in the state where the institution is located or in which it is otherwise required to obtain State approval

Certifications

- Satisfies applicable educational prerequisites (in the State in which the institution is located or in which it is otherwise required to obtain state approval for professional licensure or certification requirements in that State) so that a student completing that program and seeking employment in that State qualifies to take any licensure or certification examination needed to practice or find employment in in an occupation that the program prepares students to enter

- Is not substantially similar to a program offered by the institution that, in the prior three years, became ineligible under the D/E rates measure or was failing, or in the zone, and was voluntarily discontinued by the institution
  - Programs that share the same four-digit classification of CIP code are considered to be substantially similar

Certifications

- Changes after transitional certification requirement has been met
  - Institution adding or revising GE information on E-App that does not result in a new PPA must provide a new certification each time the E-App is updated
  - Includes:
    - Establishing or reestablishing the eligibility of a program
    - Discontinuing a program's eligibility
    - Ceasing to provide a program for 12 consecutive months
    - Losing program eligibility
    - Changing a program's CIP code, or credential level
- ED will monitor (on an ongoing basis) certifications for accuracy and completeness

Certifications

- Electronic Announcements #54, #66, #77
- Link to E-App: https://eligcert.ed.gov/
- Email GECertification@ed.gov
- Transitional Certifications were due December 31st
- Certifications must be updated as programs are added or changed

GE Resources

Thank you and Questions?

- Cynthia Hammond, Assistant Director, Policy Liaison and Implementation, Federal Student Aid

  cynthia.hammond@ed.gov

  202-377-4236

- Greg Martin, Policy Analyst,

  Office of Postsecondary Education

  Gregory.martin@ed.gov

  202-453-7535

Gainful Employment Information Page:
http://www.ifap.ed.gov/GainfulEmploymentInfo/indexV2.html