

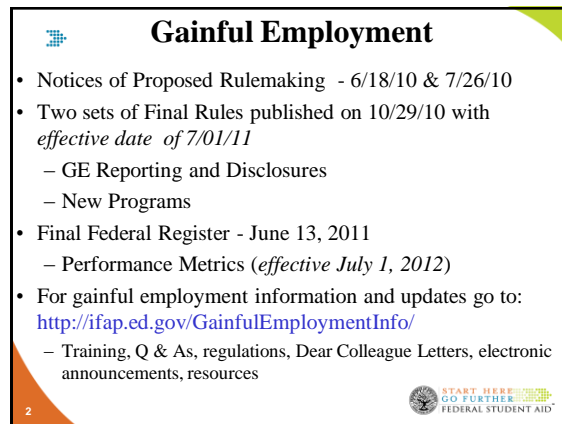
Gainful Employment



**GAINFUL
EMPLOYMENT
PROGRAMS**

NCASF AA Fall Conference
November 7-9, 2011

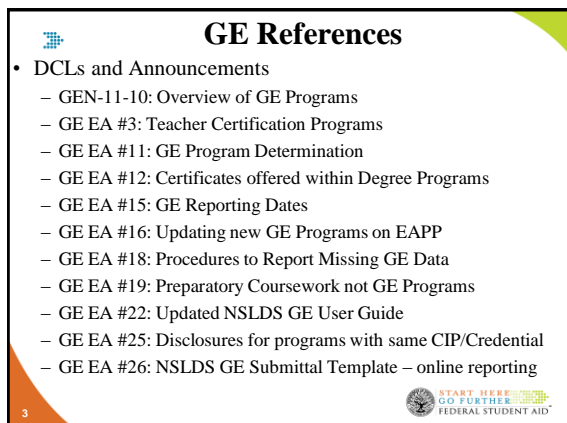
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Gainful Employment

- Notices of Proposed Rulemaking - 6/18/10 & 7/26/10
- Two sets of Final Rules published on 10/29/10 with *effective date of 7/01/11*
 - GE Reporting and Disclosures
 - New Programs
- Final Federal Register - June 13, 2011
 - Performance Metrics (*effective July 1, 2012*)
- For gainful employment information and updates go to: <http://ifap.ed.gov/GainfulEmploymentInfo/>
 - Training, Q & As, regulations, Dear Colleague Letters, electronic announcements, resources

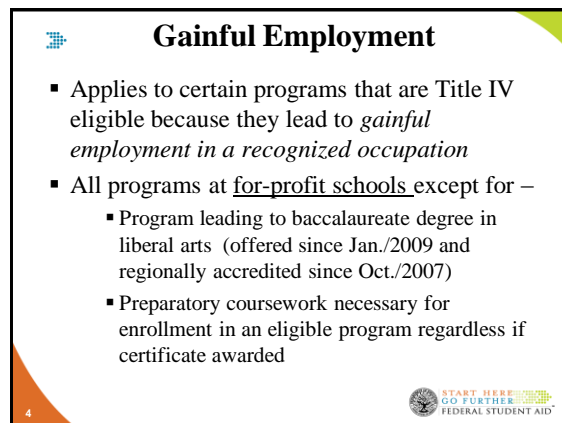
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GE References

- DCLs and Announcements
 - GEN-11-10: Overview of GE Programs
 - GE EA #3: Teacher Certification Programs
 - GE EA #11: GE Program Determination
 - GE EA #12: Certificates offered within Degree Programs
 - GE EA #15: GE Reporting Dates
 - GE EA #16: Updating new GE Programs on EAPP
 - GE EA #18: Procedures to Report Missing GE Data
 - GE EA #19: Preparatory Coursework not GE Programs
 - GE EA #22: Updated NSLDS GE User Guide
 - GE EA #25: Disclosures for programs with same CIP/Credential
 - GE EA #26: NSLDS GE Submittal Template – online reporting

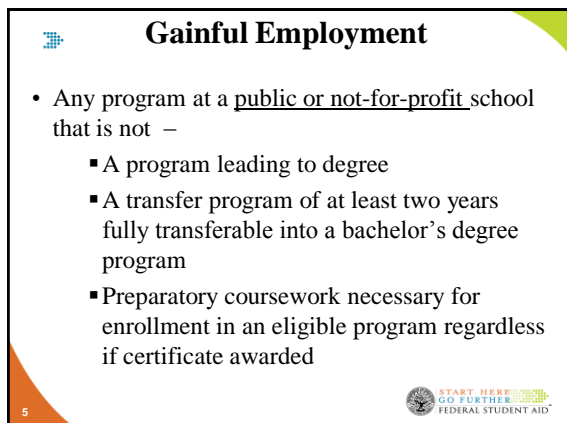
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Gainful Employment

- Applies to certain programs that are Title IV eligible because they lead to *gainful employment in a recognized occupation*
- All programs at for-profit schools except for –
 - Program leading to baccalaureate degree in liberal arts (offered since Jan./2009 and regionally accredited since Oct./2007)
 - Preparatory coursework necessary for enrollment in an eligible program regardless if certificate awarded

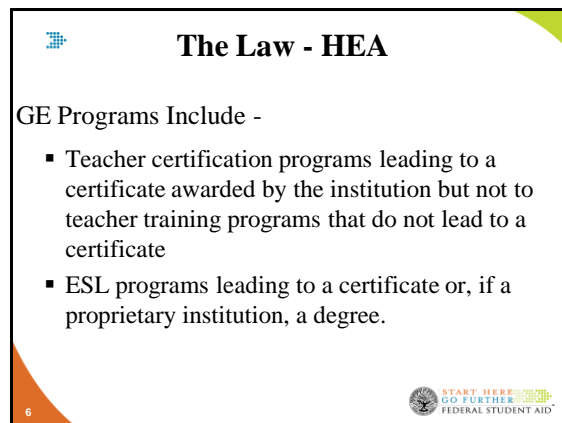
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Gainful Employment

- Any program at a public or not-for-profit school that is not –
 - A program leading to degree
 - A transfer program of at least two years fully transferable into a bachelor’s degree program
 - Preparatory coursework necessary for enrollment in an eligible program regardless if certificate awarded

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The Law - HEA

GE Programs Include -


- Teacher certification programs leading to a certificate awarded by the institution but not to teacher training programs that do not lead to a certificate
- ESL programs leading to a certificate or, if a proprietary institution, a degree.

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Gainful Employment

Recognized Occupation

- Recognized occupation is redefined as:
 - One identified by a Standard Occupational Classification (SOC) code established by OMB, or
 - One identified by an Occupational Network O*NET-SOC code established by DOL
- Outdated reference to the Dictionary of Occupational Titles is replaced with current references to SOC codes established by OMB and DOL



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GAINFUL EMPLOYMENT DISCLOSURES



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Disclosures


- For *each* GE Program, institution must provide prospective students with specific information - *Effective July 1, 2011*
- Institutional disclosures –
 - Provide information to help students choose among gainful employment programs.
 - Warnings help students understand risks of enrolling in program that is failing the gainful employment debt metrics.



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Disclosure Form


- Institution must use disclosure form provided by the Department, when available.
 - Will be a Web-Based Application
 - Currently not available*
- Institutions *must* comply with the disclosure requirements independently until form is available.



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Disclosures


- Institution is required to disclose:
 - Occupations** its programs prepare students to enter
 - Providing link to occupational profiles on O*NET
 - If 6 digit CIP produces more than 10 jobs, may provide a link to a representative sample of jobs (by name and SOC) its graduates typically find employment
 - Costs** – tuition/fees, room/board, books & supplies
 - May include additional costs



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Disclosures

- Institution is required to disclose:
 - On-time completion rate** for each program
 - Determine the number of students who completed the program during most recently completed award year
 - Determine number of students who completed within normal timeframe regardless of whether transferred into program or changed programs at institution
 - Divide the number students who completed in normal timeframe by the total number of who completed the program; and
 - Multiply by 100



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Gainful Employment

Q & A

D-Q7: When calculating on-time completion rates for disclosure purposes, how do we determine “normal time”?

D-A7: Normal time is defined as the amount of time necessary for a student to complete all requirements for the degree or certificate as provided in the institution’s catalog or other promotional materials. This is typically four years for bachelor’s degrees in a standard term-based institution, two years for associate degrees in a standard term- based institution, and the scheduled time for certificate programs in school’s publications.


For clock hour programs, it is the time, measured in days or weeks, provided in institution’s catalog or promotional materials stating how long it takes a student to complete the program.



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Disclosures

- Institution is required to disclose:
 - **Placement rate** for students completing each program
 - NCES developing methodology
 - Until developed, as of July 1, 2011:
 - If accrediting or State agency requires the calculation of a placement rate by program, the school must disclose the rate and who required it
 - If accrediting or State agency requires the calculation of a placement rate at the institutional level, the school must use the methodology to calculate a program rate and disclose it




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Q & A

D-Q8: What placement rate do we disclose if our institution is not required by our accrediting agency or State to calculate a placement rate?


D-A8 If there is no requirement by the State or an accreditor to calculate a placement rate for either the institution as a whole or for the specific GE Program, the institution does not need to disclose a placement rate. The National Center for Education Statistics (NCES) is currently developing a methodology that will be used to calculate placement rates for GE Programs. *When the NCES methodology becomes available, institutions must use it to calculate a GE Program’s placement rate.*



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Disclosures


- Institution is required to disclose:
 - **Median loan debt** incurred by students who complete the program
 - Title IV loan debt (FFEL and Direct Loan only) – Amount borrowed
 - Private educational loan debt – Amount borrowed
 - Institutional finance plans
 - Outstanding amount owed when withdraw or graduate
 - *if the aggregate amount owed by the student to the institution upon completion or withdrawal is \$200 or less, that amount need not be reported or used in the disclosure calculation.*



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Disclosures

- Disclosures must be in promotional materials made available to prospective students and on website
- Program home page website
 - Information simple and meaningful
 - Contain direct link to any other webpage with general, academic or admission information about the program
 - Information in an open format that can be retrieved, downloaded, indexed and searched
 - Made available to public without restrictions




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Q & A

D-Q1: Our institution has two programs with the same 6-digit CIP code and Credential Level. Should we disclose the median debt separately or should we combine the students in the two programs and report as one program?

D-A1: For disclosures purposes, you may make separate disclosures for programs with the same CIP and credential level if it more accurately reflects program unique characteristics (program length, costs, location). However, for reporting purposes these two programs are still treated as one program.

We remind institutions that they should carefully review each of their educational programs to ensure that the appropriate CIP code has been assigned.



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Gainful Employment

Q & A


G-Q7: Do I need to report information or disclose information even if number of students who completed the program is very small?

G-A7: Reporting – All domestic schools must report to ED on all students in GE Program regardless of number of students enrolled, *unless school does not have a Social Security Number for the student.*

Disclosures – For all schools, if number of students who completed GE Program during award year was less than 10, do NOT disclose:

- Median debt amounts
- On-time completion rate

Schools must disclose all other required disclosure fields regardless of the number of students enrolled in or that completed the program.




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Q & A

D-Q3: The GE disclosure regulations require that all promotional materials for a program include the required information. How does that apply to postcards, invitations, flyers, billboard, radio, television, etc.

D-A3: If the invitation, advertisement, or solicitation refers to a specific GE Program, the disclosure information must be included when feasible. If not feasible because of size/format, may display URL or provide live link to webpage where data is located, with an explanation of the information that is available. If advertise more than one GE Program, institutions have the option of (1) providing one link on the promotional material where people can be redirected to a list of the web links for all GE Programs webpages, or (2) providing a direct link for each program on the promotional material.



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**GAINFUL
EMPLOYMENT
REPORTING**



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Annual Submission


- Institution (*even if do not participate in a loan program*) annually submit information on students (TIV and non-TIV) enrolled in **TIV eligible** GE programs
 - Report includes :
 - Student and Program identifying information
 - Amounts from private education loans and from institutional financing plans
 - Enrollment information
 - Tuition and Fees (Optional)
 - Use Enrollment Reporting Process in NSLDS
 - GE EA #22 – Updated NSLDS GE User Guide
 - GE EA # 14 – Submittal Template
 - GE EA #23 - NSLDS available 9/26/11



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Annual Submission

- Reporting deadlines:
 - By October 1, 2011 (*will accept data through 11/15/11*)
 - 2006-2007 award year information (if available)
 - 2007-2008, 2008-2009, 2009-2010 award year
 - By November 15, 2011
 - 2010-2011 award year information
 - GE EA #15 – reporting dates
 - If can't produce award year information, the institution must provide an explanation
 - Explanation sent to GE-Missing-Data@ed.gov
 - GE EA #18 – submission scenarios and process



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Q & A

G-Q6 Do I have to provide the disclosures if I end Title IV participation? What about the reporting in October?

G-A6: GE Program regulations only apply to academic programs that are TIV eligible.

Disclosures – If end program Title IV participation before 7/1/11, not required to provide GE disclosures on program's website. If program's TIV eligibility ends on or after 7/1/11, must provide disclosures from July 1 until at least the end date of TIV eligibility.

Reporting – If end program's TIV eligibility before 10/1/11, it is not required to report. If program's TIV eligibility ends on or after 10/1/11, should report required information for all award years.



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Gainful Employment

Q & A

R-Q3: My program only began its Title IV eligibility in 2009. Does my institution have to report for years when the program was not Title IV eligible?


R-A3: No, the institution need only report for award years when the educational program was Title IV eligible. If a program became eligible in the middle of an award year, the institution must report on all students enrolled in the program at any time in the award year.



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Student Identifiers


- For each student who enrolled in a GE Program during the award year
 - Social Security Number
 - First, middle and last name
 - Date of birth
- Use student’s Social Security Administration information



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Program Information


- For each student enrolled in a GE Program
 - Institutions OPEID (8 digit) where student attended
 - Name of program as established by institution
 - Classification of Instructional Program (CIP) code of educational program
 - Credential Level



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Educational Loan Information


- Private education loan information
 - Defined in 12 CFR 226.46(b)(5) by the Federal Reserve Board
 - Total amount of non-Title IV loan received to pay costs associated with attendance in the GE Program
 - Examples – loans from financial institutions, credit unions, states and other localities, guaranty agencies, and postsecondary educational institutions.



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Institution Finance Plans

- Institutional Financing Plan information
 - Includes –
 - Loans;
 - Extensions of credit;
 - Payment plans; or
 - Other financing mechanisms; -
 - *That would otherwise not be considered a private education loan but that results in a debt obligation that a student must pay to an institution after withdrawing or completing the program*




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Q & A

R-Q13: How should an institution report students who are enrolled in a summer term that crosses award years?

R-A13: Since the student was enrolled in both award years, the institution should report the student separately in both award years’ submissions.

Note that reporting students in GE Programs in both award years for a summer crossover term does not change how institutions award Title IV aid for a crossover payment period.



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Gainful Employment


GAINFUL EMPLOYMENT NEW PROGRAMS



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Adding GE Programs


- Eligibility and Certification Approval Report (ECAR) identifies the programs that are currently Title IV eligible
- Institutional Title IV eligibility does not automatically include new GE programs
- Establishing eligibility for new GE programs (not currently listed on the ECAR). Three possibilities:
 - Notification Not Required
 - Notification Required
 - Approval Required
 - Approval Not Required



Notification Not Required

- An institution is not required to notify ED of a new program if either:
 1. A Public or Private Non-Profit Institution adds a program leading to an associate, bachelor's, professional, or graduate degree and the institution has already been approved to offer programs at that level,* or

*If not approved for that level or higher, institution would request an Increased Level of Offering




Notification Not Required

2. At all institutions, the program:
 - Has the same CIP Code and
 - Is offered at the same Credential Level as an already approved program

AND


 - The institution's accreditor does not consider the program to be an additional program *

* Include program on next recertification application



Notification Required


- Institutions must (except as previously noted) *notify ED at least 90 days before the first day of class* when adding a **new** educational program that leads to gainful employment in a recognized occupation (GE Program)
 - If the first day of class is **on or after July 1, 2011 and before October 1, 2011**, notification was due by July 1, 2011
 - If the first day of class is **on or after October 1, 2011**, institutions must provide notification to the Department at least 90 days prior to the first day of class



Notification Required

- Notification must include -
 - An electronic E-App with GE Program details;
 - Accrediting agency approval;
 - State approval;
 - *Notice of Intent to Offer an Educational Program*; and
 - Section L of the E-App containing original signature of the appropriate official.

GE EA #16 - August 3, 2011



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Gainful Employment

Notice of Intent to Offer GE Program

- Notification must include:
 - How institution determined need for the program
 - How the program was designed to meet local market needs
 - If an online program, how designed to meet regional or national market needs
 - Contain any wage analysis performed
 - How program was reviewed/approved/developed with business advisory committees, program integrity boards, public/private oversight agencies, and any businesses likely to employ graduates
 - Demonstrate approved by, or included in, school accreditation
 - Provide the date of the first day of class

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Notice of Intent

- To ensure Notice of Intent is complete please:
 - Describe the *process* used for
 - Determining the need for the program, and
 - Developing the program content
 - Describe the process used to evaluate if the resulting content is appropriate to meet the need
 - Clearly identify the *external parties* involved in the development, review, or approval of the program, what their review disclosed, and actions taken in response

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Notice of Intent

- Include complete details in the Notice as a narrative – do not reference/submit meeting notes or other documents
- Do not submit documents prepared for another purpose
- Be specific to the program in question – don't simply quote your procedures manual

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Notice of Intent


- If program is currently taught at the institution it is ok to mention actual placement rates
- Focus on benefit to students/employers – make a clear connection between the program, the job it prepares the student for, and the local, regional, or national market need for employees in that job

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Approval Required

- If the institution did not provide the required notification timely, it must wait for Departmental approval before disbursing funds to students enrolled in the new GE Program
 - Example - for programs beginning between July 1, 2011 and October 1, 2011 must have provided new GE notifications by July 1, 2011


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Approval Required

- Approval is also required if -
 - The institution is provisionally certified;
 - The institution is adding a Direct Assessment Program;
 - The institution is adding a Comprehensive Transition and Postsecondary (CTP) Program; or
 - The Department advises the institution that it must wait for approval

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Gainful Employment

Program Denial

- Program Denials
 - If denied, ED will:
 - Explain how program failed
 - Provide opportunity for school response
 - School may request reconsideration


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Gainful Employment New Programs

- NPRM – 9/27/11
 - Establish new regulations to streamline the application and approval process for adding new GE programs
 - Comments must be received by November 14, 2011
 - Would not be effective until July 1, 2013
 - Continue to adhere to current rules

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GAINFUL EMPLOYMENT PERFORMANCE METRICS


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Performance Metrics

- Establish minimal measures for determining whether certain postsecondary programs lead to gainful employment in recognized occupations, and the conditions under which these educational programs remain eligible for Title IV aid
- Minimum standards include (668.7):
 - program’s annual loan repayment rate is at least 35 percent
 - program’s annual loan payment is less than or equal to-
 - 30 percent of discretionary income; or
 - 12 percent of annual earnings

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Performance Metrics

- Repayment Rate –
 - A percentage of the loan amounts that a GE Program’s former students are repaying (weighted for loan balance)
- Debt to Earnings Ratio –
 - For the GE Program’s completers, the average educational loan annual repayment amount as a proportion of the average borrowers’ annual income

Informational Rates in 2012
First official rates in 2013

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Repayment Rate

Loan repayment rate for a program calculated annually using the following ratio:

$$\frac{\text{OOPB of LPF plus OOPB of PML}}{\text{OOPB}}$$

- OOPB = Original Outstanding Principal Balance
- LPF = Loans Paid in Full
- PML = Payments-Made Loans
- Typically includes loans in the 3rd and 4th year of repayment

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Repayment Rate

- A loan is successfully being repaid if:
 - Its balance is reduced by at least \$1.00 over the course of the year or paid in full;
 - It is on track to being forgiven due to public service employment;
 - Borrower is making payments under an interest-only or income-based repayment plan, but limited to no more than 3% of the OOPB; or
 - For post-baccalaureate programs, is a consolidation loan and all interest accrued over the course of the year has been paid.




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Repayment Rate

- Example:

Former Student	OOPB
Student A	\$ 2,000
Student B	3,000
Student C	5,000
Student D	10,000

 - OOPB = \$20,000 (total amount for all borrowers in 2YP)
 - Only student D is successful in repaying
 - Repayment rate = \$10,000 / \$20,000 = 50%



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Repayment Rate

- For the most recent fiscal year, excludes:
 - Loans in an in-school deferment or a military-related deferment
 - Loans discharged, or pending discharge, for death or total and permanent disability



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Debt-to-Earnings


Earnings Rate

$$\frac{\text{Average Annual Loan Payment Amount}}{\text{Mean or Median Annual Earnings}}$$

Discretionary Income Rate

$$\frac{\text{Average Annual Loan Payment Amount}}{\text{Mean or Median Annual Earnings less 1.5 X poverty guideline}}$$


- Typically includes students in their 3rd and 4th year after completing the program.



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Debt-to-Earnings


- SSA will provide the median and mean earnings of program graduates.
 - Schools can verify the lists of individuals submitted to SSA. However, the earnings data will be subject to SSA's strict protections on individual privacy.



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Debt-to-Earnings

- Calculating of the annual loan payment—
 - Uses the program's median loan debt,
 - Amortized at 6.8% over –
 - 10 years for a certificate or AA program,
 - 15 years for a baccalaureate program, or
 - 20 years for a graduate program




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Debt-to-Earnings


- Exclude students --
 - With one or more loans in a military-related deferment status
 - With loans discharged, or pending discharge, for death or total and permanent disability
 - Enrolled in school



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Performance Requirements


- A program is a failing program for a year if it does not meet ANY of the minimum standards
 - Must only pass one measure
- After one year's failure institution must —
 - Disclose to students and prospective students the amount by which the program did not meet the minimum standards and any plans for improvement;
 - Establish a three-day waiting period before students can enroll



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Performance Requirements

- After two years out of three as a failing program, institution must tell students that —
 - Their debts may be unaffordable;
 - The program may lose eligibility; and
 - What transfer options exist.
- *If a failing program for three of four years, program loses eligibility for Federal student aid*




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Q & A

DM-Q1: Who is responsible for calculating the debt measures?


DM-A1: The Department of Education will calculate institutions' gainful employment repayment rates and debt-to-earnings ratios. To calculate these debt measures, the Department will use data that institutions have reported to the Department, information included in NSLDS about Title IV loans, and median incomes obtained from the Social Security Administration.



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Contacts


- Atlanta School Participation Team
 - Main Number: 404-974-9303
 - Laura Hall (IIS) – 404-974-9293
 - Cassandra Weems (IIS) 404-974-9305
- Atlanta Training Officers
 - Yolanda Adams - **RETIRED**
 - David Bartnicki – 404-974-9312
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- Email – firstname.lastname@ed.gov



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THANK YOU!

Feedback on Training
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 Supervisor of Training Officers
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