Gainful Employment

Kim Wells
U.S. Department of Education
IASFAA 2015

Agenda

• Regulation
• Which Programs are GE Programs
• Important Dates
• 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

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

Important Dates

- Reporting
  - Oct 1, 2015 (for 2014/2015 data)
- Program Certifications
  - Dec 31, 2015
- Draft Debt-to-Earnings Rates
  - Summer 2016

Disclosures
- Jan 1, 2015 (per current regulations)
- Jan 1, 2017 (per new regulations)

GE Reporting

- Schools should have reported all Title IV Students by July 31, 2015
  - Programs with Medical and Dental Residencies report 2007 – 2008 through 2013 – 2014 award years
- Report 2014 – 2015 Award Year by October 1, 2015

GE Reporting

- ONLY submit data on students enrolled in a GE program
- ONLY submit data on Title IV aid recipients
- Revised guidance on programs that were either ineligible or ceased to exist prior to 07/01/12
  - See EA #58 posted 08/10/15
- Data provided in 2011 will not be available to reuse
GE Reporting

- Schools report GE Data to NSLDS using one of the following methods:
  - Online
    - GE Add
    - GE Spreadsheet Submittal
  - Batch
    - Fixed-Width
    - Comma Separated Values (CSV)

Reporting – Students to Include

- All Title IV students enrolled in GE Programs
- A student enrolled in more than one GE Program must be reported separately for each program.
- A student who 'stopped out' and re-entered the same GE Program during the same award year must be reported separately for each enrollment.
- A student who was enrolled in the same GE Program during multiple award years must be reported separately for each award year.

Reporting Accuracy

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

More Information on Reporting

- GE Electronic Announcement #52 and #56 on NSLDS GE reporting
- Webinar recording: January 13 and 15, 2015
- NSLDS Customer Support Center:
  - Phone: 1-800-999-8219
  - E-mail: nslds@ed.gov
Debt to Earnings Measures

Gainful Employment Measure

- Debt-to-earnings (D/E) rates
  - Annual Earnings D/E rate
  - Discretionary Income D/E rate
  - Passing: Annual D/E ≤ 8% or Discretionary D/E ≤ 20%
  - Failing: Annual D/E > 12% or Discretionary > 30%
  - Zone: Annual D/E > 8% and ≤ 12% or Discretionary D/E > 20% and ≤ 30%

Cohort Periods

- D/E rates are calculated using debt and earnings of students who complete GE program during specific cohort period
- Cohort period is either 2 or 4 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 program during 3rd and 4th award years prior to award year for which rates are calculated.
- Four-year cohort is students who completed program during 3rd, 4th, 5th, and 6th award years prior to award year for which rates are calculated.
- D/E rates calculation for 2014-2015:
  - Two-year cohort period is 2010-2011 and 2011-2012.

**D/E Rates Calculation**

- Discretionary Income Rate = annual loan repayment divided by (the higher of the mean or median annual earnings less 1.5 times the HHS Poverty Guideline).
- Annual earnings rate = annual loan payment divided by the higher of the mean or median annual earnings.

**GE 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”
  - GE earnings year is 2 calendar years preceding the year in which D/E rates are calculated
  - SSA does not provide individual earnings data or the identity of any student

**G/E Rates Calculations**

- **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 T/P disability discharge
  - Student was enrolled in any other program during the calendar year for which SSA earnings are obtained
  - For undergraduate GE programs, student completed a higher-credentialed undergraduate 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

**Gainful Employment Results**

- Program’s loses Title IV eligibility if:
  - D/E measures – Fails in two out of three years OR
  - D/E measures - Fails or in the zone for four consecutive years

**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

Disclosure Template

- Template is application that creates standardized Web page with GE disclosure information
- Web page must be hosted on institution’s site

GE Disclosure Resources

  - Requirement
  - Template application
  - Quick start guides
  - Bulk data file upload tool
  - Help desk: (855) 359-3697, gedt@inovas.net

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U.S. Department of Education
Disclosures Under New Final Rules

- Transition from current disclosure requirements to requirements of the final regulations
  - Consumer testing & Focus groups
  - Seek comments on new disclosure template
  - Guidance and technical assistance
- Delay in effective date of new disclosure requirements until January 1, 2017, gives the Department time to conduct consumer testing and prepare new disclosure template

Certifications

- December 31, 2015 – Transitional Certifications Due
  - Signed by CEO, Chancellor, or equivalent
- Certifications renewed when institution recertifies Program Participation Agreement (PPA)

Certifications

- Certify that each currently eligible GE Program is
  - Approved by accrediting agency and State
  - Is programatically accredited if that is required for that profession in the state
  - Graduates qualify to meet educational prerequisites of the licensing or certification exam required to work in the state, if any

Certifications

- New Electronic Announcement #54
- Link to E-App: https://eligcert.ed.gov/
- Email GECertification@ed.gov
GE Resources


Questions?

Contact me with follow-up questions about this session:
Kim Wells - Federal Training Officer
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Training Feedback

To ensure quality training we ask all participants to please fill out an online session evaluation

- Go to http://s.zoomerang.com/s/KimberlyWells
- Evaluation form is specific to Kim Wells
- Additional feedback about training can be directed to joann.borel@ed.gov
### Contacts

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### Department of Education

**Contacts**

**Research and Customer Care Center**
- 800.433.7327
- fsa.customer.support@ed.gov

**Reach FSA**
- 855.FSA.4FAA -- 1 number to reach 10 contact centers!

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