

Gainful Employment

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WHAT IT MEANS FOR YOUR COLLEGE

RMAFSA TRAINING COMMITTEE
SPRING, 2016

Agenda

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- Reasoning
- GE Framework
- Definitions
- NSLDS Reporting Requirements
- Calculating, Issuing, and Challenging D/E Rates
- Final Determination and Consequences of D/E Rates
- Disclosure Requirements

Reasoning

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- Gainful Employment (GE) and Financial Aid (FA) are two separate issues
- GE measures debt related to employment
 - Federal debt at your school when enrolled in a GE program
 - Known private debt at your school when enrolled in a GE program
 - Known assumed institutional debt at your school when enrolled in a GE program
 - Remember schools only report on GE certificate students when the student incurs debt

Reasoning

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- **GE Electronic Announcements**
 - [GE Electronic Announcement #53](#)
 - ✦ Focus is What is a Gainful Employment Program?
 - [Gainful Employment Operations Manual](#)
 - ✦ Focus is 37 pages of text – a good reference document
 - ✦ Read it with an open mind
 - [GE Electronic Announcement #12](#)
 - ✦ Focus is certificates awarded as part of a degree program

Scenarios

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- Christopher – GE program certificate only
- George – GE program with a 2+2 agreement; graduates with a BA degree
- Robert – For-profit GE program with a 2+2 agreement at State school. Student graduates with GE program degree
- Henry – State school – Master's GE certificate only

Scenario 1 Christopher

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Yr 1 – enrolled in GE
certificate program

Accepts federal loans
Private loan
unknown
Has no institutional
debt

Yr 2 – continues
enrollment in GE
certificate program

Accepts federal loans
Private loan
discovered for Yr 2
Has no institutional
debt

Christopher graduates at the end of Yr 2 with a certificate from a GE program

NSLDS (GE) reporting includes private loan amount for Christopher and any known institution debt incurred at your school once program complete

Scenario 2

George

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GE
program at
community
college

Y1 no federal,
private or
school debt

Yr 2 no
federal,
private or
school debt

Nothing to report at GE school
No loans or school debt

BA at non-
profit
school

Yr 3 federal
loan and
school debt

Yr 4 federal
loan and
school debt;
earns a BA

Nothing to report because
Student earned BA at this school

Scenario 3 Robert

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For Profit GE
2+2 program

Yr 1 federal
debt and
private loan

Yr 2 federal
debt and
private loan

For profit school required to
report all data

State
University –
public school
enrolled in
GE program

Yr 3 federal
debt

Yr 4 federal
debt and
student
graduates

School is state school, this is a GE
Program – required to report
information received at this
school

Scenario 4

Henry

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State U

Yr 1 – 4 BS is
Natural Science

NO GE reporting
required

State U
Graduate
school

Master's GE
certificate
program

Student
borrowed federal
loan must report
this information
ONLY

Certificate Requirements

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- [GE Electronic Announcement #54](#)
 - Focus is certification requirement for GE programs
- [GE Electronic Announcement #66](#)
 - Focus is Accreditation and Licensure requirements of GE certifications
- [GE Electronic Announcement #77](#)
 - Focus is Fulfilling GE Certification Requirements when Updating the E-App

GE Framework

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- A program provides training that prepares students for gainful employment in a recognized occupation if the program
 - Satisfies the applicable certification requirements in [668.414](#); and
 - Is not an ineligible program under the Debt-to-earnings rates (D/E) measure

GE Framework

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- Purpose
- The Law

GE Framework

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- **Purpose**

- Providing annual comprehensive and potentially comparable disclosures of educational programs to prospective students including but not limited to the following:
 - ✦ Occupations
 - ✦ Normal completion time
 - ✦ On-time completion rate
 - ✦ Program costs
 - ✦ Placement rate
 - ✦ Median loan debt
 - Federal
 - Private
 - Institutional financing

GE Framework

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- The Law
 - [668.401 Subpart Q](#) – Gainful Employment (GE) programs
 - ✦ Educational programs that prepare students for gainful employment in a recognized occupation
 - The Secretary determines that the program is eligible for Title IV, HEA program funds;
 - The institution reports information about the program to the Secretary; and
 - The institution discloses information about the program to students and prospective students

GE Framework

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- **Gainful Employment program recognition and reporting is institutional in scope**
 - Academic Dean – new or updated academic program development
 - Registrar – program CIP Code assignment and accurate NSLDS (GE) reporting
 - Public Relations/Communications/Admissions – developing and sharing accurate program information
 - Business Office – sharing potential institutional debt agreements & any known private loan proceeds with Financial Aid
 - Financial Aid Office – Title IV loan debt confirmation
 - Career Services – collecting and maintaining individual student known employment details
 - Institutional Research – develop and maintain GE program information for accurate reporting
 - Ultimately the President’s Office signs-off on this report

Definitions

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- **Subpart Q – 668.402 definitions**
 - Annual earning rate – calculated by Secretary
 - Classification of instructional program code (CIP)
 - Cohort period
 - Credential level
 - Debt-to-earnings rates
 - Discretionary income rate
 - Four-year cohort period
 - Length of program
 - Metropolitan Statistical Area

Definitions

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- **Subpart Q – 668.402 definitions continued**
 - HHS Poverty guidelines
 - Prospective students
 - Student
 - Title IV loan
 - Two-year cohort period

GE Calendar

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- **July 31, 2015** – NSLDS GE Reporting Due for 2008-09 to 2013-14 Data
- **October 1, 2015** - NSLDS GE Reporting Due for 2014-15 Data
- **June 1, 2016** - Completers List to Institutions
 - Completers List Challenges from Institution Due 45 Days Later
- **Summer 2016** - Draft Debt-to-Earnings Rates to Institution
 - Draft Debt-to-Earnings Rates Challenges from Institutions Due 45 Days Later
- **January 2017** - Release Final Debt-to-Earnings Rates to Institutions

NSLDS GE Reporting Requirements

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- Must report by October 1 for each Title IV student recipient enrolled in a GE program during the most recently completed award year
 - Student's program information
 - ✦ Program name
 - ✦ CIP code
 - ✦ Credential level
 - ✦ Program length
 - ✦ Whether program is a medical or dental program whose students are required to complete an internship or residency

NSLDS GE Reporting Requirements

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- Student information
 - ✦ Date initially enrolled in program
 - ✦ Attendance dates
 - ✦ Attendance status
 - ✦ Enrollment status

NSLDS GE Reporting Requirements

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- If student completed or withdrew from program
 - ✦ Date of completion or withdrawal
 - ✦ Total amounts of
 - Private education loans student received for program
 - Institutional debt student owes any party
 - Tuition and fees assessed student for entire enrollment in program
 - Annual allowances included in student's COA for each award year the GE student is enrolled in the GE program
 - Books
 - Supplies, and
 - Equipment;
 - Or higher amount, if assessed

NSLDS GE Reporting Requirements

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- If required by accrediting agency and/or State to calculate a placement rate for program
 - ✦ Calculated placement rate using required methodology
 - ✦ Include name of accrediting agency or State

- **NOTE:** If the school does not provide some or all of the required GE reporting information, the school will be required to provide ED with an explanation that is acceptable by ED

NSLDS GE Reporting Requirements

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- [NSLDS Gainful Employment Spreadsheet Submittal Instruction Guide](#)
- [GE Electronic Announcement #72](#)
 - Focus is NSLDS GE User Guide
- [GE Electronic Announcement #57](#)
 - Focus is Common Errors in Reporting GE Data to NSLDS
- [GE Electronic Announcement #58](#)
 - Focus is NSLDS Reporting for GE Programs Discontinued Prior to the Effective Date of the Regulations

NSLDS GE Reporting Requirements

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- GE Electronic Announcement #59
 - Focus is New NSLDS GE Program Tracking Eligibility
- GE Electronic Announcement #60
 - Focus is GE Reporting and Resolving Incorrect Credential Level Data in NSLDS and in COD
- GE Electronic Announcement #61
 - Focus Confirming Compliance with GE Reporting Requirements

Completers List

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- **Completers List to Institutions**
 - Completers List Challenges from Institution Due 45 Days Later
- **[GE Electronic Announcement #71](#)**
 - Focus is Reviewing and Correcting GE Completers Lists
- **[GE Electronic Announcement #75](#)**
 - Focus is NSLDS Enrollment Update Access Required for Draft GE Completers List Corrections
- **[GE Electronic Announcement #78](#)**
 - Focus on Draft GE Completers List Files

Challenging Completers List

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- Exclusions to completers list
 - Student has loans in a military-related deferment
 - Student's loans under consideration for or have been approved for total and permanent disability discharge
 - Student was enrolled in any other eligible program
 - For undergraduate GE programs
 - ✦ Student completed a higher-credentialed undergraduate GE program at the same institution
 - For graduate GE programs
 - ✦ Student completed a higher-credentialed graduate GE program at the same institution
 - Student has died
- Review attendance dates

Calculating Debt-to-Earnings (D/E) Rates

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- ED obtains earnings data from Social Security Administration (SSA)
 - ED submits final completers list to SSA
 - SSA returns to ED in aggregate form – not in individual form
 - ✦ Mean annual earnings
 - ✦ Median annual earnings
 - ✦ Plus number of unmatched students

Calculating D/E Rates

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- **Institution does not calculate the D/E rates**
- D/E rates calculated by ED annually for each GE program using information provided by
 - Institution
 - Social Security Administration
- A GE program with 10-29 students who complete the program in the reporting year
 - ED uses the student's earnings data for disclosure purposes only

Calculating D/E Rates

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- Annual Loan Payment
 - Median Loan Debt
 - Amortization of the Median Loan Debt
 - ✦ Refer to [34 CFR 668.404\(a\)\(2\)](#) for specific information
 - ✦ Average Direct Unsubsidized Loan interest rates used
- Annual Earnings
 - Earnings Data Process

Calculating D/E Rates

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Annual Earnings
Rate =

Calculated annual loan
payment based on the
median loan debt

Higher of mean or median
annual earnings

Calculating D/E Rates

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Calculated annual loan payment
based on the median loan debt

Discretionary
Income
Rate =

Higher of mean or median annual
earnings – 150% of HHS Poverty
level

- [HHS Poverty Guidelines](#)

Calculating D/E Rates

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- **Cohort Period**
 - Two-Year Cohort Period
 - ✦ 30 or more students completed GE program during this period
 - Four-Year Cohort Period
 - ✦ If less than 30 students completed in two-year cohort and at least 30 students completed in four-year cohort
 - Medical and Dental Residency

Issuing D/E Rates

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- D/E rates not issued
 - if fewer than 30 students completed during
 - ✦ Two-year cohort period
 - ✦ Four-year cohort period

It is important for each school to review the Gainful Employment Manual for individual program abnormalities

Issuing and Challenging D/E Rates

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- ED releases draft D/E rates to institutions
 - 45 day challenge period begins once draft rates released
- GE Electronic Announcement #64
 - Focus is Upcoming Implementation of Data Challenges and Appeals Solution (DCAS)

Challenging D/E Rates

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- Institution bears burden of proof to show
 - Median loan debt information is incorrect
 - How it should be corrected
- ED will not consider challenges
 - Objecting to mean or median annual earnings that SSA provides to ED
 - More than one challenge to the student-specific data on which draft D/E rates are based
 - ✦ Important to review all information timely!
 - Not submitted timely

Final Determination of the D/E Rates Measure

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- Notice of determination issued each award year
 - Final D/E rates for GE program
 - Final determination of
 - ✦ Passing: Annual D/E $\leq 8\%$ or Discretionary D/E $\leq 20\%$
 - ✦ Failing: Annual D/E $> 12\%$ and Discretionary $> 30\%$
 - ✦ In the zone: Annual D/E $> 8\%$ and $\leq 12\%$ or Discretionary D/E $> 20\%$ and $\leq 30\%$
 - ✦ Ineligible: GE program loses FA eligibility if
 - fails 2 of 3 consecutive years or
 - fails or is in the zone for 4 consecutive years

Consequences of the D/E Rates Measure

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- Written warning to enrolled and prospective students in that GE program within 30 days after notification
 - Specific content of warning in [34 CFR 668.410\(a\)\(2\)\(i\)](#)
 - Refer to and include link for College Navigator
 - ✦ <http://nces.ed.gov/collegenavigator/>
 - Additional information must be provided
 - ✦ To enrolled students
 - ✦ Before enrolling prospective students
- [Disclosure template](#) must be updated

D/E Rates Alternate Earnings Appeals

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- GE program failing or In the Zone
 - May appeal to request recalculation
 - ✦ Using alternate earnings from an institutional survey
 - [Alternative Earnings Survey Best Practices Guide](#)
 - ✦ Using State-sponsored data system
 - ✦ Alternative earnings must be from same calendar year as earnings data obtained from SSA
 - ✦ Must use annual loan payment used in final D/E rates
 - ✦ Must use higher of mean or median alternative earnings

D/E Rates Alternate Earnings Appeals

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- **Alternate Earning Appeals procedure**
 - Notify ED of intent to appeal between the date ED provides draft D/E rate to 14 days after final D/E rates issued
 - All supporting documentation must be submitted within 60 days from date final D/E rates issued
 - Late appeals will not be considered

Disclosure Requirements

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- GE Electronic Announcement #25
 - Focus is disclosures by Educational Program
- GE Electronic Announcement #65
 - Focus is release of the 2014-15 Disclosure Template for GE programs

Examples of GE Disclosure

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- [Check out Creighton's consumer information](#)
- [Check out Hutchinson Community College GE information](#)
- [Check out MSU-Billings Gainful Employment information](#)
- [Check out University of Phoenix's Gainful Employment information](#)

Stay in touch and in tune

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New GE program details are published frequently!



Recap

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- Reasoning
- Definitions
- GE Framework
- NSLDS Reporting Requirements
- Calculating, Issuing, and Challenging D/E Rates
- Final Determination and Consequences of D/E Rates
- Disclosure Requirements

So long

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- Please submit generic GE questions that are not specific to your school at:
RMASFAA.GainfulEmployment@gmail.com
- Questions will be reviewed and answers published to the RMASFAA website
- Questions to specific to your institution will not be answered
- We are not able to confirm if your institution is in compliance