

# Gainful Employment

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WHAT IT MEANS FOR YOUR COLLEGE

RMASFAA 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

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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 =

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

- [HHS Poverty Guidelines](#)

# Calculating D/E Rates

32

- **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](mailto: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