

**Gainful Employment**

David A. Bartlett  
Training Officer  
U.S. Department of  
Education



START HERE  
GO FURTHER  
FEDERAL STUDENT AID

---

---

---

---

---

---

---

---

**Gainful Employment Information**

- Gainful Employment Page on IFAP at:  
<http://ifap.ed.gov/GainfulEmploymentInfo/>  
or from IFAP Homepage
  - Regulations
  - Dear Colleague Letters and Electronic Announcements
  - Frequently Asked Questions
  - Training, including webinars
  - Resources



START HERE  
GO FURTHER  
FEDERAL STUDENT AID

---

---

---

---

---

---

---

---

**Gainful Employment Programs**

- Proprietary institutions –
  - All programs, except for -
    - Programs leading to a baccalaureate degree in liberal arts offered since January 2009 that has been regionally accredited since October 2007.
    - Preparatory non-certificate coursework necessary for enrollment in an eligible program.



START HERE  
GO FURTHER  
FEDERAL STUDENT AID

---

---

---

---

---

---

---

---

**Gainful Employment Programs**

- Public institutions and not-for-profit institutions:
- All programs, except for -
  - Programs that lead to a degree;
  - Programs of at least two years in length that are designed to be fully transferable to a bachelor's degree program and that do not lead to a certificate awarded by the institution.
  - Preparatory coursework necessary for enrollment in an eligible program.



---

---

---

---

---

---

---

---

**Gainful Employment Regulations**

- Two sets of Final Rules published on October 29, 2010, with effective dates of July 1, 2011-
  - Program Integrity –
    - Disclosures
    - Reporting
  - Gainful Employment –
    - New Programs
- Final Rules on metrics to define gainful employment published on June 13, 2011



---

---

---

---

---

---

---

---

**Gainful Employment Program**

- A Gainful Employment program is identified by the:
  - 6 digit OPEID of the institution offering the program (8 digits for reporting)
  - 6 digit CIP Code (Classification of Instructional Program) assigned to the program by the institution
  - 2 digit Credential Level (See NSLDS Gainful Employment Users Guide)



---

---

---

---

---


---

---

---

**Disclosures**

- Disclosure Information on Program's website home page –
- Effective July 1, 2011
- Must be simple and meaningful.
- Must contain direct links from any other webpage with general, academic or admission information about the program.
- Must be in an open format that can be retrieved, downloaded, indexed, and searched.



---

---

---

---

---


---

---

---

**Disclosures**

- Disclose for each GE Program:
  - Occupations that program prepares students to enter - by name and SOC code.
  - Program costs –
    - Tuition and fees, room and board, books and supplies. May include other costs.
  - Job placement rates for students completing the program.



---

---

---

---

---


---

---

---

**Disclosures**

- Disclose for each GE Program:
  - On-time completion rate
  - 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 financing plans – Amount owed.



---

---

---

---

---


---

---

---

**Disclosures**

- Institution must use disclosure form provided by the Department, when available.
  - Not available by July 1, 2011.
  - Institutions must comply with the disclosure requirements independently until form is available.
- See GE Electronic Announcement # 25
  - Disclosures by Educational Program



---

---

---

---

---


---

---

---

**Adding New GE Programs**

- Must notify ED at least 90 days before the first day of class of a new Gainful Employment Program.
- If the institution provided the required notification at least 90 days before the first day of class for the new program it need not wait for Departmental approval before disbursing funds to students enrolled in the new GE Program – Unless ...



---

---

---

---

---


---

---

---

**Adding New GE Programs**

- Approval is required if -
  - The institution is provisionally certified
  - The Department advises the institution that it must wait for approval.
  - The institution does not provide the required notification at least 90 days before the first day of class



12

---

---

---

---

---

---

---

---

### Adding New GE Programs

- See new NPRM dated September 27, 2011
  - Proposes to change rules for adding new GE Programs
  - Comment period ends November 14, 2011.
  - If finalized, effective some time after July 1, 2012.



---

---

---

---

---

---

---

---

### GE Reporting

- Institutions must annually report information about students enrolled in GE Programs.
- General information on reporting was provided in the [Dear Colleague Letter GEN-11-10](#).
- NSLDS GE Reporting Guide at - <http://ifap.ed.gov/GainfulEmploymentInfo/index.html>



---

---

---

---

---

---

---

---

### GE Reporting

- Regulations say institutions must report by October 1<sup>st</sup> for enrollments in the -
  - 2006-2007 through 2009-2010 award years
- Federal Register dated August 2, 2011
  - November 15, 2011 for 2010-2011
  - Continue to accept reports for other award years through November 15, 2011.



---

---

---

---

---


---

---

---

**GE Reporting**

- Reporting is by –
  - Award Year
  - Student
  - GE Program
    - Institution (Six-digit OPEID)
    - CIP Code (See User Guide)
    - Credential Level (See User Guide)



---

---

---

---

---


---

---

---

**GE Reporting**

- 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



---

---

---

---

---


---

---

---

**GE Reporting**

- Institution must report information on students who were enrolled in a GE Program for each award year -
  - Student identifying information
  - Program identifying information
  - Enrollment information
  - Amounts from private education loans and from institutional financing plans
  - Tuition and Fees (Optional)



---

---

---

---

---


---

---

---

**GE Reporting**

- A student may be reported more than once if –
  - Student was enrolled in a GE Program at the school in more than one award year.
  - Student was enrolled in more than one GE Program, even if in the same award year.
  - Student had multiple enrollments in the same GE Program in same award year.



---

---

---

---

---


---

---

---

**GE Reporting**

- Missing Data
  - Must inform ED if data will not be provided.  
Email to: [GE-Missing-Data@ed.gov](mailto:GE-Missing-Data@ed.gov)
    - Programs
    - Award Years
    - Students
    - Full Data
  - Approval is very rare
- Should send email if school has no GE Programs



---

---

---

---

---


---

---

---

**GE Metrics**

- Metrics final rule published on June 13, 2011
- Defines “gainful employment” to be when a substantial number of the GE Program’s students –
  - Are repaying their Title IV loans –
    - Repayment Rate
  - Have a reasonable debt burden –
    - Debt to Earnings Ratios



---

---

---

---

---


---

---

---

**GE Metrics**

- Based on a cohort of a GE Program's Former Students
  - 2 Year Period – The third and fourth fiscal year prior to the most recently completed calculation year
    - FY 2007 and FY 2008 for 2011 informational rates calculated in 2012
    - FY 2008 and FY 2009 for 2012 official rates calculated in 2013



---

---

---

---

---


---

---

---

**GE Metrics**

- ED calculates Repayment Rate as –
  - A percentage of the Title IV loan amounts that a GE Program's former students are repaying
- ED calculates Debt to Earnings Ratios as –
  - The median educational loan annual repayment amount as a proportion of the borrowers' average annual income



---

---

---

---

---


---

---

---

**GE Metrics**

- A loan is successfully being repaid if:
  - Its balance is reduced by at least \$1.00 over the course of the most recently completed fiscal year
  - It has been paid in full
  - It is on track to being forgiven due to public service employment
  - The borrower is making payments under an interest-only or income-based repayment plan



---

---

---

---

---

---

---


---



**GE Metrics**

Debt-to-Earnings Ratio (Annual Income)  
$$\frac{\text{Median Annual Loan Payment Amount}}{\text{Mean or Median Annual Earnings}}$$

Debt-to-Earnings Ratio (Discretionary Income)  
$$\frac{\text{Median Annual Loan Payment Amount}}{\text{Mean or Median Annual Earnings less 1.5 X poverty guideline}}$$



---

---

---

---

---


---

---

---

**GE Metrics**

- SSA will provide the median and mean earnings of program graduates – ED will use the higher of the two
- 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



---

---

---

---

---


---

---

---

**GE Metrics**

- Calculating of the annual loan payment—
  - Uses the program's median loan debt –
    - Title IV, Private Educational Loans and Institutional Financing Amounts.
    - 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.



---

---

---

---

---


---

---

---

**Title IV Eligibility**

- A program must pass at least one of the following three rates to be a Gainful Employment Program eligible for Title IV participation:
  - Repayment rate of at least 35%.
  - Debt-to-Earnings ratio of less than 12% of total earnings, or
  - Debt-to-Earnings ratio of less than 30% of discretionary income.



---

---

---

---

---

---

---

---

**Title IV Eligibility**

- Upon first year as a failing program 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



---

---

---

---

---


---

---

---

**Title IV Eligibility**

- Upon being a failing program for two years out of three, 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



---

---

---

---

---


---

---

---

**GE Contact Information**

General Information: IFAP Website  
Gainful Employment Information Page  
Policy Questions: [ge-questions@ed.gov](mailto:ge-questions@ed.gov)  
Reporting Questions: [nsldsge@ed.gov](mailto:nsldsge@ed.gov)



---

---

---


---

---

---

---


---



**QUESTIONS???**

<b>David A. Bartlett</b>	<b>Scot Davisson</b>
<b>816-268-0434</b>	<b>816-268-0510</b>
<b><a href="mailto:david.bartlett@ed.gov">david.bartlett@ed.gov</a></b>	<b><a href="mailto:scot.davisson@ed.gov">scot.davisson@ed.gov</a></b>

*Jo Ann Borel,*  
Supervisor of Training Officers,  
U.S. Department of Education  
Federal Student Aid  
202-377-3930  
[joann.borel@ed.gov](mailto:joann.borel@ed.gov)



32

---

---

---

---

---

---

---

---