


# Gainful Employment Update

Eric Santiago | Dec. 2015  
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The seal of the U.S. Department of Education is centered in the background. It features a circular design with a tree in the center, surrounded by the text "DEPARTMENT OF EDUCATION" at the top and "UNITED STATES OF AMERICA" at the bottom.

# Gainful Employment

See DCL GEN-15-12



The HEA provides that to be Title IV eligible an educational program must:

- Be offered by a public or non-profit institution and leads to a degree; or
- Prepare students for *gainful employment* in a recognized occupation.

# Which Programs are GE Programs?

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- At public institutions and non-profit institutions, all non-degree programs are GE Programs except for -
  - Programs of at least two years in length that are designed to be fully transferable to a bachelor's degree program, and
  - Preparatory coursework necessary for enrollment in an eligible program

# Which Programs are GE Programs?

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- At proprietary institutions, all programs are GE Programs except for –
  - Preparatory coursework necessary for enrollment in an eligible program
  - Bachelor's degree programs in liberal arts offered since January 2009 that are offered by a proprietary institution that has been regionally accredited since October 2007

# Gainful Employment

- Final rules published on October 31, 2014
- Rules became effective July 1, 2015
- Published Dear Colleague Letter GEN-15-12 summarizing the rules

# Gainful Employment Measure

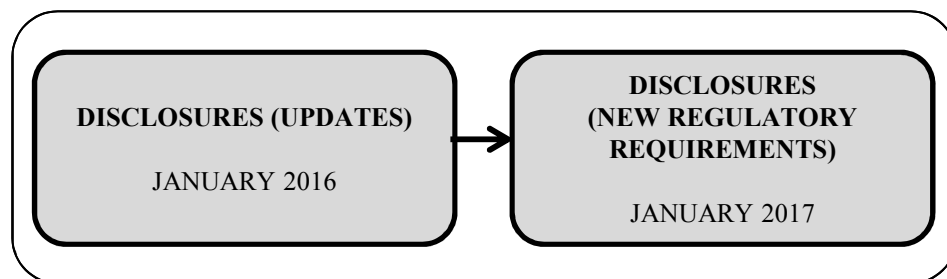
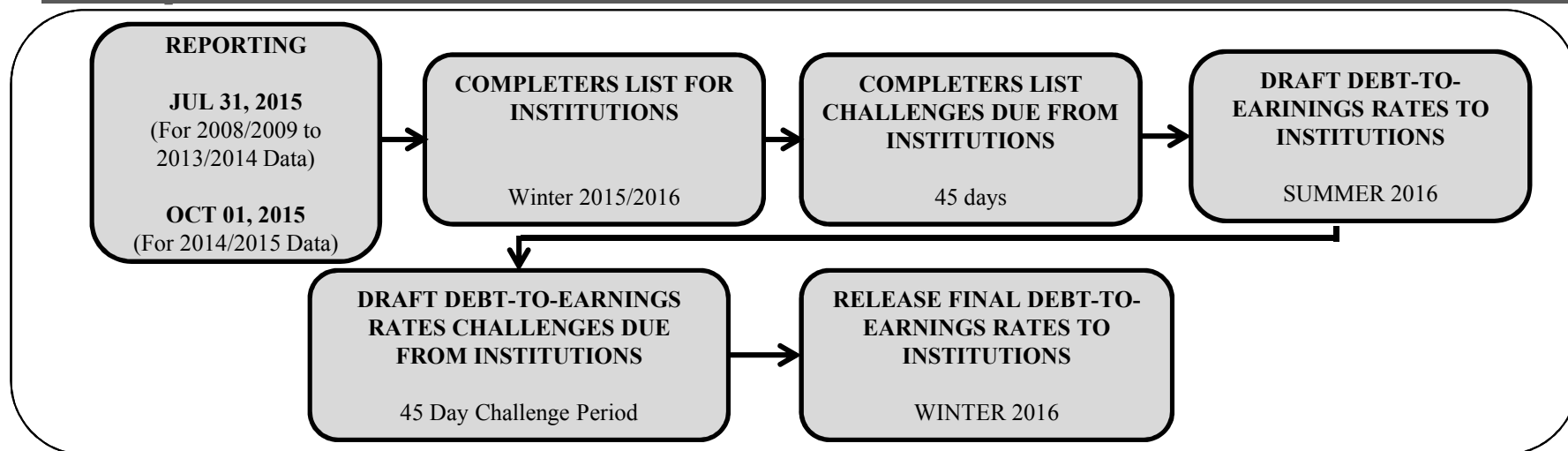
- Debt-to-earnings (D/E) rates
  - Annual Earnings D/E rate
  - Discretionary Income D/E rate
- Pass: Annual D/E  $\leq 8\%$  or Discretionary D/E  $\leq 20\%$
- Fail: Annual D/E  $> 12\%$  and Discretionary  $> 30\%$
- Zone: Annual D/E  $> 8\%$  and  $\leq 12\%$  or Discretionary D/E  $> 20\%$  and  $\leq 30\%$

# 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



# Important Dates



## GE Reporting

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- Report all Title IV Students by July 31, 2015
  - Report 2008 – 2009 through 2013 – 2014 award years.
    - Programs with Medical and Dental Residencies report 2007 – 2008 through 2013 – 2014 award years.
- Report following award years by October 1.

# GE Corrections and Challenges

- Important information and data –
  - Completer Lists – Winter '16
  - Draft D/E Rates w/Backup Data – Summer '16
  - Final D/E Rates w/Backup Data – Winter '16
- Regulatory timeframes for responses

# GE Corrections and Challenges

- Each Institution Must –
  - Establish SAIG Mailbox for GE Files
  - Register for the Data Challenges and Appeals Solution(DCAS) using Participation Management
  - GE EA #67

# GE Program Certifications

- December 31, 2015 – Transitional Certifications Due
  - Signed by institutions CEO
  - Certifications renewed when institution recertifies Program Participation Agreement (PPA)
  - GE EA #70

# GE Program Certifications

- Each GE Program is:
  - Approved by accrediting agency and State.
  - Is programmatically accredited if that is required for that profession in the state.
  - Graduates qualify to meet licensing or certification exam requirements to work in the state, if any.

# Gainful Employment Disclosures

- Beginning in 2017, in addition to program information required disclosures could include:
  - D/E rates
  - Program cohort default rates
  - Loan repayment rates
  - Median loan debt
  - Percent borrowing

# Gainful Employment Disclosures

- Beginning in 2017, in addition to program information required disclosures could include:
  - Completion rates
  - Withdrawal rates
  - Placement rates



