Gainful Employment Update

Eric Santiago | Dec. 2015
U.S. Department of Education
2015 PRASFAA Conference for Financial Aid Professionals
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?

- 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?

- 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 ≤ 8% or Discretionary D/E ≤ 20%
- Fail: Annual D/E > 12% and Discretionary > 30%
- Zone: Annual D/E > 8% and ≤ 12% or Discretionary D/E > 20% and ≤ 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

**REPORTING**
- **JUL 31, 2015** (For 2008/2009 to 2013/2014 Data)
- **OCT 01, 2015** (For 2014/2015 Data)

**COMPLETERS LIST FOR INSTITUTIONS**
- Winter 2015/2016

**COMPLETERS LIST CHALLENGES DUE FROM INSTITUTIONS**
- 45 days

**DRAFT DEBT-TO-EARNINGS RATES TO INSTITUTIONS**
- SUMMER 2016

**DRAFT DEBT-TO-EARNINGS RATES CHALLENGES DUE FROM INSTITUTIONS**
- 45 Day Challenge Period

**RELEASE FINAL DEBT-TO-EARNINGS RATES TO INSTITUTIONS**
- WINTER 2016

**DISCLOSURES (UPDATES)**
- JANUARY 2016

**DISCLOSURES (NEW REGULATORY REQUIREMENTS)**
- JANUARY 2017

**PROGRAM CERTIFICATIONS**
- DECEMBER 2015 & Ongoing
GE Reporting

- Report all Title IV Students by July 31, 2015
  - 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
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
Thank You