

Gainful Employment Programs

As many of you are painfully aware, the USDE published final regulations to be effective on July 1, 2011 regarding a portion of the Gainful Employment (GE) provisions that were proposed last year. The portion of the regulations that did become final covered three areas:

- Disclosure of GE Program Information (Effective 07/01/2011)
- Reporting GE Program Information to the USDE (Effective 10/01/2011)
- Addition of New GE Programs at your school (Effective 07/01/2011)

The disclosure provisions require you to disclose on your web site and in any printed promotional material, certain information about your GE programs. GE programs include any certificate or diploma programs offered by any institution as well as any degree programs offered by proprietary or postsecondary vocational institutions. For most of you reading this, all of your programs that receive federal funding are GE programs and are subject to the new regulations. To help schools obtain additional information about GE program requirements the USDE has established a web page expressly for GE communications. You can access this page at <http://ifap.ed.gov/GainfulEmploymentInfo/>

Disclosure Requirements

Institutions are required to disclose certain information about its GE programs on its web site and in any promotional material provided to prospective students. The regulations require that you use a disclosure form prescribed by the department however, this form has not yet been made available by the department. Until it is, you must disclose the information in a format of your choice. The federal form is expected to be an online web application wherein you will data enter GE program information. The web application will then create an HTML file that you will upload and post to your web site. Once this capability is available, you'll need to begin using that form for your required disclosures. The information you must disclose is as follows:

- The name and U.S. Department of Labor's Standard Occupational Classification (SOC) code of the occupations that the program prepares students to enter, along with links to occupational profiles on the U.S. Department of Labor's O*NET Web site or its successor site.
- The on-time graduation rate for students completing the program
- The tuition and fees the institution charges a student for completing the program within normal time
- The typical costs for books and supplies (unless those costs are included as part of tuition and fees), and the cost of room and board for contracted housing (if applicable)
- The job placement rate for students completing the program
- The median loan debt incurred by students who completed the program (separately by Title IV loans and by other educational debt to include both private educational loans and institutional financing).
- Other information the department provides to the school about the program

To assist you in preparing this information we have included with this publication an Excel file of all CIP codes that identify your programs. To obtain the corresponding Department of Labor SOC (Standard Occupational Classification) code, simply access the following web address:

<http://www.onetonline.org/crosswalk/CIP/>

By entering your program's CIP code, the search process will display the corresponding SOC codes necessary for your disclosures.

"On-time" graduation rates are defined by the USDE as normal completion times. This would include a 4 year timeframe for completion of a bachelor's degree, a 2 year completion time for an associate's degree, or the school's stated normal completion time for shorter programs. The timeframe you publish in your catalog as the "normal" time frame for program completion is what you would use to determine "on-time" completion rates. For example, if you offer a 1200 clock hour program with a published normal completion time of 9 months, then students completing the program within 9 months are considered "on-time" graduates. The treatment of leaves of absence has not been addressed by the department and accordingly there is no official position on this topic.

Median debt must be disclosed separately for both Title IV, FFEL or FDSL student debt as well as for non-federal, private education loans and tuition financing plans. Tuition financing plans refer to amounts owed by students after completion of the program and do not include cash payments made during their enrollment. If your students do not obtain any private education loans, and if all tuition is paid prior to graduation, then your median loan debt for private education loans and tuition financing plans would be \$0.00. GEMCOR is in the process of preparing reports for schools relating to FDSL student debt. Keep in mind that we will only have student loan debt resulting from FDSL awards processed by our office and these amounts will not include any federal loans obtained by your students through the FFEL program if you were a FFEL participating school prior to July 1, 2010.

Median debt also refers to "middle" debt. This is not an average debt or mean debt. To obtain median debt, you must list your students' debt in descending dollar order. The middle of the list is the "median" debt. For example if you had a list of 101 borrowers properly sorted, the debt incurred by the 51st student is the median debt. This would mean that half of your students had greater debt and half of your students had lesser debt. Students who had no debt are included in this list with \$0.00 as the amount of their debt. In a very remedial example, if you had 5 students with debt levels of \$10,000-\$9,000-\$2,000-\$0.00-\$0.00, the resulting median loan debt for student enrolled in that program would be \$2,000.

Beginning July 1, 2011 schools must disclose the above information for the "most recently completed award year". Obviously the 2010-2011 is the "most recently completed award year" except that it ended only one day earlier. Schools are required to disclose information about the 2009-2010 award year as of July 1, 2011. Within a reasonable amount of time afterward you are expected to update that information and begin disclosing 10-11 information. Since the disclosure requirements are tied into the reporting requirements which are also part of the GE regulations, and the reporting requirements have an October 1st annual deadline, it's reasonable to conclude that you should begin disclosing annual information about the "most recently completed award year" by October 1st of each year.

Reporting Requirements

New reporting requirements have also been published by the department. These requirements establish an annual report to be filed by schools by October 1st of each year. The report will contain GE program information considerably more extensive than the disclosure requirements. Reporting will be done through the batch reporting process of the NSLDS which is the same process used to file bi-monthly SSCR student enrollment reports. Last week the department published an 88 page guide with record layouts and requirements. We are in the process of developing functions in our Team software which will provide a mechanism to compile data for this reporting requirement. Also attached to this publication is a draft guide from the department containing the data they expect us to report. This is a draft at this point but will give you an idea of what to expect. Detailed information about the October reporting requirement will be released after further review of the department's recent guide.

Addition of New GE Programs

Also effective on July 1, 2011 are new requirements pertaining to schools who wish to add a new GE program to their list of eligible programs. It should be noted that a GE program is defined by the institution's OPE ID and the program's CIP code. If you will be making modifications to existing GE programs, or electing to offer a current GE program at another campus under the same main OPE ID, these will not be considered the addition of a new GE program.

In the event you will be offering a new GE program after July 1, 2011 you must submit your program information to the department at least 90 days prior to the first scheduled class start of the new program. These new regulations that go into effect on July 1, 2011 require an institution to notify the Secretary when it intends to add a new GE Program. The notification must describe the institution's determination that the new program will meet employment market needs. It must describe how the program was reviewed or approved by, or developed in conjunction with, external groups and its accrediting agency. The notification must also include the date classes will start for that program. The department then has 60 days to respond if it requires additional information. If you get no response from the department, then you may begin the program as planned and begin funding students enrolled in the new program without formal approval of the program from the department. In the event a school does not comply with the 90-day advance notice requirement, they may not begin funding students enrolled in the new program until after receiving ECAR approval for the new program. This regulation essentially eliminates the previously permitted option for a school to add a new program, and as long as it was "within the scope" of other approved programs at the school, funding could immediately begin upon the program's accreditation and licensure.

GEMCOR, Inc.

Attachments:

CIP Code Spreadsheet File

USDE Draft GE Reporting Data Elements