

AIR Alert #40

Gainful Employment Regulations

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Type: New Regulations / Informational

Summary

The Department of Education (“ED”) issued new regulations published in the Federal Register on October 29, 2010 that require institutions to disclose and report certain data on Title IV, Higher Education Act (HEA) eligible educational programs that lead to gainful employment in a recognized occupation (“GE Programs”).

The gainful employment rules apply to non-profit (public and private) and for-profit institutions that participate in the federal student financial aid programs under Title IV, HEA.

There are two requirements:

- Disclosure of GE Program-level data on the program’s home page and in promotional materials that are made available to prospective students
- Reporting of program and student-level data to ED.

The *disclosure* requirements for GE Programs came into effect on **July 1, 2011**. The first *reports* on students enrolled in GE Programs are due on **October 1, 2011**. Though the deadline is October 1, 2011, ED will accept *reporting* data on GE Programs until **November 15, 2011**.

In addition, ED issued a second set of final GE Program rules for “debt measures” on June 13, 2011. GE Programs will have to meet minimum standards for loan repayment rates and debt-to-earnings ratios in order to remain eligible for Title IV funding. This second set of rules will be in effect on **July 1, 2012**.

This AIR Alert briefly summarizes changes for post-secondary education institutions and references resources that will assist college personnel in complying with the first set of new rules.

Implications for Institutions

While the gainful employment rules apply to all non-profit (public and private) and for-profit institutions that participate in the Title IV, HEA federal student financial aid programs, there are differences between non-profit (public and private) and for-profit institutions in which programs are considered to be GE Programs.

Please note that ED will continue to refine and answer questions about what a GE Program is. Stay informed by checking the GE Dear Colleague Letters and Electronic Updates and Frequently Asked Questions section on the ED GE website referenced below.

Non-profit institutions (public and private).

Do Disclose and Report

- Non-degree Title IV, HEA eligible programs including certificate-awarding programs
- Comprehensive transition programs for students with intellectual disabilities

Don't Disclose and Report

- Educational programs leading to a degree (associates, bachelor's, graduate, or professional)
- Programs that are designed as a transfer program and are at least two academic years in length and are fully transferable to a bachelor's degree program
- Preparatory courses of study that provide course work that is necessary for enrollment in a Title IV-eligible program
- Programs that are not eligible for Title IV aid
- Programs for which the institution declines Title IV aid, provided that institution notified ED for an exemption
- Degree programs that award certificates

For-profit institutions.

Disclose and Report

- All educational programs offered by for-profit institutions that are Title IV eligible
- Comprehensive transition programs for students with intellectual disabilities

Don't Disclose and Report

- Programs not eligible for Title IV aid

- Preparatory courses of study that provide course work that is necessary for enrollment in a Title IV-eligible program
- Programs that lead to a baccalaureate degree in liberal arts if the institution has been accredited by a regional accrediting agency since October 2007 and the institution has offered the program since January 2009

Disclosure Requirements

(In addition to consulting the summary below, we strongly encourage you to check for the exact requirements and possible exceptions in the October 29 Federal Register, page 66949 under (b) Disclosures <http://edocket.access.gpo.gov/2010/pdf/2010-26531.pdf>)

Beginning **July 1, 2011**, for each gainful employment program the institution must provide prospective students with:

- 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 O*NET or its successor site.
- Tuition and fees and costs for books and supplies
- Room and board, if applicable
- For students who completed the program:
 - the job placement rate
 - the median loan debt incurred; and
 - the on-time graduation rate for students completing the program (*Note: the methodology for this measure is NOT the same as for the IPEDS Graduation Rate Survey. It is the proportion of the students who completed the program who completed within normal time, see October 29 Federal Register under (c) On-time completion rate for details.*)

Reporting Requirements

(In addition to the consulting the summary below, we strongly encourage you to check for the exact requirements and possible exceptions in the October 29 Federal Register, page 66948 under (a) Reporting Requirements <http://edocket.access.gpo.gov/2010/pdf/2010-26531.pdf>)

Enrollment and student level data for each GE Program must be reported to ED, beginning October 1, 2011 (ED will accept data until November 15, 2011 despite the deadline).

One of the methods that schools can use to report required gainful employment data to ED is using the [National Student Loan Data System \(NSLDS\) Professional Access](#) Web site.

As of September 26, institutions are able to begin reporting the required gainful employment information to the Department’s National Student Loan Data System (NSLDS). A letter to College Presidents and Financial Aid Administrators was sent from the Office of Federal Student Aid on September 23 and is available on the Information for Financial Aid Professionals (IFAP) website:
<http://www.ifap.ed.gov/eannouncements/092311LtrtoPresGEReportingRequirements.html>.

The Gainful Employment Submittal Template was made available on August 3 and posted on the Federal Student Aid Download website under Software and Associated Documents at <https://www.fsadownload.ed.gov/software.htm>.

For a detailed definition of which information to submit and how to do so, refer to the most up to date version of the ED NSLDS Gainful Employment User Guide.

Recommendations

- Please make sure that you have up-to-date information from ED at all times since the reporting process is subject to change. Follow ED’s “Dear Colleague Letters and Electronic Announcements” (<http://ifap.ed.gov/GainfulEmploymentInfo/GEDCLandEA.html>)
- Coordinate with financial aid officers at your institution. Your colleagues can help you determine whether a program is Title IV eligible.
- Work with your IT department to assure that program-level information is accurately disclosed on the program’s home page, NOT the general college home page or on any other separate page. (*Note: Any other page on the institution’s website that contains information about the program MUST include a direct link to the web page that contains the required GE information.*)
- When you work with your colleagues across campus, make sure to mention that reporting is mandatory and failure to do so will potentially jeopardize federal funds.

Timeline

Rules Set 1	Rules Set 2
<u>October 29, 2010</u> - final regulations published	<u>June 13, 2011</u> - regulations published for debt measures
<u>June 13, 2011</u> - final metrics published	
<u>July 1, 2011</u> - deadline for notification of new programs and disclosures	<u>July 1, 2012</u> - gainful employment debt measures take effect

<p><u>October 1, 2011</u> - deadline for reporting information about students enrolled in GE Programs to ED (past award years*)</p> <ul style="list-style-type: none"> * 2006-2007 (if available) * 2007/08 - 2009/10 	
<p><u>November 15, 2011</u> - deadline for reporting information about students enrolled in GE programs to ED (current award year*)</p> <ul style="list-style-type: none"> * 2010/11 * ED will continue to accept data from prior award years until this day (despite the October 1, 2011 deadline) 	
<p><u>January 1, 2012</u> - gainful employment metrics are calculated</p>	

* An Award Year is from July 1 to June 30. For more detailed information see the ED Gainful Employment User Guide (p. 2).

Resources

Department of Education - Complete information about the gainful employment requirements is available at <http://ifap.ed.gov/GainfulEmploymentInfo/>

Department of Education - Gainful Employment Frequently Asked Questions (FAQ) at <http://www.ifap.ed.gov/GainfulEmploymentInfo/2011GEFAQ.>

Department of Education - Dear Colleague Letters and Electronic Announcements at <http://ifap.ed.gov/GainfulEmploymentInfo/GEDCLandEA.html>

Department of Education - **National Student Loan Data System (NSLDS) Gainful Employment Submittal Template** <https://www.fsadownload.ed.gov/NSLDSEmpGain.htm>
(August 3, 2011)

Department of Education - Reporting GE Data to National Student Loan Data System (NSLDS). A series of ED reporting webinars are available at <http://www.ifap.ed.gov/GainfulEmploymentInfo/GEResources.html>

Department of Education - National Student Loan Data System (NSLDS) Gainful Employment User Guide (August 4, 2011, Version 3.0)

<http://ifap.ed.gov/nsldsmaterials/attachments/NSLDSGEUserGuide.pdf>

American Council on Education - Summary of Department of Education's Final Gainful Employment Rule (June 3, 2011)

http://www.acenet.edu/AM/Template.cfm?Section=Papers_Publications&TEMPLATE=/CM/ContentDisplay.cfm&CONTENTID=41619

American Council on Education - Q&A on Department of Education's Final Gainful Employment Rule (June 3, 2011)

http://www.acenet.edu/AM/Template.cfm?Section=Papers_Publications&CONTENTID=41638&TEMPLATE=/CM/ContentDisplay.cfm

The National Student Clearinghouse offers a free Gainful Employment Reporting service to participants. For more information:

<http://www.studentclearinghouse.org/colleges/coreserv/gainfulemployment.htm>

Authors: Patrick Rossol-Allison, Senior Research Analyst, National Higher Education Benchmarking Institute, Johnson County Community College; Carol Fuller, Consultant

All opinions expressed herein do not necessarily reflect the official position of the Association for Institutional Research.