“Gainful Employment”
Disclosures, Reporting and Opportunities
DISCLAIMER!

Please check the U.S. Department of Education website for the most recent rules on Gainful Employment disclosures and reporting. [www.ifap.ed.gov](http://www.ifap.ed.gov)
Some History

- HEA Reauthorization in 2008
- U.S. Department of Education addressed “program integrity issues” in Title IV of the HEA
- Final rulemaking October 29, 2011
- Rules effective July 1, 2011

“Gainful Employment”
• Federal Aid only
• Grants
  • Pell
  • Supplemental Educational Opportunity (SEOG)
  • Academic Competitiveness
• Loans
  • Subsidized
  • Unsubsidized
• Work-study

Title IV Aid
• New rules for Title IV eligibility for academic programs
  • Public and private non-profit institutions, programs must:
    • Lead to a degree, or
    • Lead to “gainful employment,” or
    • Be a preparatory course of study (severe limitations on Title IV aid), or
    • Be at least two years in length and be completely transferable to a bachelor’s degree program
  • For-profit institutions:
    • All programs must lead to “gainful employment” to be eligible for Title IV aid

“Gainful Employment”
• ED has introduced new language, and it doesn’t make sense.
• “Gainful employment” is now an adjective describing the *program*, rather than the potential *outcome* of the program.
• Certificates, Diplomas or other awards at non-profit institutions that are eligible for Title IV aid.
• Examples:
  • Certificate in Massage Therapy at a technical college
  • An undergraduate certificate in Leadership at a 4-year college
  • Graduate certificate in Gerontology at a university
• BUT . . . If it’s not eligible for Title IV aid, it’s not a “gainful employment” program!

What is a GE program?
• Any certificate or diploma that is not eligible for Title IV aid – even if it leads to real-world gainful employment
• Certificates and diplomas that do not prepare graduates for employment. Examples:
  • Certificate in “General Education” or “Transfer”
  • Preparatory courses of study such as “Pre-nursing”
• Keep in mind – ED isn’t saying you can’t have these programs, just that they aren’t Title IV eligible.

What programs are NOT GE programs?
What's Required
What's Required

• Disclosure
• Reporting of student-level records
• Consumer information
• Think “Nutritional Facts”
  • Must use a template – even a specific font
  • Intended to be used before “purchase”
  • Template is still a draft
• Must be online AND must be included in ALL promotional materials for the program

Disclosure
## Baking and Pastry Arts Certificate Program

Click on the links for more information on jobs related to this program: Chefs and Head Cooks, Bakers

<table>
<thead>
<tr>
<th>Q</th>
<th>How much will this program cost me?</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Tuition and fees: $XX,XXX</td>
</tr>
<tr>
<td></td>
<td>Books and supplies: $XXX</td>
</tr>
<tr>
<td></td>
<td>On-campus room &amp; board: Not offered</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Q</th>
<th>How long will it take me to complete this program?</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>The program is designed to take XX months to complete.</td>
</tr>
<tr>
<td></td>
<td>XX% of graduates from this program finished in this time</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Q</th>
<th>What are the chances of getting a job when I graduate?</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>The job placement rate for students who complete the program is XX%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Q</th>
<th>Will I be able to pay back my student loans?</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>XX% of students in this institution who took out federal student loans are successfully repaying them</td>
</tr>
</tbody>
</table>

### COST

<table>
<thead>
<tr>
<th>Q</th>
<th>What are my financing options to pay for the program?</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>In addition to any grant and scholarship aid for which they are eligible, XX% of graduates used loans to finance their education. The median debt for program graduates:</td>
</tr>
<tr>
<td></td>
<td>Federal loans: $X,XXX</td>
</tr>
<tr>
<td></td>
<td>Private educational loans: $X,XXX</td>
</tr>
<tr>
<td></td>
<td>Institution financing plan: $X,XXX</td>
</tr>
</tbody>
</table>

### FINANCING

### SUCCESS
• Tuition and fees – consider the tuition schedule and the catalog display
• Books and supplies – an estimate for each individual program
• Other costs – should be minimal, but consider things like licensure exam registration fees, immunization expenses, etc.
• Of the graduates, what percentage had loans while in the program.
• Median loan debt is debt accrued while in the program.
• “Institution financing plan” doesn’t apply to most non-profits.

“Financing” (their word)
• “Program is designed to take XX months” = how long the catalog says it should take!
• “XX% of graduates from this program finished in this time”
  • Most recent graduating “class” (completions file)
  • Time in the program (not time at your institution)
• Rules (as of now) say to use your state or accrediting body’s definitions.

• SCTCS says graduates are placed if they:
  • Are working full-time in their field of study
  • Are continuing their education
  • Military service, religious missions, not searching for work and death exclude a graduate from the denominator.
Success –
Loan Repayment

• As of now, using only the institution’s repayment rate. (Not a program repayment rate.)
• TTC Gainful Employment website

TTC’s Disclosures
• Student-level data
• Submit a file for each academic year
• Include every student who had a “gainful employment” program major
  • Demographics
  • Program info – CIP code, level
  • Program start date
  • Program withdrawal/completion
    • FFEL recipient
    • Private loan amounts
    • Financing amounts
    • Tuition and fees charged
    • Enrolled in another program (and info on that program)

Reporting
• Fiscal years 2006-07 through 2010-11
• 15,000+ records
• Loaded 50 at a time
• “The Department of Education will calculate institutions’ gainful employment repayment rates and debt-to-earnings ratios. To calculate these debt measures, the Department will use data that institutions have reported to the Department under 34 CFR 668.6, information included in NSLDS about Title IV loans, and median incomes obtained from the Social Security Administration. [August 12, 2011]”
• “Under the regulations introduced today, a program would be considered to lead to gainful employment if it meets at least one of the following three metrics:

Debt Measures – What?!?
• at least 35 percent of former students are repaying their loans (defined as reducing the loan balance by at least $1);
• the estimated annual loan payment of a typical graduate does not exceed 30 percent of his or her discretionary income
• or the estimated annual loan payment of a typical graduate does not exceed 12 percent of his or her total earnings.

Debt Measures – What?!?
• While the regulations apply to occupational training programs at all types of institutions, for-profit programs are most likely to leave their students with unaffordable debts and poor employment prospects.”
"We're asking companies that get up to 90 percent of their profits from taxpayer dollars to be at least 35 percent effective," Duncan said. "This is a perfectly reasonable bar and one that every for-profit program should be able to reach. We're also giving poor performing for-profit programs every chance to improve. But if you get three strikes in four years, you're out," Duncan said.

Debt Measures – What?!?
<table>
<thead>
<tr>
<th>Pharmacy Technician</th>
<th>TTC</th>
<th>Virginia College</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuition and Fees</td>
<td>$5,250</td>
<td>$21,900</td>
</tr>
<tr>
<td>Books and Supplies</td>
<td>$800</td>
<td>$0</td>
</tr>
<tr>
<td>Other</td>
<td>$4,500</td>
<td>$0</td>
</tr>
<tr>
<td>Median Federal Loan Debt</td>
<td>$0</td>
<td>$19,000</td>
</tr>
<tr>
<td>On-time completion</td>
<td>100%</td>
<td>39%</td>
</tr>
<tr>
<td>Job Placement rate</td>
<td>88.2%</td>
<td>47%</td>
</tr>
<tr>
<td>Loan repayment rate</td>
<td>93.7%</td>
<td>94.2%</td>
</tr>
</tbody>
</table>

**Using Gainful Employment Data**
### Using Gainful Employment Data

<table>
<thead>
<tr>
<th></th>
<th>TTC</th>
<th>Miller-Motte</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuition and Fees</td>
<td>$5,425</td>
<td>$16,780</td>
</tr>
<tr>
<td>Books and Supplies</td>
<td>$2,500</td>
<td>$3,200</td>
</tr>
<tr>
<td>Other</td>
<td>$2,500</td>
<td>$0</td>
</tr>
<tr>
<td>Median Federal Loan Debt</td>
<td>$2,987</td>
<td>$13,183</td>
</tr>
<tr>
<td>On-time completion</td>
<td>92%</td>
<td>36%</td>
</tr>
<tr>
<td>Job Placement rate</td>
<td>91.7%</td>
<td>75%</td>
</tr>
<tr>
<td>Loan repayment rate</td>
<td>93.7%</td>
<td>82%</td>
</tr>
</tbody>
</table>
QUESTIONS?