



# **GAINFUL EMPLOYMENT - UPDATE**

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# BACKGROUND OF THE GAINFUL EMPLOYMENT RULE

- Department of Education regulation established in 2011, but not implemented until 2014 due to legal challenges
- Intended to ensure that graduates of professional-technical certificate programs and private college vocational programs had reasonable potential to earn wages sufficient to repay student loan debt
- Utilized a formula to relate tuition costs and loan debt to employment outcomes with acceptable debt to earnings ratio thresholds
- Individual colleges were responsible for collecting and publishing the data
- Programs that did not reach the thresholds were given a probationary period to improve outcomes or would risk losing eligibility for federal financial aid

# BACKGROUND OF THE GAINFUL EMPLOYMENT RULE

For the WA CTC system, the challenges of implementing the 2014 GE rule included:

- Confusion on what programs were included (called ‘eligible’)
- Workload – colleges had to provide 7 years of student record level data from multiple sources and in incompatible formats
- Navigating data sources for consistency and for programs lacking significant amounts of employment outcome data
- Lack of clarity on requirements to publish GE program data, especially with regard to FERPA and personally identifiable information (PII)
- Tight timeline made system-level coordination very challenging, as well as colleges’ capacity to manage the data processing
- In some cases, colleges struggled with support for resources and coordination across data providers

# OUTCOMES FROM THE 2014 RULE

In Washington, for our system:

- No colleges had a program fail to meet the thresholds, but some were close
- Had a program been put in probationary status, there was little scope on what options colleges would have for improvements
- GE struggled to gain significant ground as a meaningful tool for colleges or students

The rule was rescinded in 2019

# RETURN OF THE GAINFUL EMPLOYMENT RULE

- Rule is implemented July 1, 2024, but reporting deadline delayed until October 1, 2024
- Legal challenges are again underway from private sector vocational colleges
- Timing is unfortunate with challenges from simplified FAFSA
- Changes are still evolving, and [guidance materials](#) are not yet complete

## GE 2.0

- Information is published in the [Federal Register :: Financial Value Transparency and Gainful Employment](#)
- Latest information is published [here](#) and in the Department of Education's GE-related [FAQs](#)
- Current rule cites 'certificate programs and graduate degree programs' at public institutions as 'eligible GE programs' but all Title IV-eligible programs will be required to report data under 'Financial Value Transparency'
- Another difference is what happens if a program fails a GE metric
- Programs outcomes are measured at the 4-digit CIP level (so may be program clusters) instead of individual programs – can be hard to identify exact programs in the metrics

## GE 2.0

- Reporting requirements are for students and programs
- Two types of programs:
  - GE programs –
    - Non-embedded certificates, or certificates embedded in a degree path but where a substantial number of students stop at the certificate
  - Eligible non-GE programs -
    - All Title IV programs
    - Potentially able to exclude some degrees – seeking clarification

Reportable if program clusters (at 4-digit CIP) have 30 completers over the last 4 years

## GE 2.0 METRICS

Metrics are published in 668.401 onward

- The DoE will calculate two **debt to earnings** rates: discretionary (includes a 'Poverty Guideline' measure and an annual loan payment) and annual (loan payment/median annual earnings)
  - Eligible programs will fail under debt to earnings if its discretionary debt-to-earnings rate is greater than 20 percent **and** its annual debt-to-earnings rate is greater than 8 percent
- The DoE will calculate the **earnings premium** measure using 'a federal agency with earnings data' to report median annual earnings for a program cohort
  - Programs will fail under earnings premium if the median annual earnings of the students who completed the program are equal to or less than the earnings threshold for a typical high school graduate in the same state



# GE 2.0 METRICS AND FAILING PROGRAMS

## Subpart S (“Accountability Framework”)

- Applies the general metrics to eligible GE programs and applies a threshold for earnings premium and debt to earnings
- Non-degree (GE) programs that ‘fail’ the same measure in any 2 of 3 consecutive years may lose Title IV eligibility
- Any programs (including eligible non-GE) that fail must notify currently enrolled and prospective students, and students must acknowledge the warning via DoE’s website before FA disbursement

# GE 2.0 METRICS AND FAILING PROGRAMS

## Subpart Q (‘Financial Value Transparency Framework’)

- Applies to **all Title IV programs**
- Data will be published via a program information website maintained by the DoE
- Prospective students for eligible non- GE programs with ‘poor outcomes under the debt-burden measures’ will be required to confirm viewing this data before enrollment
- However eligible non-GE programs are not at risk of losing Title IV eligibility

# SIMILARITIES AND DIFFERENCES IN 2024

- DoE is procuring more of the data and completing more of the calculations
- Student acknowledgements required for failing programs
- Program reporting– more programs, programs with same 4 digit CIP, program descriptions, all enrollments regardless of aid
- Student reporting – few changes

# REPORTING BURDEN

- Timing: first (historical upload) by October 1, annual updates start the following October. Confirmation of some data is July 1.
- Programs reported include all Title IV programs; earnings outcomes require programs to have 30 completers in a 4-year period
- Historical upload either 22-23 and 23-24 (transitional reporting), or 17-18 through 23-24. The first is simpler, but some programs might need more years to eliminate risk – colleges must report all programs in same way.
  - Transitional reporting uses student debt and costs from most recent two years, but earnings data from cohorts graduating up to 2018-19
- First round of at-risk programs appears to be small, only concerns ‘earnings premium’ metric, and SBCTC is working on those.  
[Regulations.gov](https://www.regulations.gov)

# DATA

- Student level information required for those with Title IV aid. Data is required for each year the student is enrolled and in aggregate for the student once they complete/withdraw
- Data required to be reported for each student (if available)
  - All loan information (Federal and non-Federal)
  - Student costs
  - Institutional, State, Tribal, and other aid
  - Licensure or certification exams

*Lots of definitions and clarity still to come!*

# DATA

- Eligible Program lists supplied through NSLDS/SAIG and need to be confirmed –
  - Colleges will receive program lists in early July
- Completers lists supplied through NSLDS/SAIG and need to be confirmed
  - Colleges will receive completer lists in early July

# GE REPORTING WHAT WE CAN DO

- Our goal is to minimize workload on colleges, especially financial aid offices, but probably won't be able to eliminate it altogether
- SBCTC is working with [National Student Clearing House](#) to collect data, clean data, and prepare data for uploads
- NSC will work with colleges to exchange program and completer lists, validate data, and provide upload reports
- SBCTC will work with NSC to:
  - Provide missing data (like certification exams)
  - Remove any excluded students
  - Do initial data validation for colleges

# WHAT WE WILL DO

## SBCTC Team will:

- Serve as liaison between colleges and DoE for questions
- Confirm definitions and ‘what abouts’
- Confirm reportable programs and students
- Extract and clean data with NSC
- Assist NSC to convert data to uploadable format
- Work with colleges to assist with secure data transfer and upload process
- Risk analysis and historical reporting, notification of failing programs
- Updates, FAQs, and news



# WHAT WE WILL NEED FROM COLLEGES

- Starting now-
  - Which colleges want to ‘opt out’ of all or part of SBCTC assistance or NSC service
  - ***If using NSC service, Watch for and complete NSC GE data agreement***
  - Financial Aid point of contact [enroll in the SAIG TG Mailbox](#)
  - Provide us with points of contact for GE data and operational updates – ideally a combination of IR staff and FA staff. Note that data access in NSLDS is *extremely* restricted. Plan now to include IR staff.
  - Process spring quarter completions as promptly as possible

# WHAT WE WILL NEED FROM COLLEGES

## July:

- Sharing Completers and Programs List from NSLDS (July 2024)
- Data not available in CTCLink (e.g. industry certifications)
  - we will send out surveys for this data
- Let us know when spring quarter completions are done so we can finalize data for upload

## NEXT STEPS FOR GE

- Communications will go out via listservs and webinars as work progresses – ‘CCSSE-Style’ Calendar
- Work with points of contact on data transfer protocols
- Once the flurry of reporting is over, SBCTC will turn attention to:
  - Guidance on any failing program compliance requirements for July 2026
  - Notifications for any ‘D-’ programs
  - Staying up to date with developments
  - Serving as a point of contact for colleges and DoE

# PROGRAM LENGTH CHANGES

- Historically, Title IV programs that had state certification or licensure requirements describing credits or hours could be up to 150% of the state requirements
- July 1, 2024, that is reduced to 100%
- GE program certification process

# PROGRAM LENGTH CHANGES

- Which programs affected?
  - Any Title IV eligible program that has a state licensure requirement in hours or credits.
  - Programs are exempted if there are no state licensure requirements that are defined in length, or if the requirement clearly states a degree or certificate instead.
  - Programs are exempted if they are 100% online
  - Degrees and certificates are not automatically exempted (so creating a credential does not alleviate the requirement)
  - Programs that enroll students from other states may be affected by that state's licensure requirements too.

# PROGRAM LENGTH CHANGES -CHALLENGES

- The timeline – the ruling affects enrollments in programs on or after July 1
  - Could be a ‘mix’ of enrollments for fall start programs that enroll before July 1
  - Incredibly difficult to effect program changes for Title IV programs in the time period (not just institution, state and accreditation approvals, but also Title IV approvals)
  - DoE has agreed a ‘light touch’ on compliance until January 1, 2025, with defense and *documentation*

# PROGRAM LENGTH CHANGES - CHALLENGES

- Programs with very short licensure requirements
  - Programs could potentially be pushed below the 600-hour Title IV/Pell eligibility threshold
  - One more piece of uncertainty for students in FAFSA situation
  - Programs may find specific issues with prerequisites, general education requirements (e.g. where credentials aren't listed in licensure), connection to work placement expectations. Programs cannot be split across Title IV and self funding.

# PROGRAM LENGTH CHANGES - CHALLENGES

- Credit to hour/hours to credit ratios
  - Colleges will need to provide defense of credit to hour calculations or Federal Financial Aid ratios will apply – we will help with that. (600 hours/24 quarter credit hours)
  - Non-embedded certificates affected
  - Competency-based programs affected
  - Not all hours ‘count’
- Programs that need to shorten may push some students into part-time status, reducing financial aid.



# PROGRAM LENGTH CHANGES - CHALLENGES

- Program costs
  - Programs that need to shorten may not be able to reduce program costs
    - May still need same number of quarters, resources, staff, at least in short term
    - But tuition revenue will drop
    - Financial Aid

# PROGRAM LENGTH CHANGES - STEPS

- SBCTC is working to identify the programs that will be affected, and what that impact will be
  - Matching state licensure with hours/credits/credentials with programs
  - Checking with colleges - *watch for survey this week:*
    - Any missed programs/licensure
    - That we are matching correct licensure with correct program and level
    - Communicating with colleges' leadership on significance of the rule, progress in implementation, and resources needed for affected programs

# PROGRAM LENGTH CHANGES -STEPS

- We will also provide support and materials for communicating with other affected roles:
  - Financial Aid offices
  - Registrars/credentials evaluators
  - Advisors
  - Advisory Committees
  - And of course, students
- Coordinating questions with Department of Education
- Working with AACCC on communications to Department of Education

# PROGRAM LENGTH CHANGES - STEPS

- Work in discussion for affected programs
  - Fast-track program change procedures
  - Alternative student aid information for programs pushed out of Title IV eligibility
  - Communication with industry sectors with affected programs
  - Assistance with documentation of program change timelines
  - Assistance with program re-certification by December 1

# QUESTIONS?

- Send questions to - Summer Kenesson, Director of Policy Research, SBCTC [skenesson@sbctc.edu](mailto:skenesson@sbctc.edu)
- We are developing a resource page for the SBCTC website with contact information and useful links, but I will receive questions at any time on anything.

## LINKS

- [GE Knowledge Center and updates](#)
- [GE program certification process rule](#)
- [Update](#) on timeline and ‘light touch’
- [State Business and Professional Licenses](#)
- [GE Reporting User Guide](#)
- [GE FAQs](#)
- [NSC service information](#)