

Purpose/Overview

PURPOSE

This manual contains information about gainful employment disclosures, debt measures, and challenge operations. It is intended for institutions that participate in the federal student assistance programs authorized under Title IV of the Higher Education Act of 1965, as amended (HEA). Within this manual, you will find guidance regarding implementation and compliance with each aspect of the gainful employment regulations.

The U.S. Department of Education (the Department) has established a special Gainful Employment Information Page on our Information for Financial Aid Professionals (IFAP) website. This page aims to ensure that all Title IV participating institutions have easy access to the most current information on the gainful employment regulatory requirements and to the Department's implementation plans.

If you have comments or suggestions about this manual, please send them to the Gainful Employment Operations Team at: GE.Operations@ed.gov.

THE LAW

The HEA defines a Title IV eligible educational program of study as either one offered by a public or non-profit institution leading to a degree, or a program of study offered by any institution that prepares students for gainful employment in a recognized occupation. Throughout this manual, we will refer to the latter set of educational programs as "Gainful Employment Programs" or "GE Programs."

REGULATIONS

The Department published final regulations on October 29, 2010, related to GE Program disclosure requirements. Those regulations went into effect on July 1, 2011. On October 31, 2014, the Department published final regulations related to GE Program institutional reporting requirements, new disclosure requirements, the GE debt-to-earnings (D/E) rates measure, the GE D/E rates measure appeal process, and the certification requirements that an institution must meet if it wishes a program to continue to participate in the Title IV, HEA programs. These regulations go into effect on July 1, 2015, with the exception of the new disclosure requirements which go into effect on January 1, 2017.

Under these regulations, institutions are required to report information about their GE Programs by July 31, 2015.

WHAT IS A GAINFUL EMPLOYMENT PROGRAM?

Under the HEA, to be eligible to participate in the Title IV student assistance programs, an educational program that does not lead to a degree awarded by a public or non-profit postsecondary institution must prepare students for gainful employment in a recognized occupation. There are a small number of exceptions that are described in the section following the Gainful Employment Program Determination graphic on the next page.

The following describes which of an institution's educational programs must prepare students for gainful employment if the program is to be Title IV eligible.

All For-Profit (Proprietary) Institutions – All educational programs are GE Programs **except** for:

- Preparatory course work necessary for enrollment in an eligible program;
- Approved Comprehensive Transition and Postsecondary Programs for students with intellectual disabilities; and
- Programs leading to a bachelor's degree in liberal arts that have been offered by the institution since January 2009 and which have been regionally accredited since 2007.

All Public and Non-Profit Institutions – All educational programs are GE Programs **except** for:

- Programs that award a degree – associate's, bachelor's, master's, doctoral, professional;
- Approved Comprehensive Transition and Postsecondary Programs for students with intellectual disabilities;
- Programs of at least two years in length that do not offer a credential and are designed to be fully transferable to a bachelor's degree;
- Teacher certification course work that does not lead to a certificate awarded by the institution; and
- Preparatory course work necessary for enrollment in an eligible program.

Thus, any non-degree program for which an institution awards a certificate or a diploma is a GE Program.

EXCEPTIONS

There are three exceptions to the general requirement that an educational program must lead to a credential awarded by the institution to be eligible for Title IV aid.

1. The first exception is a program of at least two years in length that is designed to be acceptable for full credit toward a bachelor's degree and that qualifies the student to be admitted into the third year of a bachelor's degree program. Eligible students enrolled in this program may receive assistance from any of the Title IV student aid funds. Even though this program is Title IV eligible, it is not a GE Program because it does not lead to a credential awarded by the institution.
2. Another exception includes course work necessary for the student to receive a state professional teaching credential or certification where the institution itself does not provide a certificate or other credential. Students enrolled at least half-time are eligible only for the Title IV loan programs and Federal Work Study (FWS) funds. Even though the course work is Title IV eligible, it is not a GE Program because it does not lead to a credential awarded by the institution. Note that a similar course of study that does result in a certificate or other non-degree credential awarded by the institution is a GE Program.
3. A third exception includes preparatory course work that does not lead to a degree, certificate, or other credential awarded by the institution but is necessary for enrollment in an eligible program. Students are eligible for Title IV loans only and only for one 12-month period. Even though the course work is Title IV eligible, it is not a GE Program because it does not lead to a credential awarded by the institution.

DO YOU HAVE A GE PROGRAM?

		Institution Type			
		Domestic proprietary institutions & domestic postsecondary vocational institutions	Domestic public and domestic private nonprofit institutions of higher education	Foreign public and nonprofit institutions	Foreign proprietary institutions
Program Type	Undergraduate degree programs	YES	NO	NO	N/A
	Graduate degree programs	YES	NO	NO	YES
	Undergraduate certificate programs	YES	YES	YES	N/A
	Post baccalaureate certificate programs	YES	YES	YES	N/A
	Graduate certificate programs	YES	YES	YES	N/A
	Postgraduate certificate programs	YES	YES	YES	N/A
	Teacher certification program (Credential awarded by your school)	YES	YES	YES	N/A
	Approved comprehensive transition and postsecondary programs for students with intellectual disabilities	NO	NO	N/A	N/A
	Programs that award a baccalaureate degree in liberal arts (Accredited since 2007 and offered since 2009)	NO	N/A	N/A	N/A
	Preparatory course work necessary for enrollment in an eligible program	NO	NO	NO	N/A
	Programs that are at least two years in length and are specifically designed to be fully transferable to the third year of a bachelor's degree program. These programs do not lead to certificates.	N/A	NO	NO	N/A

GAINFUL EMPLOYMENT PROGRAM EXAMPLES

Teacher Certification Program Example

Example: The institution has a teacher certification program that does **not** award a degree or certificate, but instead consists of a series of course work that prepares students to receive a state professional teaching credential or certification.

Is this program a GE Program? No, the program is NOT a GE Program, because only teacher certification programs that result in a **certificate awarded by the institution** are GE Programs. Therefore, teacher certification programs where the institution itself does not provide a certificate but which consists of a collection of course work necessary for the student to receive a state professional teaching credential or certification are not gainful employment programs and therefore NOT subject to the GE Program requirements. Refer to Gainful Employment Electronic Announcement [#53](#):

Transfer Program Example

Example: The institution is a community college that offers a two-year program that is designed to provide students with the transfer credit hours that will be accepted at a four-year college for transfer to a bachelor's degree program.

Is this program considered a GE Program? No, programs offered at non-profit or public institutions, at least two academic years in length, and that are specifically designed to be transfer programs, but do not lead to a certificate or other credential awarded by the institution, are Title IV eligible non-GE Programs.

Under the HEA, an eligible Title IV program must lead to a degree, certificate, or other credential awarded by the institution. However, there is an exception for a program that is at least two academic years in length and that is acceptable for credit toward a bachelor's degree. This exception is provided to allow students who are enrolled in non-credential transfer programs (generally offered by community colleges) to be eligible for Title IV aid as they prepare to transfer to a four-year degree program. The programs, while Title IV eligible under the exception, are NOT GE Programs under the statute.

ESL and ESOL Program Example

Example: The institution has an English as a Second Language (ESL) or English Speakers of Other Languages (ESOL) program.

Is this program considered a GE Program? Yes. To be a Title IV eligible program, an ESL or ESOL program must lead to a certificate or other credential awarded by the institution. As such, the ESL or ESOL program is a Gainful Employment Program subject to all of the Gainful Employment regulations and requirements.

Liberal Arts Bachelor's Degree Program at For-Profit Example

Example: The institution has been a for-profit institution since 2006, has been continuously accredited as a for-profit institution by a recognized regional accrediting agency since 2006, and offers a liberal arts degree program.

Is this program a GE Program? No, the program is NOT considered a GE Program because bachelor's degree programs in liberal arts that have been offered since January 2009 by a proprietary institution that has been regionally accredited since October 2007 are not required to prepare students for gainful employment in a recognized occupation under the statute.