

The background of the slide features the official seal of the United States Department of Education. It is a circular emblem with a purple outer ring containing the text "DEPARTMENT OF EDUCATION" at the top and "UNITED STATES OF AMERICA" at the bottom, separated by two white stars. The center of the seal depicts a large, leafy green tree with a brown trunk, set against a light blue background with yellow sunburst rays emanating from behind the tree.

# **Gainful Employment**

**Webinar #3**

**★ Adding New GE Programs ★**

**September 26, 2011**



# TOPICS

- Authorities and Effective Dates
- Gainful Employment Metrics
- Adding New GE Programs
- Application Process
- Questions



## For More GE Information

The Department has created a site for all information on GE on IFAP:

<http://ifap.ed.gov/GainfulEmploymentInfo/>

- Regulations
- Dear Colleague Letters and Electronic Announcements
- Frequently Asked Questions
- Training
- Resources



# AUTHORITIES AND EFFECTIVE DATES



# Gainful Employment Statute

- An educational program is Title IV eligible only if the program:
  - Is offered by a public or non-profit institution and leads to a degree; or
  - Is offered at any institution and “leads to gainful employment in a recognized occupation”.
    - Referred to as a Gainful Employment Program or a GE Program.



# Gainful Employment Programs

- Proprietary institutions –
  - All programs, except for -
    - Programs leading to a baccalaureate degree in liberal arts offered since January 2009 that has been regionally accredited since October 2007.
    - Preparatory non-certificate course work necessary for enrollment in an eligible program.



# Gainful Employment Programs

- Public institutions and not-for-profit institutions:
- All programs, except for -
  - Programs that lead to a degree;
  - Programs of at least two years in length that are fully transferable to a bachelor's degree program; and
  - Preparatory non-certificate course work necessary for enrollment in an eligible program.



# Gainful Employment Regulations

- Two sets of Final Rules published on October 29, 2010, with effective dates of July 1, 2011 -
  - Program Integrity – Including Gainful Employment Reporting and Disclosures
  - Gainful Employment – New Programs
- Final Rules on metrics to define gainful employment published on June 13, 2011.





# **GAINFUL EMPLOYMENT METRICS**

## Gainful Employment Metrics

- Final Rule published on June 13, 2011 –
  - Defines “gainful employment” to be when a substantial number of the GE Program’s students –
    - Are repaying their Title IV loans –
      - Repayment Rate
    - Have a reasonable debt burden –
      - Debt to Earnings Ratio.
- Informational Rates in 2012
- First official rates in 2013



# Gainful Employment Metrics

- Repayment Rate –
  - A percentage of the loan amounts that a GE Program's former students are repaying (weighted for loan balance).
- Debt to Earnings Ratio –
  - For the GE Program's completers, the average educational loan annual repayment amount as a proportion of the average borrowers' annual income.



# ADDING NEW GAINFUL EMPLOYMENT PROGRAMS



# Regulation

- October 29, 2010
- Program Integrity: Gainful Employment – New Programs
- Federal Register page 66665
- CFR 600.10(c) and CFR 600.20(c) and (d)



# References

- Gainful Employment Electronic Announcement #5 - Procedures for Reporting New Educational Programs That Prepare Students for Gainful Employment in a Recognized Occupation (EA #5)
- Gainful Employment Electronic Announcement #16 - Updated Procedures for Reporting New Educational Programs That Prepare Students for Gainful Employment in a Recognized Occupation (EA #16)



# References

- Gainful Employment Electronic Announcement #11 - Determining Whether an Educational Program is a Gainful Employment Program (EA #11)
- Gainful Employment Electronic Announcement #12 - Certificates Awarded as Part of a Degree Program (EA #12)



# Adding GE Programs

- Eligibility and Certification Approval Report (ECAR) identifies the programs that are currently Title IV eligible
- Institutional Title IV eligibility does not automatically include new GE programs
- Establishing eligibility for new GE programs (not currently listed on the ECAR). Three possibilities:
  - Notification Not Required
  - Notification Required
    - Approval Required
    - Approval Not Required





# Notification Not Required

- An institution is not required to notify ED of a new program if either:
  1. A Public or Private Non-Profit Institution adds a program leading to an associate, bachelor's, professional, or graduate degree and the institution has already been approved to offer programs at that level,\* or

\*If not approved for that level or higher, institution would request an Increased Level of Offering



# Notification Not Required

2. At all institutions, the program:

- Has the same CIP Code and
- Is offered at the same Credential Level as an already approved program

AND

- The institution's accreditor does not consider the program to be an additional program \*

\* Include program on next recertification application



# Notification Required

- Institutions must (except as previously noted) *notify ED at least 90 days before the first day of class* when adding a **new** educational program that leads to gainful employment in a recognized occupation (GE Program)
  - If the first day of class is **on or after July 1, 2011 and before October 1, 2011**, notification was due by July 1, 2011
  - If the first day of class is **on or after October 1, 2011**, institutions must provide notification to the Department at least 90 days prior to the first day of class



# Notification Required

- Notification is considered received when a materially complete application with all required information, documents and approvals is received by the Department.
- See also Dear Colleague Letter GEN-11-10



# Notification Required

- Institution must submit
  - An electronic E-App with GE Program details (See EA #16)
  - Accrediting agency approval
  - State approval
  - Notice of Intent to Offer an Educational Program (see EA #16)
  - Section L of the E-App containing original signature of the appropriate person



# Notice of Intent

- Notice of Intent to Offer an Educational Program must describe:
  - How the institution determined the need for the program
  - How the program was designed to meet market needs
  - Any wage analysis conducted



# Notice of Intent

- How the program was reviewed or approved by, or developed in conjunction with business advisory committees, program integrity boards, regulatory agencies, or businesses that would likely employ graduates of the program
- Date of the first day of class
- Date requesting to begin Title IV disbursements to students



# Notice of Intent

- To ensure Notice of Intent is complete please:
  - Describe the *process* used for
    - Determining the need for the program, and
    - Developing the program content
  - Describe the process used to evaluate if the resulting content is appropriate to meet the need
  - Clearly identify the *external parties* involved in the development, review, or approval of the program, what their review disclosed, and actions taken in response





# Notice of Intent

- Include complete details in the Notice as a narrative – do not reference/submit meeting notes or other documents
- Do not submit documents prepared for another purpose
- Be specific to the program in question – don't simply quote your procedures manual



# Notice of Intent

- If program is currently taught at the institution it is ok to mention actual placement rates
- Focus on benefit to students/employers – make a clear connection between the program, the job it prepares the student for, and the local, regional, or national market need for employees in that job



# Approval Required

- If the institution did not provide the required notification by July 1, 2011, for programs beginning **on or after July 1, 2011 and before October 1, 2011**, it must wait for Departmental approval before disbursing funds to students enrolled in the new GE program
- If the institution does not give notice at least 90 days before the first day of class for programs beginning **on or after October 1, 2011**, it must wait for Departmental approval before disbursing funds to students enrolled in the new GE program



# Approval Required

- If a materially complete application is not provided at least 90 days in advance – regardless of the reason – approval is required.
- To add a new GE Program while a prior application is under review, contact the School Participation Team and request that update access be turned on so that notification is timely.



# Approval Required

- Approval is also required before disbursement if:
  - The institution is provisionally certified
  - The institution is adding a Direct Assessment Program
  - The institution is adding a Comprehensive Transition and Postsecondary (CTP) Program
  - The Department advises the institution at least 30 days before the first day of class that it must wait for approval



# Approval Required

- ED will evaluate the new program
- If approved, a revised ECAR and Approval Letter is issued
- Institution may disburse funds after receiving Approval Letter
- If not approved, Denial Letter is issued and institution may request reconsideration



# Approval Not Required

- ED will review the new program and add the program to the institution's ECAR if program meets eligibility requirements
- ED will provide written notification when review is complete
- Institution may disburse funds prior to receiving ED notification



# Approval Not Required

- If program does not meet eligibility requirements, ED will deny eligibility
- Institution is liable for FSA funds if program does not meet program eligibility requirements in 34 CFR 668.8





# ED Evaluation of New GE Programs

- Accreditor and state approval matches E-App (name and program length)
- CIP Code consistent with name of program
- Meets minimum weeks and clock/credit hours
- Leads to gainful employment (SOC code)
- Meets clock to credit conversion where required



# ED Evaluation of New GE Programs

- Notification includes sufficient detail to support that program will lead to gainful employment in a recognized occupation
- Meets placement and completion rates, and has been in existence for 1 year, if short term program



# ED Evaluation of New GE Programs

- Does not exceed by more than 50% the minimum number of clock hours established by the state for training in the occupation for which the program prepares students
- Program meets special requirements if Comprehensive Transition and Postsecondary (CTP) Program



# Limitations

- For institutions subject to the two-year rule, during the initial period of participation
  - ED will not approve programs that expand eligibility beyond current ECAR unless institution demonstrates it has been offering that program for at least two years
  - May not award FSA funds for a program that is not included in approval documents



# APPLICATION PROCESS



# Application Process

www.eligcert.ed.gov



## E-App Features

Use the **E-App** to recertify or update information

After you finish your application, you must [submit](#) it to ED

[Check Status](#) of Application

[Display](#) your Application

[Display](#) your PPA/ECAR

Information for [Initial Applicants](#)

How to [customize your mailing address](#) for Federal Student Aid publications

[Display a list](#) of the most common changes a school must report

## Other Features

Update your [Federal School Code Addresses](#) which are used by the FAFSA

Instructions for assigning a new [Direct Loan E-Code](#) or deactivating an existing Direct Loan Code

[Schools Portal](#) | [Feedback](#) | [Privacy](#)

## Welcome to the Electronic Version of the *Application for Approval to Participate in the Federal Student Financial Aid Programs*

Postsecondary institutions use the E-App to apply for designation as an eligible institution, initial participation, recertification, reinstatement, change in ownership, or to update a current approval.

Updates include changes such as, but not limited to, name or address change, new location or program, increased level of offering, change of officials, or mailing address for publications.

### HELP FROM YOUR SCHOOL PARTICIPATION TEAM

For help with the Web site, your user ID or password, or in filling out the E-App, please contact the School Participation Team for your state.

### FEDERAL STUDENT AID SCHOOL PARTICIPATION TEAMS

**Boston**  
(CT, ME, MA, NH, RI, VT)  
617-289-0133

**Dallas**  
(AR, LA, NM, OK, TX)  
214-661-9490

**New York**  
(NJ, NY, PR, Virgin Islands)  
646-428-3750

**Kansas City**  
(IA, KS, KY, MO, NE, TN)  
816-268-0410

**Philadelphia**

**Reagan**



START HERE  
GO FURTHER  
FEDERAL STUDENT AID



# Application Process

☐ **Update Information.** The purpose of this application is to update information about the institution.

If you check "Update Information," please select at least one purpose from the pick-lists below.

☐ Address Change

2. ☐ Change Educational Measurement

☐ Change Phone/Fax Number or Internet Address

☐ Comprehensive Transition and Postsecondary Program

☐ Degree Program

☐ Emergency Contact Information

☐ Financial Aid Administrator

☐ Foreign Gifts - Reporting

☐ Gen List Update

☐ Increase Level of Offering of Educational Programs

3b. ☐ Merger of Two or More Institutions

☐ Name Change

☐ Name and Address - Change Both

☐ Nondegree/Vocational Program

☐ Officials/Directors of Institution

☐ Officials/Directors of Ownership Entity

4. ☐ Redesignation of Main Campus

☐ Short-Term Training Program

☐ State Authorizing Agency

☐ Third Party Servicer

under which you legally do business as a

have not previously reported to the Depart

the past four years that you have not prev  
ons. (You must enter the merger date in C



# Application Process

**Where do you want to go next?**

- ☐ Redisplay page to enter more merger records.
- ☐ Redisplay this page
- ☒ Continue to next page
- ☐ Go to Section
- ☐ Return to Index
- ☐ Submit the Application.

**(After you finish making all of the changes to your application, you MUST submit it to ED.)**

OK/Save Data

or

Restore Original Values





# Application Process

## Section E. Please provide the following information for each educational program that you are requesting be eligible to participate in federal student financial aid programs.

26. Please check each box that describes the educational programs that you provide as of the date you submit this application or that you will provide during the current award year. **Provide information only on programs that you wish to be eligible for federal student financial aid.** (You may check more than one box.)

**Note:** The institution must be able to demonstrate a reasonable relationship between the length of the program and the entry-level requirement for the recognized occupation for which the program prepares the student. The Secretary considers the relationship to be reasonable if the number of clock hours provided in the program does not exceed by more than 50 percent the minimum number of clock hours required for training in the recognized occupation for which the program prepares the student, as established by the State in which the program is offered, if the state has established such a requirement, or as established by any Federal agency. If the program exceeds by more than 50 percent of the State or Federal minimum number of clock hours, please explain in Section K, Question 69.

**Note:** Post-baccalaureate students pursuing prerequisite coursework (such as prerequisite courses for medical school) have their eligibility determined on the basis of *student* eligibility for federal student financial aid criteria rather than *program* eligibility criteria. Therefore, these types of programs are not included here.

- a. ☐ associate degree programs
- b. ☐ bachelor's degree programs
- c. ☐ master's degree programs or doctoral degree programs
- d. ☐ first professional degree programs ([see glossary](#))

Do you measure student's progress in any of these degree programs by direct assessment instead of credit or clock hours?

☐ Yes ☒ No





# Application Process

- e. ☐ graduate or professional programs that
  - do not lead to a post-baccalaureate degree
  - are at least 10 weeks, and
  - provide at least 8 semester or trimester credit hours, 12 quarter credit hours, or 300 clock hours of instruction.
  - prepare students for gainful employment in a recognized occupation.
- f. ☐ two-academic-year transfer programs ([\*see glossary\*](#))
- g. ☐ undergraduate programs that
  - lead to a certificate or other recognized educational credential,
  - prepare students for gainful employment in a recognized occupation,
  - are at least 15 weeks, and
  - provide at least 16 semester or trimester credit hours, 24 quarter credit hours, or 600 clock hours of instruction.
- h. ☐ undergraduate programs that
  - lead to a certificate or other recognized educational credential,
  - prepare students for gainful employment in a recognized occupation,
  - are at least 10 weeks, and
  - provide at least 8 semester or trimester credit hours, 12 quarter credit hours, or 300 clock hours of instruction.

AND

- require an enrolling regular student to have an associate degree or higher degree.



# Application Process

- i. ☐ undergraduate programs that
    - lead to a certificate or other recognized educational credential,
    - prepare students for gainful employment in a recognized occupation.
    - are at least 10 weeks, and
    - provide at least 300 but not more than 599 clock hours of instruction.
    - do not exceed by more than 50% the minimum number of clock hours established by the state for such training programs, and
    - have been provided for at least one year.
  - j. ☐ Post-baccalaureate teacher certification program necessary to become a teacher in an elementary or secondary school in that state. Please refer to the [glossary](#) for more information about this program type.
  - k. ☐ Comprehensive Transition and Postsecondary Program (for students with intellectual disabilities - please refer to 34 C.F.R. 668.231 for information about the requirements of this program)
- ☐ Check here if you award an associate degree, bachelor's degree, or higher degree to all your students who successfully complete any of your programs.



# Application Process

27. Based on the boxes checked in Question 26, and your institution type, please provide the following information for the educational programs that you wish to be eligible for federal student financial aid.

- a. Since you checked box **a.** in question 26 and you are a proprietary institution of higher education, you can click on the links below to update or add information about your associate degree programs.

[Click here to add an associate degree program.](#)

- b. Since you checked box **b.** in question 26 and you are a proprietary institution of higher education, you can click on the links below to update or add information about your bachelor's degree programs.

[Click here to add a bachelor's degree program.](#)

- c. Since you either did not check box **c.** in question 26, or you are an Institution of Higher Education, question 27c is not displayed.

- d. Since you either did not check box **d.** in question 26, or you are an Institution of Higher Education, question 27d is not displayed.



# Application Process

27. Name of program

CIP code *(A list of CIP Codes accompanies this application.)*

Number of Weeks

Clock hours (number of hours) of instruction

Number of credit hours

Type of Hours (check one)

☐ semester ☐ trimester ☐ quarter ☐ clock





# Application Process

27. Name of program

CIP code *[\(A list of CIP Codes accompanies this application.\)](#)*

Date first provided

 (mm/dd/yyyy format)

Number of Weeks

Clock hours (number of hours) of instruction

Number of credit hours

Type of Hours (check one)

☐ semester ☐ trimester ☐ quarter ☐ clock

Is each course within the program acceptable for full credit toward your associate degree or higher degree?

☐ Yes ☒ No





# Application Process

## **Section L. Please have the appropriate person in authority review, sign, and date this document.**

I hereby certify that, to the best of my knowledge and belief, all information in this document is true and correct. I understand that if my institution provides false or misleading information, (a) the U.S. Department of Education may deny the institution's request for eligibility to participate in federal student financial aid programs and/or revoke eligibility once it has been granted and (b) the institution may be liable for all federal student financial aid funds it or its students received. I also understand that I may be subject to a fine of not more than \$25,000 or imprisonment of not more than five years, or both, for misinformation that is material to receipt and stewardship of federal student financial aid funds.

Signature of President/CEO/Chancellor

\_\_\_\_\_

Date

(mm/dd/yyyy format)



# Application Process

**Section M. Please include copies of appropriate documents as part of your application.**

**If you are finished with your application, you MUST click here to go to the [Application Submission](#) page to submit it.**





# Other GE Program Updates

- CIP Code
- Program length
- Ending a program



# Application Questions

Contact the School Participation Team (SPT)  
for your state.

The telephone numbers for the SPTs can be  
found at

[www.eligcert.ed.gov](http://www.eligcert.ed.gov)



## For More GE Information

The Department has created a site for all information on GE on IFAP:

<http://ifap.ed.gov/GainfulEmploymentInfo/>

After reviewing the DCL, EAs and FAQs.

Send any questions by e-mail to:

[GE-Questions@ed.gov](mailto:GE-Questions@ed.gov)



# QUESTIONS