



Gainful Employment and Financial Value Transparency

April 9, 2024

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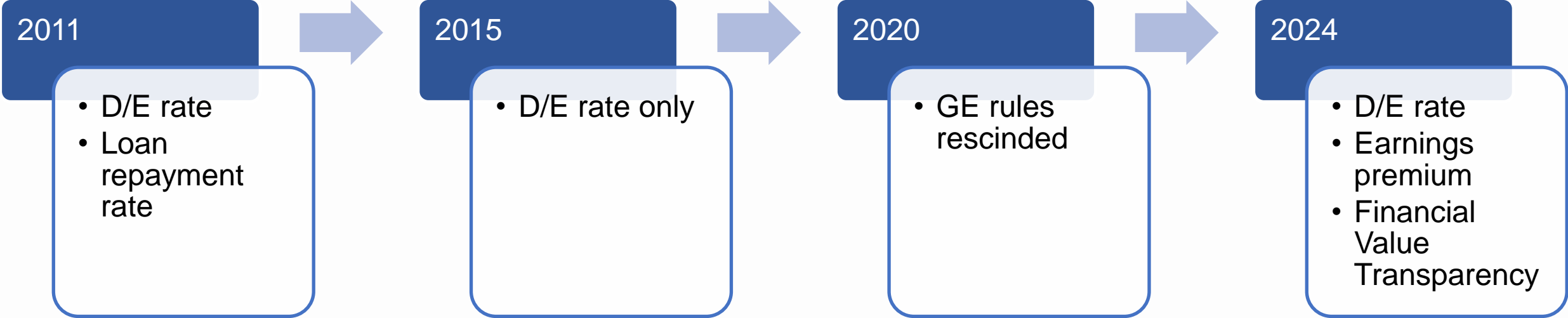
Agenda

- Background
- New Regulations
- NASFAA Advocacy
- Institutional Preparations for Reporting



Background

History of the GE Regulations





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Summary of New Regulations

2024 Final Rules

- New Earnings Premium metric
- Applies GE metrics to non-GE programs (FVT)
- Institutional reporting begins July 1, 2024
- First GE/FVT rates issued July 1, 2026

2023 Rules vs 2015 Rules

- More programs excluded
- 6-digit vs 4-digit CIP
- New Earnings Premium metric
- Median earnings
- Caps debt at net direct costs
- No alternate earnings appeal
- No zone alternative



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DEPARTMENT OF EDUCATION

34 CFR Parts 600 and 668

[Docket ID ED-2023-OPE-0089]

RIN 1840-AD57

Financial Value Transparency and Gainful Employment

AGENCY: Office of Postsecondary Education, Department of Education.

ACTION: Final regulations.

SUMMARY: The Secretary establishes and amends regulations related to gainful employment (GE) to address ongoing concerns about educational programs designed to prepare students for gainful employment in a recognized occupation, but that instead leave them with unaffordable amounts of student loan debt in relation to their earnings, or with no gain in earnings compared to others with no more than a high school education. The Secretary separately

The Federal Government's commitment to postsecondary education and training is well-justified. Postsecondary education and training generate important benefits both to the students pursuing new knowledge and skills and to the Nation overall. Higher education increases wages and lowers unemployment risk,² and leads to myriad non-financial benefits including better health, job satisfaction, and overall happiness.³ In addition, increasing the number of individuals with postsecondary education creates social benefits, including productivity spillovers from a better educated and more flexible workforce,⁴ increased civic participation,⁵ improvements in health and well-being for the next generation,⁶ and innumerable intangible benefits that elude quantification. In addition, the improvements in productivity and earnings lead to increases in tax revenues from higher earnings and lower rates of reliance on social safety net programs. These

Analysis (RIA) of this final rule, even among the same types of programs—that is, among programs with similar academic levels and fields of study—both the costs and the outcomes for students differ widely. Most postsecondary programs provide benefits to students in the form of higher wages that help them repay any loans they may have obtained to attend the program. But too many programs fail to increase graduates' wages, having little or even negative effects on graduates' earnings.⁹ At the same time, too many programs charge much higher tuition than similar programs with comparable outcomes, leading students to borrow much more than they would have needed had they chosen a more affordable program.

While increased borrowing is indicative of higher education costs-of-attendance, financing the costs of postsecondary education and training with Federal student loans creates

GE Reporting

- Institutional reporting deadline: July 31, 2024
- More institutions reporting more programs due to addition of financial value transparency
- Still waiting on guidance from ED

GE Reporting

Institutional Exemptions

- Institutions “located in the Territories or freely associated states from most of the requirements in the transparency framework.
- If over the most recently completed four award years, an institution offered no groups of substantially similar programs, defined as all programs in the same four-digit CIP code at an institution, with 30 or more completers

GE Reporting

- D/E rates and an Earnings Premium for non-GE programs will be published
- Programs will be labeled “low-earning” or “high-debt-burden”
- Graduate programs with failing D/E rates will be required to have prospective students acknowledge a review of the Department’s new program information website before the institution may enter into an agreement to enroll the student (July, 2026)
- A program can pass the D/E rate but fail the earnings premium and lose eligibility

GE Reporting & Data Elements

- [34 C.F.R. § 668.408](#) For each Title IV Program:
 - Program name
 - CIP code
 - Credential level
 - Length of the program
 - program accreditation/the name of the accrediting agency
- Licensure requirements
- Total number of students enrolled in the program (during the most recently completed award year, including both recipients and non-recipients of Title IV funds)
- If the program is a Qualifying Graduate Program whose students are required to complete postgraduate training programs

GE Reporting & Data Elements

- For each student in a Title IV program, institutions must report
 - attendance dates
 - attendance status
 - enrollment status, and
 - residency tuition status;
 - the amount of tuition and fees assessed
 - the amount of institutional grants and scholarships disbursed
 - the amount of other state, tribal, or private grants disbursed
 - the amount of any private education loans disbursed to the student for enrollment in the program that the institution is, or should reasonably be, aware of, including private education loans made by the institution

GE Reporting & Data Elements

Institutions also must report additional data for each student who completed or withdrew from a Title IV program during the applicable award year (or years).

- the date the student completed or withdrew
- the total amount the student received from private education loans for the program
- the total amount of institutional debt the student owed any party after completing or withdrawing from the program
- the total amount of tuition and fees assessed the student entire enrollment in the program.

What's Next?

- Guidance: TBD
- First annual reporting by institutions: July 31, 2024
- GE program certification deadline: December 31, 2024
- First GE rates issued: 2026
- First GE warnings issued: July 1, 2026
- First FVT acknowledgments collected: July 1, 2026
- FVT website and disclosures: July 1, 2026



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NASFAA Advocacy & Resources

Advocacy & Resources

- Public comments
- GE web center
- New ED mailbox for GE questions: GE24@ed.gov

Advocacy, Policy & Research

ADVOCACY

POLICY

FAFSA Simplification
College Cost Transparency
Prison Education Programs
Financial Aid 101
Higher Education Act
Reauthorization
Gainful Employment
Improving Financial Aid Offers
Negotiated Rulemaking
Policy Task Forces & Reports

RESEARCH

Certification



★ ADD TO FAVORITES

Gainful Employment Web Center

Resources and Coverage

For more resources and coverage regarding gainful employment, please use the links below to jump to each year during which gainful employment negotiated rulemaking was held.

- [2023](#)
- [2019](#)
- [2015](#)
- [2011](#)

Overview

The Higher Education Act (HEA) of 1965, as amended, defines institutions of higher education, proprietary institutions of higher education, and postsecondary vocational institutions in part as those that prepare students for gainful employment in a recognized occupation. Congress to date has avoided defining gainful employment,

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Questions?