



## GE METRICS FINAL REGULATIONS



The US Department of Education published Gainful Employment (GE) Metrics final regulations on June 13, 2011; the regulations are effective July 1, 2012. These regulations include the requirements for a minimum repayment rate and debt-to-income ratio for all GE programs. ED received over 90,000 comments on the NPRM, published July 26, 2010, and the final regulations are somewhat less onerous for schools than the proposed regulations.

Under the final regulations:

- ✚ Institutions must disclose to the public how their programs perform under the debt measures—these disclosures will be added to the required GE program disclosures required by the Program Integrity regulations.
- ✚ During the first two years that a program fails any of the debt measures, the institution must provide warnings to current and prospective students, and delay the actual enrollment process for three days. ED will be developing a model warning for both the first and second year warnings, which must be in plain language and an easy to understand format.
- ✚ A program loses aid eligibility only after failing both debt measures for three out of four fiscal years.
- ✚ The first year programs can lose aid eligibility is 2015, based on the FY 2014 data. ED will limit the number of programs that will lose eligibility for FY 2014 data to the “worst performing 5 percent of programs (weighted by enrollment).”

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## NSLDS GE USER GUIDE UPDATE

On August 4<sup>th</sup>, ED posted a revised NSLDS Gainful Employment User Guide.

## REPORTING TEMPLATE

ED has posted Gainful Employment Electronic Announcement #14, NSLDS Gainful Employment Submittal Template. The template is designed to be used with Microsoft Excel spreadsheet software and is available on the FSA Download website. Using this option to upload the gainful employment reporting data, a school will be limited to 50 records at a time. Schools will not be able to upload data until late in September.

## ADDING NEW PROGRAMS

GE Electronic Announcement #16 dated August 3<sup>rd</sup> provides updated instructions for the procedures to add a new GE program, based on an e-app system update as of July 31, 2011. The notice format has not changed.

**Check the *Gainful Employment Information Page* on IFAP regularly. ED routinely updates the *Frequently Asked Questions* section.**



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- # The debt measures have been revised—the minimum repayment rate is 35% and the debt-to-earnings ratio requirement is 12% or less of annual earnings or 30% or less of discretionary income.
- # ED will calculate performance data for GE programs early in 2012, for informational purposes only.
- # SSA will provide ED with the mean and median earnings figures for all completers for each program, not data on an individual basis.
- # ED will use the higher of the mean or the median earnings to calculate the debt-to-earnings ratios.
- # Schools will be allowed to use data from the Bureau of Labor Statistics (BLS) or survey data as an alternative to actual student earnings reported by the Social Security Administration during a transition period of three years (fiscal years 2012, 2013 and 2014).
- # The repayment rate will measure years three and four of repayment, with a provision to use years three through six where necessary.
- # Students and loans are excluded from the repayment rate calculation if the loans were in an in-school or military-related deferment status, or were discharged for the borrower's disability.
- # ED will count borrowers on IBR and ICR repayment plans (or any plan with negative amortization or for which the borrower is paying accrued interest only) up to a maximum of 3% of the total Original Outstanding Principal Balance (OOPB) used in the calculation.
- # If an institution provides the tuition and fee data for each student in the GE reporting process, ED “will limit the amount of loan debt included in that calculation for a student who completes a program to the total amount of tuition and fees the institution charged the student for enrollment in all programs at the institution.”

- # ED will provide draft data subject to review by institutions, then draft rates, so that institutions can review and challenge the accuracy of the data used.
- # Schools should note that ED “strongly encourage[s] institutions to timely update the disclosures whenever a change occurs. . .as soon as administratively feasible, but no later than 30 days after the date the change occurs.” This is applicable to all the Gainful Employment disclosures, as required by the Program Integrity regulations effective July 1, 2011.

ED’s estimate of affected programs by sector included in the information with the final regulations:

	Number of GE Programs
Public	37,218
Non-profit	5,072
For-profit	13,155
<b>Total</b>	<b>55,405</b>

	Programs That Fail
Public	3%
Non-profit	5%
For-profit	18%
<b>Total</b>	<b>8%</b>

	Programs That Lose Eligibility
Public	1%
Non-profit	1%
For-profit	5%
<b>Total</b>	<b>2%</b>

## FY 2009 COHORT DEFAULT RATES



FSA announced on August 30<sup>th</sup> that they plan to release the FY 2009 Official Cohort Default Rates on September 12, 2011. These rates are official and will be made public. All schools receive their CDR and accompanying documentation electronically via the Student Aid Internet Gateway (SAIG) mailbox. If a school is not enrolled in the eCDR process, the cohort default rate and accompanying documentation can be accessed from the NSLDS website.

## DEBT CEILING LEGISLATION IMPACT



Congress passed and President Obama signed the Budget Control Act of 2011 legislation on August 2, 2011. Effective July 1, 2012, the law makes two significant changes to federal student aid:

- ✘ The in-school subsidy of interest on Direct Loans for graduate and professional students is eliminated.
- ✘ The upfront interest rebate on all Direct Loans is eliminated. This is the .05% rebate credited to each loan disbursement, predicated on the borrower making the first twelve loan payments on time. The interest rebate currently applies to all Stafford and PLUS loans, and will be eliminated for all Stafford and PLUS loans. (The .25% interest rate reduction for auto-debit of loan payments is not affected by the Budget Control Act and remains in place.)



## CONSTITUTION DAY 2011

Constitution Day is September 17, 2011. Institutions that participate in the Title IV programs must offer educational programming to commemorate the signing of the Constitution in 1787. Because the date falls on a Saturday this year, schools should note that their activities can be held either the week before or the week after September 17<sup>th</sup>.

ConstitutionFacts.com has quizzes available about the Constitution, as well as quotes and other materials. The questions used in the test for US citizenship can be viewed at [www.usgovinfo.about.com](http://www.usgovinfo.about.com). The National Archives has useful information at [www.archives.gov/education/lessons/constitution-day](http://www.archives.gov/education/lessons/constitution-day). Other websites that offer information on the US Constitution include [www.billofrightsinstitute.org](http://www.billofrightsinstitute.org) and the US Office of Personnel Management at [www.opm.gov/constitution\\_initiative](http://www.opm.gov/constitution_initiative).

## FERPA AND CAMPUS EMERGENCY GUIDANCE

In June 2011, the Family Policy Compliance Office (FPCO) issued guidance relating to FERPA concerns as they intersect with campus health and safety emergencies. From the guidance:

*Under this health or safety emergency provision, an educational agency or institution must determine whether to disclose personally identifiable information from education records on a case-by-case basis, taking into account the totality of the circumstances pertaining to a threat to the health or safety of the student or others. . . This is a flexible standard under which the Department defers to school administrators so that they may bring appropriate resources to bear on the situation, provided that there is a rational basis for the educational agency's or institution's decisions about the nature of the emergency and the appropriate parties to whom the information should be disclosed. We note also that, within a reasonable period of time after a disclosure is made under this exception, an educational agency or institution must record in the student's education records the articulable and significant threat that formed the basis for the disclosure, and the parties to whom the information was disclosed. 34 CFR § 99.32(a)(5).*

The guidance also discusses different types of subpoenas, and when information can be disclosed to the parents of dependent students. This guidance is available on the FPCO website at <http://www2.ed.gov/policy/gen/guid/fpco/index.html>. Schools should make sure that offices or staff members responsible for FERPA and campus safety compliance are familiar with it.

## NET PRICE CALCULATOR

All schools that participate in the Title IV financial aid programs are required to post a Net Price Calculator (NPC) to their websites by October 29, 2011. Schools can develop their own calculator, provided it meets ED's requirements, or use ED's template. ED's NPC template is available at [http://nced.ed.gov/ipeds/resource/net\\_price\\_calculator.asp](http://nced.ed.gov/ipeds/resource/net_price_calculator.asp)

## TRIAL PERIOD OF ENROLLMENT

ED published GEN-11-12 on June 7, 2011. This DCL provides guidance on the use of a trial period of enrollment. ED means by this “the beginning of the student’s attendance in an eligible program, in a situation where the institution has not admitted the student as a regular student.” At the end of the trial period of enrollment, the student has the option to leave, incurring either no or nominal charges. If the student is accepted at the end of the trial period, and elects to continue, the student is aid-eligible back to the beginning of the program. Schools must have policies and procedures for implementing a trial period of enrollment, and provide clear information to students about who is eligible to participate and how the process works. ED notes that, “We expect that, after or just prior to the end of the trial period, students would confirm their intention to continue the program as regular students.” Students are not eligible for aid during the trial period, but schools must ensure that they have the necessary books and other materials during that time. Questions should be addressed to Marty Guthrie at [Marty.Guthrie@ed.gov](mailto:Marty.Guthrie@ed.gov).

## OCR DCL—FAQ ON ELECTRONIC BOOK READERS

The Office of Civil Rights (OCR) in the US Department of Education sent a DCL to all college and university presidents on June 29, 2010 on the use of electronic book readers. The Department of Justice reached a settlement in 2010 with colleges and universities that had been using the Kindle DX under a pilot study with Amazon.com.

OCR has also released a Q and A document following up on the DCL. Under the ADA laws, “educational institutions cannot require the use of electronic book readers in a classroom setting if the readers are not fully accessible to individuals with disabilities, including individuals who are blind or have low vision, unless those individuals are provided accommodations or modifications. . .” The Q and A indicates that some e-readers have text to speech capability for users to hear the on-screen content aloud.

## CLOCK HOUR SAP REVIEWS



On June 6, 2011 ED published an electronic announcement with guidance for schools with clock hour programs on the implementation of the new Satisfactory Academic Progress (SAP) requirements in the Program Integrity regulations effective July 1, 2011. The regulations specify that the SAP reviews must occur at the end of a payment period for non-term programs. The DCL provides the following options for the timing of the SAP reviews in clock hour programs:

- “1. At the point when the student’s scheduled clock hours for the payment period have elapsed, regardless of whether the student attended them; or
2. At the point when the student has attended the scheduled clock hours; or
3. At the point when the student successfully completes the scheduled clock hours for that payment period.”

The school’s SAP policy must specify the review option used, in conjunction with the new regulatory requirements for pace and maximum timeframe. In order to be eligible for the next disbursement of aid, the student must still successfully complete both the clock hours and weeks of instructional time required for the payment period.

Schools should note that ED has not extended this guidance to non-term credit hour programs.

## SSN ASSIGNMENT

On June 25, 2011 the Social Security Administration implemented new guidelines for the assignment of Social Security Numbers (SSNs). They will start issuing SSNs in ranges that were previously not used, including the range that begins with the number 8. Currently, FSA assigns pseudo SSNs to applicants from the Pacific Islands who do not have regular SSNs (888-xx-xxxx). FSA will update their systems in October 2011, to use a different pseudo SSN numbering system for applicants from the Pacific Islands.



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