Overview

• FY 2015 Appropriations
• HEA Reauthorization
• WIA Reauthorization
• White House Task Force Report on Protecting Students from Sexual Assault
• Neg Reg State Authorization
• Gainful Employment NPRM
• Washington Advocacy Seminar – Oct. 16-17
FY 2015 Appropriations

• Appropriators Hope to Enact a Bill Under “Regular Order” This Year
• House 302(b) for Labor-HHS-ED is 0.7% below FY 2014 enacted levels – could have been lower
• Senate 302(b) is Likely to be Higher
• ATB Issue Has Some Traction
HEA Reauthorization

• House and Senate Held Extensive Hearings – Big Issues on Table
• Senator Harkin, HELP Chairman, Likely to Introduce Bill in Early Summer
• Senate Republicans May Draft Piecemeal Bills -- Emphasis on Simplification
• House Republicans May Offer Bill Later in 2014
• No Chance of Enactment But Stay Tuned
Workforce Investment Act

• House passed Skills Act in March 2013
  – Program consolidation & governance issues
  – No required community college seat on WIBs
  – Bill expands training contracts and streamlines reporting requirements

• Senate HELP Committee passed its bill in July 2013
  – Focuses on fixes within current structure, emphasizing better alignment and outcomes data
  – Retains community college seat on WIBS (but optional on State WIBs)
  – Reauthorizes CBJTG
  – State unified plan is central component of bill

• May See Bill on Senate Floor in June
Title IX protects all students, regardless of sexual orientation, gender identity, immigration status or disability;

Survivors have a right to expect their college to protect and support them, including during pending investigations;

Clery Act amendments do not alter a college’s responsibility under Title IX to respond to and prevent sexual violence.
White House Task Force on Protecting Students from Sexual Assault

Administration asks colleges to take several steps

- Voluntarily conduct a campus climate survey
- Create a bystander intervention program on campus
- Develop a campus plan to effectively respond when a student is sexually assaulted
- Improve and make enforcement more transparent
Negotiated Rulemaking State Authorization

Most recent (April) Neg Reg draft regulations:

• Colleges that offer, or will offer, 50% or more of a postsecondary ed program through distance ed would be required to be “legally authorized” in every state where they have students enrolled

• Possible exception if 30 or fewer students enrolled from a state during the prior award year

• New federal “floor” for state authorization process will include complaint process
Negotiated Rulemaking State Authorization

- States must review out-of-state colleges that enroll their students in distance ed programs (vs. approving solely on basis of college’s accreditation status or years of operation).

- Would allow colleges to enroll active duty military, their spouses or dependent children in distance ed programs regardless of where they move later, assuming they begin the program in a state where the college is authorized and that they are continuously enrolled.

- If the distance ed program does not help out-of-state students pass their state licensure exams, colleges would be required to obtain prior written acknowledgement from these students indicating that they may have to take additional coursework or field work.
Gainful Employment Overview

• What is source of GE regulations?
  • In statute since original 1965 HEA—predates for-profit college participation in student aid programs
  • Providing gainful employment is the first principal criteria for proprietary IHEs and postsecondary vocational institutions in Sec. 102 of the HEA

• Weren’t GE regulations proposed before?
  • For-profit college lobbying association sued ED
  • Judge struck down rule, but upheld ED’s general authority to regulate as well as disclosure requirements

• What is the purpose of GE regulations?
  • ED: End federal student aid eligibility for programs that leave students with too much debt and no career prospects
Borrowing in Perspective: Community Colleges

• For nearly all community college programs: loan debt incurred by a typical student in a low-risk, low-cost program is zero.
Title IV Aid in Perspective

- Of certificate students who receive federal aid (grants and loans), community colleges students receive less than half the average amount recipients at other institutions receive.

<table>
<thead>
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<th>CCs</th>
<th>All Other</th>
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<td>$3,653</td>
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</table>
Gainful employment applies to non-profit as well as for-profit colleges

- All non-degree Title IV-eligible programs at public and private nonprofit colleges (i.e., certificates) are covered
- All programs at for-profit colleges are covered, except certain liberal arts offerings
- Definition is statutory (though limited to the term “gainful employment”); ED cannot change it
- However, only Title IV recipients are included in the NPRM’s GE metrics and reporting and disclosure requirements
Gainful employment holds programs accountable through two metrics

• **Debt-to-Earnings (DTE) ratios**
  • Are graduates taking on too much debt compared to their earnings 3 and 4 years after finishing?

• **Program Cohort Default Rate (PCDR)**
  • What % of borrowers default on their federal loans within three years of entering repayment?
Results on one metric do not affect results on the other, lose eligibility

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<th>Performance Zones</th>
<th>Debt-to-Earnings</th>
<th>Program Cohort Default Rate</th>
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<tr>
<td>• Passing</td>
<td>• Passing</td>
<td>• Passing</td>
</tr>
<tr>
<td>• Zone (New)</td>
<td>• Zone (New)</td>
<td>• Failing</td>
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<td>• Failing</td>
<td>• Failing</td>
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<table>
<thead>
<tr>
<th>Time to Lose Eligibility</th>
<th>Debt-to-Earnings</th>
<th>Program Cohort Default Rate</th>
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</thead>
<tbody>
<tr>
<td>• Fail 2 times in 3 years OR</td>
<td>Fail 2 times in 3 years OR</td>
<td>Fail 3 times in a row</td>
</tr>
<tr>
<td>• Not pass for 4 years</td>
<td>Not pass for 4 years</td>
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<table>
<thead>
<tr>
<th>Year 1</th>
<th>Program A</th>
<th>Program B</th>
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<tr>
<td>Debt-to-Earnings</td>
<td>Program Cohort Default Rate</td>
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<td>Fail</td>
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<tr>
<td>Pass</td>
<td>Fail</td>
<td>Fail</td>
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</table>

Result: Loses eligibility for pCDR

Program B: Keeps eligibility
Debt-to-Earning Metrics

- Program Graduates
- Title IV recipients (New)
- Minimum n-size of 30 (combine up to 4 years for small programs)
- Earnings
  - Higher of mean or median
- Debt
  - Median (New)
  - Include private, federal, and Perkins loans (New)
  - Capped at tuition, fees, books, and supplies (New)
  - Use average of unsubsidized Stafford interest rate over last 6 years (New)
  - Assume 10 year repayment for certificates and associate, 15 for bachelor’s and master’s, 20 for doctorates and first professional
Program cohort default rates instead of repayment rates

- Repayment rate was problematic measure in last draft rule, now used only for disclosure
- Same as institutional cohort default rates created by Congress
- Required “n” size of 30 for penalties
- Lose eligibility if at over 30% for three straight years (not subject to loss of eligibility if over 40% for a single year)
More programs would fail, largely due to program cohort default rate

- 96% of failing or zone programs are at private for-profit colleges
- 54 programs at public colleges
  - 46 programs at community colleges fail
  - All 46 fail the pCDR
- Most programs fail one of the tests but not both
- Failure rate without cohort default rate would be ~8%
Potential Consequences

• Unrepresentative metrics will lead some institutions to question their program offerings.

• Inappropriate measures may lead to the voluntary or involuntary closure or sanction of smaller programs that provide low-risk, low-cost opportunities for students.
An institution should not be required to report on GE programs to ED if

(a) fewer than 50% of the program’s credit students took out federal loans for the most recent year; and

(b) the number of Title IV-aided students who completed the program was 20 or less over the previous 2 years. When this number exceeds 20 for 2 years, the institution must report to ED all required GE data.
AACC Position: Disclosure Requirements

An institution should be required to disclose for each GE program the following information:

- The primary occupations (by name and SOC code) that the program prepares students to enter.

- The length of the program in calendar time (i.e., weeks, months, years).

- The number of clock or credit hours, as applicable, in the program.

- The total cost of tuition and fees, and the total cost of books, supplies, and equipment that a student would incur for completing the program within the length of the program.

- The placement rate for the program, if the institution is required by its accrediting agency or state to calculate a placement rate.
AACC Position:
Disclosure Requirements

• With respect to the occupations for which the program prepares students as disclosed by the institution, whether completion of the program satisfies any applicable educational prerequisites for professional licensure in the state in which the institution is located and in any other state included in the institution’s Metropolitan Statistical Area.

• If applicable, whether the program holds the programmatic accreditation necessary for an individual to obtain employment in the occupation for which the program prepares the student.

• A link to the U.S. Department of Education’s College Navigator website, or its successor site.
AACC Position: Disclosure Requirements

If adequate data are available consistent with the reporting threshold requirements proposed in item 1, an institution should be required to disclose the following information as calculated by ED:

- Program completion rates for full-time and less-than-full-time students for 150% of normal time and 300% of normal time.
- Median earnings for all program completers.
- Median debt for program completers and those who withdraw.
Institutional Comments

• Comments should echo AACC's position as stated above, and, if possible, include the following information, which will support the AACC position:

  • Small size of most or all of your GE programs.

  • The percentage of students who take out federal loans, often making the Title IV median debt of most GE programs $0.

  • The administrative cost of collecting and reporting required GE program information.
AACC supports disclosure of relevant information that holds institutions accountable and enables prospective students to make informed choices about GE programs. For this purpose the following information should be included in comments, if applicable:

- Existing accountability efforts (e.g., debt management, financial literacy, completion agenda statistics).

- Existing transparency efforts (i.e., other than GE disclosures).
GE NPRM Comments Due and Implementation Schedule

• Comments due by 11:59 pm, May 27, 2014

• GE Regulations Implementation Schedule
  – Final Rule published November 1, 2014
  – Final GE Rule goes into effect July 1, 2015
  – Certification Requirements by December 31, 2015
  – D/E Rates for AY 2014-15 issued early to mid-2016
  – Reporting Requirements due dates July 31, 2015 (first year only), October 1 (first year and annually)
Gainful Employment NPRM

- The final rule can change
- The Department invited comments on numerous provisions
- The Department takes comments seriously
- Institutional comments should be specific, bolstered by data
Institutional Comments

• Institutional comments should be:
  – Succinct
  – Cogent
  – Based on institutional experience
  – Broader impact – student, families, institution, community, employers
  – Supported by data and facts

• Department’s analysis of comments
  – Categorized
  – Counted
  – Considered
  – Cited in final regulation
Comments Requested

- Comments are due by May 27, 2014. They can be filed electronically through the Federal eRulemaking portal at www.regulations.gov (go to docket ID ED-2014-OPE-0039),

  or

Washington Advocacy Seminar

Join us in Washington, DC for 2014 Washington Advocacy Seminar

October 16-17
Thank You