DEPARTMENT OF EDUCATION
OFFICE OF POSTSECONDARY EDUCATION
INSTITUTIONAL AND PROGRAMMATIC
ELIGIBILITY COMMITTEE
SESSION 2, DAY 2, MORNING
February 15, 2022

On the 15th day of February 2022, the following meeting was held virtually, from 10:00 a.m. to 12:00 p.m., before Jamie Young, Shorthand Reporter in the state of New Jersey.

PROCEEDINGS

MS. JEFFRIES: Good morning, everyone, and welcome back to the negotiators as well as the public. We have a very full agenda again today. So where we left off yesterday, we will pick back up after we do our roll call and any housekeeping item. We will move right into wrapping up the administrative capabilities with Debbie and a quick temperature check and move into the gainful employment. So let's go ahead and take a roll call if everyone could turn on their cameras and I'm going to remind you as well as myself of our naming conventions. If you would, please make those adjustments. We will get started. Okay, so, if you just briefly, , acknowledge your presence however way you like we'll get started. For credit agencies, we have Jamie Studley as primary.

MS. STUDLEY: Good morning from beautiful Sebastopol, California.

MS. JEFFRIES: Good morning. And Dr. Laura Rasar King.

DR. KING: Good morning, everybody.

MS. JEFFRIES: Morning. For civil rights organizations and consumer advocacy organizations, we have Carolyn Fast.

MS. FAST: Morning.

MS. JEFFRIES: Good morning. And Jaylon Herbin.

MR. HERBIN: Morning.

MS. JEFFRIES: Morning. Financial aid administrators at postsecondary institutions, we have Samantha Veeder.

MS. VEEDER: Good morning, everyone.

MS. JEFFRIES: And David Peterson as the alternate.

MR. PETERSON: Good morning, everyone.

MS. JEFFRIES: Morning. Four-year public institutions of higher education, primary Marvin Smith.

MR. SMITH: Good morning.

MS. JEFFRIES: And alternate Deborah Stanley.

MS. STANLEY: Morning.

MS. JEFFRIES: Good morning. Legal assistance organizations that represent students and/or borrowers, we have Johnson Tyler, primary. Okay, I'm not hearing from Johnson, we'll circle back. And Ms. Jessica Ranucci as alternate.

MS. RANUCCI: Good morning.

MS. JEFFRIES: Good morning. Minority serving institutions primary, we have Dr. Beverly Hogan. Beverly, you're on mute.

DR. HOGAN: I'm sorry. Good morning, everyone.

MS. JEFFRIES: Good morning. And Ms. Ashley Schofield as alternate.

MS. SCHOFIELD: Good morning, everyone.

MS. JEFFRIES: Good morning. For civil rights organizations, we have Ms. Amanda Martinez.

MS. AMANDA MARTINEZ: Present, good morning.

MS. JEFFRIES: Good morning. Private nonprofit institutions of higher education, Ms. Kelli Perry as primary. And not hearing from Kelli. And Mr. Emmanual Guillory as alternate and I believe Emmanual, you're going to be sitting in this morning, correct?

MR. GUILLORY: That's right.

MS. JEFFRIES: Okay.

MR. GUILLORY: Good morning.

MS. JEFFRIES: Good morning. Proprietary institutions of higher education, we have Mr. Bradley Adams.

MR. ADAMS: Morning.

MS. JEFFRIES: Morning and Mr. Michael Lanouette.

DR. LANOUETTE: Good morning.

MS. JEFFRIES: Good morning. State attorneys general primary, Adam Welle.

MR. WELLE: Here, good morning.

MS. JEFFRIES: Good morning, Adam. And Ms. Yael Shavit.

MS. SHAVIT: Morning.

MS. JEFFRIES: Morning. State higher education executive officers state authorizing agencies and/or state regulators of institutions of higher education and/or loan servicers primary is Ms. Debbie Cochrane.

MS. COCHRANE: Good morning.

MS. JEFFRIES: Good morning. And alternate is Mr. David Socolow.

MR. SOCOLOW: Good morning.

MS. JEFFRIES: Morning. Student and student loan borrowers, we have Mr. Ernest Ezeugo.

MR. EZEUGO: Morning, everyone.

MS. JEFFRIES: And alternate Mr. Carney King.

MR. KING: Good morning.

MS. JEFFRIES: Morning. Two-year public institutions of higher education, we have Dr. Anne Kress.

DR. KRESS: Good morning.

MS. JEFFRIES: Morning. And Mr. William Durden as alternate.

MR. DURDEN: Good morning.

MS. JEFFRIES: Good morning. U.S. military service members, veterans or groups representing them, primary is Mr. Travis Horr, who I don't believe is with us today. So, Mr.

Barmak Nassirian is the alternate will be sitting in in his place.

MR. NASSIRIAN: Good morning.

MS. JEFFRIES: Good morning. And then for the Department, of course, we have Mr. Gregory Martin.

MR. MARTIN: Good morning.

MS. JEFFRIES: Good morning. The general counsel sitting in today will be Mr. Steve Finley.

MR. FINLEY: Hi, good morning.

MS. JEFFRIES: Good morning. And our two advisors for compliance auditor with experience auditing institutions that participate in Title IV HEA programs, Mr. David McClintock.

MR. MCCLINTOCK: Good to see everyone again.

MS. JEFFRIES: And the other alternate is labor economists or an individual with experience in public research, accountability and/or analysis of higher education data, Dr. Adam Looney. Dr. Looney, are you with us? Well, he will be coming in later for gainful employment as he will be, he does have a presentation for the committee today. Denise, you have your hand up.

MS. MORELLI: I just wanted to let you know that I'm going to finish our administrative capability for the general counsel's office and then Mr. Finley will step in for gainful employment.

MS. JEFFRIES: Okay, perfect. Thank you for that. Did I miss anyone?

MR. TYLER: Hi, I showed up late, sorry, I'm here now.

MS. JEFFRIES: Oh, there you are, Johnson. Alright, great. Thanks. Welcome. I'm still not seeing Kevin, so I'm going to move into today's planned agenda. We'd like to take just a brief period of time to wrap up the administrative capabilities, and then we will move directly into gainful employment. The plan for gainful employment is that Greg will do a brief overview of that document. We will be asking that you hold off questions and comments while he does that. And from there, Dr. Looney will be doing his presentation and then there will be two Department staff members as protocol permits that will provide some additional information for the committee on gainful employment. At that point, then Greg will then pick up and start walking the committee through the entire document, and our discussion will ensue while he does that. Okay? Barmak.

MR. NASSIRIAN: Yes. Very briefly, I will be able to save time tomorrow on financial responsibility, I will be putting in chat a memo on the question of statutory authority for two of the provisions that the Department has in its current regulations and its proposed regulations. I just wanted to submit that for the record, today, so the Department and the negotiators have a chance to look it over for tomorrow. Thank you.

MS. JEFFRIES: And I'd like to offer as well Barmak, if you want to send that to me, I'd be happy to send it out to all the negotiators and the Department as well, so they have a physical copy for themselves. If that would be helpful?

MR. NASSIRIAN: Yes, ma'am.

MS. JEFFRIES: Alright. So with that, let's go ahead. Debbie Cochrane, you had your hand up as we concluded yesterday and had to move on to public comment. Would you like to comment on the administrative capabilities?

MS. COCHRANE: Sure, thank you so much, I put it very briefly on a chat yesterday, but really the question is around the issue of legitimate high schools that may have closed, whether they are charter schools or religious schools, basically any high school that is no longer open for documentation to be obtained and that is not regulated or overseen by a state agency. I'm not sure how an institution would document the validity of their transcript, so I'm not sure if there's another path that's needed here or what the Department was thinking about those institutions and those high schools.

MS. JEFFRIES: Okay. Did you put that back in the chat today to Debbie?

MS. COCHRANE: It was just at the end of the day yesterday.

MS. JEFFRIES: Okay, alright. And so it looks like the Department doesn't have an immediate response to that. So if it's okay, they'll continue to look into that and get back with you. Is that okay with you? Okay, great. Alright. So I'm seeing Brad and Barmak and then hopefully we'll be able to take the temperature checks. Brad?

MR. ADAMS: Yes. I had also asked a question in the chat as we kind of ran out of time yesterday on just what the definition of a business relationship is and whether or not that would include a financial relationship. If the Department could just help us out there on the very end there, 4A, that would be great.

MR. MARTIN: I can respond to that. And I'll address the previous question to some extent. I mean, I do want to say that we do understand the difficulty for some students to obtain a copy of a high school diploma or a transcript. In some cases, you have students who are nontraditional students, and it may have been years since they went to high school, and it may have been in a completely different part of the country. The school may have closed. There are difficulties associated with that. And again, we are not requiring that high school diplomas be collected for all students. In the case where, it's necessary, where there is a reason to believe that it's not valid once a school or the Department has reason to believe that somebody does not have a valid high school diploma that does need to be resolved. We've tried to give a number of ways here that could be accomplished. And our goals here are to give us tools we need to address areas where we see significant abuse. So I just want to point that out. But we will, it's a good comment. We will take it back. We definitely understand that there are situations where students have legitimate difficulty obtaining the credential or documentation, some documentation that they have it even where they did obtain that. So we'll we'll definitely take that back and see what we can do there. With respect to Brad's comments about the business relationship, I don't, we, a business relationship would certainly suggest that there's money, but it may not be, but I think it could also be, you know, and I can ask Denise to step in here as well, it could also be a quid pro quo type thing where we're talking about relationships where the institution has some type of a business relationship with a provider of high school diplomas, and through that, students are funneled from that high school entity, which is not providing a legitimate high school education to the to the postsecondary entity. So regardless of what that business relationship is, I think even if it might involve money, again, it might just involve a mutually beneficial situation where the school encourages the postsecondary school to go to this provider of high school diplomas and then that entity benefits from that in that those students are funneled back from that school to the postsecondary institutions. So however, that relationship exists, it would fall under this regulation.

MS. JEFFRIES: Thank you, Greg. Barmak.

MR. NASSIRIAN: Apropos Debbie's point, I would encourage the Department to leave a little bit of room for extraordinary circumstances, we run into all kinds of situations where there are refugees who have fled their home country, don't have any records of anything. So it's important to be reasonable if there is a suspicion, as I suggested yesterday, that you need to kind of bifurcate, in my opinion, the regulations to address potential fraud by the student versus potential fraud by the entity that purports to be a high school to separate things. And they have different solutions. And at the same time, you need some flexibility for extraordinary cases.

MR. MARTIN: Thanks, Barmak. We'll take that back.

MS. JEFFRIES: Thanks. Alright, I see Emmanual’s hand and then we can move to the temperature checks. So Emmanual.

MR. GUILLORY: It was a question that I had yesterday in the chat, but is regarding a high school diploma validity, to determine whether or not it's valid. And I was wondering whose responsibility is that? Is that the Department's responsibility to determine if it's valid, the institution's responsibility or the student's responsibility? And the reason why I ask is because the way that it reads is that it's the institution's responsibility because it's administrative capability. And this is something that we had brought up last session of the additional burden that it is to then determine whether or not the high school diploma is valid and all these different things to determine that. But I just wanted to be clear as to whose responsibility it is.

MR. MARTIN: Yeah, that's a good question. But you're correct. It is the institution's responsibility to determine the validity of the high school diploma. If there's reason to believe that there's a problem with it, then that is something which needs to be resolved and is the institution that determines whether the student is eligible and then pays based on the student being eligible. So it is the responsibility of the institution to make this determination. The student might certainly be involved in having to take measures to obtain the documentation, but ultimately looking at it and determining whether or not the student is eligible always rests with the institution. And so that would be the same here. But I would point out again that, I think that this is a requirement for every institution to obtain diplomas in every instance, some schools do that. And if the school's policy were that they do collect high school diplomas or transcripts for every student whom they admit then it would be incumbent upon the institution if they saw any problems or had any reason to believe that any of those were a problem to follow up on that. So I don't think this is overly burdensome in that we're talking about instances where there is a procedure, there is a problem and we're resolving for that problem. So yes, there is a burden that the school has to look into that, but it's always been a school's responsibility to determine if a student is eligible.

MS. JEFFRIES: Okay. Thank you, everyone for that. So seeing no additional hands. Greg, are we prepared to move to temperature check on I believe it was, 668.157, right? No, I'm sorry. I'm sorry, I had the wrong paper. I apologize everyone. Okay, alright. So if we could see a show of hands or thumbs, I'm sorry on that. On the administrative capabilities, on V correct?

MR. MARTIN: V.

MS. JEFFRIES: Yep. Okay. Alright, let's see. Alright, I'm not seeing any thumbs down.

MR. MARTIN: Thanks everybody for the discussion, very good.

MS. JEFFRIES: Okay. So with that, let's move on to gainful employment and get started on that. Greg, if you would go ahead and oh, let me just give you a quick reminder in the chat, we have been asked by the Department to put in, Brady, I think it kind of got lost in there.

MR. ROBERTS: I just reposted the question, you should be able to see it.

MS. JEFFRIES: Okay. There are three questions that the Department asked us to put in the chat. As a reminder, as you move through the rest of this week and in between sessions on the information that they are seeking they asked for yesterday. So it's just there is a helpful reminder for you to provide that feedback to them. It would be greatly appreciated. Okay? So from there, Greg, do you want to give us a brief overview of gainful employment?

MR. MARTIN: Sure, we could start with gainful employment. It's always daunting when you hear the word gainful employment. We have to get into this and say, I do want to say it's a lot, you know, we're talking about a whole subpart here. I want to try to get through this today and balance the need to move through the paper, without, and also the need for allowing everybody to make whatever comments they want to about the documents. So I'm going to try to balance that and it may be a little difficult. But you know, if again, I'm not trying to cut anybody off or preclude any conversation. It's not my intention in any way, and if anybody feels they need to say something or stop and make a point, please let me know. During this, though, I was going to do a brief overview and introduce the topic again. So issue paper 3, gainful employment, as you are aware, we introduced this in the last session in session 1, but we did not at that time have any amendatory text to give you. If you look at the overview, I'm not going to go through that again because the summary of issues, rather because we did that before and I don't want to be redundant in doing that. But just in the area where it says proposal, I do want to go through a couple of these things just to sort of get us back on track as to what the Department is proposing to do here generally. So we are going to establish a framework again for whether a program prepares students for gainful employment in a recognized occupation. As we go through this, and you see and we walk through the text and hopefully all of you have looked through that. Those of you who are familiar with the 14 rule 2014 rule will certainly recognize a lot of this. That basic framework is retained for these rules with some notable exceptions. And we'll talk about that as we go through. We bring your attention here to what we want to do, to clarity as to the scope and purpose which govern the determination of whether a gainful employment program is eligible for Title IV HEA funds, as well as outline the reporting requirements for institutions. Some terminology. Includes the annual and discretionary earnings rate, which make up the debt earnings to D/E the definition of a GE program and the program's classification of instructional program CIP code. So those terms will be used. And credential level, and small program rates to assess the rates for all programs within the credential level that are otherwise too small to produce D/E rates. That is something new for that we're bringing in here that was not found in the 14 rules. And let's look down to three, the framework for assessing gainful employment programs. As with the 2014 rule, the Department will calculate discretionary and annual debt to earnings rate. So as I said, those of you who were familiar with the 14 rule will notice that has been retained. Institutions with discretionary rate D/E rate of 20 percent or an annual D/E rate of 8 percent or less, will be considered passing under the metric, as it was in 2014. A program that fails at the D/E rates in any two of three consecutive years becomes ineligible for Title IV HEA funds. We can look at the process for calculating their rates. The rates will be calculated on annual loan payment amounts that will be amortized over 10-, 15- and 20-year periods, depending on the credential level. We'll look at that as we get into the rate itself, on behalf of the graduates of the program and using interest rates that are based on an average of rates for three or six years prior undergraduate or graduate unsubsidized loans. The Secretary also obtains aggregate, median earnings for each program from another federal agency. The Secretary will calculate a small program rate based on all of the small programs in a given credential level. Looking at procedures for issuing the rates. The rates will be calculated based on administrative data, which institutions will have an opportunity to update prior to calculation of the rates. This is a little bit different than what we had before with the complete lists. It's a little bit of a modification when we look at that part of the regulation. As previously noted, earnings will be obtained from another federal agency and the Department will calculate the rates after removing from that calculation the number of students who are not matched in the earnings calculation. Under the process for determining D/E rates, the Secretary will notify institutions of the D/E rates for each program and for their small programs. For GE programs with D/E rates, the Department will also notify the institution whether the program is passing, failing or ineligible. And consequences for the D/E rates, for programs that fail the D/E rates, institutions will be required to provide a warning to current and prospective students. The warnings will be hosted by a website maintained by the Secretary, so this is another change over the 2014 rules, with the Secretary maintaining the site on which those warnings will be posted. Institutions will be required to share information to access that site, along with a warning. The Department will require students seeking to enroll in a failing program to provide attestation through their website that they have seen the warning. For ineligible programs, the institution is prohibited from disbursing Title IV HEA funds to students at the institution and cannot establish that program again for at least three years. We are establishing reporting requirements as well. Some additional information will need to be reported to the Department to ensure D/E rates can be calculated for each GE program and this will include student level information on the program, attendance and withdraw completion dates, private institutional loan debt, tuition, fees, books, supplies, and other equipment allowances. We are also and I want to point out that you will see as we go through this, that it is our intention to where possible, do our calculations administratively based on what institutions are already providing via the systems that participate for, such as GE, I'm sorry, such as NSLDS and COD. So, we're also going to specify, and this is new, under number 9 here, specify supplementary performance measures. So we are proposing to include certain data elements in consideration of an institution's application to participate in the federal programs prior to issuing a new PPA to an institution, we will assess and may take into consideration the withdrawal rates of the institution, the GE D/E rates and small program rates, if applicable, instructional expenditures of the institution and accreditor or state related job placement. If any of that information is available. And we are also going to outline key certification requirements for the GE programs. The proposed regulations include a timeline for institutions to certify that GE programs meet other requirements, such as complying with the timelines for reestablishing eligibility and being accredited or included in the scope of the institution's accreditation. So that's just a brief overview of what we're going to do if you look at the regulation itself. I'll just draw your attention to a couple of things here. You can see that we have made some changes in 600.10. We will be looking at updating application information in 600.21. We then would move into the program definitions under subpart Q. So the majority of what we'll be doing is looking at subpart Q. As I said before, you'll notice, a lot of this comes in the 14 rules. And finally, we'll be looking at disclosures under 668.43. So I'm going to leave it at that for now and turn it back over to Cynthia. And then when our presentations are concluded, we will walk through the document. Thank you. Cynthia.

MS. JEFFRIES: Okay, thank you, Greg, for that. So Dr. Adam Looney has joined us, so he will be doing his presentation. But before we get to that, I want to note that David Peterson is in at the table for gainful employment on behalf of financial aid administration constituency instead of Samantha Veeder and my colleague Kevin Wagner has been able to rejoin the meeting, who was slated to facilitate this morning, so I'll be turning it back over to him. Kevin?

MR. WAGNER: Sorry about that. Glad to be joining you all, and we're going to be joined by Dr. Adam Looney, who's an adviser. And he's going to give a presentation on gainful employment.

DR. LOONEY: Okay. Can I share my screen?

MR. WAGNER: Sure.

DR. LOONEY: Okay, can you see that? Or what are we looking at?

MR. ROBERTS: Yeah, it looks like an opening slide for a PowerPoint presentation,

MS. JEFFRIES: We can see that, yep, you're good. David Peterson's webcam broke yesterday, so although you may not be able to see him on your screen as a video participant, he is there. Okay? Go ahead, Dr. Looney.

DR. LOONEY: Okay, thank you. I just wanted to respond to some of the questions that came up in our last session a month ago and just to provide an overview of this in part to spur some questions from the participants and see if there is an opportunity for me to be helpful here. I wanted to do a couple of things. One was just to provide a summary of why accountability rules exist and what the evidence is about their efficacy, and to review some of them. Second, to review some of the mechanics of the 2014 rule and potential modifications to it. And then just to provide an overview of what programs have been affected. So you can see the second slide, right? Okay, I want to make sure I'm flipping through them properly. So in brief, five points about these programs. One is that there's a lot of evidence that postsecondary education can be in a ladder of economic opportunity and boost student earnings. Individuals with college degrees earn significantly more over the course of their careers. They are vastly more likely to move up into the middle class. And the educational workhorses that are responsible for this opportunity are often mid-tier, nonselective, mostly public institutions, not elite or selective schools. Likewise, there are many career oriented programs that offer degrees and certificates that boost their student's job prospects. And this is where federal aid is particularly important in providing access to those institutions. At the same time, despite that opportunity, there are large numbers of students that invest time and money in occupational programs that result in low earnings and/or loans they can't repay, leaving them worse off than they were prior to enrollment. The weight of those failures falls most heavily on the most disadvantaged students. Just for example, Pell Grant recipients represent about 90 percent of all students who default on an undergraduate loan. And the evidence shows that poor student outcomes are primarily caused by low quality institutions and programs, clearly disadvantaged students are concentrated in programs with poor outcomes. But the research is clear about the direction of causality. The problem is the programs, schools, not the students at any given college. For example, students from low and high quality, low- and high-income families have very similar earnings and repayment outcomes, even at nonselective institutions. Looking over the history of the student loan program, default rates have surged and declined many times, and that's not because the students in these programs have changed. It's because the programs that are eligible to participate in Title IV programs have changed over time across a range of outcomes like default rates, loan repayment rates, post college earnings, callback rates of job applicants. The outcomes of students largely reflect the characteristics of schools and not only the backgrounds of the students. And that's why accountability policies are effective in improving student outcomes. After a crisis, for example, in the student loan market in the 1980s, rigorous institutional accountability measures implemented at that time drove default rates down to single digits. And likewise, much of the increase in default rates and falling repayment rates since 2000 was caused by the unwinding of those accountability rules, like changes in the 90/10 rule, the erosion of cohort default rate rules, elimination of student learning rules as well as expansion of lending limits, particularly to graduate borrowers. And so, you know, just related to that, in the 1990s, these accountability rules closed more than 1200 institutions. But it's not that the students lost access to educational opportunities. Instead, the evidence is that they went to better schools and had better outcomes. And so the kind of broad consensus of the literature that has been examining the role of accountability in postsecondary education is that stronger accountability systems would have benefits in terms of improving student outcomes, reducing the costs of these programs to taxpayers. So that's the preview I have for each of these bullet points at the bottom of the presentation, which I assume will be shared at some point. I have references to academic research on these topics that you can peruse for further reading. But that gets me to the 2014 rule, and this graph is an attempt to demonstrate the how the rule worked. So as I just mentioned, there were two rules at a time, there was a rather, the rule is based on a debt service to earnings measure. Debt service was determined by the amount of debt at repayment, the interest rate and then an amortization schedule that depended on the credential level that was being attained. So if it was a sub-BA credential payments or the loan payments were amortized over a 10-year period, if it was a BA, they were amortized over a 15 year period. If there was a beyond a BA, master's, doctoral or professional program, it was amortized over 20 years. That debt service was compared to two measures of earnings and annual earnings threshold an annual earnings amount, which was just the greater of the mean or median earnings of completers in the program and a discretionary earnings test, which was the earning amount that exceeded 150 percent of the poverty line. And so I have illustrated those two rules on this graph. For a program to pass, it had to pass either of those tests. So for example, the black line in the chart shows this debt to annual earnings threshold. So programs whose debt to earnings were below the threshold in green would pass. Likewise, the blue line is the debt to discretionary income threshold. And so programs that had a debt-to-income level that was below that blue line passed. I have drawn this so that they indicate the 8 percent annual threshold and the 20 percent discretionary threshold. And so if you were on the other side of either of both of those lines, then those programs were failing. One other thing to say is I have represented here the levels of debt that correspond to failure for a sub-BA program for a program that was a BA program, the debt amounts would be about 40 percent larger before you failed and for a for a master's or a doctoral program. The levels of debt, I think, are about 80 percent, 70 or 80 percent higher. In other words, the longer amortization schedule allows programs to pass at much higher levels of debt, in debt to earnings ratios. At that time, there was a lot of elements that were debated about that, and I would just mention them here. Perhaps the most important admission of the 2014 rule and of debt to earnings rules more generally is that there were large numbers of programs that could pass even with very poor economic outcomes, provided that the median program computer did not have debt. And so, for example, that could mean that if 51 percent of students did not borrow, then the program would automatically pass. That might leave other students who had attended the program with large levels of debt that were unmanageable to them. Likewise, it also meant that students and taxpayers could invest large amounts of time and money into a program that was intended to improve their economic outcomes and yet not achieve that outcome because the outcome is very poor. So, for example, if programs were financed by GI Bill benefits, Pell Grants, Cal Grants, state investments or paid out of pocket, then those programs could still pass. Even though the outcomes of the students were quite bad. I think Ernest asked about completers versus non-completers, the 2014 rule is based on completers. At the program level, my sense is that there is just about no information about the non-completion at the program level, nor about the characteristics of individuals who complete or not complete at the program level. There is more information at the institutional level. I'm just going to mention that in passing because I don't have a lot more to say other than obviously non completion is a is a significant problem at a lot of institutions and leads to a lot of poor outcomes for students and student loan borrowers in particular. But as designed, that rule only focuses on completers. During the 2014 rulemaking, there were lots of questions about the role of underreported income. And so in the references at the bottom of this presentation, I have included a paper that has tried to analyze this question. It's been a question that researchers have subsequently tried to answer. The conclusion of that paper was that the magnitude of underreported income is relatively small and has little role in the success or failure of programs like cosmetology under 2014 rule. On a related note, I'll just mention certain programs that were more likely to fail the 2014 rule programs that primarily exist to fulfill state occupational licensing rules like cosmetology, barbering, massage therapy esthetics. The programs are costly. The earnings of graduates are very low. And I think the consensus of the economics literature is that those programs aren't intended to educate students so much as they are to impose barriers to employment in those fields to protect incumbents. And so this is an area where

I'll just mention that the Department or the educational system is thrust in the middle of the state policy making process. Another thing that came up last time, and I have included a couple of papers to that effect to analyze that the role of occupational licensing and debt in the reference section. The last thing to say is the three-year reporting timeframe that seems to be a robust timeframe to measure outcomes. And I've had some, reference to that. Finally, I think we talked last time, and I think people have proposed augmenting the 2014 rule within an earnings threshold. So just as an illustration, you can imagine drawing a vertical line like this black dashed line at some level of program earnings and then saying if the typical earnings of graduates of the program are below that threshold, then the program would fail the rule. The main consequence is that programs with very low levels of debt, but very low levels of earnings would fail to rule. And just to give you an illustration of how these rules would work. This table uses the 2015 data produced in 2017 by the Department of Education related to 2014 rule and compares that rule to one in which there's a $20,000 earning threshold. And so just to read across the columns in this table, the first column is the total number of programs that have degree recipients, according to the Department Education's IPEDS data. The second column is the number of degrees completed in 2015 based on that data, so like five million students received degrees. The third column is the number of gainful employment programs in the 2015 database. That database excludes very small programs. And so that's part of the reason why there are some proprietary school programs that are not in the gainful employment data. The fourth column is a number of programs that would fail the 2014 rule. So about 2000 out of the 8000 programs would fail. However, those programs represent a very small number of the total programs offered by postsecondary institutions in the United States. The next column is, if you added it, a $20,000 earnings threshold, that increases the number of programs that fails by about 1600. And in the last two sections provide some interpretation. So that shows that fraction of total postsecondary programs that would fail the rule under these two thresholds. So of all programs, 1 percent of degree granting programs would fail the 2014 rule. 1.7 would fail that rule augments it with a $20,000 earnings threshold. It varies enormously by sector. So public four-year programs, almost no programs fail, even community colleges. Almost no programs fail. Failures are highly concentrated in the proprietary sector and also in the private not-for-profit sector. I also got some questions about the kinds of programs that are most likely to fail. So the right-hand side of this chart shows the descriptions of the, programs that were most likely to have a failing program by the description of the program. So cosmetology assistant programs and the earnings in those fields are quite low. The reason I produced this was that people had asked whether teachers or, you know, early childhood education specialists or people in public service were likely to fail. And those are not the characteristics of programs that would fail just because they have higher earnings, and the levels of debt are not that high. I should also emphasize that, you know, even programs that have failing programs, most of them also have not just passing programs outside of the gainful employment space, but they also have passing gainful employment programs.

So students often have better options, not just in general at another institution, but often at the very same institution. And then the rest of my presentation is references. So I thought I would pause there and turn it back over. And I'm happy to answer questions.

MR. WAGNER: Thank you, Adam. I really appreciate that. Does anyone have any questions? There you go. Let's see. We see Johnson, go ahead.

MR. TYLER: Hi. Thanks, Adam, that's a really, interesting and clear presentation. I didn't understand your statement that if an institution had less than 51 percent borrowers that they wouldn't be covered by the 2014 gainful employment rule.

DR. LOONEY: That rule was based on the median debt. And so if the median student had not borrowed and the median debt of the program, completers would have been zero. It would have had people who owed debt potentially, but it would not necessarily be subject to the rule.

MR. TYLER: Thank you.

MR. WAGNER: Brad, you're up.

MR. ADAMS: Yes. Thank you, Adam. I just had a quick question, really confirmation on that last chart you showed just to confirm that it was only including program subject to the 2014 Gainful Employment Act, and that was not a review of how all programs would have fared under those GE metrics.

DR. LOONEY: You mean the second to last chart that showed the fraction of programs that fail under alternative rules?

MR. ADAMS: Yes. If that was just the programs that were subject to the 2014 rule or is that all programs and how they would have fared if they were subject to the rules?

DR. LOONEY: The table showed all programs of which not all are gainful employment programs.

MR. ADAMS: Right.

DR. LOONEY: And so only a small number of all programs are subject to the gainful employment rules. And so, I mean, the reason that the effect is so concentrated in the proprietary sector is that the vast majority of programs at nonprofit and public institutions are exempt by legislation from the gainful employment system.

MR. ADAMS: Thank you for confirming. Thank you.

MR. WAGNER: Debbie, you're next.

MS. COCHRANE: Thank you. Yes, I had a clarifying question about some of the data and particularly around the impact. And the note I believe said something like 2015 GE data [inaudible] 2017 IPEDS. And I'm wondering if what we're looking at in that slide is kind of an analysis of what the outcomes would be based on the old data after which we know that there was industry response, a lot of programs closed, or is that a more updated analysis using IPEDS data or scorecard?

DR. LOONEY: It is the same. I should be clear. It is the 2015 gainful employment data, and it is the 2015 IPEDS data. It's just that there was a lag. The 2015 data was not released until 2017, which maybe a detail I did not need to include. But it is not, I mean, clearly a fair number of programs did close after this. And so it is not updated for that, and I suspect that the information would look somewhat different today.

MS. COCHRANE: And so probably any of the programs, if to the extent that some of those failing programs close in that chart would actually overstate impacts. Is that correct?

DR. LOONEY: That's right. Yes, a number of the schools that had the largest numbers of failing students have since closed. And so the total number impacted they closed because of, I think legal action. And so I think that the total number of students and programs that would be impacted by the rule would be smaller.

MR. WAGNER: Okay. Marvin, you're up.

MR. SMITH: Adam, thanks for this data. Some of the things we're thinking about in terms of the timing of when GE rules are implemented is the problem of looking at income data for 20 and 21 with the pandemic. And I know that this is based on using three-year averages. But do you have an opinion on ways to look at an expanded 5-year average or how would you deal with the loss of income during the pandemic?

DR. LOONEY: Well, just as a matter of data protection, my understanding is that the reporting requirements that produced this data were terminated during the last administration. And so that infrastructure does not exist. And so, you know, getting that apparatus back up and running is going to take several years, and so I think that there will not be data available for these years. In fact, I suspect it will be several years before, the pandemic will be over by the time the rates are produced. That said, just to clarify things, these data are the earnings in the third year after program completion. So it's not an average. It's in the third year and it's two combined cohorts typically. So I don't know if it is for gainful employment, but typically it is not an average. It's a point in time estimate of the earnings of graduates.

MR. WAGNER: Okay, thank you. Emmanual, you're up.

MR. GUILLORY: So the question I have actually is different from what Adam just said, I think I have a question about that, but we'll get back to that. So Adam, thank you so much for your presentation. Thank you for the time and effort and energy to put that together. So, I really appreciate that. I wanted to ask you a question about some of the data that you had around the total programs. Degrees completed GE programs at the various sectors of institutions and types of institutions. So with GE programs that you had listed in particular, I'm talking about the slide that says scope of the rule and who is affected. So, for example, for private nonprofit four-year, you have at 173 programs that all private nonprofit four years or more, there was only 173. I just want to clarify that what that data is telling us is that there were only 173 programs with 30 or more students in the cohort that actually had to be published as GE programs? And the reason why I just want that clarification is because the Department put out data as well from federal student aid regarding GE programs that list the total amount of GE programs versus the amount of GE programs that are actually published, and that has to deal with the cohort number. So I want to make sure that was what you were showing us.

DR. LOONEY: I'm showing the published numbers. So there are more GE programs than there are published data. And so these are the ones that have published data, and the ones that are too small, so to speak, are not in this table. And I mean, frankly, I don't know how they should be treated because the numbers of students are quite small and many of these programs.

MR. GUILLORY: Right. We're going to get to this later. But since the Department will be proposing to calculate rates on small programs, then those programs could then also be included. So recent data does show us that in the nonprofit sector, there are over 18,000 programs that were qualified as GE programs, but only 2,956 of those programs were actually published. So now, with new proposals that we'll talk about later, I think all of those additional programs will now be calculated on those programs too.

DR. LOONEY: Yes, I mean, I can see how many programs have, undergraduate certificates at those programs. I think that's an answerable question. So I could see they published the number of students that get degrees in those programs. And I could count those.

MR. GUILLORY: Okay. Thank you.

MR. WAGNER: Just want to announce that Jaylon Herbin representing civil and consumer rights is in, and he's up to ask a question, so take it away, Jaylon.

MS. JEFFRIES: Okay, just real quick Jaylon, addressing questions in the chat. Dr. Looney is it alright if I go ahead and send out your presentation to the entire committee at this point?

DR. LOONEY: That's okay, thank you.

MR. WAGNER: Thanks, Cindy. Go ahead, Jaylon.

MR. HERBIN: Thank you so much for that presentation. It was really helpful. One thing that struck me was the $20,000 earnings threshold. It seems to be very low. I guess really, the one thing that we're concerned about is a lot of the single families that we represent single parents actually, 150 percent of those of the federal poverty level is actually above $25,000. Greg, can you tell us how much this number, how this number was determined? And is it because 150 percent of the poverty level of families are one of them or how did you come up with that $20,000?

DR. LOONEY: Well. I used $20,000 as an illustrative example. I don't know that the Department has a particular dollar amount that it is picked on. I mean, I agree with you the $20,000 isn't enough to live on as a family. So at the same time, I wanted to pick something that was illustrative and would give you a sense of what the impact was.

MR. WAGNER: Greg. I'm sorry, go ahead.

MR. HERBIN: And just really quick, is the Department willing to rethink that number, or is Greg willing to share what number they're looking at for this?

MR. MARTIN: We haven't discussed a number with relation to that yet, as Dr. Looney pointed out, that was a figure he used for illustrative purposes, but that that does not relate to any number that we have. We do, 1.5 times the HHS poverty guideline is incorporated into the calculation of discretionary income rate, but that's not what that comes in at it's not a dollar figure.

MR. GUILLORY: Thank you.

MR. WAGNER: Barmak, go ahead.

MR. NASSIRIAN: That was an excellent presentation, it was the most compelling overview I've seen. And I have a question for you with regard to the amortization terms for a law, for graduate programs, I mean, the 10-, 15- and 20-year amortization terms are obviously like any number you pick is quite arbitrary. Is there a way of justifying particular amortization terms on the basis of like expected wage differentials associated with different credential levels?

DR. LOONEY: Well, I thought that in part, the different amortization schedule was motivated by some sense of the timeframe over which students typically would repay a loan or the projected timeframe over which a student would expect to have a boost to their earnings. Although I'm not sure exactly what the exact correspondence is between, you know, I don't know exactly how we got to a 10, 15, 20 schedule for that. So I think that's a good question to ask. Obviously, the different amortization schedules do imply very different levels of debt that are acceptable, and so it is a good question to ask whether those are the appropriate levels of debt relative to the earnings boost that students presumably get from those more advanced degrees.

MR. WAGNER: Okay, I just want to let everyone know that we have three folks still in the queue. Want to remind you guys to try to keep the questions brief. If you have additional questions, feel free to send them to FMCS and we'll forward to Dr. Looney and then we'll be turning it back over to Greg. So the next person I see in line is Emmanual.

MR. GUILLORY: Yes, I want to ask that second question that I had mentioned. And so, Adam, I believe, so I think my colleague Marvin had brought up the pandemic and how that could potentially impact these D/E rates. And I believe that you had mentioned that at the time, we would have D/E rates calculated it wouldn't include the pandemic. Did you say that I don't want to put words in your mouth?

DR. LOONEY: I mean, I defer to the mechanics at the Department of Education who will be responsible for collecting this data. But my sense is that the institutions have not been reporting who is enrolled in their programs and will not report that information to the Department of Education until the Department issues a new rule. And so only then will the Department know who is enrolled in a particular program. And then 3 years after that, will we know the earnings of those individuals. And maybe the timeline is shorter, slightly shorter than that, but I think it's quite a long timeline.

MR. GUILLORY: Okay. The reason why I ask is because this rule, let's say it goes into effect July 1st of 2023. And I don't think the Department will be able to then calculate D/E rates for year 2023 2024 academic year. But if that was the case, then 2019, 2020, and 2021 would be included. But let's say that rates aren't calculated until 2024 2025 academic year. Well, then you have 2021 2022, or 2020 2021, 2021 2022, that would be included. So since we are still in the pandemic and it's 2022, it just seems like the pandemic would have an impact on these D/E rates. And I would hate for institutions to have a score that is failing, obviously, but due to elements that are not in their control. So I just want to highlight that.

DR. LOONEY: Sure. Just to try to clarify, but again, I defer to someone at the Department who might know better that you have a rule that says, please report who has graduated from your GE program. We report the number of students as of who graduated in the year 2022 or maybe the year 2023. And then we check how much they earned in year 2025 or 2026. And the debt to earnings ratio is the ratio of the debt amortized at the time that they graduate within 2022 or 2023 divided by their earnings in 2025 or 2026. And that seems like it's relatively far out.

MR. WAGNER: Thank you. We have let's see, we have Adam, Anne, and then we have Johnson. And if I could ask the negotiators to hold off on joining the queue after that and to submit any further questions to FMCS, that'd be great. Just in the interest of time and a very good discussion. Let's go ahead. Adam, you're up.

MR. WELLE: Sure. I'll add my thanks to Dr. Looney for this presentation, I find it very helpful. I just wanted to follow up on one comment. There was a mention about those low earnings programs and that there was some academic literature out there suggesting that, you know, those programs are not necessarily there to provide necessary training but are more serving as barriers for incumbents. And I'm wondering if Dr. Looney it could be possible to circulate any of that literature or say anything more about that?

DR. LOONEY: Sure, I mean, I'm happy to. There's a paper that's forthcoming on exactly this topic, and there's another paper that I have included in the references of this slide. But I mean the, just to give you a couple of pieces of data, the educational requirements to enter cosmetology, I think that they require something like 2000 hours of educational investment that is among the largest of any field. So like to be an EMT, you need 150 hours of training. To be an electrician, I think in the median state, you need zero hours of occupational training. In a lot of these fields, there's not an educational requirement. And so I think if you look at the relationship, for example, between how many hours of training states require and the earnings of students who graduate from this programs, there is no relationship. So it's not like if you go to school, if your state requires 2000 hours of education instead of 1000 hours, you don't make twice as much. You don't make one percent more. In contrast, the students who graduated from the 2000-hour program have a lot more debt than students who graduate from the 1000-hour program. And so clearly that that is an area where the state policy is driving the costs and the debt rather than solely being a function of the institution.

MR. WAGNER: Anne, go ahead.

DR. KRESS: Thank you, and I also want to thank you for the presentation. I also want to thank you for the last point that you made, because I think it's very important for folks to understand that in most of these cases, when there is a professional or professional licensure that results, this is not within the control of an educational institution to determine the criteria for sitting for those exams or receiving those licenses. So to me, that's really important. I really want to ask about the income threshold, since that seems to be a great interest in this conversation. What you provided with an average, which is wonderful, but an average doesn't tell the whole story, right? I'm in Virginia. I'm in northern Virginia. The wages that you would see in my part of the state don't look anything like you would see in the more rural parts of the state for all sorts of reasons. And so I just want to caution us against the challenges that averages present. There are about 260 rural community colleges. They serve close to 700,000 students. The economic situation that employers can and will pay in those markets is very different than what you would see in Alexandria or Annandale here in northern Virginia. So I think we just want to be really mindful about that, in many cases, even though the wages would not look large and are not large to anyone who lives in an urban area, they could be a significant step up for somebody who lives in a more rural area.

MR. WAGNER: Carolyn, you'll be the last question. It doesn't mean that if there's additional questions you can't send in FMCS we'll direct them to Dr. Looney. But last but not least, Carolyn go ahead and then we're going to have to resume negotiation.

MS. FAST: I just wanted to say also thank you to Dr. Looney, for a very helpful presentation, and I had more of a comment and a question really quickly, and I wondered if it would be possible to share the helpful graph that was showed if that's possible for the one that just showed the 2014 gainful employment rule without the earnings threshold. I don't know if it's possible, the only I say this, I thought it was a really useful way to think about the visualization for me was very helpful and it was very useful in terms of thinking about the different earnings metrics, earnings threshold metrics that the Department had proposed, especially the fourth one, which I'm sure we'll talk about later. But the only reason I'm raising it now is that I thought that that graph was a really helpful way to see what would happen if we took the debt to earnings metric out I thought since we had the metric near us, we could look at it now. But maybe we can do that later. If that's possible, it doesn't look like it can be shared now.

DR. LOONEY: I'm going to have that circulated, so.

MS. FAST: Okay, great, thank you.

MR. WAGNER: Okay. Thank you, Carolyn and thanks for no further questions, and I'm going to go ahead and turn it back to Greg.

MR. MARTIN: Yeah. Point of order, don't we have the presentation of data from the Department first? Brady?

MR. ROBERTS: I believe we do. Greg I'll ask your team, have they entered the Zoom meeting? I didn't see them in the waiting room.

MS. JEFFRIES: Brady, Christopher is in the meeting already, or at least he was a minute ago.

MR. ROBERTS: Oh, I do see Chris. Hi Chris, do you want to come on camera and introduce yourself?

MS. JEFFRIES: Yes, he is on camera. So Chris, are you going to be the first speaker for the Department from the Department staff?

MR. BENNETT: Thank you for having me. My name is Chris Bennett, and I'm a statistician in the office of the chief data officer, and I'll be talking about two memos that we put together in response to earlier requests. I believe in the first session. And afterwards, my colleague Brian Fu and I will take any questions that you have. So I believe someone was going to be sharing the two memos. Is that right? Thank you. And so I'll just briefly walk through these. So overall, this first memo, which I believe was shared with you, the goal of the small cohort sizes analysis was to examine the extent of suppression due to small cell sizes, both in terms of the share of programs that are affected, and the share of students enrolled in those programs whose outcomes can't be disclosed. And for this analysis, the threshold that was used was less than 30 completers per cohort to identify small programs, and that's the same threshold that was used in the 2014-year GE rule. And so a little bit about this data, here when we're talking about programs, we're talking about a unique combination of institution, as indicated by 6-digit OPE ID program or field of study measured by four-digit CIP code and credential level. This analysis is based on award years, 2016 and 2017, and the median debt is based on program completers, not just borrowers, as Dr. Looney mentioned earlier. And we used a version of debt that excludes Parent PLUS loans. Again, for reference, it's based on third year earnings after program completion. And here we're comparing the published data against a universal file that looks at all programs that have any completers, not just 30 or more completers. So briefly, I'll talk through table 1. Here, we're looking at the share of GE programs and completers that have fewer than 30 graduates in a cohort broken out by institutional control. And so what you see here on the left-hand side of the screen is the share of GE programs that have less than 30 Title IV completers. And so what we see is that in the two-year cohort for award years 2016 and 2017, the majority 88 percent of the programs at public institutions, 88 percent of the programs at nonprofit institutions and 55 percent of programs at proprietary institutions were too small to be shown. But then on the right-hand side of this table, what you see is that the percent of actual completers so the share of students in those small programs is significantly smaller. So those small programs represented 40 percent of students completers at public institutions, 22 percent at nonprofit institutions and 4 percent are proprietary institution completers. So it's a lot of programs, a smaller share of actual completers. Here, you'll notice there are two rows two-year cohort and four-year cohort, that two-year cohort again is for award years, 2016 and 2017. The four-year cohort here is an estimate where we double the number of completers from 2016 and 2017. So we were looking to see what would happen if we doubled the length of time that we examined for a cohort. And as you can see, if you doubled that time, the share of programs that were small went down by about 10 to 12 percentage points on the left-hand side for all control types. And then on the right-hand side, it reduced the number of students who were in small programs by about half, so they went from 40 percent of students being in small programs, excuse me, completers being in small programs, the public institutions to 22 percent. If you were to double the length of time you looked at four-years rather than two. And then we can shift down to the bottom of table 1. And so sorry, that's broken up by that page, but in essence, the last two lines of table 1 show you the total number of programs or completers that are in that type of institution. And then the additional coverage that you would get by extending the period to a four-year cohort rather than a two-year cohort. So those numbers give you a sense of essentially what the additional coverage would be in reportable accounts if you extended the length of time for each cohort. We'll move on to table 2. And so table 2 gives a little bit more granularity. It looks specifically at the percent of GE programs that had fewer than 30 graduates in a cohort that's broken out by credential level and control. And so the broad indication here is that the largest number of programs are at the undergraduate certificate level across all control levels public, nonprofit, proprietary. And what we see in a broad pattern is the public and nonprofit institutions. And can we scroll down just a little bit more to see the full table? Thank you. Thank you very much. What we see is that public and nonprofit institutions, 80 plus percent of programs are not able to be disclosed because they are small programs. And that's true regardless of whether you're looking at a two-year time period or expanding it to that four-year time period. And proprietary institutions, the coverage is a little better. Broadly, what we see is that the largest category undergraduate certificates, about half of programs are not able to be disclosed at proprietary institutions, 48 percent. And it gets up to 50s and 60s percent being too small to report for different credential levels. So overall, this is just a much more detailed view of what share programs by credential type and control are not able to be viewed because the sizes are too small of the completed cohort. We can move on to table 3. And so for table 3, this is again focusing on the number and share of completers, so whereas table 2 look at the share programs, table 3 is focusing on the share of completers. And what we see here is that for public institutions and nonprofit institutions, again, zeroing in on that largest category undergraduate certificate programs, 39 percent of completers, excuse me at public institutions are not able to be shown to do the small program size at the two-year window. Public institutions that nonprofit institutions 12 percent of undergraduate certificate completers are in small programs and only 4 percent of completers at for-profit undergraduate certificate programs are in small programs. And again, you can walk through each different level to sort of get that indication. But the overall point or the overall take away for this year is that a relatively smaller share of students are in small programs, even though the share of programs that are small is a little bit higher. And so that's sort of the broad strokes for the small cohort sizes, and this is intended to give a broad vantage point of what kind of coverage we currently have using a model of two-year cohorts and how that might change if you extended it to four-years. So with that, I'll pause here and see if there are any questions about this memo before moving on to the second memo.

MR. WAGNER: Johnson, you're up.

MR. TYLER: Thank you. Thank you, Chris. I have two questions. The first is what's the difference between a completer and a graduate? I don't understand the difference in table 2 and table 3, they seem to be measuring something else.

MR. BENNETT: Those terms may be used interchangeably. This is measuring completers. So we may have just used graduate and completer. But they they're intended to mean the same thing.

MR. TYLER: Okay, thank you. And then the other question I have is, is this based on a 6-digit CIP code or a 4-digit CIP code?

MR. BENNETT: This is, I believe it's based on a 4-digit CIP code. I can confirm, but I believe it's 4 digit.

MR. WAGNER: Is that it Johnson? Okay. Debbie, you're up.

MS. COCHRANE: Thank you. My question was very similar to Johnson's last question about the CIP code level, and I think just because that's a difference between the 2014 rule and what's proposed here. So also, if you whichever one this is, if you have also the alternative that would be helpful to see as well.

MR. BENNETT: I can take that back and double check for you.

MS. COCHRANE: Thank you.

MR. WAGNER: Brad, go ahead.

MR. ADAMS: Thank you, Chris. So, you know, my takeaway here is because of the small end sizes at the public and nonprofit institutions that have GE programs that the majority of them are not subject to the D/E calculations, is that correct? Is that what I can read from this?

MR. BENNETT: This table is showing the majority of programs. The majority of students at those programs are in small programs.

MR. ADAMS: Which are not subject to GE?

MR. BENNETT: They are not able to have the rates calculated because of the small size.

MR. ADAMS: Thank you.

MR. WAGNER: Okay. I don't see any other questions. Chris. take it away.

MR. BENNETT: Alright. I'll move on to the second memo then. And so in the second memo that was distributed to folks, we're focusing on the effect of capping total loan amount at the tuition, books, fees, and supplies. And so this is based on the 2014 GE regulation that was the policy of that median debt levels were capped based on an institution's tuition, fees, books, and supplies. Here, the data that we are using for this analysis is the official D/E metrics, the 2015 GE rates and that included 8,650 programs with published data. Since I know that question came up earlier, this is again based on the published data. And here what we did was to do a reanalysis in which we did not apply the cap based on tuition, fees, books, and supplies. And so in broad strokes, in this third paragraph, what you see is that of the 8,650 programs in the data, more than two thirds had median cumulative debt of borrowers that was the same regardless of whether you applied the cap or not. So for the majority more than two thirds, there was no change. And so we did want to look at that by credential level. So the first table here does show how that shakes out by credential level. And so generally, what you see is that the fraction of programs we're applying the cap would reduce the median total loan debt increases along credential levels. So an undergraduate certificate level only about a quarter would have a median total loan debt that was reduced as a result of the cap. But by the time you get to graduate programs, it's about 97 percent of those programs would have a lower total loan debt median if the cap were applied. This just gives a sense at each of those levels. And it's also worth noting in this table again that the vast majority of GE programs from the 2015 GE rates we're at the undergraduate certificate and associate degree level. So while the share of programs that would have their rates, their median debt reduced at the graduate program level is pretty high, there aren't that many programs at the graduate level, especially relative to those undergraduate credentials. We then looked at the 32.5 percent of programs where calculating the median total debt and removing the cap would increase their debt levels. And what we see is that the changes to their median debt would vary considerably overall. The median change if you were to remove the cap would be an increase of about $1,161. Again, this is only among those that would see a difference, and 25 percent of the programs would see an increase of about $3,800 and the highest 10 percent of changes would see an increase of over $10,000. And there are a smaller number about 94 programs that would have a measured increase of about 20,000. And those are again primarily at the graduate level where we see the more extreme changes. So taken together, the impact of removing the cap based on tuition fees, books, and supplies would be 2.3 percent of the passing programs would be reclassified into either failing or zone if the tuition, books, fees and supplies cap were removed. That's the high-level summary of the impact of removing that tuition fees, books, and supplies cap, and I'm happy to take any questions you have.

MR. WAGNER: Marvin, you're up.

MR. SMITH: Yeah, a couple of questions. On the second paper, can you or did you look at breaking out by institution type, private, public for-profit?

MR. BENNETT: That is something that could be done. I don't recall that specific analysis being done already, so that's something I could take back as well.

MR. SMITH: And then a quick follow up. It just seems like we still need, are we going to get to more data because what the Department proposing, getting rid of the pass-fail zone. Has the Department looked at how that might impact programs in schools by institution type?

MR. BENNETT: I am not sure where that type of analysis stands, so I'd have to ask.

MR. WAGNER: Johnson.

MR. TYLER: Yes, this is all very interesting and informative. But I'm curious, what if you can associate the number of students enrolled in some of these programs, so we have a better sense of how gainful employment would affect the public by and large? Because by looking simply at the programs that are effective, we don't know if a program is, you know, trying tens of thousands of students who are not benefiting from it versus one of these small programs that only has 20 students that are kind of weighted equally in in this analysis, it seems to me.

MR. BENNETT: I did add that to the list of things to examine, along with the breakout by institution type. Also weeded it by the number of students as another supplementary analysis that I think would be feasible with the data.

MR. TYLER: Thanks.

MR. WAGNER: Barmak.

MR. NASSIRIAN: I have to confess that I found that the findings are a little counterintuitive to me, and I'm wondering whether you could speculate as to what the cause could be. You would expect. I mean, what the data suggests is that graduate students are borrowing for subsistence purposes at a much higher rate than certificate students. Isn't that when the distinction that there is living costs being covered with loans? In the case of graduate programs, that the certificate students are just basically borrowing to cover tuition.

MR. BENNETT: I am reluctant to speculate. So I'm not sure what the source of it is, but it would be something beyond tuition, fees, books, and supplies.

MR. NASSIRIAN: Thank you.

MR. WAGNER: Dave, go ahead.

MR. MCCLINTOCK: I think I can answer some of that question. It's the way the median cap is used. So there's no in the 2014 GE rates, there was no consideration given for grants and other payments that are received. So if a program costs $10,000 and the student got $6,000 of Pell and took out the $9,500 the first-year loans to pay for the program, it just compared that, so for example, they had $4,000 left to pay for the program, they're taking it $5,500 stipend to cover living expenses while they're going to school. The previous rate compares the cost of tuition to the loans that were borrowed. So my example, the $9,500 was being included with or without the cap being applied. And so I think because of that fact, you're not seeing the decrease when you add the cap, most of it when you get rid of the cap, most of the loans were being included already. And so reducing or removing the cap has a much smaller impact on the medium debt.

MR. WAGNER: Okay. Any other questions? Okay, thank you very much, Chris for the presentation. I'm going to go ahead and go right to the next Department presenter. That'd be Brian Fu.

MR. FU: I'm sorry. Nothing further from me, I was just supporting Chris. Thank you.

MR. WAGNER: Okay. No problem. Then I'll go ahead and turn it back over to Greg.

MR. MARTIN: Thank you, Kevin, and I want to thank our presenters, Dr. Looney and Chris for those excellent presentations that they did. Very informative. So as we're looking back at the GE paper again and in light of, I seemed to have lost my screen here, one second, bear with me a moment.

MS. JEFFRIES: Renee, you're sharing the wrong document.

MR. MARTIN: Oh, thank God, it wasn't me. Thanks, Renee. Appreciate it. It's good to get a little jolt once in a while. So yeah, so we're going to go and look at these regulations and walk through them. I think what I'd like to do in view of how much we have to get through in the timeframe that we've got to go through it. As I said previously, we are going back to a lot of what was in the 14 rule and all those rules are not currently extant because they were taken down. They are, existing rules. And so what I want to concentrate on are the changes that we've proposed here. So in view of that, I would like not to read through every, line of amendatory text because I don't think we would ever get through all of it if I do that. However, as we go through, if there are areas that we're not, hitting that you want to discuss in more detail or want further clarification, please, let me know. So again, I'm trying to engage in this balancing act between covering everything and being mindful of the timeframes that we have. So let's just begin then with I'll consider all beginning with 600.10, the date, extent duration of eligibility. So just starting there before we get into subpart Q. We have made an update in this section to add that institutions must report updates and changes to their gainful employment programs, including meeting any restrictions on reestablishing a GE program as part of seeking eligibility for those programs. So you can see there in (c) eligible programs go down to one where it says here romanette 4. And this actually should have romanette 4 indicated here, no, we changed it to romanette, let me be certain that we have three weeks of you've got there, right, okay, so this should be we go down to for gainful employment under 34 CFR 668, update the application under 600.21 and meet any time restrictions that prohibit the institution from establishing or reestablishing eligibility. So, and yeah, there we go. And that's you'll see that that's that, says romanette 4. But I want to point out that this should actually be romanette 5 because through the prison education rulemaking, we have already proposed to add a new romanette 4 to that paragraph, which would say that for the first eligible prison education program under subpart P of 34 CFR part 668 offered at the first two additional locations as defined in 600.2 at the federal state or local penitentiary reform, reformatory work, former juvenile justice facility or any other similar correctional institution. So 4 will be that rule that pertains to prison education, and this will be 5. So no text is changing here related to GE but when the prison education rules are final, that would be the way that would read. So that's the only change under 600.10. We'll go down to 600.21, which is updating application information, so let's take a look at this. We have modified the language in this section to include reporting on the credential level of GE programs, as well as updates to certifications for those programs. You can see here under reporting requirements for any program that is required to provide training that prepares a student for gainful employment, establishing the eligibility, or reestablishing. Discontinuing the program's eligibility. Ceasing to provide the program for at least 12 months. Losing eligibility under 600.40 or changing the program's name, CIP code, or, as we've added here, credential level or updating the certification pursuant to 668.410. And that's where the certifications are included. And we'll get to that later on as we walk through the document. So that concludes everything that's not part of subpart Q. So I want to get through all that first and I'll ask if there are any questions related to that before we move on to the bulk of this, which will be in subpart Q or post subpart Q.

MR. WAGNER: Thank you, Greg. Brad.

MR. ADAMS: Thank you, Kevin. And Greg, I just want to state that I'm deeply concerned that the allotted amount of time we're getting to review the Department's gainful employment proposal is insufficient. In the past, the entire rule makings have been dedicated to this rule and at best, now we've got three hours left of today and maybe one day in the next session to discuss the most important rule for our industry in many years. Schools will go out of business; people will lose their jobs and students will be left with nowhere to go. While our economy has over 10 million open jobs today, there are around 8 million students in all higher education, of which only 1.2 million are attending proprietary schools. Many industries facing critical job shortages, was just shown on 60 minutes like nursing, could lose programs that are helping fill the employment gap. And while the Department’s proposal contains some components of the 2014 rule that we'll review today, the 2022 proposal differs in so many significant ways that I'll be highlighting throughout the day. The 2014 rule at least had components that improve the quality and fairness, and unfortunately, the new proposed 2022 rules remove so many significant items that it appears the Department does not really use the 2014 rule as a starting place as requested by this committee. As I previously stated in week one, our view is that all students in all programs and all institutions would benefit from debt to earning rate information calculated in this rule. And Adams presentation is a great lead-in to the fact that they did not include programs not subject to gainful employment in their review. But a report issued this week from the Texas Public Policy Foundation, a 501c3, nonprofit, nonpartisan research institute, actually published a report that I'll drop in the chat that finds that gainful employment rules will apply to all programs in all sectors of higher education using recent data. 51 percent of the programs failing in total would be private nonprofits, and 39 percent would be at public institutions and 11 percent would be at for-profit institutions. The research continues to highlight the loophole of the gainful employment rule that misses about 90 or 89 percent of programs at nonprofit and public and leaves students with unmanageable levels of debt relative to their income. The Department has argued that it lacks statutory authority to require degree programs and institutions of higher education to comply with the gainful employment rule. I repeatedly have observed, the Department has the authority to require all programs at all institutions to demonstrate compliance with D/E rates under a Statutory Quality Assurance Authority at Title 20 U.S.C. section 1087 D subsection A paragraph 4. There is no need a requirement to the Department accountable to not attach the Department's [inaudible] framework to the gainful employment concept. But do you speak to the time issue that we now have three hours to discuss this issue?

MR. MARTIN: Yeah, I will speak to that same issue, Brad. I understand that given the number of topics that we have on this table, that there is less time devoted to GE than has been in the past and that the time constraints are tight. I don't tend to restrict anybody's ability or right as part of this group to make any comments they want to on any of these topics as we go through. There's no intent on the part of Department to circumscribe anything, here. So certainly, all those points you want to bring up, you will have the opportunity to do so, as well as any other members of the committee. I would understand your point about the extent to which these rules align with these proposed rules align with what we had in 2014. I do admit or stipulate rather that there are some significant differences, but I would maintain that we have pretty much adopted the framework of the 2014 rule and in doing that have adhered to the spirit of what was requested by the committee during the last session. I will do my best to get through these, as I said before, where anybody feels they have to stop and to make a point or to go back and reiterate something, or if there's something they feel I have missed that they want to review, please feel, free to do that. Other than that, I would just say that the time that we have we'll make every effort to cover these rules in their entirety over the course of today.

MR. ADAMS: And Greg, to my second question, can you comment if the Department looked into its statutory authority to apply this debt to earning rates to all programs under 20 U.S.C. section 10 87 D subsection A paragraph 4?

MR. MARTIN: We have considered that. The Department's position is why we are including energy programs is our continued concern about the problems we do have rather we do have concerns about earnings across the board for low earnings and high debt programs across the board. And that's one of the reasons why we are going to propose disclosures across all sectors. However, that said, in this rulemaking, we are proposing to clarify the eligibility requirements that are specific to gainful employment programs, and that has been true under the Higher Education Act for decades, that there is a specific reference to gainful employment programs that apply only to for-profit and certificate programs. We are maintaining that t position from the previous rules. I understand that there is disagreement on that subject, but that is where the Department has landed. And as far as the law goes, I can invite my counsel Steve to comment on that.

MR. FINLEY: Yeah, thanks, Greg, and thanks, Brad, for raising the question. I mean, there's an established basis for the Department to regulate under the gainful employment language in the Higher Education Act here, and that's what we're continuing to use. There are efforts to broaden the amount of information that's under consideration for all programs here, and that's the framework that's in front of everyone for discussion. I understand that you've identified other statutory authority that could possibly be used to try to establish similar requirements for every program, but that's not the proposal in front of us for discussion right now.

MR. MARTIN: Thanks, Steve.

MR. WAGNER: Before we get to Barmak really quickly just wanted to announce that Ashley Schofield is in for minority serving institutions and then Barmak you are up.

MR. NASSIRIAN: In the interest of time, I'm not going to belabor the point, but I just wanted to point out that given the fact that you now have fairly mechanical upfront requirements in 600.10 and 600.21, it would really be helpful for the Department to articulate some fairly minimal upfront criteria before a program can be approved. Simple things like a market study that indicates the program is likely to pass the scores, some kind of vetting of it up front. And this is a particularly important issue because I'm not sure what the Department intends to do with the debt of students that it allowed to be plugged into the programs almost as guinea pigs to see if the program is good. What happens to those people when the program fails becomes a real, significant moral issue? So I would encourage the Department to contemplate a little bit more substance on the front end before it approves the programs. Thank you.

MR. MARTIN: Thank you, Barmak.

MR. WAGNER: Thank you. Johnson, you're up.

MR. TYLER: Thanks. Can I go back and ask Chris Bennett a question about one of the papers that he presented?

MR. MARTIN: Sure.

MR. TYLER: So, Chris, are you there?

MR. BENNETT: Hi.

MR. TYLER: Yeah, so I had a little more time to look at the first paper you presented with table 1. I just want to make sure I understand it because I think it answers my question that I was concerned about it. How many people are affected by GE not just the programs. So table 1, the column to the right entitled percent number of all T4 completers in GE programs and programs with less than 30 T4 completers. So the 4 percent in that two-year cohort, that's actually means 96 percent have an end number above 30 and hence would be covered. Is that right?

MR. BENNETT: 96 percent of students at proprietary GE programs are in programs that have 30 or more completers.

MR. TYLER: Okay, great.

MR. BENNETT: So they would be covered, yes.

MR. TYLER: And so if you go to the second page of that paper, which has the table continuing on it, the number that's almost a million is the number of students who would be covered by the GE rule. Is that right?

MR. BENNETT: I'm sorry, could you say that one more time?

MR. TYLER: The 996,000 students the number in in the far column in the upper right. Is that the number of students at a for-profit school that would be covered under a GE?

MR. BENNETT: Yes, that's the Title IV completers at GE programs or in the proprietary sector. Yeah.

MR. TYLER: And there's this difference between the two-year cohort versus a four-year cohort is this basically saying by extending the analysis, by two more years you're only protecting 2 percent more students. Is that right?

MR. BENNETT: So it's showing it reduces the share that aren't covered basically in half across each sector, and since it was 96 percent to begin with in proprietary sector, it's 98 percent. So it makes a bigger difference in the public and nonprofit sectors, but across all, it reduces about by half.

MR. TYLER: I see. Okay, thanks very much.

MR. BENNETT: And one just confirmation from earlier. It is the four-digit CIP code that is used in this small program analysis.

MR. TYLER: Thank you.

MR. WAGNER: Thanks, Chris. Let's see, we have Adam up next.

MR. WELLE: Sure. And I don't want to put too fine a point on this, but just going back to Brad's comments and the comments from a couple of times high standards to all institutions. It is my understanding that these provisions are being proposed under the sections of the Higher Education Act that specifically instructed only certain proprietary institutions and vocational programs are eligible for financial aid. So in other words, it's the statute itself. It's the Higher Education Act that specifies that only certain programs should receive the privilege of federal financial aid and taxpayer support when they're purported to prepare students for gainful employment in a recognized occupation and since enactment, Congress has drawn that distinction. So to push that these standards need to apply to all institutions is just at odds with the statute. And it really, in my view, doesn't have any relevant place in this conversation over these potential implementing regulations. And that argument, I really think, should be made to Congress. So, you know, I think it's the Department's goal. I think it's all of our goals to seek to implement the intent of the Higher Education Act and the intent of Congress in good faith. And I just find this discussion over whether these standards should apply to other institutions to be completely misplaced. And I'm looking forward to talking about the specifics of the standards, what's workable, what's effective, et cetera. So that's my comment. Thanks.

MR. WAGNER: Thank you, Adam. And Brad, you're up.

MR. ADAMS: Well, you know, even the Department's opening proposal, it says that we're here to collectively draft regulations that improve outcomes for all students, and we have the opportunity here to do that. So I'd like to present a proposal for everyone to think about over the lunch break here that even though the Department declines to use Statutory Quality Assurance Authority to extend this accountability framework to all institutions it still can and should require all institutions to calculate and disclose D/E rates for informational purposes. Under Title 20 U.S.C. section 1092, the Department is authorized to require the calculation and disclosure of a wide range of institutional and financial assistance data. The Professional Licensure Disclosures, now required under 668.43, are based on this authority and I'm excited to see that the Department has included section 668.43 in this proposal that we're reviewing today. I'm requesting that the agency can and should move the entire debt to earning rate calculations and disclosure framework under 668.43, requiring all institutions to calculate and disclose informational D/E rates for their programs. The Department can require all institutions to calculate and disclose D/E rates for informational purposes while still using debt to earning rates to determine eligibility for gainful employment programs under its proposed subpart Q. The calculation disclosure of D/E rates for all institutions if authorized under Title 20 U.S.C. 1092 while the authority to use D/E rates to determine the eligibility of gainful employment programs for the Department is separately authorized under title 20 U.S.C. 1002. There is no sound policy justification for denying debt to earning rate information to students and degree programs at all institutions of higher education. If debt to earning rates are deemed important and useful information, they are important and useful for all students. According to the Department's own data in the fourth quarter of fiscal year 2021, there were 8.4 million, or 76 percent of the students participating in income driven repayment plans went to public or nonprofit institutions. These are graduates who have represented to the Department that they are not able to afford their student loan debt based on their income and family size. The majority of these students attended programs outside of the proprietary sector. To summarize, I'm proposing to move the debt to earning metric calculations into section 668.43 while still only apply debt to earning rates for eligibility in the federal direct loan program to gainful employment programs defined in our current proposal and subpart Q. Thus, nonprofit and public institutions would not lose federal direct loan eligibility over failing scores. Also, through the College Transparency Act bill, which is moving through Congress, is another indication that policymakers are demanding more data. Implementing this approach is more likely to be supported by all future administrations and would greatly benefit and protect all students in higher education.

MR. WAGNER: Thank you, Brad. Go ahead, Brad.

MR. ADAMS: Question for Greg and Steve. Now the 668.43 is open, thoughts about moving the debt to earning metrics into that section and referencing it within the gainful employment calculation, please.

MR. MARTIN: I'm not going to comment on that right now since it was just brought up. We will take it back and discuss it.

MR. ADAMS: I would like to talk about that after lunch. I think that's very important protection for all students at all institutions and all programs and still gets to the nature of the GE rule. And the GE rule specifically did not define a metric. We created these metrics, and we'll debate the thresholds on these metrics. There's no metrics defined in the gainful employment statute. So again, this could be very beneficial to all students in all programs. And I will tell you, I don't know why this has gotten so political. I've got two kids about ready to go to college, and I surely would like to know this information before they would go. And I bet everyone else on this committee would like to know that information.

MS. JEFFRIES: Brad, thank you for your comments, and Department has asked for time to look into it. So with that Kevin, you want to move us along?

MR. WAGNER: Just wanted to see if there's any comments limited to 600.10 or 600.21. We are coming up, towards the 12 o'clock break. So if there are, I'd ask for them to be brief and if not, then I will turn it back over to Greg.

MR. MARTIN: Thank you, Kevin. Yes. Before the brief time we have before lunch let's move into 668.402, which is our definitions. And I want to make a couple of points here in this section, we have continued, to outline definitions that are used throughout the subpart and many of these mirror what was in 2014. But I want to talk a little bit about a few of the of the changes that we have made here. And the main one here is the CIP code. We previously used a six-digit CIP code to identify instructional programs. We are now going to use the first 4 digits of the CIP code for the purpose of calculating a debt to earnings rates. This will allow us to overcome some of the challenges associated with ensuring data available and releasable while still ensuring the privacy of student data. It's also consistent with how we currently classify the fields of study on the college scorecard. So in looking at the definitions. You can see there where that is indicated under the classification of instructional program, CIP code, taxonomy of instructional program classifications and descriptions developed by the U.S. Department of Education's National Center for Education statistics and specific programs offered by institutions are classified using a 6-digit CIP code. However, for the purpose of this subpart, the Secretary uses the first 4 digits of the CIP code to identify gainful employment programs and have comparable content and objectives. So that's the main change there. Everything else you see there below have the annual earnings rate and indicate that the calculation for that is found in 668.404. We also describe the cohort period. This is a carryover from 14, so we can just review this briefly. The Secretary will use a two-year cohort period to calculate the debt to earnings rates for a program when the number of students after exclusions that are identified in 44 E in the two-year cohort period is 30 or more. The Secretary uses a four-year cohort period to calculate the debt to earnings rates when the number of students completing the program in the two-year cohort period is less than 30, and when the number of students completing the program in the four-year cohort period is 30 or more. The cohort period covers consecutive award years that are described below. So you can look there for the two-year cohort period. It's the third and fourth year prior to the award year for which D/E rates are calculated, with the example given there for you in the reg and for a program whose students are required to complete a medical or dental internship or residency. The sixth and seventh award years prior to the award year for which rates are calculated. And then we go into a discussion of how those are, which years are used for the four-year cohort period under 2. You can see that it's the third, fourth, fifth and sixth award years prior to the award year for which these rates are calculated. And then for a program required for medical or dental internship, it's the sixth, seventh, eighth and ninth award years prior to the award year for which the D/E rates are calculated. Moving down into credential level below that, the level of academic credentials awarded by an institution to students who complete the program and for the purpose of this subpart, the undergraduate credential levels are undergraduate certificate or diploma, associate's degree, bachelor's degree plus, baccalaureate certificate and graduate credential levels or graduate certificate, including postgraduate certificate and master's doctoral and first professional degree. A couple of things to point out here in some of our other definitions under earnings. I want to point out and again, most of what you're seeing here is a carryover from 14, but where we have federal agency with earnings data, I want to make one clarification here in the brief time before we go to lunch, we have added a new definition of federal agency with earnings data. Previously, we established agreements with multiple federal agencies to obtain these earnings data. For example, both Treasury and SSA accessed the same earnings information. HHS maintains discretion in the national directory of new hires, and the Census Bureau has established partnerships with some state systems to produce high quality earnings information. So we proposed to allow the Department to use the agency with access to earnings information provided these data are sufficient and to match at least 90 percent of Title IV graduates, ensuring they provide high quality and accurate information. So this is giving us a broader scope, a broader range of agencies from which to request that data. And it being 12 o'clock, I'll turn it back over to the facilitators.

MR. WAGNER: It is 12 o'clock, this is time for the break we’ll be breaking from 12 to 1 for lunch. Have a good lunch and then we'll go ahead and resume back with gainful employment, back with the definitions as we were just getting into. So we can take a break and see everyone at one o'clock.

MR. MARTIN: Thank you.

Department of Education, Office of Postsecondary Education

Zoom Chat Transcript

Institutional and Programmatic Eligibility Committee

Session 2, Day 2, Morning, February 15, 2022

From Barmak Nassirian (A) Servicemembers & Vets to Everyone:

Dear Colleagues, I am enclosing a link to a legal memo from the National Student Legal Defense Network (NSLDN) on two issues related to financial responsibility: First, the memo addresses the lack of statutory authority for the practice for renewing provisional PPAs beyond the three-year statutory cap. The Department has seemingly been doing it for decades. And it needs to stop. And the regulations need to change to fix this. Second, the approach that the Department uses for setting letters of credit is also contrary to what the statute permits. The Department has historically based letters of credit on prior year funding, but the statute requires the sureties to be based on annual potential liabilities. Those are simply not the same. And the prior year funding does little to mitigate closed school discharge losses. I submitted language on this before this round of discussions.

https://drive.google.com/file/d/1JgMqndiilXbnbOYsZeiIcPnRlr5VJZEG/view?usp=sharing

From Jessica Ranucci (A)- Legal Aid to Everyone:

Johnson Tyler is coming back to the table for GE for legal aids

From Brady FMCS Facilitator to Everyone:

1. Should institutions who cannot report success rates remain subject to the cap until they can report? 2. Should all new institution remain subject to the withdrawal rate? 3. Should states remain in the trial period with extensions until success rates can be reported?

From Sam Veeder (P) FA Administrators to Everyone:

David Peterson is coming to the table for GE for Financial Aid Administrators

From Brad Adams (P - Proprietary Institutions) to Everyone:

I want to flag that the organization that Barmak cited in the article in the chat is the same organization that authored the report that explains the Department can (and should) apply accountability metrics, such as those in the gainful employment rule, to all programs at all institutions under the quality assurance authority. https://www.defendstudents.org/news/body/docket/100-Day-Docket-Direct-Loan-Authority.pdf

From Ernest Ezeugo (P), Students & Loan Borrowers to Everyone:

Thanks, Adam.

From Johnson (P) Legal Aid to Everyone:

can Adam distribute the power point?

From Adam Welle, State AGs (P) to Everyone:

+1 on the request for the PowerPoint.

From Anne Kress (P) Comm Colleges to Everyone:

+1 on request — if it could be sent now to facilitate questions that would be helpful

From Jamienne Studley (P) Accrediting agencies to Everyone:

Could Adam share his slides, ideally via FMCS to all of us. And to Adam: it might be helpful to do an additional version of the final slide by broad fields (cluster for example by medical; cosmetology/barber; business).

From David (A) FA Administrators to Everyone:

+1 on ppt request

From Anne Kress (P) Comm Colleges to Everyone:

+1 Jamie

From Carolyn Fast (P) Consumer advocates/Civil Rights to Everyone:

Jaylon Herbin is coming to the table to make a comment.

From Beverly Hogan Primary/MSI to Everyone:

+1 to Emmanual's question.

From Beverly Hogan Primary/MSI to Everyone:

What are the implications for the institutions?

From Johnson (P) Legal Aid to Everyone:

For what it’s worth, most of my clients who attended for profit institutions that would be affected by GE had higher earnings in 2020 due to covid relief measures.

From Johnson (P) Legal Aid to Everyone:

https://hechingerreport.org/how-cosmetology-schools-mire-students-in-debt/

From Jaylon Herbin (A) Consumer and Civil Rights to Everyone:

@Adam Looney, would you be willing to run this with perhaps a couple of different thresholds? Interested to see how different earnings thresholds impact the scope of the policy.

From Brad Adams (P - Proprietary Institutions) to Everyone:

I believe Dr. Looney's statement about the rule not being retroactive (tied to COVID) is incorrect. It clearly states in 668.402 of the proposed GE rule that the years the calculation will include the COVID impacted years.

From Ernest Ezeugo (P), Students & Loan Borrowers to Everyone:

+1 Jaylon's comment, would also be interested in seeing that.

From Johnson (P) Legal Aid to Everyone:

This link is to an article related to the expensive cost of cosmetology schools in Iowa https://hechingerreport.org/how-cosmetology-schools-mire-students-in-debt/

From Laura Rasar King (A) Accrediting Agencies to Everyone:

+1 Anne

From Johnson (P) Legal Aid to Everyone:

did this paper get distributed earlier on? I don't recall seeing it.

From Beverly Hogan Primary/MSI to Everyone:

Yes, it was via email

From Adam Looney (Advisor) to Everyone:

A couple follow ups: regarding small title 4 programs, I believe the intent is to produce data on the outcomes of those programs, but not loss of title IV eligibility

From Johnson (P) Legal Aid to Everyone:

thx found it!

From Adam Looney (Advisor) to Everyone:

Brad--I think the uncertainty regarding the timing is about whether the Department will be able to collect data retroactively from institutions who may not have had a legal requirement to collect or retain that data (or retain it in a form necessary to perform these calculations).

From Emmanual Guillory (A-PNPs) to Everyone:

Adam, that is correct based on my reading of the proposal; however, small program rates can be used to determine an institutions PPA, which can be problematic.

From Brad Adams (P - Proprietary Institutions) to Everyone:

+1 to Marvins question

From Beverly Hogan Primary/MSI to Everyone:

+1 to Johnson's comment

From Beverly Hogan Primary/MSI to Everyone:

I am leaving the table. Ashley will join the table at this time.

From Brad Adams (P - Proprietary Institutions) to Everyone:

Here is the report reference in the chat. https://www.texaspolicy.com/wp-content/uploads/2022/02/2022-02-NGT-LessonsfromGainfulEmployment-AndrewGillen.pdf

From Yael Shavit to Everyone:

+1 to Barmak

From Amanda Martinez (P) Civil Rights to Everyone:

+1 Barmak

From Laura Rasar King (A) Accrediting Agencies to Everyone:

+1 to Barmak

From Carolyn Fast (P) Consumer advocates/Civil Rights to Everyone:

+1 to Barmak's comment

From Ernest Ezeugo (P), Students & Loan Borrowers to Everyone:

+1 Barmak.

From Barmak Nassirian (A) Servicemembers & Vets to Everyone:

I do agree with Brad that more granular disclosures about programmatic outcomes at all institutions would be helpful. The issue is how to deal with the additional reporting burden on institutions and the Department. Given the high likelihood that the CTA may be enacted into law, the Department may well be able to produce more detailed data without much additional burden for institutions. We can address the issue when we discuss 668.43

From Brad Adams (P - Proprietary Institutions) to Everyone:

+1 Barmak.