

Advisor information presented at November 3, 2021 Negotiated Rulemaking

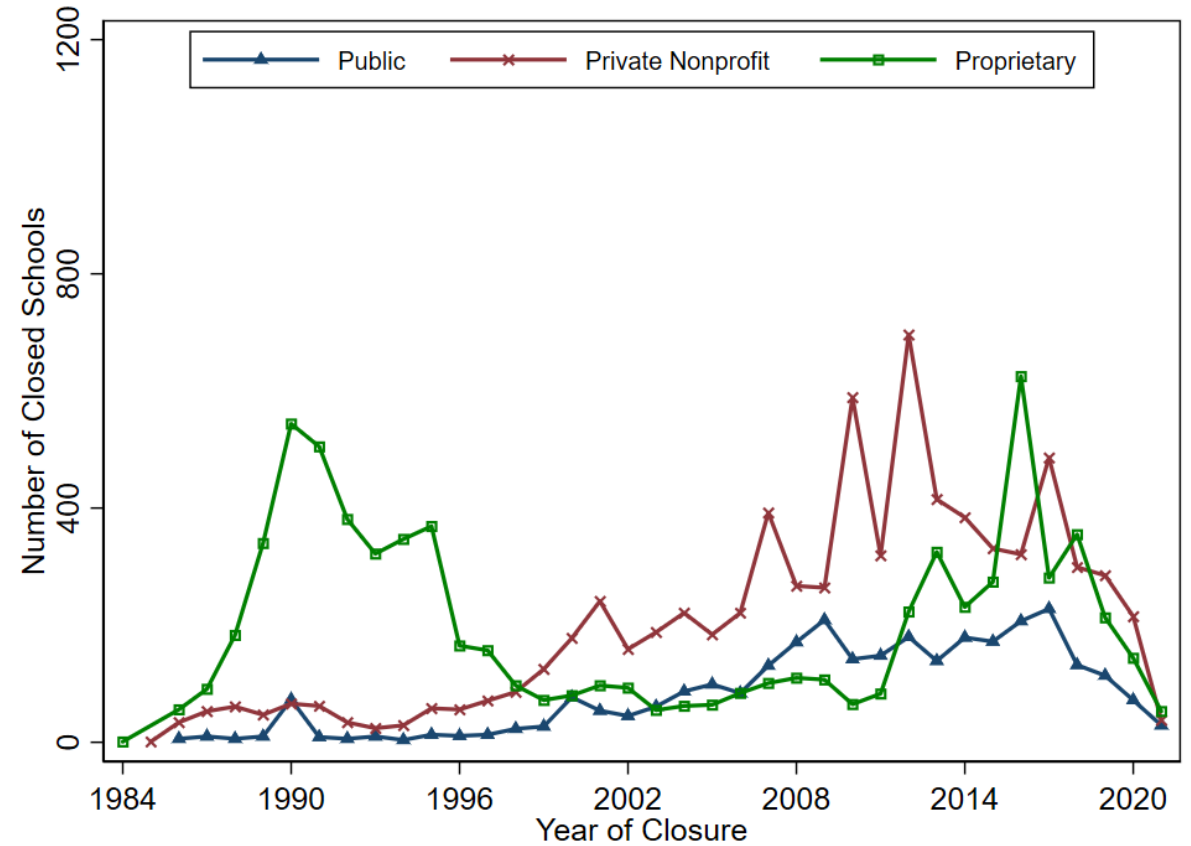
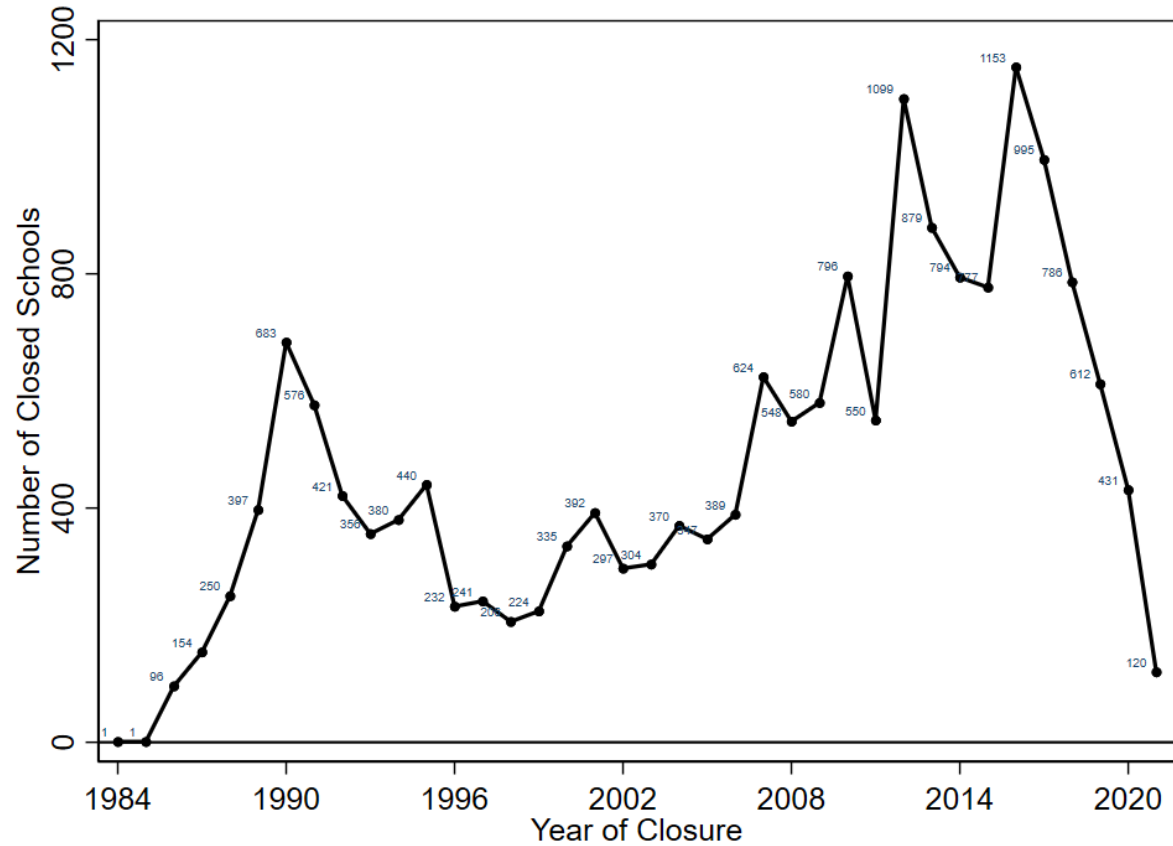
1. Closed school counts over time
2. Highlights from recent GAO report (GAO-21-105373) (duplicated from October 5 presentation)

Note: This document was prepared by Dr. Rajeev Darolia, Advisor for economic and higher education policy analysis and data, for the 2021 Affordability and Student Loans Committee Meetings as part of the 2021-22 US Department of Education Negotiated Rulemaking for Higher Education. Please forgive any errors in analyses produced in an expeditious manner.

I appreciate research assistance from Kathryn Blanchard and Bianca Onwukwe.

Number of Closed Institutions, 1984-2021 (Total = 17,836)

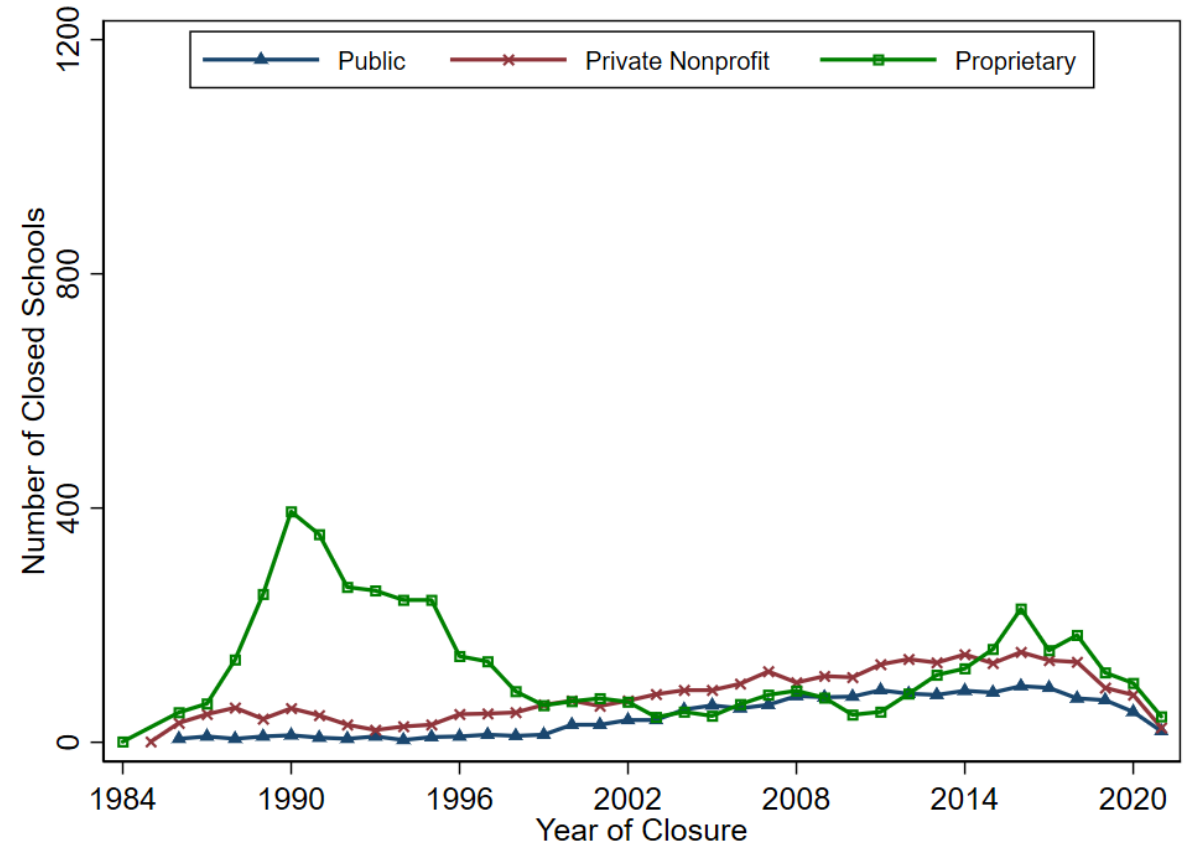
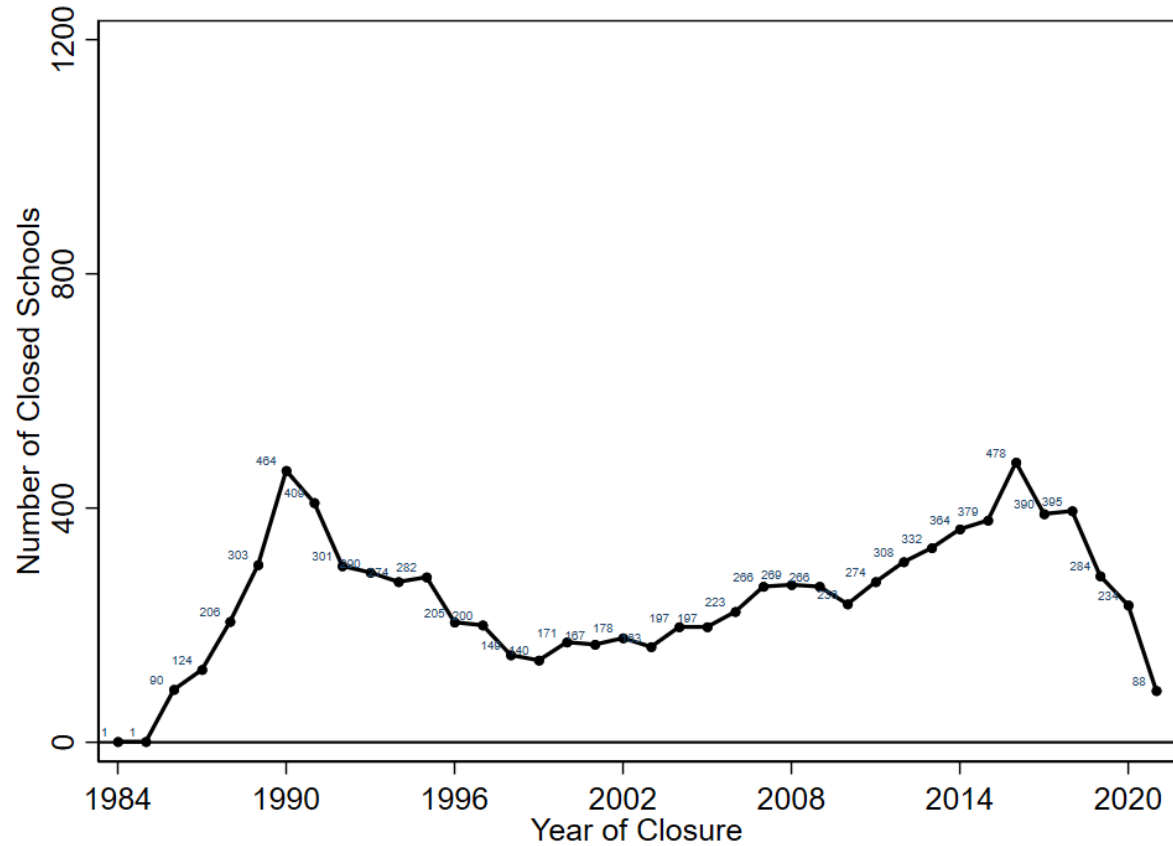
8-digit OPEID



Source: Closed School Search File. Federal Student Aid, US Department of Education, available at <https://www2.ed.gov/offices/OSFAP/PEPS/closedschools.html>. Report date 09/20/2021. (Report date dated 11/01 now shows 128 closed schools in 2021.) Notes: 8-digit OPE IDs. US domestic institutions only. Includes only schools that participated in a federal student aid programs administered by the US Department at one time. OPEID is Office of Postsecondary Education Identification Number – the first 6-digits identify the education institution, the next 2-digit suffix identifies branches, additional locations, and other entities that are part of the eligible educational institution.

Number of Closed Institutions, 1984-2021 (Total = 9,298)

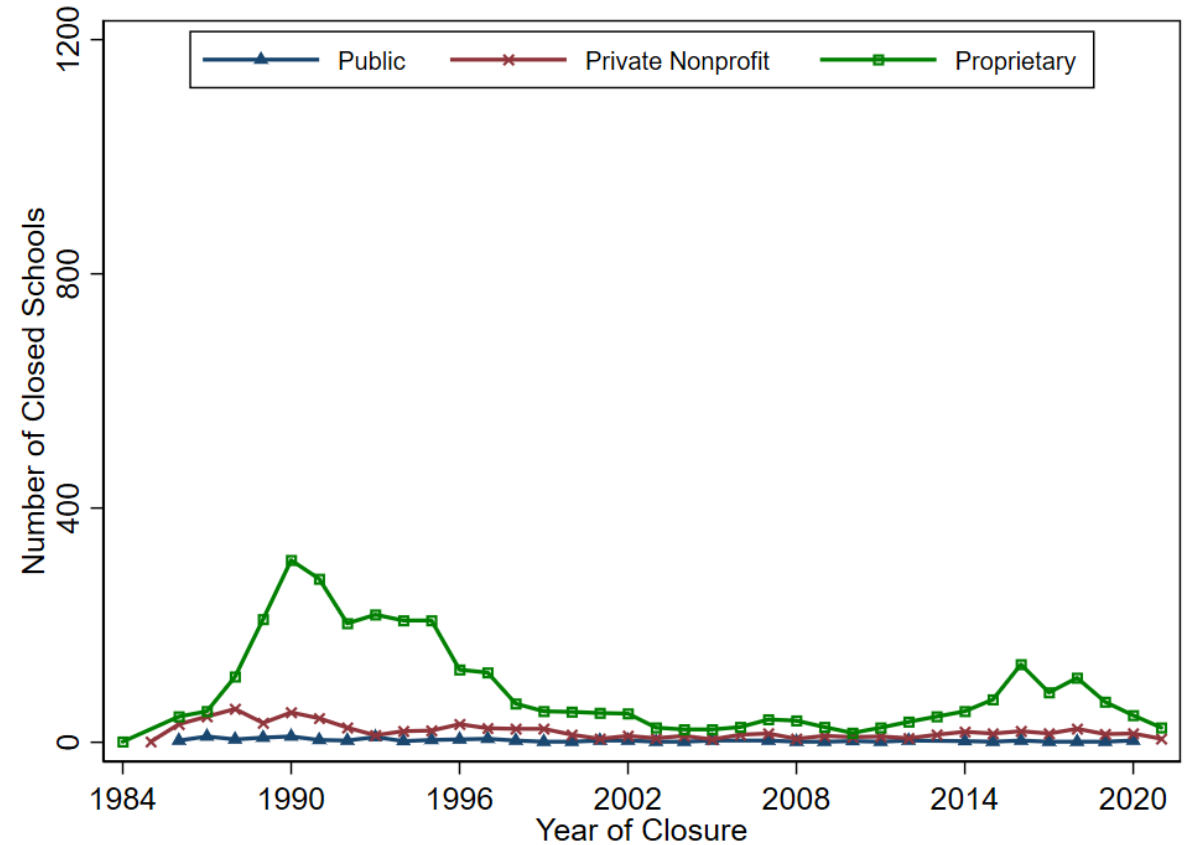
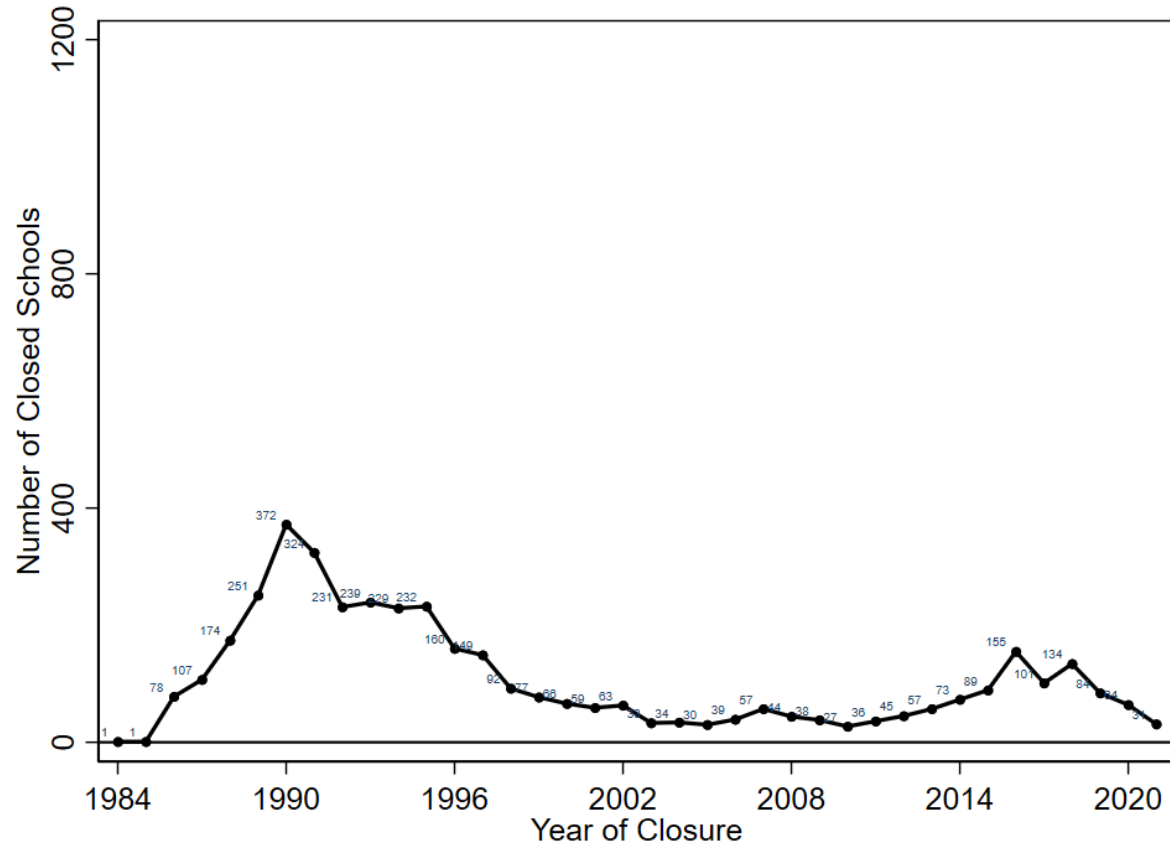
6-digit OPEID



Source: Closed School Search File. Federal Student Aid, US Department of Education, available at <https://www2.ed.gov/offices/OSFAP/PEPS/closedschools.html>. Report date 09/20/2021. (Report date dated 11/01 now shows 128 closed schools in 2021.) Notes: Collapses 8-digit OPE IDs into 6-digit OPE IDs by year. US domestic institutions only. Includes only schools that participated in a federal student aid programs administered by the US Department at one time. OPEID is Office of Postsecondary Education Identification Number – the first 6-digits identify the education institution, the next 2-digit suffix identifies branches, additional locations, and other entities that are part of the eligible educational institution.

Number of Closed Institutions, 1984-2021 (Total = 4,076)

8-digit OPEID suffix = 00



Source: Closed School Search File. Federal Student Aid, US Department of Education, available at <https://www2.ed.gov/offices/OSFAP/PEPS/closedschools.html>. Report date 09/20/2021. (Report date dated 11/01 now shows 128 closed schools in 2021.) Notes: Includes institutions with 8-digit OPE ID suffix equal to 00, typically indicating the “main campus” or “parent institution.” US domestic institutions only. Includes only schools that participated in a federal student aid programs administered by the US Department at one time. OPEID is Office of Postsecondary Education Identification Number – the first 6-digits identify the education institution, the next 2-digit suffix identifies branches, additional locations, and other entities that are part of the eligible educational institution.

Differences between Closed School Data and GAO report

- GAO report – institutions
 - Combined college closures that
 - 1) have the same 6-digit Office of Postsecondary Education Identification Number (OPEID) and
 - 2) closed within the same calendar year.
 - Did not include over 7,100 OPEIDs that Education reported as closed but did not have borrowers who potentially would have been eligible for a closed school discharge
- GAO report had access to borrower-level data from ED

GAO Findings on College Closures, 2010-2020

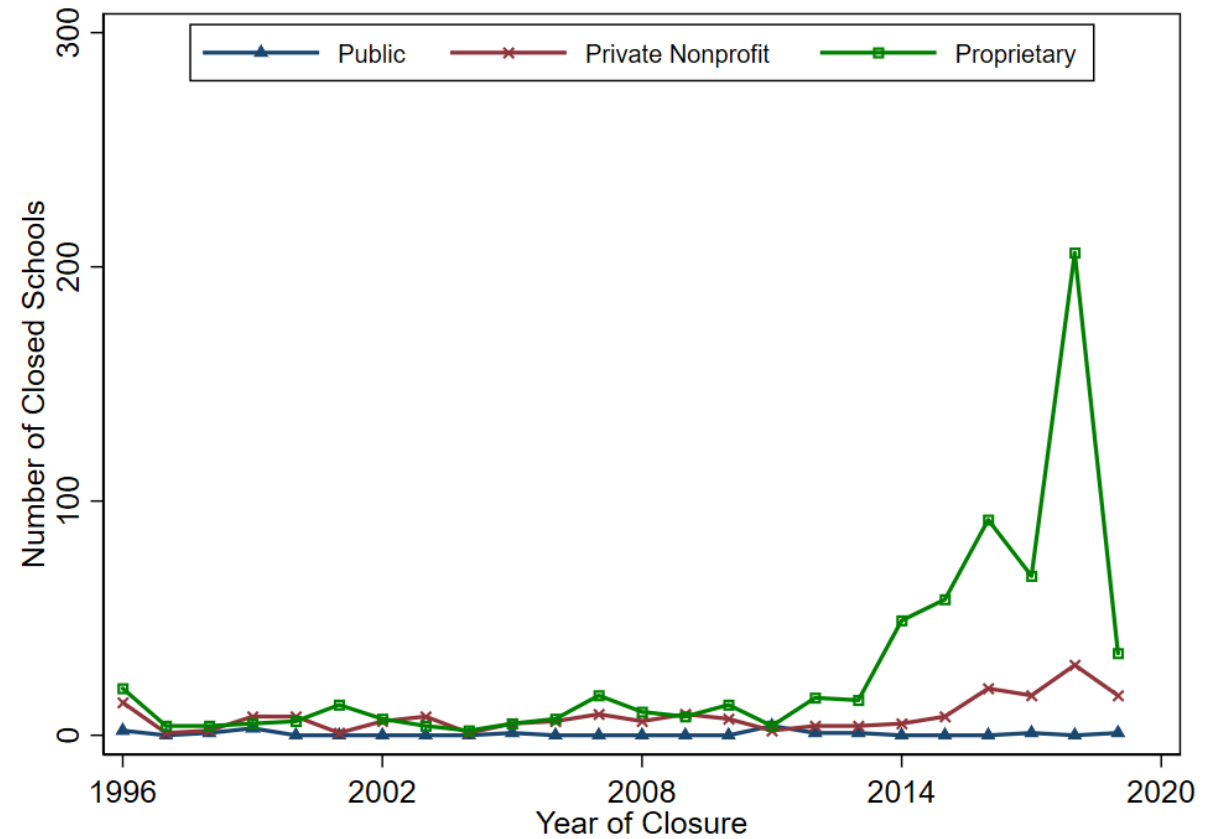
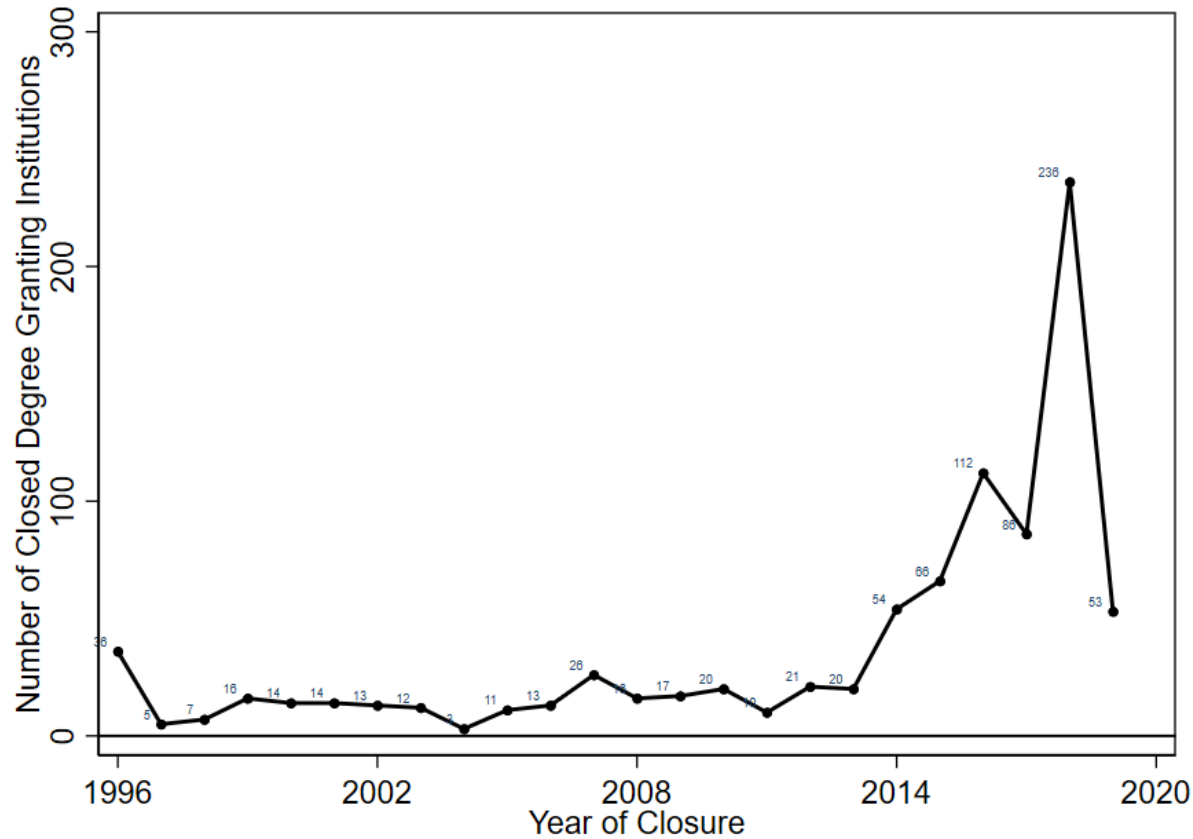
- About 246,000 borrowers were enrolled at 1,106 colleges that closed
 - Borrowers enrolled in closed colleges:
 - Collectively had a \$4B in federal student loans
 - Median student loan debt: \$9,500; Mean student loan debt: \$16,400
 - 86% were enrolled at FP college; 14% nonprofit, 1% public
- Enrollment outcomes (overall among borrowers)
 - 13% completed program before college closing (ineligible for closed school discharge)
 - 44% transferred to another program (possibly eligible for closed school discharge)
 - ~30% of borrowers transferred from a for-profit college to a public college
 - ~5% transferred to a program that subsequently closed
 - ~1/2 of borrowers who transferred did not graduate within 6 years of transferring (pre-2015 cohorts)
 - 43% did not complete their program before their college closed or transfer to another college (eligible for closed school discharge)
- Circumstances surrounding closure appear to matter (e.g., abrupt versus orderly)
- Negative consequences of closure
 - Students often lose credits (from prior GAO report)
 - Students transferring among FP colleges lost 83% of credits on average
 - Borrowers who reenrolled at public colleges lost 94% of credits

GAO Findings on College Closures, 2010-2020 (continued)

- >80,000 students had loans forgiven through a closed school discharge
 - Does not include Aug 2021 announcement regarding additional ITT Technical Institute student discharges
 - Discharged ~\$1.1B of loans at 682 college closures
 - Median loan debt ~\$9,900
 - 96% went to students at for-profit colleges (2/3 concentrated at 21 colleges)
- Automatic discharges accounted for 42% of discharges since eligibility in 2013
- Of the group that transferred, but did not graduate within 6 years of transferring (pre-2015 cohorts), 700 applied for and received discharges
- Of those who received automatic discharges
 - 52% defaulted on their loans
 - More than half during the first 1.5 years after college closing
 - An additional 21% were past due at by ≥ 90 days at some point during repayment

Additional figures

Number of Closed Degree-Granting Institutions, 1996-2019 (Total = 881)



Source: Table 317.50. 2020 Digest of Education Statistics, US Department of Education, available at <https://nces.ed.gov/programs/digest/index.asp>. Notes: Year is the first year of the academic year by which the institution no longer operated. Degree-granting institutions grant associate's or higher degrees and participate in Title IV federal financial aid programs.

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