

November 14, 2016

Director of the Information Collection Clearance Division
U.S. Department of Education
400 Maryland Avenue SW, Room 2E-347
Washington, DC 20202-4537

RE: Gainful Employment Disclosure Template Docket # ED-2016-ICCD-0100

Dear Director:

The Institute for College Access & Success (TICAS) strongly supports updating the Gainful Employment Disclosure Template, as required by the gainful employment regulation published on October 31, 2014. The regulation requires institutions to use the new disclosure template beginning January 1, 2017. The proposed new template will provide more, better, and clearer information than the current template to help students make informed decisions about where to enroll. Among other changes, the new template will provide critical information on program licensure and a more meaningful completion rate, as specified in the final regulation. Below we provide more detailed comments as well as recommendations to further improve the template.

TICAS is an independent, nonprofit policy research organization that works to make higher education more available and affordable for people of all backgrounds. Through nonpartisan research, analysis, and advocacy, we aim to improve the processes and public policies that can pave the way to successful educational outcomes for students and society.

Completion Rate. The gainful employment regulation finalized in 2014 replaces the completion rate used on the current disclosure template with a much more meaningful completion rate. The new rate tells prospective students what share of students who *start* the program finish within the stated program length, rather than what share of the students who *finish* the program do so on time.¹ We are pleased that the new template indicates clearly what the program length is for a full-time or part-time student. However, we are concerned that the completion rate could be misleading if it combines part-time and full-time students. For instance, if most students enroll full time in a program, the program should not be permitted to cite only the share of students who complete within 200% of normal time or to combine the share of full-time students who complete within 100% normal time and the share of part-time students who complete within 200% of normal time.

To provide students with a clear sense of the chances of completing a program within the expected timeframe, we recommend the template provide *either*:

1. the completion rate for full-time students and the rate for part-time students, e.g., “xx% of full-time students complete the program within 24 months and yy% of part-time students complete the program within 48 months;”

¹ October 21, 2011 letter to the Education Secretary from the student and consumer representatives on the first gainful employment negotiated rulemaking panel and their technical advisor, available at http://www.ticas.org/sites/default/files/pub_files/On-time_completion_rate_letter.pdf.

OR

2. the completion rate for the predominant enrollment status at the start of the program, e.g., if more than half of students in a 24-month program start full time, the template would say “xx% of full-time students complete the program within 24 months.”

Off-Campus Program Costs. Some schools assume very different off-campus room and board costs if students live at home with family members than if they live off-campus without family. The template should indicate if the off-campus room and board amount disclosed assumes students are living with or without family, or should provide both off-campus room and board amounts.

Licensure Requirements. We applaud the Department for requiring schools to list any states the school is aware of for which the program does not meet the requirements for licensure, and for omitting this line if the school is not aware of any states in which the program does not meet licensure requirements.

Warning for Failed Programs. We strongly support the proposed prominent red warning box and graphic at the top of the template of programs that fail the debt to earnings standard or in the third year in the zone, making them at risk of losing funding the next year. The placement, color and the triangle with the exclamation point all help convey to importance of the warning. We believe it would be more effective with less dense accompanying text, and recommend ending the warning after “may not be able to use federal student grants or loans to pay for the program.” The text should not suggest that private loans may be an alternative funding source, as it detracts from and undercuts the message that the program is at risk of losing eligibility for federal funding because it is below the standards set by the Department.

Median Debt. The proposed template uses the median debt of graduates amortized over ten years to say “the typical graduate pays \$X,XXX per month.” However, this is often *not* what a typical graduate pays; it’s the amount a typical graduate would pay in order to repay in ten years. In addition, it lists debt payments per month but earnings per year. Is there reason to believe that providing monthly payments and annual earnings is more helpful than providing figures for the same time periods?

Indicate the Period the Data Cover. In order for students to assess the relevance of the data in the template or to use the template to compare programs, the template needs to indicate the time period covered by the data. It is not sufficient to simply indicate the date the template was created since that will not indicate how recent the data are or whether the data on two templates are for the same period. The time periods could be indicated either as part of the information provided at the “i,” or in the footer at the bottom of the template.

Add Graphic Comparison Points. The information on the template will be much more meaningful when put in the context of other similar programs, ideally through graphics rather than text. Once the Department has the data to do this, the template should be revised to give this context, similar to the Department’s College Scorecard and Shopping Sheet. For instance, this will help students understand whether a program’s completion and job placement rates are low, typical, or high compared to other programs.

Other Student Debt Outcome Data. Once program cohort default rates (pCDRs) and program repayment rates are available for inclusion in the template next year, we encourage the Department to consider adding them for programs where most students borrow. The informational data released by the Department during negotiated rulemaking indicate that a significant number of programs had shockingly high pCDRs.² Unlike the program debt-to-earnings rates which only include students who complete, pCDRs and program repayment rates include students who do not complete. In fact, the informational data revealed that at some programs, more students defaulted than graduated.³ Students should know if a large share of a program's former students subsequently default on their loans.

Placement and Labeling of the Template. The program disclosures are only helpful if students see them. To help ensure students see them, the 2014 regulation specifies where and how the disclosure templates should be posted on program web sites. Unfortunately, many schools are not in compliance with the regulation, and as a result, few students are likely to see their disclosures.⁴ We encourage the Department to use the publication of this updated disclosure template to remind schools of these requirements, and we encourage the Department to aggressively enforce these requirements and to contact schools that are not in compliance.

Thank you for updating the disclosure template and for considering these comments. Feel free to contact me if you have any questions at 202-223-6060.

Sincerely,



Pauline Abernathy
Executive Vice President

² See <http://www2.ed.gov/policy/highered/reg/hearulemaking/2012/2012-informational-rates033114-508.xls>.

³ "Where More Default Than Graduate: Career Education Program Parasites," May 15, 2014 blog post by Debbie Cochrane, available at <http://ticas.org/blog/where-more-default-graduate-career-education-program-parasites>.

⁴ For example, Herzing University program pages include a link to a general disclosure page, found at the bottom of their program pages in tiny, light grey font. Disclosures on the linked disclosure page are listed alphabetically, with "gainful employment" disclosures listed nineteenth. See for example <http://choose.herzing.edu/healthonline/medicalbilling-122CR-177361W.html>. The Harris School of Business disclosures are even harder to find. See for example <http://www.harrisschool.edu/medical-billing-training/>. Websites accessed November 10, 2016.