

## CAREER COLLEGE ASSOCIATION

### PROPOSED ALTERNATIVE: ENHANCED CONSUMER DISCLOSURES PLUS INDEPENDENT EMPLOYER AFFIRMATION OR PROFESSIONAL LICENSURE/CERTIFICATION

**Enhanced Consumer Disclosures** – Prospective students should have sufficient information made available to them at the time of the enrollment process such that they can make an informed decision regarding their enrollment. Information should include the cost of their program of study, a reasonable projection of potential earnings in their chosen field upon graduation and throughout their life of employment in that field, a reasonable estimate of the debt students typically incur to complete their program, and the options they will have in selecting plans for repaying that debt. This information should be made available to the prospective student before incurring any financial obligation to the school. This disclosure would substitute for the debt to earnings ratio proposed to define the term “gainful employment” as used in provisions of Sections 1001 and 1002 of the HEA.

Under the Higher Education Act as most recently reauthorized, prospective students and borrowers are required to be given much of this information. Among the information that schools will be required to provide are:

- The price of attendance, including tuition and fees, estimated costs of books and supplies, room and board, and transportation costs, and any additional costs for a program in which the student is enrolled or expresses an interest;
- A net price calculator;
- The prices for books;
- Detailed financial aid information;
- The retention rate of certificate- or degree-seeking, first-time, undergraduate students as reported to IPEDS;
- The completion or graduation rate of certificate- or degree-seeking, first-time, full-time, undergraduate students; including data disaggregated by gender; major racial and ethnic subgroup (as defined in IPEDS); recipients of a Federal Pell Grant; recipients of a subsidized Stafford Loan who did not receive a Pell Grant; and students who did not receive either a Pell Grant or a subsidized Stafford Loan;
- The placement in employment of, and types of employment obtained by, graduates of the institution's degree or certificate programs;
- The types of graduate and professional education in which graduates of the institution's four-year degree programs enroll;
- Information published by the Department of Education for students at any time that information regarding loan availability is provided;
- Detailed entrance and exit counseling for student borrowers, including average anticipated monthly repayment amount, repayment plan options, and debt management strategies; and
- Detailed private education loan disclosures, including a student self-certification form.

The additional information proposed to be disclosed here would complete the information for prospective students by providing additional disclosure on the occupations which the student may pursue based on his/her educational program, information relating to salary levels for those occupations, average student loan indebtedness of graduates of the program, and projected annual loan repayment amounts for the average level of indebtedness. Regulations pertaining to the misrepresentation of information would apply to these disclosures.

**Independent Employer Affirmation or Professional Licensure/Certification** – Many institutions have employer advisory boards or other relationships with employers to help ensure that their program meets workplace needs. This type of vetting by employers demonstrates that a program leads to gainful employment in a recognized occupation. This proposal would make employer input and feedback a required element in programs that are intended to lead to gainful employment. In order to avoid undue burden on institutions, particularly degree-granting institutions that may have concentrations within a degree program, if several programs share the same CIP Code, the employers may review those programs as a group.

If a program prepares graduates to take licensure or certification examinations that are required by law or preferred by employers, it clearly should be considered to meet the gainful employment standard. Examples of required licensure examinations include nursing and cosmetology. Examples of credentials that are preferred by employers are many of the allied health certifications. The program would have to be in good standing under the standards of any entity such as a programmatic accreditor or state agency in order for the program to use this alternative.

### *Proposed regulatory language*

#### **668.41 Reporting and disclosure of information**

(h) *Prospective students – report on employment obtained by graduates of certain degree and certificate programs.* For a program offered by the institution under §668.8(c)(3) or (d), the institution must provide a notice to prospective students, prior to the student enrolling in or entering into a financial obligation to the institution, including but not limited to the following information:

(i) identification of one or more occupations for which the program helps the student prepare;

(ii) annual wage and salary information reported at the 25<sup>th</sup> and 75<sup>th</sup> percentile for the identified occupation(s) from the Department of Labor’s Occupational Information Network (O\*NET) or a link to O\*NET with an explanation that the prospective student can find labor market and wage and salary information on that site relating to employment in various occupations;

(iii) wage and salary data for graduates from the most recently completed year for which data are available, if the institution collects such data for the purposes of this section;

(iv) average federal student loan indebtedness of graduates of the institution with respect to their attendance at that institution, on a program, degree-level, or institution-wide basis;

(v) average institutional loan indebtedness of graduates of a program, degree-level, or institution-wide basis, if the institution provides institutional loans to its students as defined in 668.28(a)(5)(i);

(vi) the percentage of graduates who borrowed private student loans with respect to their attendance at that institution, on a program, degree-level, or institution-wide basis; and

(vii) the expected annual loan repayment amounts for the average federal and institutional student loan indebtedness, on a standard 10-year repayment plan and at least one other repayment plan.

[*Note – we would request preamble language on several issues, including the following:*

1. *For a program that does not have a SOC code identified to it or salary information identified to a SOC code on the O\*NET site, the institution could provide some alternative*

*information. An institution could simply provide the CIP code for the program and a list of SOC Codes that are associated with that CIP Code.*

*2. The institution could identify several occupations but must identify the one that the largest percentage of graduates enter into, if the institution collects that information.*

*3. Institutions need to be able to clarify for students that the average data provided may not be accurate for their particular situation.*

*4. For purposes of allowing institutions to provide actual salary data if they collect it, it is important not to require institutions to disclose any information they may collect, as it may not be comprehensive enough to give good consumer information.]*

### **§ 668.8 Eligible program.**

(a) *General.* An eligible program is an educational program that—

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(o) For purposes of paragraphs (c)(3) and (d), a program prepares students for gainful employment in a recognized occupation if the institution demonstrates to the Secretary that it meets one of the following criteria:

(1) At least once every three years, not fewer than three employers independent of the institution and each other confirm that the program's objectives, curriculum and measures for assessment of student achievement align with knowledge and skills that are used by employees in performing job duties of occupations at the employer that are related to the program. An institution with multiple locations or multiple institutions under common ownership may use the same employer verification for a program taught at multiple campuses; or

(2) The program prepares graduates to take state or professional licensure or certification examinations required or preferred for employment in the field. To the extent that the licensure or certification authority has a required pass rate, the institution is required to be in compliance with those requirements.

*[Note – we would request preamble language on several issues, including the following:*

*1. If several programs share the same CIP Code, the employers may review those programs as a group.*

*2. For new programs that do not require advance approval by the Department, the institution would be required to maintain documentation that it had employer confirmation of the proposed program but there would be no new requirement for advance approval by the Department.]*