

# AN OVERVIEW OF FINANCIAL VALUE TRANSPARENCY AND GAINFUL EMPLOYMENT REPORTING REQUIREMENTS

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**Federal Student Aid**  
AN OFFICE of the U.S. DEPARTMENT of EDUCATION

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## **AGENDA**

1. Background
2. Framework, Process, and Metrics
3. Program Information Website, Acknowledgments, and Warnings
4. Completer's Lists
5. Reporting Requirements
6. Ineligible Gainful Employment (GE) Programs
7. Updating and Certifying GE Programs

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# BACKGROUND

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## HIGHER EDUCATION ACT (HEA)

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- The HEA provides that to be Title IV-eligible an educational program must be offered by:
  - A public or nonprofit postsecondary educational institution, if the program leads to a degree; or
  - Any institution, if the program prepares students for “**gainful employment** in a recognized occupation”
- General principles:
  - All nondegree programs leading to a recognized credential must lead to gainful employment
  - Nearly all programs at proprietary institutions must lead to gainful employment

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## REGULATORY BACKGROUND

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- The Department negotiated GE as part of the Institutional and Programmatic Eligibility negotiated rulemaking
  - January through March, 2022
- Notice of Proposed Rulemaking published May 19, 2023 included both Financial Value Transparency (FVT) and GE
- Final Rule published October 10, 2023
  - Most provisions effective **July 1, 2024**
  - Initial reporting deadline **October 1, 2024**
    - EA GE-24-01 extended the initial reporting deadline of July 31, 2024 to October 1, 2024
  - Provisions related to the program information website, acknowledgment requirements, and warning requirements will be implemented **July 1, 2026**

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## FRAMEWORK, PROCESS, AND METRICS

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## TWO COMPONENTS



### FINANCIAL VALUE TRANSPARENCY

- Applies to GE programs **and** non-GE programs
- Assesses financial value using debt-to-earnings (D/E) rates and an earnings premium (EP) measure
- Consumer information and student acknowledgments



### GAINFUL EMPLOYMENT (ACCOUNTABILITY)

- Applies only to GE programs
- D/E rates and EP measure impact program eligibility
- Student warnings and acknowledgments
- GE program certification requirements

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## TWO TYPES OF D/E RATES

Annual Earnings Rate:

$$\frac{\text{Annual loan payment}}{\text{Median annual earnings}}$$

Discretionary Earnings Rate:

$$\frac{\text{Annual loan payment}}{\text{Median annual earnings} - (150\% \text{ of the Poverty Guideline})}$$

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## ANNUAL LOAN PAYMENT

- Calculated by determining the median loan debt of students who completed the program during the applicable cohort and amortizing that debt, including –
  - Direct Loans, except for Parent PLUS and Direct Unsubsidized Loans that were converted from TEACH Grants;
  - Private education loans; and
  - Total amount outstanding on any other credit extended by the institution
- Capped at lesser of the following–
  - Total amount of debt the student incurred for the program; or
  - Total amount of student’s tuition and fees, books, equipment, and supplies, less the amount of institutional grant or scholarship funds provided the student

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## MEDIAN EARNINGS

The Department will obtain from a federal agency with earnings data -

1. The median annual earnings for the program using the students from the completer list that the agency data was able to match to earnings data
  - Earnings data is in aggregate, not individual, form
2. The number of students on the list that the agency could not match
  - Does not include the identities of specific students

If the earnings data includes earnings records on at least 30 students, the Department will calculate D/E rates and EP measure

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## EARNINGS DATA AND LOAN DEBT

- If the federal agency with earnings data reports that it was unable to match one or more students, the Department will exclude from the calculation of median loan debt the same number of students with the highest loan debts
- For example, if the agency is unable to match three students out of 100 students, ED will exclude the three highest loan debts when calculating the median debt for D/E rates

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## D/E RATE OUTCOMES

- Program passes the D/E rates if –
  - Annual earnings rate is less than or equal to 8 percent; **or**
  - Discretionary earnings rate is less than or equal to 20 percent
- Program is high debt burden if –
  - Annual earnings rate is greater than 8 percent; **and**
  - Discretionary earnings rate is greater than 20 percent

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## EARNINGS PREMIUM (EP)

- Measures a program's earnings outcomes by comparing completers' median annual earnings to an earnings threshold

$$EP = \text{Median Annual Earnings} - \text{Earnings Threshold}$$

- Program is low earning if the earnings premium is zero or negative

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## EARNINGS THRESHOLD

- Median earnings for working adults aged 25-34 with only a high school diploma (or recognized equivalent), who either worked during the year or indicated they were unemployed (i.e., not employed but looking and available for work) –
  - In the state where the institution is located; or
  - Nationally, if less than 50 percent of the students in the program are from the state where the institution is located, or for a foreign institution
- Based on data from the Census Bureau

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## NOTICE OF DETERMINATION

- For each award year for which the Department calculates D/E rates and the earnings premium measure, the Department issues a notice of determination to the institution
- The notice of determination informs the institution of –
  - The D/E rates for each program
  - The earnings premium measure for each program
  - The determination of whether each program is passing or failing, and the consequences of that determination
  - Whether student acknowledgment requirements apply
- For GE programs, the notice of determination also specifies
  - Whether the institution is required to provide student warnings
  - Whether the program could become ineligible based on D/E rates or EP measure for the next award year that the metrics are calculated

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## COHORT PERIODS

- The Department calculates D/E rates and EP measure using debt and earnings of students who complete a program during a specific cohort period
- Cohort period is either two or four years
  - Two-year cohort used if 30 or more students completed during the period
  - Four-year cohort used if fewer than 30 students completed during the two-year cohort period
  - If fewer than 30 students completed during the four-year cohort period, D/E rates and EP measure will not be calculated

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## COHORT PERIODS

- Two-year cohort is students who completed the program during the 3<sup>rd</sup> and 4<sup>th</sup> award years prior to the year of the most recent earnings data
- Four-year cohort is students who completed the program during the 3<sup>rd</sup>, 4<sup>th</sup>, 5<sup>th</sup>, and 6<sup>th</sup> award years prior to the year of the most recent earnings data
- D/E and EP calculation for 2024-25
  - Two-year cohort period is 2017-18 and 2018-19
  - Four-year cohort period is 2015-16, 2016-17, 2017-18, and 2018-19

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## POSTGRADUATE WORK REQUIREMENTS

- The measurement of earnings occurs later for qualifying graduate programs in certain occupational clusters that involve substantial post-graduation work requirements for licensure
  - Two-year cohort is students who completed the program during the 6<sup>th</sup> and 7<sup>th</sup> award years prior to year of most recent earnings data
  - Four-year cohort is students who completed the program during the 6<sup>th</sup>, 7<sup>th</sup>, 8<sup>th</sup>, and 9<sup>th</sup> award years prior to year of most recent earnings data
- These occupations initially include –
  - Medicine, osteopathy, dentistry, clinical psychology, marriage and family counseling, clinical social work, and clinical counseling
  - List of qualifying CIP codes will be published in a *Federal Register* Notice

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## POSTGRADUATE WORK REQUIREMENTS

- After three-year initial period, and every three years thereafter, the Department will analyze College Scorecard earnings data and reevaluate and revise the list of qualifying graduate program occupations to reflect occupations with outlier earnings growth after postgraduation training and licensure
- To receive the extended earnings measurement period for qualifying graduate programs, institutions must attest that –
  - At least half of the program’s graduates obtain licensure in a state where postgraduation training requirements apply; and
  - If necessary for licensure, the program is accredited by an accrediting agency that meets state requirements

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## STUDENT EXCLUSIONS

- A student is excluded from the D/E rates (both numerator and denominator) and from the EP measure if:
  - One or more of the student’s Title IV loans are under consideration or have been approved for a total and permanent disability (TPD) discharge
  - The student enrolled full-time in any other eligible program at the same institution or another institution during the calendar year in which earnings were measured
  - The student completed a higher-level undergraduate or graduate program at the institution (for undergraduate and graduate programs, respectively)
  - The student enrolled in an approved prison education program (PEP) or comprehensive transition and postsecondary (CTP) program
  - The student died

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## INSTITUTIONAL EXCLUSIONS

- Institutions with no groups of substantially similar programs (same four-digit CIP prefix) that produced at least 30 total completers over the preceding four award years are not subject to any of the financial value transparency or GE accountability provisions (aside from GE program reporting)
- Institutions with a main campus located in a U.S. Territory or the Freely Associated States are excluded from the GE accountability provisions and most financial value transparency provisions, but must still meet reporting requirements at § 668.408

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## PROGRAM GROUP EXCLUSIONS

- Program groups of substantially similar programs (same four-digit CIP prefix) that did not produce at least 30 total completers over the preceding four award years are also not subject to reporting or other FVT/GE requirements
- However, if in a later award year, an institution has 30 total completers over the preceding four award years, then the institution would report the necessary information for previous award years for these programs. Dear Colleague Letter GEN-24-04 was updated on May 28 to explain this process.

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# PROGRAM INFORMATION WEBSITE, ACKNOWLEDGMENTS, AND WARNINGS

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## PROGRAM INFORMATION WEBSITE

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- The Department will provide a website providing information about institutions and their educational programs
- Institutions must report information to the Department the information specified at § 668.408
  - The Department may specify additional reporting requirements in a future notice in the *Federal Register*
- The Department may conduct consumer testing to inform the design of the website
- Requirements related to the Department's program information website, including student acknowledgements, will be effective **July 1, 2026**

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## STUDENT ACKNOWLEDGMENTS

- For programs with failing D/E rates, prospective students will be required to acknowledge that they have viewed information provided through the Department's program information website
- Acknowledgment requirements will apply to all eligible GE and non-GE programs with failing D/E rates, other than undergraduate degree programs
- Acknowledgment requirements are NOT tied to the earnings premium measure
- Acknowledgment requirements apply beginning **July 1, 2026**

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## STUDENT WARNINGS

- An institution must provide warnings to current and prospective students for any year the Department notifies the institution that the GE program could become ineligible based on its D/E rates or EP measure for the next award year
- If a current or prospective student receives a warning but does not seek to enroll until more than 12 months afterward, the institution must again provide the warning unless the program has since passed both the D/E rates and EP measure for the two most recent consecutive years the metrics were calculated
- GE warning requirements apply beginning **July 1, 2026**

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# COMPLETERS LISTS

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# COMPLETERS LISTS

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- For each applicable program, the Department will generate completer lists based on the NSLDS enrollment data reported by institutions
  - The Department will identify those students excluded under 34 CFR 668.403(e) and 668.404(c) as “Excluded” on completers lists and will not send them to the IRS for earnings information
- Institutions will have 60 days to review completer lists and to correct any discrepancies in the National Student Loan Data System (NSLDS)
  - No action required unless the institution believes the list is incorrect
- The Department will use the completer lists to calculate D/E rates and EP measure

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## COMPLETERS LISTS

- The draft completers list is:
  - Compiled from administrative data already provided by the institution, i.e. prior enrollment reporting
  - Comprised of students who completed a GE or Eligible Non-GE Program during the applicable cohort period
- Programs will not be included on the draft completer's list if they are part of a group of substantially similar programs (same four-digit CIP prefix) with fewer than 30 completers over the four most recently completed award years
- Students will be marked as "Excluded" on the list if they meet the criteria for one of the exclusions

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## COMPLETERS LISTS

- If an institution identifies an error in its completer's list, it must update NSLDS to provide corrected information before the 60-day period has ended.
- The Department will finalize the list and send information about those completers to the IRS for earnings information once the 60-day period has elapsed.
- More information about this process can be found in the [FVT/GE User Guide, Volume 3](#).

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# REPORTING REQUIREMENTS

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# REPORTING REQUIREMENTS

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- An institution offering any group of substantially similar programs (same four-digit CIP prefix) with 30 or more completers in total over the four most recently completed award years must meet reporting requirements
  - If the above threshold is met, institution must report for **all** GE programs and eligible non-GE programs (even those at the six-digit CIP code level with fewer than 30 completers)
- Reporting requirements include –
  - Program/institution information
  - Information for students who received Title IV funds for enrollment in the program in the most recently completed award year
  - Additional information for Title IV recipients who graduated or withdrew
  - Any additional information published by ED in the *Federal Register*

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## DATA ELEMENTS – PROGRAM

Data Element	Description
Program Name	The institutional name given to each program.
CIP Code (Six Digit)	Six-digit Classification of Instructional Programs code (without period) identifying a program's academic content.
Credential Level	The credential level of the program.
Published Program Length	The length of the instructional program in years, months, or weeks as published by the school. Note this is used together with the next two fields to determine program length.
Published Program Length Measurement	The unit of measure for the length of the instructional program as published by the school. Values are 'W' (Weeks), 'M' (Months) and 'Y' (Years).
Weeks in Title IV Academic Year	The total number of weeks of instruction in the program's academic year. Only report when Published Program Length Measurement is W or M.
Programmatically accredited	Yes Or No

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## DATA ELEMENTS – PROGRAM (CONT.)

Data Element	Description
Name of Accrediting Agency	Agency programmatically accrediting the program (if applicable).
Program meets licensure requirements	Yes or No
States in MSA	The states in the institution's metropolitan statistical area (MSA) (If applicable, up to five states can be reported)
Total Number of Graduates Taking Licensure Exam	The total number of program graduates that took licensure exams in the most recently completed award year.
Total Number Graduates Passing Licensure Exam	The total number of program graduates that passed the licensure exam in the most recently completed award year.
Total Number of Enrolled Students	The total number of students enrolled in a program during the most recently completed award year. This includes both recipients and non-recipients of Federal student aid funds.
Qualifying Graduate Program	The institution must indicate whether the program is a "qualifying graduate program," as defined in 34 CFR 668.2, whose students are required to complete additional post-graduate training such as a medical residency. This item determines whether an extended residency cohort is used. Values are Y=Yes and N=No.

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## ANNUAL AND TOTAL VALUES FOR STUDENTS

There are two types of reporting at the student level:

- **Annual Amounts (AA):** Information for students who are enrolled through the end of the most recently completed award year and, at any time during that year, received *Title IV* funds for the program being reported.
- **Total Amounts (TA):** Information for students who received Title IV funds for enrollment in the program being reported **and have graduated or withdrawn** during the most recently completed award year or prior award years.

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## DATA ELEMENTS – ENROLLED STUDENTS

Data Collected	Description
Transitional/Standard Reporting Flag	School to select if their GE/FVT reporting is for Standard or Transitional rates.
Award Year	Award Year that the student was enrolled in or graduated/withdrew from the program.
Comprehensive Transition and Postsecondary (CTP) Program	Identifies if the student is enrolled in a CTP program.
Program Enrollment Begin Date	Date student initially enrolled in the program.
Student's Enrollment Status as of the 1st Day of Enrollment in the Program	Code for the student's enrollment status as of the 1st day in the program. Values are: 'F' (Full-Time), 'Q' (Three-Quarter Time), 'H' (Half-Time), 'L' (Less Than Half-Time)
Program Attendance Status During Award Year	The enrollment status of the student in the program for the Award Year being reported. Values are: G= Graduated, 'W'= Withdrew and 'E'= Enrolled
Program Attendance Status Date During Award Year	The date of student's graduation or withdrawal from the Program in the Award Year being reported.
Total Cost of Attendance (COA) for Award Year being Reported	The student's total annual cost of attendance for the Award Year being reported.

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## DATA ELEMENTS – ENROLLED STUDENTS (CONT.)

Data Collected	Description
Tuition and Fees Amount for Award Year being Reported	The total tuition and fees assessed to the student for the Award Year being reported.
Residency Tuition Status by State or District for Award Year being Reported	The student's residency tuition status by State or district for the Award Year being reported. Values are IS (In-State Tuition), ID (In-District Tuition) and OS (Out-of-State Tuition).
Allowance for Books, Supplies, and Equipment for Award Year being Reported	The student's total annual allowance for books, supplies, and equipment from their COA for the Award Year being reported.
Allowance for Housing and Food for Award Year being Reported	The student's total annual allowance for housing and food from their COA for the Award Year being reported.
Institutional Grants and Scholarships for Award Year being Reported	The amount of institutional grants and scholarships disbursed to the student.
Other State, Tribal, or Private Grants for Award Year being Reported	The amount of other State, Tribal, or private grants or scholarships disbursed to the student
Private Loan Amount for Award Year being Reported	The amount of any private education loans disbursed to the student for enrollment in the program that the institution is, or should reasonably be, aware of, including private education loans made by the institution

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## INITIAL AND ANNUAL REPORTING

### Initial reporting

- Institutions must complete reporting for the most recently completed award year and one or more prior years no later than **October 1, 2024**

### Annual reporting

- For subsequent award years, institutions must report the required data elements for the most recently completed award year by October 1 following the end of that award year

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## STANDARD REPORTING

Institutions using standard reporting will report the required data elements for students from the most recently completed award year and:

- For most GE or Eligible Non-GE programs, for the second through seventh prior award years
- For qualifying graduate programs, for the second through eighth prior award years

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## DATA ELEMENTS – GRAD OR W/D STUDENTS

Data Collected	Description
Award Year	Award Year the student graduated or withdrew from the program.
Comprehensive Transition and Postsecondary (CTP) Program	Identifies if the student graduated or withdrew from a CTP program.
Approved Prison Education Program Indicator	Indicates if the program, the student graduated or withdrew from, is an approved Prison Education Program or part of the Second Chance Pell Experiment.
Date for G or W Status	The date the student completed or withdrew from the program
Private Loans Amount - Total for Enrollment in the Program	The total amount the student received from private education loans for enrollment in the program
Institutional Debt - Total for Enrollment in the Program	The total amount of institutional debt the student owes to the institution or to a party that extended an amount on behalf of the institution after completing or withdrawing from the program.
Tuition and Fees Amount - Total for Enrollment in the Program	The total amount of tuition and fees assessed the student for the student's entire enrollment in the program.
Allowance for Books, Supplies, and Equipment - Total for Enrollment in the Program	The total amount of the allowances for books, supplies, and equipment included in the student's COA for each award year in which the student was enrolled in the program, or a higher amount if assessed the student by the institution for such expenses.
Institutional Grants and Scholarships - Total for Enrollment in the Program	The total amount of institutional grants and scholarships provided for the student's entire enrollment in the program.
Program Attendance Status During Award Year	The enrollment status (G or W) of the student in the program for the Award Year being reported.

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## TRANSITIONAL REPORTING AND RATES

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### Transitional reporting period

- For the first six years the Department calculates D/E rates and EP measures, institutions may choose to report the required data elements either –
  - For the full cohort period for the program; or
  - For only the two most recently completed award years
- The institution makes the decision regarding transitional reporting only once in the fall of 2024
  - The type of reporting will apply to all its programs

### Transitional metrics

- If an institution chooses the transitional reporting option, for the first six years the Department will calculate the D/E rates and EP measure using the median debt for the period reported and the earnings from the standard cohort period

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## INELIGIBLE GE PROGRAMS

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## GE PROGRAM ELIGIBILITY

- The Department considers a GE program to provide training that prepares students for gainful employment in a recognized occupation if the program –
  - Does not fail the D/E rates measure in two out of any three consecutive award years for which D/E rates are calculated;
  - Does not fail the EP measure in two out of any three years for which the EP measure is calculated; and
  - Meets GE certification requirements
- If D/E rates or the EP measure are not calculated for an award year, the program receives no result under that metric for that award year and remains in the same status as the previous award year
  - The Department disregards any D/E rates or EP measure calculated more than five years prior

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## LOSS OF ELIGIBILITY AND APPEALS

- Title IV participation for a GE program that fails either the D/E rates or EP measure ends upon the earliest of –
  - Issuance of a new Eligibility and Certification Approval Report (ECAR) that does not include the program;
  - Completion of a termination action under Subpart G; or
  - Revocation of program eligibility if the institution is provisionally certified
- A school may appeal a termination action under subpart G if it believes the Department erred in the calculation of the D/E rates or EP measure
  - The Department's hearing official may only grant such an appeal if the Department erred in the applicable calculation [§ 668.91(a)(3)(vi)]

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## PERIOD OF INELIGIBILITY

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- An institution may not apply to reestablish eligibility of a GE program that is ineligible under the D/E rates or EP measure, or a substantially similar program, until three years following the date the program loses eligibility
- An institution may not apply to reestablish eligibility for a failing GE program that it voluntarily discontinued until three years following the date the institution voluntarily discontinued the program
- After the period of ineligibility, if the institution wishes to reestablish a GE program's eligibility, the institution must apply for eligibility and provide a GE certification

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## UPDATING AND CERTIFYING GE PROGRAMS

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## UPDATING GE PROGRAMS

- Currently, with respect to GE programs, an institution must report to the Department within 10 days –
  - Any change to the program's name or CIP code;
  - Discontinuing the program or ceasing to provide it within 12 months; or
  - Establishing or losing program eligibility
- Effective July 1, 2024, an institution must also report to the Department within 10 days –
  - Any change to a GE program's credential level; and
  - Any changes or updates related to the program's certification

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## GE CERTIFICATION

- Institutions must certify that each GE program it offers is approved by a recognized accrediting agency or otherwise included in the institution's accreditation by its recognized accrediting agency
- The Department considers a signed full or provisional Program Participation Agreement to satisfy this requirement unless the Department directs the school to submit a separate certification because it has reason to believe that the institution or one of its programs is not accredited

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## UPDATING GE PROGRAMS

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- An institution may not include in its eligibility a new or previously-existing eligible program with the same 6-digit CIP code and credential level as a GE program that lost eligibility or was voluntarily discontinued until the three-year ineligibility period has passed.
- During that three-year ineligibility period, an institution may not add a new eligible program that is substantially similar (matching 4-digit CIP prefix, any credential level).

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## RESOURCES

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## RESOURCES

- [Final Rule: Financial Value Transparency and Gainful Employment](#)
- [DCL GEN-24-04](#): Regulatory Requirements for Financial Value Transparency and Gainful Employment
- [NSLDS Financial Value Transparency and Gainful Employment \(FVT/GE\) User Guide](#)
  - Introduction, Volume 1 (Batch Student Submittal Reporting), Volume 2 (FVT/GE Batch Program Submittal Reporting) and Volume 3 (FVT/GE Completers List) currently available
  - Additional volumes will be added in June
- [EA GE-24-01](#): Timeline of Financial Value Transparency and Gainful Employment Reporting Requirements
- FSA Knowledge Center
  - [Financial Value Transparency and Gainful Employment Topics Page](#)
  - [Financial Value Transparency and Gainful Employment FAQs](#)

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