

**Figure 1: Gainful Employment\* v. Accreditor v. Market Indicators of Institutional Effectiveness**

	<b>Indicator Category:</b>	<b>Indicator Elements:</b>	<b>GE Regulation:</b>	<b>Sanction:</b>	<b>Accreditation Standard:</b>	<b>Sanction:</b>	<b>Market:</b>	<b>Sanction:</b>
<b>F1</b>	<b>Financial</b>	Ratio of debt to earnings	Compares the median annual payments on loan debt borrowed for the program to the median earnings of its Federally aided graduates. For a program to pass, its graduates' debt payments must be no more than 8% of annual earnings or 20% of discretionary earnings, which is defined as annual earnings minus 150% of the Federal poverty guideline for a single individual (\$22k, 2023).	Loss of T4	No accreditor has specific debt to earnings ratio standards for post-graduation outcomes of students.	None	“Cost/value proposition” must be demonstrable, direct and accessible for average consumer to make financial, temporal, intellectual and spiritual investment in post-secondary education program.	Enrollment deferred or declined by prospective students.
<b>F2</b>	<b>Financial</b>	Earnings compared to that of non-attenders	Whether the typical graduate from a program who received Federal aid is earning at least as much as a typical high school graduate in the labor force (i.e., either working or unemployed) in their State between the ages of 25 and 34. This is equal to roughly \$25,000 nationally but varies across States.	Loss of T4	No accreditor has specific standards comparing earnings of PSE grads with those of high school grads in same market (typical cohort).	None	“Earnings loss or gain” by participation in PSE over lifetime is relatively unimportant to general consumer but receives regular profile by econometric and political thought leaders.	Some diminished demand for PSE
<b>F3</b>	<b>Financial</b>	90/10 ratio	At least 10% of program revenue must be derived from	Loss of T4	Public disclosure of 90/10 as required by ED.Gov	Show-cause directive leading to loss of	Little or no interest in 90/10 metric, outcomes or relevance to enrollment decisions.	Negligible.

			sources other than Title IV FSA.			accreditation		
<b>F4</b>	<b>Financial</b>	Financing for certificates, licensure and badges	No FSA for program less than 600 clock hours	None available	None	N/A	Significant interest and relevance to prospective students and their funding sources.	Enrollment deferred or declined by prospective students.
<b>C1</b>	<b>Consumer Information</b>	Financial Value disclosures	Certain students will acknowledge having seen financial information regarding program costs, grant aid, loan burden, earnings of completers, licensing requirements, including a plain language description of the fact that the program leaves its graduates with high debt burdens, before the student can enroll in the program. Applies to prospective students at certificate and graduate degree programs.	Loss of T4	Students must be provided access to, and confirm receipt of, various forms of consumer disclosures before admission, after admission and periodically or at specific milestones during enrollment. Info includes cost of attendance, student performance and institutional effectiveness indicators set by accreditor, state approval entities and ED.Gov.	Show-cause directive leading to loss of accreditation	Understandable, reliable, accessible and meaningful information about program length, program cost and post-graduation employment prospects is demanded by prospective students/consumers.	Some diminished demand for PSE
<b>C2</b>	<b>Consumer Information</b>	Student learning outcomes and achievement	For GE and FV metrics, public disclosures required on website, marketing materials, enrollment agreements, etc. For accreditation metrics, maintenance of accreditation.	Loss of T4	Public disclosure of rates of Retention, Persistence, Graduation, Completions, and Licensure achievement.	Show-cause directive leading to loss of accreditation	Performance at institutional level is imputed by individuals as applicable to their chance of completion, credential receipt, license receipt and employment attainment.	Perception of risk may be mitigated by learning/achievement outcomes and increase willingness to enroll.

<b>IE1</b>	<b>Institutional Effectiveness</b>	Success with respect to student achievement in relation to mission	Program completion licensure achievement, and job placement rates at rates set by accreditor and state approval entity.	Defers to accreditation standards.	Defined by institution with respect to stated mission and purpose, including student learning, completion and post-grad employment or continuing education.	Show-cause directive leading to loss of accreditation.	Student learning is abstraction of little value to typical student prospect; completion and post-grad employment rates are more tangible and of interest.	Minimal suppression of enrollment demand.
<b>IE2</b>	<b>Institutional Effectiveness</b>	Advancement of academic quality and continuous improvement	Negligible.	None.	Advances academic quality based on quantitative and/or qualitative measures; autonomy of program regarding academic quality; resources sufficient to ensure student preparation, health and safety; implementation of innovation.	Show-cause directive leading to loss of accreditation	Academic and institutional quality are functions of branding efforts and difficult to objectively measure, verify or test.	Some suppression of enrollment demand.
<b>IE3</b>	<b>Institutional Effectiveness</b>	Published mission alignment	None.	Defers to accreditor.	Published mission aligns with operations, resources, organization, programs, student outcomes.	Deferral of accrediting decision	Little or no interest by consumers making enrollment decisions.	None.
<b>IE4</b>	<b>Institutional Effectiveness</b>	Access to feedback and guidance from employers, students, graduates	None.	None.	Integrate stakeholder guidance into planning for improvements to curriculum, facilities, equipment, and graduation, licensure and placement rates.	Deferral of accrediting decision	No direct interest by prospective students.	None.
<b>IE5</b>	<b>Institutional Effectiveness</b>	Rates of graduation, licensure and placement by program.	As established and enforced effectively by accreditor.	Loss of T4	Annual student data at program level subject to minimum quantitative standards, including rate of placement in job or field related to program of study.	Show-cause directive leading to loss of accreditation	Aspect of cost/value proposition that is of interest to prospective students if presented in accessible, simple, direct way.	Some suppression of enrollment demand.
<b>IE6</b>	<b>Institutional Effectiveness</b>	Rates of complaints from students	Proxy for quality but no numeric or objective standard as to “excessive” or “acceptable” rates of student complaints.	Conditioned participation leading to loss of T4	Written, formal process for resolving student complaints with evidence of implementation. Excessive student complaints are proxy for quality issues.	Show-cause directive leading to loss of accreditation	Most salient content of word of mouth information about institution’s cost/value proposition.	Suppression of enrollment demand.
<b>IE7</b>	<b>Institutional Effectiveness</b>	Overall Student Experience	None	No Direct Sanctions	Student complaints that fit this general category.	Little or none.	Significant interest and relevance to prospective students and their funding sources.	Enrollment deferred or declined by

								prospective students.
<b>IE8</b>	<b>Institutional Effectiveness</b>	Student support quality and accessibility	Defers to accreditor.	None	Discrete standards for financial aid, academic support, and in some cases, personal well-being.	Little or none.	Significant interest and relevance to prospective students and their funding sources.	Enrollment deferred or declined by prospective students.
<b>IE9</b>	<b>Institutional Effectiveness</b>	Instructional modality relevance, accessibility, timeliness	Defers to accreditor.	None.	Discrete standards for on-line instructional modes as defined and applied by distance education peer reviewers.	Show-cause directive leading to loss of accreditation	Significant interest and relevance to prospective students and their funding sources.	Enrollment deferred or declined by prospective students.
<b>IE10</b>	<b>Institutional Effectiveness</b>	Time, place and schedule of program	Defers to accreditor.	None.	No accreditor specifies flexibility of delivery mode, time or location as standard.	None.	Significant interest and relevance to prospective students and their funding sources.	Enrollment deferred or declined by prospective students.
<b>IE11</b>	<b>Institutional Effectiveness</b>	Stackability of credentials, access to non-degree programs as access point to institutional relationship.	None.	None.	None.	None.	Significant interest and relevance to prospective students and their funding sources.	Enrollment deferred or declined by prospective students.

\*ED.Gov “Financial Value Transparency” Policy  
Effective July 1, 2024

### Gainful Employment (GE) Program Accountability

Applies to: All programs offered by for-profit colleges and schools (diplomas, certificates, badges, baccalaureate and graduate degrees)  
All non-degree programs offered by community colleges, private-non-profit institutions (diplomas, certificates, badges)  
= 700,000 students

Test 1: Affordability of student debt payments (based on income earned from post-completion employment)

Test 2: Greater income than non-attenders (earning potential derived from education participation)

Sanctions: Failing either test year one → requirement to notify students of potential loss of T4 participation  
Failing either test two out of three years → loss of T4 participation

### Financial Value Transparency (FVT)

Applies to: Graduate programs and certificate programs  
= 120,000 students  
Test 1: Grads face unaffordable debt levels post-completion  
Sanction: Disclosure of FVT notice required to be signed by enrolling students

### **Details of GE Regulation**

Rationale: HEA's differentiation between career training programs and other programs aligns with statutory language that defines title IV-eligible career training programs as those that prepare students for gainful employment. The Department claims it has different responsibilities with respect to programs "that prepare students for gainful employment," and asserts that it has different tools available in administering the title IV, HEA programs. It asserts that for programs that prepare students for gainful employment, labor market outcomes are central to their mission. Therefore, the Department establishes a Gainful Employment (GE) program accountability framework based on novel concepts of an Earnings Premium (EP) and Debt to Earning (D/E) ratios, which the Department will use to evaluate whether (or not) a program "prepares students for gainful employment" in a recognized occupation, and, therefore, whether a program remains eligible to participate in title IV, HEA.

- Derived from two distinct regulatory authorities
- Meant to function independently and be severable.
- Acknowledges that HEA does not specifically define "program of training to prepare," "gainful employment," "recognized occupation," or "recognized profession" for purposes of determining the eligibility of GE programs for participation in title IV, HEA. Rather, the Secretary/Department have interpreted, implemented, and applied those terms as a function of their legal duty.