

PRESS RELEASE



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Building a Legacy of Innovation

Gainful Employment Press Release

On June 26, 2011 the Department of Education released Electronic Announcement #11 with a step by step clarification of whether a program is considered to be a program that leads to gainful employment. Below is the clarification given by the Department:

Summary:

Virtually all educational programs offered by for-profit institutions are GE Programs. All educational programs that lead to a degree awarded by a public or private non-profit institution are not GE Programs. Virtually all non-degree educational programs awarded by a public or private non-profit institution are GE Programs.

Q & A's

To determine if a particular educational program is a GE Program, the institution should answer the following questions about the educational program:

Question 1 - Does the institution wish to have the educational program be, or remain, eligible for Title IV aid?

NO - If the answer is no, the program is NOT eligible for Title IV aid and, therefore is not a GE Program.

YES - If the answer is yes, continue to the next question.

Question 2 - Does the coursework lead to a degree, certificate, or other credential awarded by the institution?

NO - If the answer is no, the program is NOT eligible for Title IV aid and therefore is not a GE Program [See Note A below for three exceptions where the program is Title IV eligible but not a GE Program].

YES - If the answer is yes, continue to the next question.

Question 3 - Is the institution a for-profit (proprietary) institution?

YES - If the answer is yes, the program is a GE Program [See Note B below for two exceptions where the program is not a GE Program].

NO - If the answer is no, continue to the next question.

Question 4 - Is the credential that is awarded by the public or private non-profit institution a degree - associates, bachelor's, graduate, or professional (e.g., MD, DDS, DVM, JD)?

YES - If the answer is YES, the program is not a GE Program.

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NO - If the answer is no, the program is a GE Program.

Note A – There are three exceptions to the general rule that to be eligible for Title IV aid, a student must be a regular student - enrolled in a program that leads to a degree, certificate, or other credential awarded by the institution. While these three exceptions allow students to receive all or some types of Title IV aid, they do not create GE Programs. The three exceptions, with regulatory citations, are -

A program of at least two years that is acceptable for full credit toward a bachelor's degree and qualifies the student for admission into the third year of a bachelor's degree program. Otherwise eligible students may receive funding from any of the Title IV student aid programs. [34 CFR 668.8(b)(1)(ii)]

Coursework necessary for the student to receive a State professional teaching credential or certification where the institution itself does not provide a certificate or other credential. Students must be enrolled at least half time and are eligible only for the FWS and Title IV loan programs. Note that similar courses of study that do result in a certificate or other non-degree credential being awarded by the institution are GE Programs. [34 CFR 668.32(a)(1)(iii)]

Preparatory courses of study that do not lead to a degree, certificate, or other credential awarded by the institution and that provide course work necessary for enrollment in an eligible program. Students are eligible for no longer than one-twelve-month period and only for the Direct Loan Program. [34 CFR 668.32(a)(1)(ii)]

Note B – The two exceptions to the general rule that all programs offered by for-profit institutions are GE Programs are -

Programs that lead to a baccalaureate degree in liberal arts if the institution has been accredited by a regional accrediting agency since October 1, 2007 and the institution has offered the program since January 1, 2009. Otherwise eligible students may receive funding from any of the Title IV student aid programs. [34 CFR 600.5(a)(5)(i)(B)]

Preparatory courses of study that provide course work necessary for enrollment in an eligible program. Students are eligible for no longer than one-twelve-month period and only for the Direct Loan Program. [34 CFR 668.32(a)(1)(ii)]

We understand that the Gainful Employment regulation can be extremely confusing. We hope that this brings some additional clarity to the regulation. If you would like more information or have any questions, please contact Michael Morcos at 424.226.2046 or MichaelMorcos@maasco.com.

This Electronic Announcement can be found at:
<http://ifap.ed.gov/eannouncements/062411WhatIsGainfulEmploymentGEAnnounceNumber11.html>