

## SUPPORTING STATEMENT

Information Collections Under the Regulations Governing Student Assistance General Provisions.

### A. JUSTIFICATION

#### RIN-1840-AD02

##### 1. **Necessity of Information Collected**

This request is for approval of the reporting and records maintenance requirements that are contained in the Student Assistance General Provisions regulations – Subpart A - §668.6 - Gainful employment in a recognized occupation. Educational programs offered consistent with §668.8(c)(3) are programs that are at least a one-academic year training program that leads to a certificate, degree or other recognized educational credential and that prepares a student for gainful employment in a recognized occupation. Similarly, under §668.8(d) programs offered by a proprietary institution of higher education or by a postsecondary vocational institution of higher education must provide undergraduate training that prepares a student for gainful employment in a recognized occupation.

##### **Purpose and Use of Information Collected**

##### **Subpart A – General** (OMB control number: 1845-NEW1)

Section 668.6 contains information collection requirements to be approved by OMB. Under the Paperwork Reduction Act of 1995 (44 U.S.C. 3507(d)), the Department of Education is submitting a copy of this section to the Office of Management and Budget (OMB) for its review. We are adding the following new sections:

##### **Section 668.6 – Gainful employment in a recognized occupation.**

The proposed regulations require an institution to report annually information about students who complete a program that leads to gainful employment in a recognized occupation. Under proposed §668.6(a), institutions are required to develop a process to associate the Classification of Instructional Programs (CIP) codes for each of its programs as defined in §§668.8(c)(3) & (d). In addition, that process will include how the institution will report information to identify the student, the date the student completed the program, and the amount the student received from private educational loans and institutional financing programs.

Under proposed §668.6(b), for each program under this section, on the institution's Web site, the institution must provide prospective students with the name of the occupations (by name and its Standard Occupational Classification (SOC) code) that the program prepares students to enter, along with links to occupational profiles on the Department of Labor's Occupational Information Network (O\*Net). In addition, institutions are also

required to disclose on their Web sites information about on-time graduation rates for students entering the program; the cost of tuition and fees for these programs, the cost of room and board, and other institutional costs a typical student would incur for enrolling in the program. Beginning no later than June 30, 2013, the placement rate for students completing the program and the median loan debt incurred by students who completed the program during the preceding three years must be reported. Finally, the institution must identify separately and disclose the median loan debt from Title IV, HEA program loans, and the median loan debt from private loans and institutional financing plans.

2. **Purpose and Use of Information Collected**

Student Assistance General Provisions:

Subpart A – General Section 668.6 – Gainful employment in a recognized occupation  
The Department of Education is responsible for evaluating whether students are receiving training in a recognized occupation where they are gainfully employed. The information collected, maintained, and submitted by institutions to the Department consistent with the proposed provisions of this section will allow the institution and the Department to evaluate the outcomes of programs that lead to gainful employment in a recognized occupation, as well as inform prospective students.

3. **Consideration of Improved Information Technology**

Although there are no legal or technical obstacles to the use of technology in this information collection activity, the process for institutions to submit their information to the Department is generally not conducive to any more sophisticated use of technology.

4. **Efforts to Identify Duplication**

This information is not duplicated on any other information collection.

5. **Burden Minimization as Applied to Small Business**

The information collected in this proposed regulation represents the minimum necessary.

6. **Consequences of Less Frequent Data Collection**

The request for student identification data, CIP codes data, graduation or completion data, on an annual basis along with the proposed disclosure of information about the program on the institution's Web site, including occupation names and SOC codes, links to occupational profiles on O-Net, the on-time graduation rate for students entering the program, program cost information, placement rate information, and the median loan debt incurred by students who completed the program during the preceding three year period is projected to be sufficient for the Department to make determinations about the number of completers or graduates who receive the training needed to become gainfully employed as a result of taking these training programs. The disclosures via the

institution's Web site will provide useful information to prospective students and their families.

7. **Special Circumstances Governing Data Collection**

This application is consistent with all of the guidelines in 5 CFR 1320.5(d)(2).

8. **Consultation Outside the Agency**

The Department of Education announced in a September 9, 2009 Federal Register notice (74 FR 46399), the Department's intention to establish negotiated rulemaking committees to prepare proposed regulations under Title IV of the Higher Education Act of 1965, as amended (HEA). These committees were formed as a result of a Federal Register notice published on May 26, 2009 (74 FR 24728) which announced a series of three regional hearings at which interested parties could comment on topics suggested by the Department. The topic "Gainful employment in a recognized occupation was among the list of program integrity issues listed by the Department.

A Notice of Proposed Rulemaking was published in the Federal Register on June 18, 2010. A 60 day notice was published in the Federal Register seeking public comment on July 16, 2010. A 30 day was published in the Federal Register. Prior to the approval of these proposed regulations the Department negotiated with members of the community during three sessions in early 2010.

9. **Payments or Gifts to Respondents**

There are no payments or gifts to respondents.

10. **Assurance of Confidentiality**

There is no assurance of confidentiality provided to institutions for the submission of this information.

11. **Questions of a Sensitive Nature**

There are no questions of a sensitive nature in this application.

12. **Annual Hour Burden for Respondents/Recordkeepers**

**Section 668.6 – Gainful employment in a recognized occupation.**

Section 668.6(a): Programs as provided under §668.8(c)(3) by an institution of higher education that are at least a one-academic year training program that leads to a certificate, degree or other recognized educational credential and that prepares a student for gainful employment in a recognized occupation. Programs as provided under §668.8(d) that are offered by a proprietary institution of higher education or by a postsecondary vocational institution of higher education must provide undergraduate training that prepares a student for gainful employment in a recognized occupation. Institutions offering programs of study that prepare student for gainful employment in a recognized occupation must report annually for each student who completes or graduates from the program; information to identify the student; the Classification of Instructional Program

(CIP) code for the program; the completion or graduation date; and the amount of private education loans and/or institutional financing received by the student. Each institution must develop a process to collect and report this data. We estimate that development of these processes to increase burden by 44,630 hours.

**AFFECTED ENTITIES and BURDEN:**

We estimate that 2,086 proprietary institutions will, on average, spend 10 hours to develop their processes to record student identifier information, to associate CIP codes to their occupational training programs, to record program completion dates and collect information on the amounts program completers received in private educational loans and institutional financing plans.

We estimate that 238 private non-profit institutions will, on average, spend 10 hours to develop their processes to record student identifier information, to associate CIP codes to their occupational training programs, to record program completion dates and collect information on the amounts program completers received in private educational loans and institutional financing plans.

We estimate that 2,139 public institutions will, on average, spend 10 hours to develop their processes to record student identifier information, to associate CIP codes to their occupational training programs, to record program completion dates and collect information on the amounts program completers received in private educational loans and institutional financing plans.

	# of Responses:	# of Respondents:	# of Burden Hours:
PROPRIETARY:			
	2,086	2,086	20,860
PRIVATE NON-PROFIT:			
	238	238	2,380
PUBLIC:			
	2,139	2,139	21,390
Total	4,463	4,463	44,630

Section 668.6(a): The proposed regulations require institutions to report to the Secretary student identifier information for each completer or graduate, the CIP code of the program that the student completed, the date the student completed the program, and the amounts of private educational loans and institutional financing that the student received as a result of completing the occupational program.

**AFFECTED ENTITIES and BURDEN:**

We estimate that there will be 591,966 graduates from these occupational programs over a three-year period.

We estimate that 47% will graduate from occupational programs at proprietary institutions or 278,224 graduates or completers. We estimate that reporting for each graduate will be .08 hours (5 minutes) per graduate or 22,258 burden hours.

We estimate that 5% will graduate from occupational programs at private non-profit institutions 29,598 graduates or completers. We estimate that reporting for each graduate will be .08 hours (5 minutes) per graduate or 2,368 burden hours.

We estimate that 48% will graduate from public institutions or 284,144 graduates of completers. We estimate that reporting for each graduate will be .08 hours (5 minutes) per graduate or 22,732 burden hours.

	# of Responses:	# of Respondents:	# of Burden Hours:
PROPRIETARY:			
	278,224	278,224	22,258
PRIVATE NON-PROFIT:			
	29,598	29,598	2,368
PUBLIC:			
	284,144	284,144	22,732
Total	591,966	591,966	47,358

Section 668.6(b): Under proposed §668.6(b), for each program under this section, on the institution’s Web site, the institution must disclose the name of each program and its Standard Occupational Classification (SOC) code, along with links to occupational profile information as reported on the Department of Labor’s Occupational Information Network (O\*Net). In addition, institutions are also required to disclose on their Web sites information about on-time graduation rates for students entering the program, information about the cost of the program (including tuition, fees, room and board, and other institutional costs a typical student would incur for enrolling in the program). Beginning no later than June 30, 2013, an institution must disclose the placement rate for students complete the program and the median debt incurred by students who completed the program during the preceding three years. The institution must identify separately the median loan debt from private educational loans and institutional financing plans.

**AFFECTED ENTITIES and BURDEN:**

We estimate that of the 4,463 institutions with these programs that 2,086 are proprietary institutions or 47%. We estimate that of the 4,463 institutions with these programs that 238 are private non-profit institutions or 5%. We estimate that of the 4,463 institutions with these programs that 2,139 are public institutions or 48%. We estimate that on

average, it will take approximately 3 hours per institution to obtain the required disclosure information from O\*Net and its own programmatic cost information and to provide that information on its institutional Web site.

# of Responses:	# of Respondents:	# of Burden Hours:
PROPRIETARY: 2,086	2,086	6,258
PRIVATE NON-PROFIT: 238	238	714
PUBLIC: 2,139	2,139	6,417
Total: 4,463	4,463	13,389

For additional information, please see the supplementary document “Burden Analysis-1845-NEW1 – 1840-AD02”.

13. **Start-up Cost Burden to the Respondents**

None.

14. **Estimated Annual Cost to the Federal Government**

There are no additional costs to the Federal government as a result of the proposed regulations.

15. **Reasons for Changes to Burden Hours Estimated**

This is a new collection package therefore there are no current burden hours associated with this package.

Respondents, Responses and Burden Hours:

	# of Respondents	# of Responses	# Hrs Burden
<b>Section 668.6 – Gainful employment in a recognized occupation.</b>			
<u>Section 668.6(a):</u>			
Process development -	4,463	4,463	44,630
Reporting –	591,966	591,966	47,357
<u>Section 668.6(b):</u>			
Disclosures -	4,463	4,463	13,389

Sub-total:	600,892	600,892	105,377
------------	---------	---------	---------

Current Inventory:			
# of Respondents		# of Responses	# Hrs Burden
-0-		-0-	-0-

Revised Inventory:			
# of Respondents		# of Responses	# Hrs Burden
600,892		600,892	105,377

16. **Collection of Information with Published Results**  
The results of the collection of information will not be published.
17. **Approval to Not Display Expiration Date**  
ED is not seeking this approval.
18. **Exception to the Certification Statement**  
No exceptions.