

SUPPORTING STATEMENT

Information Collections Under the Regulations Governing Student Assistance General Provisions.

A. JUSTIFICATION

RIN-1840-AD04

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 - §668.7 - 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.

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.

Purpose and Use of Information Collected

Subpart A – General (OMB Control Number: 1845-NEW4)

Section 668.7 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 668.7 – Gainful employment in a recognized occupation.

Under the proposed regulations in §668.7(a)(3)(viii), the Department would establish procedures for the purpose of calculating the loan repayment rate under §668.7(b). Institutions would be required to report the Classification of Instructional Program (CIP) codes for all students who attended a program at the institution whose FFEL or Direct Loan entered repayment during the four prior federal fiscal years. During the initial year

of the requirement, institutions would have to report the CIP code information for the for students whose Title IV, HEA FFEL and Direct Loans entered repayment during the prior four federal fiscal years (FFYs). Thereafter, institutions would continue to report the CIP codes for students in attendance in a program that leads to gainful employment on an annual basis.

Under proposed §668.7(c)(3), the Department would determine the average annual earnings of students who completed the affected programs during the three year period (3YP), and if available, during the prior 3YP (P3YP). To the extent that P3YP data are used, the institution must show that student completing the program typically experience a significant increase in earnings after an initial employment period and that the institution would provide for each student who completed the program the following information: the CIP code, the completion date, the amount the student received of private educational loans, the amount of debt incurred from institutional financing plans, as this information would be needed to calculate the annual debt measure for the P3YP.

Under proposed §668.7(d), on or after July 1, 2012, unless a program that leads to gainful employment has a loan repayment rate of at least 45 percent and an annual loan payment that is at least 20 percent of discretionary income or 8 percent of average annual income, the Department would notify the institution that it must include a prominent warning in its promotional, enrollment, registration, and in all admissions meetings with prospective students, that is designed and intended to alert prospective and currently enrolled students that they may have difficulty repaying their loans obtained for attending that program.

Under proposed §668.7(e), when the Department notifies an institution that one or more of its programs would be placed on restricted status, under §668.7(a)(2), the institution must provide annually to the Department, documentation from employers not affiliated with the institution affirming that the curriculum of the program aligns with recognized occupations at those employers' businesses. Moreover, the affirmations must also indicate that there are projected job vacancies or expected demand for those occupations at those businesses. The number and location of the businesses for which affirmation is required must be commensurate with the anticipated size of the program.

Under proposed §668.7(g), before an institution offers an additional program that is subject to the requirements of this section, the institution must apply to the Department for approval as an eligible program. To the extent that the additional program is substantively different as provided under §602.22(a)(1), the institution would have to provide documentation of the accrediting agency approval. Additionally, the institution would have to provide to the Department, enrollment projects for the period covering the next five years, for each location of the institution that will offer the additional program. The institution would also have to provide the Department with documentation from employers not affiliated with the institution affirming that the curriculum of the program aligns with recognized occupations at those employers' businesses. The affirmations must also indicate that there are projected job vacancies or expected demand for those

occupations at those businesses. The number and location of the businesses for which affirmation is required must be commensurate with the anticipated size of the program.

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

Student Assistance General Provisions:

Subpart A – General Section 668.7 – 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 and currently enrolled 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. Most of the proposed required reporting of information would be reported electronically via the Internet or through the appropriate Departmental data systems.

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 proposed request for CIP codes data, completion data, private educational loan data, the amount of indebtedness incurred through institutional financing plans, employer affirmations, accrediting agency approvals, and projected enrollment data would be 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, as well as to currently enrolled students.

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**

A Notice of Proposed Rulemaking will be published in the Federal Register seeking public comment. 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 668.7 – Gainful employment in a recognized occupation.

Section 668.7(a)(3)(viii): The proposed regulations would impose new requirements on certain programs that by law must, for purposes of the title IV, HEA programs, prepare students for gainful employment in a recognized occupation. For public and private nonprofit institutions, a program that does not lead to a degree would be subject to the eligibility requirement that the program lead to gainful employment in a recognized occupation, while a program leading to a degree, including a two-academic-year program fully transferable to a baccalaureate degree, would not be subject to this eligibility requirement. For proprietary institutions, all eligible degree and nondegree programs would be required to lead to gainful employment in a recognized occupation, except for a liberal arts baccalaureate program under section 102(b)(1)(A)(ii) of the HEA.

As proposed in §668.7(a)(3)(viii), in accordance with procedures established by the Department for the purposes of calculating the loan repayment rate under §668.7(b), an institution must report the CIP codes for all students who attended a program at the institution whose FFEL or Direct Loan entered repayment in the prior four FFYs. There has been tremendous growth in occupational programs between 2000 and 2008, averaging 200,000 new students per year. Based upon data from our institutional eligibility and program participation unit within Federal Student Aid, the Department estimates the following number of affected institutions that offer programs that currently prepare students for gainful employment in recognized occupations. The Department estimates there are 2,086 proprietary institutions with occupational programs consistent with §668.8(d), there are 238 private, non-profit institutions with occupational programs, and there are 2,139 public institutions with occupational programs consistent with §668.8(c)(3). Under the proposed regulations in §668.7(a)(3)(viii), the Department would establish procedures for the purpose of calculating the loan repayment rate under §668.7(b). Institutions would be required to report the Classification of Instructional Program (CIP) codes for all students who attended a program at the institution whose

FFEL or Direct Loan entered repayment during the four prior federal fiscal years during the initial year of the requirement. Thereafter, institutions would continue to report the CIP codes for students in attendance in a program that leads to gainful employment on an annual basis.

AFFECTED ENTITIES and BURDEN:

The Department estimates that in the first year of reporting CIP codes for all students who attended an affected program whose FFEL and Direct Loans entered repayment in the preceding four Federal fiscal years, the burden would be as follows.

With respect to the 2,086 proprietary institutions, the Department estimates that 376,000 student (47 percent times 800,000) attended programs at those institutions during the preceding four FFYs. Of those 376,000, we estimate that 90 percent or 338,400 had Title IV, HEA loans that entered repayment. At an average of .08 hours (5 minutes) per student to determine and report the CIP code, the Department estimates an increase in burden for proprietary institutions of 27,072 hours in OMB 1845-NEW4.

With respect to the 238 private non-profit institutions, the Department estimates that 40,000 students (5 percent times 800,000) attended programs at those institutions during the preceding four FFYs. Of those 40,000, we estimate that 60 percent or 24,000 had Title IV, HEA loans that entered repayment. At an average of .08 hours (5 minutes) per student to determine and report the CIP code, the Department estimates an increase in burden for private non-profit institutions of 1,920 hours in OMB 1845-NEW4.

With respect to the 2,139 public institutions, the Department estimates that 384,000 students (48 percent times 800,000) attended those institutions during the preceding four FFYs. Of those 384,000, we estimate that 38 percent or 145,920 had Title IV, HEA loans that entered repayment. At an average of .08 hours (5 minutes) per student to determine and report the CIP code, the Department estimates an increase in burden for public institutions of 11,674 hours in OMB 1845-NEW4.

Collectively, the Department estimates that the burden associated with determinations and reporting related to CIP codes for all students who attended an occupational program will increase to the affected institutions by 40,666 hours in OMB 1845-NEW4.

# of Responses:	# of Respondents:	Hrs/Response	# of Burden Hours:
PROPRIETARY:			
2,086	338,400	.08	27,072
PRIVATE NON-PROFIT:			
238	24,000	.08	1,920
PUBLIC:			

	2,139	145,920	.08	11,674
Total	4,463	508,320		40,666

Section 668.7(c)(3): As proposed in §668.7(c)(3)(i) and (ii), the Secretary determines annually for each program whether the annual loan payment is less than the discretionary income and the earnings thresholds in §668.7(a). For annual earnings, the Secretary uses the most currently available actual, average annual earnings obtained from a Federal agency, of the students who completed the program during the 3YP and, if the data are available, during the P3YP. When P3YP data are used, in accordance with procedures established by the Secretary, the institution shows that students completing the program typically experience a significant increase in earnings after an initial employment period and the institution explains the basis for that earnings pattern. For each of the P3YP student completers, the institution is required to provide the Secretary with the following information; the program CIP code, the student’s completion date, the amount of private educational loans that the student received, and the amount of debt incurred from institutional financing plans.

AFFECTED ENTITIES and BURDEN:

The Department estimates that 60 percent of the proprietary institutions would meet the loan repayment rate of 45 percent; therefore 40 percent of the 2,086 proprietary institutions with programs that prepare students for gainful employment or 834 institutions would have a loan repayment rate less than 45 percent. Under the proposed regulations, the debt measure as calculated by the Department would be used to determine if a program would be eligible and therefore unrestricted, or to what extent restrictions would apply. We estimate that 65.3 percent of the 834 institutions would pass the initial 3YP debt measure and therefore, 34.7 percent (.347 times 834 institutions equal 289 institutions) would not pass the initial 3YP debt measure. Of the remaining 289 institutions that would not pass the initial 3YP debt measure, 75 percent would pass the prior 3YP threshold of the annual loan repayment not exceeding 20 percent of discretionary income, or 8 percent of annual earnings. We estimate that for the explanation of the increase in earnings after the initial employment period and the submission of the P3YP information (to include for each student that completed the program: the CIP code of the program, the completion date, the amount of private educational loans, and the amount of debt incurred from institutional financing plans), to average 10 hours per proprietary institution for a total of 2,890 hours of burden in OMB 1845-NEW4.

The Department estimates that 89 percent of the private nonprofit institutions would meet the loan repayment rate of 45 percent; therefore 11 percent of the 238 private nonprofit institutions with programs that prepare students for gainful employment or 26 institutions would have a loan repayment rate less than 45 percent. Under the proposed regulations, the debt measure as calculated by the Department would be used to determine if a program would be eligible and unrestricted, or to what extent restrictions would apply.

We estimate that 95 percent of the 26 private nonprofit institutions would pass the initial 3YP debt measure and therefore, 5 percent (.05 times 26 institutions equal 1 institution) would not pass the initial 3YP debt measure. Of the remaining 1 institution that would not pass the initial 3YP debt measure, we estimate that this institution would explain the increase in earnings after the initial employment period and submit the alternative debt threshold data. We estimate that this institution would pass the P3YP threshold of the annual loan payment not exceeding 20 percent of discretionary income, or 8 percent of average annual earnings. We estimate that the submission of the explanation of increased earnings and the P3YP information (to include for each student that completed the program: the CIP code of the program, the completion date, the amount of private educational loans, and the amount of debt incurred from institutional financing plans), to average 10 hours per private nonprofit institution for a total of 10 hours of burden in OMB 1845-NEW4.

The Department estimates that 82 percent of the public institutions would meet the loan repayment rate of 45 percent; therefore 18 percent of the 2,139 public institutions with programs that prepare students for gainful employment or 385 institutions would have a loan repayment rate less than 45 percent and therefore the debt measure as calculated by the Department would be used to determine if a program would be eligible and unrestricted, or to what extent restrictions would apply. We estimate that 98 percent of the 385 public institutions would pass the initial 3YP debt measure and therefore, 2 percent (.02 times 385 institutions equal 8 institutions) would not pass the initial 3YP debt measure. Of the remaining 8 institutions that would not pass the initial 3YP debt measure, we estimate that virtually all would explain the increase in earnings beyond the initial employment period and submit the alternative debt threshold data. We estimate that 90 percent would pass the P3YP threshold of the annual loan payment not exceeding 20 percent of discretionary income, or 8 percent of average annual earnings. We estimate that the submission of the explanation of the increased earnings and the P3YP information (to include for each student that completed the program: the CIP code of the program, the completion date, the amount of private educational loans, and the amount of debt incurred from institutional financing plans), to average 10 hours per public institution for a total of 80 hours of burden in OMB 1845-NEW4.

Collectively, under proposed §668.7(c)(3), we estimate the burden for institutions to explain the increase in earnings after the initial 3YP and the submission of data on students that completed the program during the P3YP would result in burden of 2,980 hours.

# of Responses:	# of Respondents:	Hrs/Response	# of Burden Hours:
PROPRIETARY: 289	289	10 hours	2,890

PRIVATE NON-PROFIT:	1	1	10 hours	10
PUBLIC:	8	8	10 hours	80
Total	298	298		2,980

Section 668.7(d): Under proposed §668.7(d), on or after July 1, 2012, unless the program has a loan repayment rate of at least 45 percent or an annual loan payment that is at least 20 percent of discretionary income or 8 percent of average annual income, the Department would notify the institution that it must include a prominent warning in its promotional, enrollment, registration, and other materials describing the program, including those on its Web site, designed and intended to alert prospective and currently enrolled students they may have difficulty repaying loans obtained for attending that program.

AFFECTED ENTITIES and BURDEN:

The Department estimates that 60 percent of the proprietary institutions would have a loan repayment rate of 45 percent or above and that 40 percent would not pass this rate or (.4 times 2,086 equal 834 proprietary institutions that have programs that prepare students for gainful employment) that would not pass this rate. The Department estimates that for the initial 3YP, that 65.3 percent of the remaining 834 proprietary institutions would meet or surpass the debt measures of at least 20 percent of discretionary income or at least 8 percent of average annual income. The Department estimates that the remaining 34.7 percent (.347 times 834 equal 289 proprietary institutions) would not pass the debt measures and therefore, under the proposed regulations would be required to provide a debt warning disclosure. We estimate that it will take the affected 289 proprietary institutions, on average, 1 hour to meet these reporting requirements for their occupational training programs for a total estimated increase in burden of 289 hours in OMB 1845-NEW4.

The Department estimates that 89 percent of the private non-profit institutions would have a loan repayment rate of 45 percent or above and that 11 percent would not pass this rate or (.11 times 238 equal 26 private nonprofit institutions that have programs that prepare students for gainful employment) would not pass this rate. The Department estimates that for the initial 3YP, 95 percent of the remaining 26 private nonprofit institutions would meet or surpass the debt measures of at least 20 percent of discretionary income or at least 8 percent of average annual income. The Department estimates that the remaining 5 percent (.05 times 26 equal 1 private non-profit institution) where the institution would not pass the debt measures and therefore, under the proposed regulations be required to provide a debt warning disclosure. The Department estimates that it will take the affected private non-profit institution, on average, 1 hour to meet

these reporting requirements for its occupational training programs for a total estimated increase in burden of 1 hour in OMB 1845-NEW4.

The Department estimates that 82 percent of the public institutions would have a loan repayment rate of 45 percent or above and that 18 percent would not pass this rate or (.18 times 2,139 equal 385 public institutions have programs that prepare students for gainful employment) that would not pass this rate. The Department estimates that for the initial 3YP, 98 percent of the remaining 385 public institutions would meet or surpass the debt measures of at least 20 percent of discretionary income or at least 8 percent of average annual income. The Department estimates that the remaining 2 percent (.02 times 385 equal 8 public institutions) would not pass the debt measures and therefore under the proposed regulations would be required to provide a debt warning disclosure. The Department estimates that it will take the affected 8 public institutions, on average, 1 hour to meet these reporting requirements for their occupational training programs for a total estimated increase in burden of 8 hours in OMB 1845-NEW4.

Collectively, under proposed §668.7(d), we estimate that burden for institutions to meet these proposed disclosure requirements in accordance with procedures established by the Department would increase by 298 hours in OMB Control Number 1845-NEW4.

# of Responses:	# of Respondents:	Hrs/Response	# of Burden Hours:
PROPRIETARY:			
289	289	1 hour	289
PRIVATE NON-PROFIT:			
1	1	1 hour	1
PUBLIC:			
8	8	1 hour	8
Total	298		298

Section 668.7(e): Under proposed §668.7(e), a restricted program would be required to report to the Department additional information annually. The additional information would include documentation from employers not affiliated with the institution, affirming that the curriculum of the program aligns with recognized occupations at those employers' businesses. The number and locations of the businesses, as well as the number of projected job vacancies at those businesses must be commensurate with the anticipated size of the programs.

AFFECTED ENTITIES and BURDEN:

The Department estimates that 22.7 percent of the proprietary institutions will be subject to the proposed requirements of the restricted status (.227 times 2,086 proprietary

institutions that have programs that prepare students for gainful employment equal 474 affected institutions). The Department estimates that on average, each institution would take 11 hours to obtain the independent employer affirmations as proposed for submission to the Department. These institutions would already be required to provide a debt warning disclosure, so there is no additional burden associated with that requirement in this section. Therefore, we estimate an increase in burden of 5,214 hours (474 affected institutions times 11 hours equal 5,214 hours).

The Department estimates that 15 percent of the private non-profit institutions will be subject to the proposed requirements of the restricted status (.15 times 238 private nonprofit institutions that have programs that prepare students for gainful employment equal 36 affected institutions). The Department estimates that on average, each institution would take 11 hours to obtain the independent employer affirmations as proposed for submission to the Department. These institutions would already be required to provide a debt warning disclosure, so there is no additional burden associated with that requirement in this section. Therefore, the Department estimates an increase in burden of 396 hours (36 affected institutions times 11 hours equal 396 hours).

The Department estimates that 11.8 percent of the public institutions will be subject to the proposed requirements of the restricted status (.118 times 2,139 public institutions that have programs that prepare students for gainful employment equal 252 affected institutions). The Department estimates that on average, each institution would take 11 hours to develop its five year enrollment projections and obtain the independent employer affirmations as proposed for submission to the Department. These institutions would already be required to provide a debt warning disclosure, so there is no additional burden associated with that requirement in this section. Therefore, we estimate an increase in burden of 2,772 hours (252 affected institutions times 11 hours equal 2,772 hours).

Collectively, under proposed §668.7(e), we estimate that burden would increase by 8,382 hours in OMB 1845-NEW4.

# of Responses:	# of Respondents:	Hrs/Response	# of Burden Hours:
PROPRIETARY:			
474	474	11 hours	5,214
PRIVATE NON-PROFIT:			
36	36	11 hours	396

PUBLIC:	252	252	11 hours	2,772
Total	762	762		8,382

Section 668.7(f): Under proposed §668.7(f), the Department would notify an institution whenever one or more of its programs become ineligible. During the initial year of implementation as proposed, for the award year beginning July 1, 2012, the number of ineligible programs would be limited to five percent. The Department estimates that there would be 3,000 programs in the ineligible category initially. Five percent of the 3,000 ineligible program or 450 programs would not be able to award title IV, HEA program assistance to new students after the notification date. The other 2,550 ineligible programs would be subject to additional reporting requirements including providing employer affirmations under §668.7(g)(1)(iii) and providing the debt warning disclosures under §668.7(d).

AFFECTED ENTITIES and BURDEN:

With respect to the 2,550 ineligible programs, the Department estimates that 65 percent or 1,658 of the ineligible programs would be at proprietary institutions. At an average of 11 hours to obtain and report employer affirmation per program, we estimate that burden would increase by 18,238 hours in OMB 1845-NEW4. At an average of 1 hour to place debt warning disclosure information in its promotional, enrollment, and other materials, including its Web site, we estimate that burden will increase by 1,658 hours in OMB 1845-NEW4. Collectively, the Department estimates that burden would increase for proprietary institutions by 19,896 hours in OMB 1845-NEW4.

With respect to the 2,550 ineligible programs, the Department estimates that 5 percent or 128 of the ineligible programs would be at private non-profit institutions. At an average of 11 hours to obtain and report employer affirmation per program, we estimate that burden would increase by 1,408 hours. At an average of 1 hour to place debt warning disclosure information in its promotional, enrollment, and other materials, including its Web site, we estimate that burden will increase by 128 hours in OMB 1845-NEW4. Collectively, the Department estimates that burden would increase for private non-profit institutions by 1,536 hours in OMB 1845-NEW4.

With respect to the 2,550 ineligible programs, the Department estimates that 30 percent or 764 of the ineligible programs would be at public institutions. At an average of 11 hours to obtain and report employer affirmation per program, we estimate that burden would increase by 8,404 hours. At an average of 1 hour to place debt warning disclosure information in its promotional, enrollment, and other materials, including its Web site, we estimate that burden will increase by 764 hours in OMB 1845-NEW4. Collectively, the Department estimates that burden would increase for public institutions by 9,168 hours in OMB 1845-NEW4.

In total, under proposed §668.7(f), the Department estimates that burden would increase by 30,600 hours in OMB 1845-NEW4.

# of Responses:	# of Respondents:	Hrs/Response	# of Burden Hours:
PROPRIETARY:			
1,658	1,658	12 hours	19,896
PRIVATE NON-PROFIT:			
128	128	12 hours	1,536
PUBLIC:			
764	764	12 hours	9,168
Total	2,550		30,600

Section 668.7(g): Under proposed §668.7(g), before an institution can offer an additional program, the institution would have to apply to the Department by providing documentation of the approval of the substantive change by its accrediting agency, providing projected five year enrollment estimates, as well as, obtaining documentation from employers not affiliated with the institution, that the program curriculum aligns with recognized occupations at those employers’ businesses, the number and locations of the businesses, and that the projected number of job vacancies are commensurate with the anticipated size of the program. The Department estimates that during the initial three year period there will be 650 submissions of additional programs for which institutions would submit to the Department this information. The Department estimates that, of the 4,463 institutions with programs that prepare student for gainful employment in a recognized occupation, 47 percent are in the proprietary sector, 5 percent are in the private nonprofit sector, and 48 percent are in the public sector.

AFFECTED ENTITIES and BURDEN:

The Department estimates that 47 percent of the 650 additional programs or 306 programs would be at proprietary institutions and that on average it will take 13 hours to develop the five-year projections and to collect the proposed employer documentation for a total increase of 3,978 hours of burden.

The Department estimates that 5 percent of the 650 additional programs or 32 programs would be at private non-profit institutions and that on average it will take 13 hours to develop the five-year projections and to collect the proposed employer documentation for a total increase of 416 hours of burden.

The Department estimates that 48 percent of the 650 additional programs or 312 programs would be at public institutions and that on average it will take 13 hours to

develop the five-year projections and to collect the proposed employer documentation for a total increase of 4,056 hours of burden.

Collectively, under §668.7(g), the Department estimates that the increase in burden to institutions would be 8,450 hours in OMB Control 1845-NEW4.

# of Responses:	# of Respondents:	Hrs/Response	# of Burden Hours:
PROPRIETARY:			
306	306	13 hours	3,978
PRIVATE NON-PROFIT:			
32	32	13 hours	416
PUBLIC:			
312	312	13 hours	4,056
Total	650		8,450

For additional information, please see the supplementary document “Gainful Employment- 1845-NEW4 – 1840-AD04”.

The development of the cost burden to the respondents is based upon two wage types as reported in the U.S. Department of Labor’s O*Net On-line system. Median wages for an Office Clerk (43-9061.00) is \$12.57 per hour. Median wages for an Education Administrator (11-9039.00) is \$35.54. The cost assessment follows:

Section 668.7(a)(3)(viii) - As proposed in §668.7(a)(3)(viii), in accordance with procedures established by the Department for the purposes of calculating the loan repayment rate under §668.7(b), an institution must report the CIP codes for all students who attended a program at the institution whose FFEL or Direct Loan entered repayment in the prior four FFYs.

Proprietary institutions:
27,072 hours times \$12.57 per hour = estimated cost burden of \$340,295.

Private non-profit institutions:
21,920 hours times \$12.57 per hour = estimated cost burden of \$24,134.

Public institutions:
11,674 hours times \$12.57 per hour = estimated cost burden of \$146,742.

Sub-total of cost burden = \$511,171.

Section 668.7(c)(3): For each of the P3YP student completers, the institution is required to provide the Department with the following information; the program CIP code, the student's completion date, the amount of private educational loans that the student received and the amount of debt incurred from institutional financing plans.

Proprietary institutions:

2,890 hours times \$35.54 per hour = estimated cost burden of \$102,711.

Private non-profit institutions:

10 hours times \$35.54 per hour = estimated cost burden of \$355.

Public institutions:

80 hours times \$35.54 per hour = estimated cost burden of \$227,456.

Sub-total of cost burden = \$330,202.

Section 668.7(d): Under proposed §668.7(d), on or after July 1, 2012, unless the program has a loan repayment rate of at least 45 percent or an annual loan payment that is at least 20 percent of discretionary income or 8 percent of average annual income, the Department would notify the institution that it must include a prominent warning in its promotional, enrollment, registration, and other materials describing the program, including those on its Web site, designed and intended to alert prospective and currently enrolled students they may have difficulty repaying loans obtained for attending that program.

Proprietary institutions:

289 hours times \$35.54 per hour = estimated cost burden of \$10,271.

Private non-profit institutions:

1 hour times \$35.54 per hour = estimated cost burden of \$36.

Public institutions:

8 hours times \$35.54 per hour = estimated cost burden of \$284.

Sub-total of cost burden = \$10,591.

Section 668.7(e): Under proposed §668.7(e), a restricted program would be required to report to the Department additional information annually. The additional information would include documentation from employers not affiliated with the institution, affirming that the curriculum of the program aligns with recognized occupations at those employers' businesses. The number and locations of the businesses, as well as the number of projected job vacancies at those businesses must be commensurate with the anticipated size of the programs.

Proprietary institutions:
5,214 hours times \$35.54 per hour = estimated cost burden of \$185,306.

Private non-profit institutions:
396 hours times \$35.54 per hour = estimated cost burden of \$14,074.

Public institutions:
2,772 hours times \$35.54 per hour = estimated cost burden of \$98,517.

Sub-total of cost burden = \$483,203.

Section 668.7(f): Under proposed §668.7(f), the Department would notify an institution whenever one or more of its programs become ineligible. During the initial year of implementation as proposed, for the award year beginning July 1, 2012, the number of ineligible programs would be limited to five percent. The Department estimates that there would be 3,000 programs in the ineligible category initially. Five percent of the 3,000 ineligible program or 450 programs would not be able to award title IV, HEA program assistance to new students after the notification date. The other 2,550 ineligible programs would be subject to additional reporting requirements including providing employer affirmations under §668.7(g)(1)(iii) and providing the debt warning disclosures under §668.7(d).

Proprietary institutions:
19,896 hours times \$35.54 per hour = estimated cost burden of \$707,104.

Private non-profit institutions:
1,536 hours times \$35.54 per hour = estimated cost burden of \$54,589.

Public institutions:
9,186 hours times \$35.54 per hour = estimated cost burden of \$325,831.

Sub-total of cost burden = \$1,087,524.

Section 668.7(g): Under proposed §668.7(g), before an institution can offer an additional program, the institution would have to apply to the Department by providing documentation of the approval of the substantive change by its accrediting agency, providing projected five year enrollment estimates, as well as, obtaining documentation from employers not affiliated with the institution, that the program curriculum aligns with recognized occupations at those employers' businesses, the number and locations of the businesses, and that the projected number of job vacancies are commensurate with the anticipated size of the program.

Proprietary institutions:
3,978 hours times \$35.54 per hour = estimated cost burden of \$141,378.

Private non-profit institutions:

416 hours times \$35.54 per hour = estimated cost burden of \$14,785.

Public institutions:

4,056 hours times \$35.54 per hour = estimated cost burden of \$144,150.

Sub-total of cost burden = \$300,313.

Total estimated cost burden to respondents = \$2,723,004.

13. Start-up Cost Burden to the Respondents

There are no new system start-up costs associated with these proposed regulations.

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
Section 668.7 – Gainful employment in a recognized occupation.		
<u>Section 668.7(a)(3)(viii):</u>		
Reporting –		
4,463	508,320	40,666
<u>Section 668.7(c)(3):</u>		
Reporting –		
298	298	2,980
<u>Section 668.7(d):</u>		
Disclosures –		
298	298	298
<u>Section 668.7(e):</u>		
Reporting –		

	762	762	8,382
<u>Section 668.7(f):</u>			
Reporting –			
	2,550	2,550	30,600
<u>Section 668.7(g):</u>			
Reporting –			
	650	650	8,450
Sub-total -			
	9,021	512,878	91,376
Current Inventory:			
# of Respondents		# of Responses	# Hrs Burden
	-0-	-0-	-0-
Revised Inventory:			
# of Respondents		# of Responses	# Hrs Burden
	9,021	512,878	91,376

16. **Collection of Information with Published Results**
This information will not be used for statistical purposes.
17. **Approval to Not Display Expiration Date**
ED is not seeking approval to not display the expiration date.
18. **Exception to the Certification Statement**
No exceptions.