

The Secretary proposes to amend the Student Assistance General Provisions by adding Subpart Q to 34 CFR Part 668, to establish measures for determining whether certain postsecondary educational programs lead to gainful employment in recognized occupations, and the conditions under which these educational programs remain eligible for student financial assistance programs authorized under Title IV of the Higher Education Act of 1965, as amended (HEA). This will be a new collection and includes proposed §668.406 – Alternative earnings appeals for debt to earnings (D/E) rates.

Section 668.406(b) – Survey requirements.

The proposed regulations would provide an institution the opportunity to make an alternate earnings appeal under §668.406(b). The appeal would only be available to challenge final D/E rates that would put the program in jeopardy of a loss of eligibility in the succeeding award year.

We estimate that for-profit institutions would have 1,364 gainful employment programs in the zone and that 910 programs would be failing for a total of 2,274 programs. We expect that most institutions would determine that SSA data reflect accurately the earnings of students and would therefore not elect to conduct the survey. Accordingly, we estimate that for-profit institutions would submit alternate earnings appeals under the survey appeal option for 10 percent of those programs, which would equal 227 appeals annually. We estimate that conducting the survey, providing the institutional certification, and obtaining the examination-level attestation engagement report would total, on average, 100 hours of increased burden, therefore burden would increase 22,700 hours under OMB Control Number 1845-NEW2.

Section 668.406(c) – State-sponsored data system requirements.

We estimate that there would be 1,364 failing GE programs at for-profit institutions and 910 programs in the zone, for a total of 2,274 programs. We expect that most institutions would determine that SSA data reflect accurately the earnings of students who completed a program and would therefore not elect to submit earnings data from a State-sponsored system. Accordingly, we estimate that in 10 percent of those cases, institutions would obtain earnings data from a State-sponsored system, resulting in approximately 227 appeals. We estimate that, on average each appeal would take 20 hours, including execution of an agreement for data sharing and privacy protection under the Family Educational Rights and Privacy Act (20 U.S.C 1232g) (FERPA) between the institution and the State agency, preparing the list(s), submitting the list(s) to the appropriate State agency, reviewing the results, calculating the proposed revised D/E rates, and submitting those results to the Secretary. Therefore, burden would increase by 4,540 hours under OMB Control Number 1845-NEW2.

Section 668.406(d) – Low borrowing rate requirements

We estimate that 2 percent of the total 2,274 programs at for profit institutions (910 zone programs plus 1,364 failing programs) or 45 programs at for profit institutions would submit a low borrowing rate appeal and that generally this would be an automated process, however, there would be some situations, probably at a small institution where the process could be a manual process and therefore we estimate the average amount of time to collect the data, compile and

submit the low borrower rate appeal would on average be 5 hours per appeal. The estimated burden would be 225 hours (45 appeals times 5 hours per appeal) under OMB Control Number 1845-NEW2.

Section 668.406(e) – Alternate appeal procedures.

We estimated above that for-profit institutions would have 227 alternate earnings survey appeals annually, plus 227 State-sponsored data system appeals, plus 45 low borrower rate appeals for a total of 499 appeals. We estimate that completing and submitting a notice of intent to use survey alternate earnings data, State data increases burden, or a low borrower rate appeal on average, by 0.25 hours per submission or 125 hours under OMB Control 1845-NEW2.

TOTALS

Responses	998
Respondents	998
Burden Hours	27,590