Public Interest Comment\(^1\) on
The Department of Education’s Proposed Rule:
Program Integrity: Gainful Employment
Docket ID No. ED-2014-OPE-0039
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The George Washington University Regulatory Studies Center
Retrospective Review Comment Project

The George Washington University Regulatory Studies Center strives to improve regulatory policy through research, education, and outreach. As part of its mission, the Center conducts careful and independent analyses to assess rulemaking proposals from the perspective of the public interest. This comment on the Department of Education’s proposed rule creating the conditions under which a (GE) program is eligible to receive title IV, Higher Education Administration (HEA) program funding does not represent the views of any particular affected party or special interest, but is designed to evaluate whether the Department of Education’s proposal incorporates plans for retrospective review, pursuant to Executive Order 13563.

\(^1\) This comment reflects the views of the author, and does not represent an official position of the GW Regulatory Studies Center or the George Washington University. The Center’s policy on research integrity is available at [http://research.columbian.gwu.edu/regulatorystudies/research/integrity](http://research.columbian.gwu.edu/regulatorystudies/research/integrity).

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Introduction

In this notice of proposed rulemaking (NPRM), the Department of Education proposes to create standards and conditions under which (GE) Programs are eligible for title IV, HEA funding. Educational programs that receive title IV, HEA funding are required by statute to provide training that prepares students for gainful employment in a recognized occupation (GE programs). The Department is addressing the concern that a high number of GE programs are failing to produce positive outcomes for students which result in negative externalities for the public. Many of the students who enroll in these programs are left with unaffordable levels of loan debt in relation to their earnings, which can lead to defaulting on student loans.\(^3\) The regulation seeks to establish an accountability and transparency framework by implementing measures to assess program performance to ensure students, prospective students, taxpayers, and the Federal Government receive a better return on the money spent on education. The rule also seeks to improve market information that would assist students, prospective students, and their families in making decisions about their educational investment and understanding potential outcomes of the investment.\(^4\)

GE programs include nearly all educational programs at for-profit institutions of higher education regardless of program length or credential level, as well as non-degree programs at public and private non-profit institutions such as community colleges.\(^5\) To establish eligibility, an institution would be required to certify that each of its GE programs meets all applicable accreditation and licensure requirements necessary for a student to obtain employment in the occupation for which the program provides training. To assess whether a program should continue to be eligible the Department proposes two measures: one measure that compares the debt incurred by students completing the program against their earnings (the “debt-to-earnings rates” or “D/E rates”) and a second measure that examines the rate at which borrowers who previously enrolled in the program default on their Federal Family Education (FFEL) Loans or Direct Loans (“program cohort default rate” or “pCDR”). This proposal also requires institutional reporting and disclosure requirements designed to increase the transparency of student outcomes for GE programs.\(^6\)

As a part of its ongoing Retrospective Review Comment Project, the Regulatory Studies Center examines significant proposed regulations to assess whether agencies propose retrospective review as a part of their regulations, and submits comments to provide suggestions on how best to incorporate plans for retrospective review into their proposals. To facilitate meaningful

\(^3\) 79 FR 16433  
\(^4\) 79 FR 16428  
\(^5\) 79 FR 16426  
\(^6\) 79 FR 16437
instruct agencies to incorporate retrospective review plans into their proposals during the rulemaking process.

**Incorporating Retrospective Review into NPRMs**

Through a series of Executive Orders, President Obama has encouraged federal regulatory agencies to review existing regulations “that may be outmoded, ineffective, insufficient, or excessively burdensome, and to modify, streamline, expand, or repeal them in accordance with what has been learned.” On January 18, 2011, President Obama signed Executive Order 13563, Improving Regulation and Regulatory Review, which reaffirmed the regulatory principles and structures outlined in EO 12866. In addition to the regulatory philosophy laid out in EO 12866, EO 13563 instructs agencies to

consider how best to promote retrospective analysis of rules that may be outmoded, ineffective, insufficient, or excessively burdensome, and to modify, streamline, expand, or repeal them in accordance with what has been learned. Such retrospective analyses, including supporting data, should be released online whenever possible.7

This ex-post review makes it possible for the public—and for the agencies that regulate them—to measure whether a particular rule has had its intended effect. In his implementing memo on retrospective review, former Administrator of the Office of Information and Regulatory Affairs, Cass Sunstein, stated the importance of designing regulations to facilitate their evaluation:

> With its emphasis on “periodic review of existing significant regulations,” Executive Order 13563 recognizes the importance of maintaining a consistent culture of retrospective review and analysis throughout the executive branch. To promote that culture, *future regulations should be designed and written in ways that facilitate evaluation of their consequences* and thus promote retrospective analyses and measurement of “actual results.” To the extent permitted by law, agencies should therefore give careful consideration to how best to promote empirical testing of the effects of rules both in advance and retrospectively.8

[Emphasis added]

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This emphasis is repeated in Sunstein’s June 14, 2011 memo, “Final Plans for Retrospective Analysis of Existing Rules.” In its Draft 2013 Report to Congress on the Benefits and Costs of Federal Regulations, the Office of Management and Budget (OMB) states that such retrospective analysis can serve as an important corrective mechanism to the flaws of ex ante analyses. According to that report, the result of systematic retrospective review of regulations:

should be a greatly improved understanding of the accuracy of prospective analyses, as well as corrections to rules as a result of ex post evaluations. A large priority is the development of methods (perhaps including not merely before-and-after accounts but also randomized trials, to the extent feasible and consistent with law) to obtain a clear sense of the effects of rules. In addition, and importantly, rules should be written and designed, in advance, so as to facilitate retrospective analysis of their effects.

Retrospective Review Requirements

To evaluate whether the Department of Education’s proposal was “designed and written in ways that facilitate evaluation of [its] consequences,” we measure it against five criteria:

- Did the Department clearly identify the problem that its proposed rule is intended to solve?
- Did the Department provide clear, measurable metrics that reviewers can use to evaluate whether the regulation achieves its policy goals?
- Did the Department commit to collecting information to assess whether its measurable metrics are being reached?
- Did the Department provide a clear timeframe for the accomplishment of its stated metrics and the collection of information to support its findings?
- Did the Department write its proposal to allow measurement of both outputs and outcomes to enable review of whether the standards directly result in the outcomes that the Department intends?

Identifying the Problem

The first of the “Principles of Regulation” outlined by President Clinton in EO 12866 makes it clear that, as a first step, agencies must be able to identify the problem that justifies government action through regulation:

Each agency shall identify the problem that it intends to address (including, where applicable, the failures of private markets or public institutions that warrant new agency action) as well as assess the significance of that problem.
This step is crucial to the formulation of any policy. Without knowledge of the problem that the agency is trying to address, the public cannot assess whether the policy or regulation at hand has had the intended effect, which is key in retrospectively evaluating regulation. In its proposal, the Department of Education seeks to address concerns that stem from information asymmetry about GE programs, which may lead students to make poor decisions about their educational investment and negative externalities that result from students being unable to repay their Government loan debt.

According to the Department, a disproportionate number of students who attend GE programs are left with unaffordable loan debt in relation to their earnings, often leading to default.9

According to the Department, a number of GE programs:

(1) do not train students in the skills they need to obtain and maintain jobs in the occupation for which the program purports to train students, (2) provide training for an occupation for which low wages do not justify program costs, and (3) are experiencing a high number of withdrawals or “churn” because relatively large numbers of students enroll but few, or none, complete the program, which can often lead to default.10

According to the Department, the main concerns that result from these problems include: “Excessive costs, low completion rates, a failure to satisfy requirements that are necessary for students to obtain higher paying jobs in a field such as licensing, work experience, and programmatic accreditation, a lack of transparency regarding program outcomes, and aggressive or deceptive marketing practices.”11 For-profit institutions are of particular concern for the Department:

The higher costs of for-profit institutions, and the consequently greater amounts of debt incurred by their former students, together with generally lower rates of completion, continue to raise concerns about whether for-profit programs lead to earnings that justify the investment made by students.12

Based on the information provided in the text of the proposal, the problems that the Department identifies are as follows:

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9 79 FR 16426
10 79 FR 16433
11 79 FR 16433
12 79 FR 16434
1) Information asymmetry, or “a lack of transparency regarding program outcomes.”¹³ According to the Department, institutions are reporting false and misleading information about student outcomes, or not providing an adequate amount of information about the return on GE programs. This lack of information hinders students from making a proper decision about their educational investment. The rule seeks to address this market failure by requiring institutions to disclose and report certain information about their program and program outcomes.

2) Negative externality: Students who enter these programs and are unable to repay their federal loans ultimately impose an unwanted financial burden on society.

According to the Department, all of the problems identified in the rule lead to poor outcomes for students, including:

- A disproportionate number of GE programs do not train students in the skills they need to obtain and maintain jobs in the occupation for which the program purports to train students.
- A disproportionate number of GE programs provide training for an occupation for which low wages do not justify program costs, which has led to excessive debt that students are unable to pay back.
- A disproportionate number of GE programs are experiencing a high number of withdrawals or “churn” because relatively large numbers of students enroll but few, or none, complete the program, which can often lead to default.

As with any policy, the success of the proposal will depend on whether the identified problems are addressed—and, to some extent, resolved—by the implementation of this rule. Therefore, to build a successful plan for retrospective review into this rule, we must identify measures to evaluate the effectiveness of this rule, if implemented, at addressing the problems listed above.

**Measurement Criteria**

In order to measure the success of this rule following implementation, it is necessary for the Department to define what constitutes a “success.” Any stated success should be linked to the problems identified by the Department, to show that the standards the Department is proposing are effectively solving the problem at hand. Of course, not all positive outcomes can be directly measured; however, many can be, and the proposed rule stage is an ideal time to introduce a measurement plan to gauge the rule’s efficacy.

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¹³ 79 FR 16433
Certification requirements, accountability metrics, and disclosure requirements are designed to make improved and standardized market information about GE programs available for better decision making by students, prospective students, and their families, the public, taxpayers, and the Government, and institutions and lead to a more competitive marketplace that encourages improvement; improve the quality of programs and lead to reduced costs and student debt; eliminate poor performing programs; result in a better return on educational investment for students, prospective students, and their families, as well as for taxpayers and the Federal Government; and, for institutions with high-performing programs, lead to growth in enrollments and revenues resulting from transparent market information that would permit those institutions to demonstrate to consumers the value of their GE programs.\(^{14}\)

Based on the text of the rule, the desired outcomes of the rule are:

1. Improved and standardized market information about GE programs that will lead to better decision making by students about their educational investment as measured by:
   a. Increased enrollment in passing programs
   b. Decreased enrollment in non-passing, or failing and “in the zone”\(^{15}\) programs from students transferring or dropping out
   c. Increased revenue for passing institutions resulting from an increase in enrollment

2. An improvement in program quality and student outcomes, or a better return on the educational investment as measured by:
   a. A reduction in the number of students in GE programs defaulting on their loans, or a higher proportion of students who complete GE programs to repay their loans. The two accountability metrics proposed by the Department, D/E rates and the pCDR measure, are used to quantify the outcome.
   b. Cost savings for the Federal government

**Measuring Improved Market Information about GE programs**

The disclosure and reporting requirements proposed by the rule are designed to improve the market information about the quality of the programs in hopes that with better information about program outcomes students will make better decisions about their educational investment. As a

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\(^{14}\) 79 FR 16540

\(^{15}\) A program would be “in the zone” under the D/E rates measure if it is not a passing program and its discretionary income rate is greater than 20 percent but less than or equal to 30 percent or its annual earnings rate is greater than 8 percent but less than or equal to 12 percent. 79 FR 16439
result of improved information about program outcomes, the rule predicts that students will either choose to attend passing programs at the onset or transfer from failing programs to passing programs leading to increased enrollments rates and increased revenue for those institutions with passing programs, and decreased enrollment in failing programs.\textsuperscript{16} The rule also predicts that some students will drop out of failing programs and choose not to continue their post secondary education after the first year program results are released.

In the regulatory impact analysis, the Department estimates that by 2016 enrollment rates in passing programs will have increased compared with the baseline, and the enrollment rates for “in the zone” and failing programs will decrease. The Department uses a low reaction and high reaction scenario to provide a range of estimated enrollment rates in passing programs, programs in the zone, programs failing for the first time, and programs failing for the second time. Table 1 below shows the Department’s estimated enrollment rates in passing programs and programs failing for the first time in 2016 and 2024. The Department also estimates the number of dropouts under the low and high reaction scenarios, projecting between 22,000 current or prospective students and 45,000, would not continue postsecondary education after the first year program results are released.\textsuperscript{17}

\textbf{Table 1: Enrollment Rates}\textsuperscript{18}

\begin{table}[h]
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\begin{tabular}{|l|c|c|}
\hline
                          & 2016 Estimated Enrollment & 2024 Estimated Enrollment \\
\hline
Programs Passing Both Metrics- Low Reaction Scenario & 1,324,757 & 1,958,080 \\
\hline
Programs Passing Both Metrics- Low Reaction Scenario & 1,324,757 & 1,984,611 \\
\hline
Programs failing for the first time – Low Reaction Scenario & 535,047 & 67,494 \\
\hline
Programs failing for the first time – High Reaction Scenario & 535,047 & 27,262 \\
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\end{tabular}
\end{table}

\textsuperscript{16} 79 FR 16606
\textsuperscript{17} 79 FR 16612
\textsuperscript{18} 79 FR 16611
The Department did not provide estimates of the expected increase in revenues for passing programs but does provide estimates for an estimated transfer of revenues from non-passing programs or zone programs to passing programs, again using both a low and high reaction scenario. In the low reaction scenario and using a 3 and 7 percent discount rate the Department estimates the total transfer of revenues from non-passing programs to passing programs to be $1,353 to $1,447 million, respectively. In the high reaction scenario and using a 3 and 7 percent discount rate the Department estimates the total transfer of revenues from non-passing programs to passing programs to be $1,837 to $1,974 million, respectively. 19

In sum, enrollment rates and revenues will be the measures the Department uses to determine whether the rule will improve the market information by shifting behavior so that students will make better decisions about their educational investment. The Department provides an estimate of the changes in enrollment rates in passing, failing, and in the zone programs from 2016 – 2024, and in its final rule should commit to evaluating whether these projections were accurate, or at the very least review whether enrollment rates increased in passing programs as a result of the rule, or behaved as the Department predicted. Instead of providing an estimate on the expected increase in revenues for passing programs, the Department uses estimates of the estimated transfer of revenues from non-passing programs to passing or zone programs as students transfer, and should commit to reviewing whether these estimates were correct, or behaved as the Department predicted.

Measuring improved program quality resulting in a better educational investment in GE programs compared with the baseline

In order to improve the quality of current and new GE programs ultimately resulting in better educational investments for students attending these programs, the Department proposes certification requirements for GE programs seeking eligibility and two accountability metrics GE programs must pass to remain eligible—the D/E rate and pCDR. Although not explicitly stated in the rule, the D/E rate and pCDR can also be used to evaluate whether the certification requirements for new programs are adequate, and whether new and current title IV, HEA programs under the requirements of the proposed rule provide a better return on a student’s educational investment compared with GE programs that have not been evaluated by the metrics. Current programs that do not pass the minimum threshold for the accountability metrics as stated by the rule lose the title IV, HEA program status.

To evaluate whether the GE programs provide students with a better return on their educational investment, the Department uses the D/E rates and pCDR measures. The D/E rates are used to determine whether a GE program has prepared students to earn enough to repay their loans and

19 79 FR 16621
to better safeguard the Federal investment in the program.\textsuperscript{20} To indicate whether a program presents a “poor financial risk to the taxpayer,” the pCDR measure is used.\textsuperscript{21} The program results of one metric would not affect the results of the other.\textsuperscript{22} It is assumed that if a program is eligible for title IV, HEA funding by passing the proposed accountability metrics the quality of the program is improved and students, their families, the public, and the Government receive a better return on the educational investment in GE programs.

Both the D/E rates and pCDR measures can also be used to evaluate whether the certification requirements used for new programs to become title IV HEA eligible are adequate to ensure the new programs will provide students with a positive return on their educational investment. If a high proportion of newly eligible programs fail the D/E rate and pCDR thresholds proposed by the rule after evaluation the Department should revisit its certification requirements to determine why newly eligible programs are not passing the accountability metrics, or in other words, providing students with a positive investment in the program.

\textbf{Cost savings}

In addition to using the D/E rates and pCDR metrics, the estimated cost savings to the Federal Government can also be used to evaluate whether the certification requirements and accountability metrics effectively eliminate funding for title IV, HEA programs that do not provide students with a positive return on their educational investment. Based on the assumed responses of the students after the rule is implemented, the Department estimates a total savings of $666 million to $973 million from 2016-2024 in the low reaction and high reaction scenarios respectively. This estimate represents the Department’s best estimate of the effect on title IV, HEA programs and assumes that most students who transfer out of failing or zone programs to programs with better results would still receive title IV, HEA program funds. The Department estimates that the response of these students would have little to no impact on the title IV, HEA program’s budget.\textsuperscript{23}

In its final rule, the Department should commit to evaluating whether the rule resulted in the estimated cost savings for the government, and the impact of the rule on the title IV, HEA program’s budget. Additionally, in its final rule the Department should commit to reviewing whether the estimated costs of implementing the rule are accurate. The section below details the expected costs of the rule’s implementation.

\textsuperscript{20} 79 FR 16540
\textsuperscript{21} 76 FR 34392
\textsuperscript{22} 79 FR 16440
\textsuperscript{23} 27 FR 16610
Cost of Implementation

The costs are difficult to quantify and vary depending on the current level of compliance with the rule and institutional behavior for complying with the rule—some institutions may only do what is minimally required to remain title IV, HEA eligible and some institutions may make a heavy investment to improve the quality of their programs. The costs to comply with the requirements of the rule could include:

(1) Training of staff for additional duties, (2) potential hiring of new employees, (3) purchase of new software or equipment, and (4) procurement of external services.24

The expected cost for institutions to comply with the disclosure and reporting requirements are described in a later section of the comment, titled Paperwork Burden.

Between 2017 – 2024, the Department estimates that approximately between 172,000 and 233,000 current or prospective students would transfer programs annually depending on the passing or failing status of the programs. For for-profit institutions the Department estimates the annualized transfer of instructional expenses of between $705 million and $962 million at a 7 percent discount rate; and $660 million to $896 million at a 3 percent discount rate.25

The Department does not expect these regulations to significantly affect Federal costs, since it assumes most students will continue their education at another program if the one they are currently attending loses eligibility to participate in the title IV, HEA programs.26

Assumptions & Limitations

The following are the Department’s stated assumptions regarding the intended outcomes and, measurements used to evaluate the outcomes in the proposed rule:

- “All loan debt incurred by a student for enrollment in GE programs at an institution would be attributed to the highest credentialed GE program completed by the student, based on the presumption that a student's earnings stem from the highest credentialed program completed.”27
- The D/E rates measure assesses only the outcomes of students receiving title IV, HEA program funds, and might not in all cases fully recognize the benefit of programs that

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24 79 FR 16608
25 79 FR 16609
26 79 FR 16610
27 79 FR 16453
present low risk investment to students and taxpayers. The D/E rates measure under the proposed regulation might not fully reflect the impact of low costs in reducing the overall debt burden of a program’s students. The rates measure and attribute a student’s loan debt to a program up to the amount of tuition, fees, and equipment and supplies despite the possibility that a student may have obtained the loan only to pay for living expenses.28

- Improved outcomes resulting from the proposed rule depend on students responding positively to the disclosure information provided by the institutions and changing their behavior as a result of the improved market information. The rule provides estimates using both a low and high reaction response to the rule to show that a student’s response rate to the proposed regulation affects the intended outcome and costs of the rule.

- The Department assumes enrollment rates will increase in passing programs and revenues will increase for these programs as long as institutions act rationally and do not offer programs at a loss for an extended period of time.29

The precision of these estimates is not supported by the analysis, calling for both presentation of a range of the estimated paperwork burden and a plan to evaluate actual time spent.

Information Collection

The Department would “require institutions to report information that is necessary to implement aspects of the proposed regulations that support the Department’s two goals of accountability and transparency.”30 In the reporting and disclosure requirements proposed by the rule, the Department would have the information needed to calculate the D/E rates and the pCDR. In addition some of the disclosures would be used to improve the program information available to students, their families, the public, taxpayers, the Government, and institutions. The rule would require institutions to make available information regarding, for example, cost of attendance, completion rates, debt, earnings, and student loan repayment available in an “easily accessible format.”31 The Secretary will provide the institution a template it must use to disclose its information about each of its GE programs to enrolled and prospective students.32

Paperwork Burden

OMB’s Paperwork Reduction Act regulations require agencies to “ensure that each collection of information …informs and provides reasonable notice to the potential persons to whom the

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28 79 FR 16463
29 79 FR 16609
30 79 FR 16437
31 79 FR 16437
32 79 FR 16437
collection of information is addressed of … an estimate, to the extent practicable, of the average burden of the collection (together with a request that the public direct to the agency any comments concerning the accuracy of this burden estimate and any suggestions for reducing this burden).”

In the initial year of reporting, the proposed requirements that students read the disclosures and students warnings from institutions would increase the paperwork burden on students by an estimated 2,167,129 hours, costing $35,324,302. In the first year of reporting, as multiple years are reported at once, the proposed regulations are estimated to increase burden on institutions participating in the title IV, HEA programs by 4,775,248 hours, an additional monetized burden on institutions of $174,535,314. The Department expects the reporting burden to decrease in subsequent years with a monetized burden of approximately $29 million. In total, these changes are estimated to increase burden on small entities participating in the title IV, HEA programs by 1,651,551 hours in the initial year of reporting, with the additional burden on small institutions costing $60,364,201. In subsequent years, this burden would be reduced as the rule only requires institutions to report for a single year, and would expect the annual cost to be approximately $10 million.

**Timeframe**

The proposal clearly states the timeframe in which the required information is to be collected and reported to calculate the D/E rates and pCDR measure:

No later than July 31 of the year the regulations take effect, institutions would be required to report this information [the reporting requirements] for the second through seventh award years prior to that date. For medical and dental programs that require an internship or residency, institutions would need to include the eighth award year prior to July 31. For all subsequent award years, institutions would report not later than October 1 following the end of the award year, unless the Secretary establishes a later date in a notice published in the Federal Register.

Under proposed § 668.412(b), institutions would be required to update at least annually the information contained in the disclosure template, and the deadline and procedures for doing so would be specified by the Secretary. Additionally, institutions would have 30 days from the date that they receive notice from the

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33 5 CFR Part 1320.8(b)(3)(iii)
34 79 FR 16643
35 79 FR 16472
Secretary that they must provide the student warning for a GE program (see “§ 668.410 Consequences of GE measures”) to update their disclosure templates to include the warning for both enrolled and prospective students.36

Using the information institutions must disclose, the Secretary will calculate completion rates, withdrawal rates, repayment rates, median loan debt, and median earnings for each of its GE programs. The Secretary will then notify the institutions of the findings. The outcomes will be assessed annually.37

**Measure Linkages**

The agency provided clear information about the baseline regarding poor outcomes for students enrolled in GE programs, and has identified clear metrics for determining whether the proposed rule will improve the outcomes of students who complete the GE programs. However, mediating variables might interfere with the rule achieving its desired outcomes, and the data available for analyzing the proposed regulations encompass a variety of limitations. Limitations for analyzing the proposed regulations include:

- the lack of performance information for certificate programs once disaggregated,
- the use of the old attribution rules that combined undergraduate and graduate debt at the same institutions, and the inability to predict the extent to which institutions would take advantage of the transition period to reduce the costs to students of failing and zone programs. Although these factors are not explicitly accounted for in the estimates, we expect that they would all operate to reduce the number of failing and zone programs and affected students.38

A significant mediating variable that would affect the outcomes of the proposed rule includes a change in economic conditions in which people are not seeking to enroll in GE programs. Similarly, an increase in enrollment in GE programs could also result from changing market conditions such that the demand for technical skills increases. Additionally, the Department estimates that some students will drop out of non-passing programs and choose not to continue their postsecondary education as a result of the rule. However, the estimates provided by the Department do not consider that some students may simply drop out for other reasons not associated with the title IV, HEA status of a program, such as personal reasons, changing interests, or other opportunities.

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36 79 FR 16479
37 79 FR 16512
38 79 FR 16616
Recommendations

Each of the below recommendations addresses a specific metric identified previously in this comment, and is intended to simplify the retrospective review of this rule for the Department of Education.

- The Department should commit to measuring whether the projected paperwork burden for students, institutions, and small entities is accurate after the first year the rule is implemented, and whether the burdens decrease as projected in subsequent years.
- The Department should provide a range of the estimated paperwork burden in its final rule rather than point estimates.
- The Department should commit to measuring whether the certification criteria for new programs seeking title IV, HEA funding status are effective at ensuring the majority of programs certified after the proposed rule takes effect are able to remain eligible by passing the accountability metrics.
- The Department should measure whether the disclosure and reporting requirements proposed by the rule improve market information as indicated by increased enrollment in passing GE programs and decreased enrollment in failing and in the zone programs. The Department should evaluate whether its 2016 – 2024 projections of enrollment rates in the proposed rule are correct, under which scenario the projections were more accurate (low or high reaction scenario); and commit to reviewing the projected enrollment rates in the text of the final rule.
- The Department should measure whether the proposed rule resulted in cost savings for the Federal government.
- The Department should evaluate whether the estimated cost to institutions of students transferring from failing to passing or zone programs was correct.
- The Department should measure whether its estimated transfer of revenues from non-passing programs to passing or zone programs as students transfer is correct.
- The Department should commit to evaluating its estimate that the response of students would have little to no impact on the title IV, HEA program’s budget.