

Background Paper:

Calculating Job Placement Rates
Under Gainful Employment
Regulations

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February 2011

Paper Prepared for the:
IPEDS Technical Review Panel
March 1-2, 2011
Washington, DC

This project has been funded, either wholly or in part, with federal funds from the U.S. Department of Education under Coffey Consulting, LLC's Contract No ED-04-CO-0044-0001. The contents of this publication do not necessarily reflect the views or policies of the U.S. Department of Education, nor does mention of trade names, commercial products, or organizations imply endorsement of same by the U.S. Government.

Introduction

In October 2010, the Department of Education issued a set of final regulations on improving the integrity of postsecondary programs that prepare students for gainful employment in a recognized occupation. Programs subject to these new gainful employment regulations are: (a) certificate programs at any Title IV institution; and (b) all programs at for-profit institutions, except bachelor's degrees in liberal arts. About 5,600 institutions have one or more programs subject to these regulations.

ESTIMATED COUNTS OF INSTITUTIONS SUBJECT TO GAINFUL EMPLOYMENT REGULATIONS*

Public and Not-for-Profit Institutions that Offer Certificate Programs:

Public:	1,759
Private NFP:	859
For-Profit Institutions:	3,026

**Based on 2008-09 IPEDS data*

One part of the regulations require institutions to disclose on their Web sites and in promotional materials information on costs and outcomes of the programs, including job placement rates for program graduates. In addition, the final regulations ask NCES to draw upon its data and statistical expertise and relationships with technical experts in the higher education community to “develop a placement rate methodology and the processes necessary for determining and documenting student employment.” The purpose of this background paper is to present information on options available for developing a methodology that institutions would use to calculate job placement rates they are required to disclose under the new regulations. In addition, the paper will discuss whether in addition to disclosing the data, institutions should report job placement rates for gainful employment programs to IPEDS, and if so, how the collection of the data could be incorporated into the data collection.

Background

In July 2010, the Department posted for comment a Notice of Proposed Rule Making (NPRM) with proposed regulations related to gainful employment. Under these draft rules, institutions were to disclose on their websites and in promotional materials a job placement rate for program graduates based on a definition already established in regulations for short-term (300-600 clock hour programs) undergraduate training programs (see 34 CFR 668.8(g)). For such short-term programs to be eligible for Direct Loans, they must have a verifiable job placement rate of at least 70 percent as calculated based on the formula below:

CURRENT FORMULA FOR CALCULATING JOB PLACEMENT RATES FOR SHORT TERM PROGRAMS

Numerator: the number of students who, within 180 days of the day they received their degree, certificate, or other recognized educational credential [in a given award year], obtained gainful employment in the recognized occupation for which they were trained or in a related comparable recognized occupation and, on the date of this calculation, are employed, or have been employed, for at least 13 weeks following receipt of the credential from the institution.

Denominator: the number of students who, during the award year, received the degree, certificate, or other recognized educational credential awarded for successfully completing the program.

To substantiate this rate, institutions must provide documentation to support it:

“An institution shall document that each student [included in the numerator] obtained gainful employment in the recognized occupation for which he or she was trained or in a related comparable recognized occupation. Examples of satisfactory documentation of a student's gainful employment include, but are not limited to (i) a written statement from the student's employer; (ii) signed copies of State or Federal income tax forms; and (iii) written evidence of payments of Social Security taxes.”

The NPRM for gainful employment proposed using this definition of a job placement rate for gainful employment disclosure purposes as well. In addition, under the NPRM, institutions would have the option of using “state-sponsored workforce data systems” to track students and calculate a job placement rate.

The Department of Education received a number of public comments on this method for calculating job placement rates. In particular, there were concerns that the time frames suggested would provide just a snapshot of a program's effectiveness in placing students, that the methodology for calculating job placement rates would be different from those already reported to accreditation and state agencies, and that using state workforce data systems would provide incomparable data because of inconsistencies between states that maintain

employment outcome data. There were also several commenters that questioned how comparable placement rates could be reported by institutions without providing clear definitions of the terms used to calculate the rates.

In response to the concerns raised during the comment period, the final regulations posted on October 29, 2010 stated that NCES would be charged with developing a methodology for calculating job placement rates. NCES has sought input from its IPEDS contractor, RTI International to see if it would also be feasible to add the collection of placement rates for gainful employment programs to IPEDS. RTI International is convening this IPEDS technical review panel to allow for a collaborative process and public input into suggesting a methodology for calculating consistent and comparable job placement rates. Until a methodology has been developed, institutions will begin disclosing job placement rates on July 1, 2011, for each program using rates already required by its accrediting agency or State. Institutions must also disclose the agency or State for which the placement rate was calculated. In addition, the TRP will discuss the feasibility of reporting a rate defined under the suggested methodology through IPEDS.

Approaches to Job Placement Rate Disclosure

There are a number of approaches that could be taken to have institutions disclose job placement rates on gainful employment programs. At one end of the spectrum would be to allow institutions to report measures without a single definition. This is the interim approach outlined by the regulations, which allow institutions to disclose program job placement rates based on the rates they already report to their accrediting agency or State. The most obvious limitation of this approach is the comparability of the rates. However, some commenters to the original NPRM supported using placement rates reporting to its accrediting agency because they believed those rates were more accurate than the rates that would be calculated under the NPRM. At the other end of the spectrum would be to develop a single definition and method for calculating a rate. This would increase comparability of job placement rates, but could also prove to be burdensome on institutions.

Approach 1: Continue to use job placement rates reported by institutions to accreditation and State agencies

As of July 1, 2011 institutions will begin disclosing job placement rates they currently report to accreditation or State agencies charged with monitoring the integrity of institutions that operate in their state. Some commenters to the initial NPRM supported using these job placement rates to meet the requirements of the gainful employment regulations. The commenters noted that an institution is already required under Sec. 668.41(d)(5) to disclose any placement rates it calculates and that it would be confusing to students to disclose any additional rates beyond those that it is required to calculate under accrediting agency or State requirements. Some of these commenters suggested that in cases where an institution is not required by its accrediting agency to calculate placement rates, the institution should calculate the rates using a methodology from a national accrediting agency or the State in which the

institution is authorized to operate. Under either the agency or State methodology, the commenters requested flexibility in determining the rates for degree programs (non-liberal arts degree programs at for-profit institutions) because employment opportunities for graduates of degree programs are much more diverse than for graduates of occupationally specific training programs.

A review of selected accreditation agencies and States found that often the methodologies for calculating job placement rates vary from agency to agency, resulting in placement rates across agencies and states that are incomparable. Among State agencies and commissions, some States will allow institutions to report the same rates used for accreditation agencies; while other States require institutions to follow their definition of calculating student placement. As a result, a school could report two different job placement rates for one program—a rate calculated for the accreditation agency and one calculated for a State. Additionally, institutions that receive federal funds under the Carl D. Perkins Career and Technical Education Act report job placement rates that are also calculated using different methods than those reported by schools to accreditation and State agencies.

Accreditation agency methods for calculating job placement

Placement rates reported to accreditation and State agencies are often not comparable because of differences in cohorts of students for whom job placement is captured, definitions for placement, timeframes for observing employment, and methods for documentation. For example, two of the largest national accreditation agencies—Accrediting Council for Independent Colleges and Schools (ACICS) and Accrediting Commission of Career Schools and Colleges (ACCSC)—define the student cohort in different ways. ACICS requires institutions to report placement rates for students that complete or graduate from the program between July 1 and June 30 (a “leavers” cohort); while ACCSC requires institutions to report job placement for a graduate cohort—students that completed a program within 150% of normal completion time (a “graduate” cohort). Since both agencies accredit similar types of programs, it would not be possible to compare placement rates of a similar degree or certificate program accredited by ACICS to one accredited by ACCSC.

As shown in table 1, accreditation agencies also differ in what is defined as a “job placement.” Among the selected agencies reviewed, data were collected from institutions on students employed in a field that was directly related to their program’s study. However, other agencies allow institutions to count students employed in a related field, in the military, or enrolled in continuing education as a “placement.” One accrediting agency, Accrediting Bureau of Health Education Schools (ABHES) provided schools with instructions on how to determine whether a student was placed in a related field. According to the ABHES Annual Report instruction manual, a job in a related field is one “where a graduate’s job functions are directly related to the majority of skills and knowledge acquired through successful completion of the training program, such as a Medical Assisting program graduate who obtains a job as a Medical Coder.”

Table 1. Comparison of selected accreditation agencies placement rate definitions

Accreditation Organization	Number of accredited institutions	How is Job Placement Measured?	Definitions of students included in cohort	Definition of a "placement"
Accrediting Council for Independent Colleges and Schools	800	Placement of students that complete or graduate program during reporting period (July 1- June 30) and have a job by September 15th.	All graduates and completers except students pursuing further education or unavailable for employment Graduate: Received credential Completer: a student who is no longer enrolled & who has either completed the time allowed or attempted maximum number of credits for program but did not meet one of designated criteria to receive credential	Either placement In field: position requires direct use of skills or related field: position requires an indirect use of skills taught in program.
Accrediting Commission of Career Schools and Colleges	950	Placement of students who graduated within 150% of normal completion time and employed in field.	Graduates who completed within 150% of time less students unavailable for employment and those pursuing further education.	Employed in jobs for which the program trained them. ^a
Council on Occupational Education	500	Placement of students that complete or graduate from a program & employed in field or related field to program studied, entered military or continued education. ^b	Graduate and non-graduate completers Graduate Completer: received credential Non-Graduate Completer: has acquired sufficient competencies through a program to become employed in field of education pursued or related field as evidenced by such employment.	Employed in field or related field for which trained, entered military or continuing education.
National Accrediting Commission of Cosmetology Arts & Sciences	1,300	All students who actually completed program in previous year and employed in field.	Completer: students who completed all requirements for graduation; except those unavailable for employment.	Employed in field for which they trained at any time since graduation.
Commission on Massage Therapy Accreditation	66	Students who graduated within 150% of normal completion time and employed in field.	Number of graduates who completed within 150% of time less students, except those unavailable for employment or pursuing further education.	Employed in jobs for which the program trained them.
Accrediting Bureau of Health Education Schools	171	All students who graduated between July 1 and June 30 and were employed in field or related field.	Any student who has met all completion requirements and has received their diploma, certificate, or degree during the enrollment period July 1 to June 30, except those unavailable for employment	Employed in field of training or related field.

^a Schools also report the number of nongraduates who obtained training related employment and a supplemental employment rate is calculated with these students.

^b Schools report placement rate for graduates and one for graduates and completers (total placement rate).

Source: Review of publicly available documents posted on accreditation agency websites.

Most of the accrediting agencies also allow schools to exclude students from the total placement cohort if they are unavailable for employment. All of the agencies reviewed required the schools to report the number of students that were in this category along with their job placement data. Across the selected accreditation agencies, the approved reasons to categorize a student as “unavailable for employment” differed, with all allowing an exclusion for death and some allowing exclusion for pregnancy, serious health-related conditions, or visa restrictions, as shown in table 2. All agencies, except for the Council on Occupational Education, also considered military service as an approved reason to exclude a student from the placement cohort. According to COE, schools should count students in the military as a placement.

Table 2. Comparison of selected accreditation agencies approved reasons for categorizing students as unavailable for employment	
Accreditation Organization	Approved reasons for being unavailable for employment
Accrediting Council for Independent Colleges and Schools	Pregnancy, death or other health-related condition, continuing education, military service or visa restrictions making US employment not possible. Institutions are not allowed to exclude students who have moved out of state or expressed lack of interest in seeking employment.
Accrediting Commission of Career Schools and Colleges	Death, incarceration, military, onset of medical condition that prevents employment, or international students who returned to county of origin
Council on Occupational Education	Pregnancy, serious health-related issue, caring for ill family member, death; refused employment. Schools must provide documentation needed to show that they failed to keep interviews, enrolled in program for personal use, or refused job in field; or seeking employment/status unknown.
National Accrediting Commission of Cosmetology Arts & Sciences	Deceased or disabled, studied with a student visa, active military, or continuing in higher education. Must document unavailability.
Commission on Massage Therapy Accreditation	Death, incarceration, active military service deployment, the onset of a medical condition that prevents employment, or international students who have returned to their country of origin
Accrediting Bureau of Health Education Schools	Death, health-related issues, military obligations, incarceration, or continuing education.

Some accreditation agencies also allow schools to exclude other groups of students from the placement rate cohort, although they must report the number of students in these groups on the forms and charts used to calculate placement rates. For example, some agencies allow schools to exclude students waiting to take licensure exam or for results from the exam from the cohort; while other agencies include them in the cohort but schools can submit supplemental documentation on those students to explain why they are not employed. One agency also allows schools to exclude students that refused employment from the placement rate cohort. However, other accreditation agencies specifically note in their instructions that schools cannot exclude such students from the cohort.

Across all accreditation agencies, schools must document that a student in the placement cohort is employed. Typically, schools submit a matrix documenting each student's employment status, whether known or not. For students that are employed, schools list each student's job title, employer name and address, and employment start date. The methods used to verify student employment can include student or employer surveys. For students that are self-employed, schools can use business directory listings, websites, and business cards as evidence of employment. The National Accrediting Commission of Cosmetology Arts & Sciences also includes in its instructions for reporting placement data that school employees who see a completer of an accredited school's program working in a salon can document that as evidence of employment.

State methods for calculating placement rates

In addition to reporting placement rates to accreditation agencies, proprietary schools must also report job placement rates to state agencies that monitor and regulate private postsecondary institutions operating within their state. Some states, such as Missouri, allow schools to report the same job placement rates as given to accreditation agencies. However, other states have their own definitions for calculating job placement, which in some cases are different than those used by accreditation agencies. As a result, schools may report different job placement rates for the same program. For example, a school operating in the state of California must report job placement rates to the California Bureau for Private Postsecondary Education. These job placement rates are defined under statute and based on a cohort of students that completed a program within 100 percent of normal completion time. According to the statute the placement rate is "calculated by dividing the number of graduates employed in the field by the number of graduates available for employment for each program that is either (1) designed, or advertised, to lead to a particular career, or (2) advertised or promoted with any claim regarding job placement."¹ The California statute also allows schools to exclude students from the cohort if they are unavailable for employment—defined as "graduates who, after graduation, die, become incarcerated, are called to active military duty, are international students that leave the United States or do not have a visa allowing employment in the United

¹ Placement requirement and definitions of terms are specified in the California Private Postsecondary Education Act of 2009 found at http://www.bppe.ca.gov/lawsregs/ppe_act.shtml#94928.

States, or are continuing their education at an accredited or bureau-approved postsecondary institution.”

Finally, under the Carl D. Perkins Career and Technical Education Act states develop performance indicators for schools that participate in the Perkins program. One indicator is a measure of job placement calculated for students who “(1) complete at least 12 academic or CTE credits within a single program area sequence that is comprised of 12 or more academic and technical credits and terminates in the award of an industry- recognized credential, a certificate, or a degree; or (2) complete a short-term CTE program sequence of less than 12 credit units that terminates in an industry- recognized credential, a certificate, or a degree.” Of those students, states count the number who were placed or retained in employment, in military service, or in an apprenticeship program in the second quarter following the program year in which they left postsecondary education. Therefore, the employment status of students that graduated by June 30th would be determined based on their employment between October 1st and December 31st. To determine students’ employment status, states either match student postsecondary records with state Unemployment Insurance (UI) wage data to access whether student earned a wage in that state, Federal Employment Data Exchange System to determine federal employment or military enlistments, or survey graduates to gather employment information. An April 2010 study found that all states report some employment outcome data. States that use administrative records can access employment data in a timely fashion, while states that use survey data face some delays in gathering employment data. ²

Approach 2: Develop a common metric for calculating placement rates

Given the variations in methodologies used by accreditation and state agencies to calculate job placement rates, there are several issues that must be considered when developing a common metric. Table 3 presents elements of job placement rates that need clarification because they are measured differently across accreditation and State agencies, the method proposed in the NPRM, and suggestions related to the element that were made during the comment period.

² Kotamraju P., Richards A., Wun J., and Klein S, *A Common Postsecondary Data Dictionary for Perkins Accountability*, National Research Center for Career and Technical Education and MPR Associates (April 2010).

Table 3: Key elements of a job placement rate that would need to be clarified in a common job placement metric

Elements that need clarification	NPRM proposal	Suggestions made during comment period
<p>Student cohort—A clear definition of what students would be included in the calculation of job placement is imperative. The regulatory language states that it is a job placement rate for program completers but there may need more clarity provided.</p>	<p>The number of students who, during the award year, received the degree, certificate, or other recognized educational credential awarded for successfully completing the program</p>	<ul style="list-style-type: none"> • Expand the category of students who complete a program to include students who are eligible for a degree or certificate. Some institutions may delay providing the degree or certificate to students, which omits these students from the placement rate calculation
<p>Determining students to include or exclude in calculation—Many of the job placement rates calculated for accreditation and state agencies allow schools to exempt students from the job placement calculation, however the definitions of students that could be excluded were different.</p>	<p>None listed</p>	<ul style="list-style-type: none"> • Exclude from the total number of students who completed a program during an award year, the students who are unable to seek employment due to a medical condition, active military duty, international status, continuing education, incarceration, or death. In addition, an institution could exclude those graduates who certify they are not seeking employment or those that it is unable to locate. • To address the situation where a student cannot qualify for employment until he or she passes a licensing or certification examination, provide that the 180-day period during which the student would otherwise have to find employment should start after the results of the examination are available.
<p>Placement: Job—While the definition of employment may seem clear, the panel will need to define what would be acceptable employment, such as the number of hours or weeks that the graduate works and whether graduate must be employed in an occupation directly in field for which they were trained or in a related occupation. Additionally, there is the issue of students who were already employed prior to enrolling in a program and how job placement data would accurately reflect these students' employment situation following program completion.</p>	<p>Gainful employment in the recognized occupation for which they were trained or in a related comparable recognized</p>	<ul style="list-style-type: none"> • Specify that employment must be paid and work for at least 32 hours per week. • An institution would only be able to report on graduates who are employed in the State or continued their education. The institution would not be able to provide occupationally specific placement data, or data about graduates who find employment outside the State, because the State's labor data base only tracks (1) the type of business a graduate is employed by, not the occupation of the graduate, and (2) graduates who are employed in the State. • Specify that a student must find employment in one of the U.S. Department of Labor SOC codes identified for the program unless the student finds a job that pays more than any of the identified SOC codes.

Table 3: Key elements of a job placement rate that would need to be clarified in a common job placement metric

Elements that need clarification	NPRM proposal	Suggestions made during comment period
<p>Placement: Timing — At one point should student employment be measured and should students be employed for a specific period of time?</p>	<p>Within 180 days of the day they received their degree, certificate, or other recognized educational credential [in a given award year] occupation and, on the date of this calculation, are employed, or have been employed, for at least 13 weeks following receipt of the credential from the institution</p>	<ul style="list-style-type: none"> • Tracking a student for 180 days after graduation for a period of 13 weeks is overly burdensome and administratively complex. • Remove the requirement that a student must be employed, or have been employed, for 13 weeks and allow students to find employment within 6 months from the last graduation date in the award year. • Specify that the time standards (employment within 180 days of completing a program and employment for 13 weeks) also apply to rates calculated from State workforce data systems.
<p>Documentation for verifying and supporting placement—Again, there are differences in how schools currently document placement for accreditation and state agencies. Since many placement rates are calculated using information gathered from student or employer report, there are concerns about the reliability and validity of placement information. Recently, a Los Angeles Times article and other reports indicated that some schools were falsifying information about student employment used in calculating placement rates.³</p>	<p>Examples of satisfactory documentation of a student's gainful employment include, but are not limited to (i) a written statement from the student's employer; (ii) signed copies of State or Federal income tax forms; and (iii) written evidence of payments of Social Security taxes.”</p>	<ul style="list-style-type: none"> • Specifying that institutions must use a State data system if it is available to ensure accurate reporting. • Replace the employer certification, income tax form, and Social Security provisions with other ways that an institution would verify that a student obtained gainful employment. • Regionally accredited institutions, which are not required to track employment outcomes, conduct post graduation surveys asking program graduates if they are working in their field. An affirmative response would count as a “placement” even if the graduate maintained the same employment he or she had while attending the institution. Along the same lines, another commenter suggested that the Department allow an institution that is not required by an outside agency to calculate placement rates, to develop and implement a method that best reflects the make-up of its student body, including surveys, collecting employer documentation, or other methods.

³ Walter Hamilton, *For-Profit Colleges Face Federal Crackdown*, *Los Angeles Times* (February 6, 2011).

Methods for Obtaining Employment Data

In discussing the key components of a common metric, it will also be necessary to take into consideration the different ways in which data on employment might be obtained to calculate job placement as the method used could limit how the metric is defined. There are three possible methods for institutions to obtain the data on employment necessary to calculate a job placement rate:

- **Institutionally Collected Data** –as required in placement rates for short term programs, institutions could track and document employment of the completers themselves;
- **State Data Systems** –use state data systems to track students into the workforce;
- **Federal Data Match** –as part of the new gainful employment requirement, institutions will be reporting data to Federal Student Aid (FSA)/Department of Education on debt levels for students completing each gainful employment program. These data will be matched by the Social Security Administration (SSA) to SSA wage records and aggregated (rather than student-level) data will be returned to the institution. Using this data, it would be possible to determine what proportion of graduates in a cohort are employed for calculating a program job placement rate.

Some combination of the three methods above is also an option given the advantages and disadvantages of each one.

Institutionally Collected Data

The first possible option for calculating a common metric would be to have institutions track the students and calculate the rate entirely on their own, but using the established common methodology. This would be similar to the methods required by accrediting agencies. Across all accreditation agencies, schools must document that a student in the placement cohort is employed by listing the student's job title, employer name and address, and employment start date. Institutions can use a number of sources for employment data, including student or employer surveys, business directory listings, websites, and business cards as evidence of employment.

Institutional tracking of employment is also the method used for the rate contained in the July NPRM. For that rate, institutions must be able to document job placement through methods such as "(i) a written statement from the student's employer; (ii) signed copies of State or Federal income tax forms; and (iii) written evidence of payments of Social Security taxes." The Higher Education Opportunity Act (HEOA) of 2008 also requires institutions to disclose information on job placement and types of employment that program graduates obtain. According to a "Dear Colleague Letter" issued by the Department, the HEOA lists alumni surveys

and student surveys as sources for this information.⁴ The challenges of using institutional tracking of students include both the reporting burden on institutions to do so but also the potential for inconsistent documentation and reporting. For institutions that are already reporting rates to accrediting agencies and states, if the required method and rate differ from what they are reporting, they may have to calculate multiple rates based on different tracking methods. For institutions that do not already calculate job placement rates, they will need to dedicate resources and staff to do so following whatever method is required.

State Data Systems

Institutions could tap into the data systems already in place at state agencies to match students' postsecondary data with workforce data. By matching the data collected in each system, job placement rates could be calculated for students that graduated and were working in an occupation for which their training and education prepared them. To use state postsecondary and workforce data systems, however, the state system should:

- Include data from the institutions subject to gainful employment, both public and private institutions;
- Allow for linkages between postsecondary data and workforce data;
- Include program information (6-digit CIP) and postsecondary degree or certificate completion date; and
- Include employment data on the type of occupation in which the student is employed.

There is great variation among the states in the degree to which they meet these requirements, making it highly unlikely that it could be the only way used to track and calculate the rates. That being said, the use of a state data system may be more reliable and consistent than institutionally collected information and also would relieve the burden on institutions to have to track the information themselves.⁵ However, state UI-based matches have three serious limitations.

First, even if a state has the ability to access employment data and all the necessary data elements in its system to calculate a job placement rate, the rate may be understated because data are linked to UI data systems, which would only capture wage data for that state. In metropolitan areas that cover multiple states, schools may miss student employment if they are out of state. For example, Missouri is a state with a data system that has broad coverage of both public and private institutions and collects both postsecondary and workforce data that could be used to calculate a reliable rate of students' placement in a job related to the program for which they trained. The state currently uses data from these systems to calculate placement rates for private schools that operate in the state. Despite the availability of postsecondary and employment data, according to a Missouri state official, current job

⁴ See <http://www.ifap.ed.gov/dpclatters/attachments/GEN0812FP0810AttachHEOADCL.pdf>, p.95.

⁵ See Appendix A for more information on state data systems.

placement rates may be underestimating graduates employment because many graduates live or study in Kansas City—a market where graduates may find jobs in the state of Kansas. Employment data for those jobs would be found in the state of Kansas UI database, for which Missouri officials do not have access. A second limitation is that many state postsecondary data systems contain only data from public postsecondary institutions, thus matches to the UI database would be limited to those students.⁶ Private institutions in those states would need to use another method for obtaining student employment data. Finally, only a few state UI data systems contain occupation data elements, such as a U.S. Department of Labor Standard Occupational Classification (SOC) code. Such information would be needed in order to ascertain that a completer was employed in a field related to the program they studied.

Federal Match

The gainful employment NPRM also included proposed loan repayment and debt-to-income thresholds that institutions must meet to maintain eligibility for federal Title IV aid (final regulations still pending). The debt-to-income measure would compare median loan debt of program completers to the earnings of those completers. Under the proposal, institutions would provide a list of program completers that would be matched with SSA wage data to obtain average annual earnings.

Another option to track employment would be to use the process for collecting income data for program completers to also measure job placement. If this process were used to calculate job placement rates, the TRP panel would need to suggest how various data elements in the job placement calculation would be measured, as discussed under the “common metric” option. The advantage to this approach is that it would be common in both metric *and* method. Using the SSA data match would ensure the validity of students’ employment and eliminate the challenges associated with state-specific data collected in UI databases and with burden on institutions to collect employment data. SSA data also captures wage data for self-employed individuals. However, the major limitation to this approach is that it would not take into account occupation type for the completer, only whether or not they are employed. In addition, it would likely make designating exclusions to the cohort impossible, except perhaps if the completer continues in postsecondary education and uses federal aid.

Job Placement Rates and IPEDS

A final topic for discussion by the TRP is whether job placement rates should be added to the IPEDS data collection. Under the regulations, institutions must disclose to the public a job placement rate for each program but are not required to report the rates to the Secretary through IPEDS. The benefit of reporting job placement rates to IPEDS is that it would allow for rates to be compared across institutions and would be readily available on College Navigator.

⁶ See Appendix A for a more detailed discussion on state data systems using data reported in *Strong Foundations: The State of State Postsecondary Systems* issued by the State Higher Education Executive Officers (July 2010).

However, depending on which method of calculating rates is decided upon by the TRP, it may be unwise to encourage comparisons across all programs. If institutions are allowed to use accreditation agency rates, the placement rates would only be comparable across programs covered by a single accreditor, not across accreditors. If job placement rates are something that are highly desirable to include on College Navigator for consumers, they would not necessarily need to be collected through IPEDS if the federal match method were used. In that case, FSA could share the program employment rate calculations with NCES. NCES could post them to College Navigator similar to how loan default rates, which are not collected or calculated through IPEDS, are currently included on the site.

While it might be useful to have job placement rates in IPEDS, there are serious disadvantages to requiring the data to be reported within IPEDS. IPEDS data (except completions data) are reported at an institution level, not a program level. There are about 50,000 gainful employment programs, at an estimated 5,600 institutions, subject to the job placement rate requirement, which could make reporting the job placement rate to IPEDS extremely burdensome and complex, both for institutions and NCES.

Next Steps for the TRP

As the TRP considers the issue of calculating job placement rates, panel members will want to consider the following questions as it develops suggestions for RTI International, the NCES contractor for IPEDS:

1. How should institutions calculate job placement rates for gainful employment programs in order to meet new disclosure requirements?
 - a. disclose rates already reported to accreditation and state agencies what do institutions
 - b. use a common metric for calculating job placement
2. If accrediting and state agency rates are used, what should institutions that do not currently report such rates to any agencies disclose? Should there be a common metric for those institutions and programs to use?
3. If a common metric is suggested, how should it be defined and what are the best methods for institutions to obtain employment data: (a) collecting the data themselves, (b) through state data systems, where possible, (c) or through a federal match with SSA records?
4. Should job placement rates be reported in IPEDS? If yes, how should they be collected via the current IPEDS system and survey components? Should job placement rates be made available on College Navigator?

Appendix A: State Data Systems

According to a State Higher Education Executive Officers (SHEEO) study issued in July 2010, 45 states have at least one state-level student unit record system that primarily collects data from public institutions.⁷ Thirty-nine of the 45 states collect data from both public 2-year and 4-year institutions and the remaining 6 states collect from either 2-year or 4-year institutions. Coverage of private, for-profit institutions is more limited with just 7 states collecting data from these institutions and 3 states planning to collect data in the coming years. Many of the states have legislation or agreements in place to allow state postsecondary agencies to either link their data systems directly with workforce data or to provide postsecondary data to the workforce agency for analysis.

Data collected on postsecondary degree or certificate completion and occupation vary across the state systems. All 45 states have at least one state unit record system that collects student demographic and postsecondary enrollment data and 43 of the state systems also collect some data on degree completions.⁸ To effectively calculate a job placement rate, the state would also need data on students' occupation and whether it was aligned with the program that they studied in school. A key piece of data needed to determine if a student was working in the field for which they were trained would be the occupational code of the students' job as defined under the Department of Labor's Standard Occupational Classification (SOC) system. In the SOC system, there are 840 detailed occupations that can be aggregated to 461 broad occupations, 97 minor groups, and 23 major groups.⁹ Some state workforce data systems also collect data on the industry in which a person is employed using the North American Industry Classification System (NAICS) codes established by the U.S. Census Bureau. Although NAICS codes can be used a proxy to measure whether a student has found employment in the field of study, the codes are an imperfect measure. For example, a NAICS code may show a graduate of a dental assistant program employed in the healthcare industry, however the graduate may be a janitor or administrative assistant rather than a dental assistant. The SHEEO study found that more state data systems included NAICS codes than SOC information—just 9 states had data on occupation using SOC codes. Table 3 shows the states that have access either to SOC or NAICS data; and among those states the variation on the availability of postsecondary data elements that would be needed to calculate placement rates and whether the state data system covered public or private institutions or both.

It is important to note that while postsecondary and labor data elements are available and there are linkages between agencies in these selected states, the SHEEO study also identified that are still barriers to linking data across state agencies. Such barriers include a lack of common identifiers, student privacy concerns, and available resources at state agencies.

⁷ Garcia T, and L'Orange H, *Strong Foundations: The State of State Postsecondary Systems*, State Higher Education Executive Officers (July 2010).

⁸ Garcia and L'Orange, p.14 and 19.

⁹ See Appendix B for an example of SOC codes for one major occupation group.

Table A-1. Comparison of data element collected in state data systems that have information on type of occupation or industry

State	Types of institutions covered	Postsecondary Data				Labor							
		SSN	Program or major ^a	Degree or certificate awarded ^a	Date awarded ^a	Wages earned	Hours worked	Quarter employed	Year employed	SOC code	SOC title	NAICS code	NAICS title
Alaska	2- & 4-year public	X				X			X	X	X		
Florida	2- & 4-year public; public technical centers	X	X	X	X	X	X	X	X	X	X	X	X
Georgia	2- & 4-year public	X	X	X	X	X		X	X	X			
Kansas	2- & 4-year public; private for-profit	X	X	X		X		X	X			X	
Kentucky	2- & 4-year public; private, non-profit	X	X	X		X	X			X	X	X	X
Minnesota	2- & 4-year public	X	X	X	X	X	X	X	X			X	X
Missouri	2- & 4-year public; private, for-profit	X	X	X	X	X		X	X			X	
Montana	2- & 4-year public	X	X	X	X	X		X	X			X	
Nevada	2- & 4-year public	X	X	X	X	X	X	X	X	X	X		
New Mexico	2- & 4-year public; private non-profit; tribal institutions	X				X	X	X		X	X	X	X
North Carolina	2-year public	X	X	X	X	X		X	X	X		X	
Ohio	2- & 4-year public	X	X	X	X	X		X	X			X	X
Oregon	2-year public	X	X	X	X	X	X	X	X	X		X	
Rhode Island	2- & 4-year public	X	X ^a	X ^a	X ^a	X		X	X			X	X
Texas	2- & 4-year public; private non-profit; private, for profit	X				X		X	X			X	X

State	Types of institutions covered	Postsecondary Data				Labor							
		SSN	Program or major	Degree or certificate awarded	Date awarded	Wages earned	Hours worked	Quarter employed	Year employed	SOC code	SOC title	NAICS code	NAICS title
Utah	2- & 4-year public	X	X	X	X	X		X	X			X	X
Virginia	2- & 4-year public; private, non-profit	X				X		X	X	X			
Washington (OFM)	4-year public and applied baccalaureate-granting 2-year colleges	X	X	X	X	X	X	X	X			X	
Washington (SBTC)	2-year public	X	X	X	X	X	X	X	X			X	X

^a Texas Higher Education Coordinating Board did not participate in detailed data collection; therefore it is unknown what specific postsecondary education data elements are collected

Note: While postsecondary and labor data elements are available and there are linkages between agencies in these selected states, there are still barriers to linking data across state agencies. Such barriers include a lack of common identifiers, student privacy concerns, and available resources at state agencies.

Source: Analysis of information presented in *Strong Foundations: The State of State Postsecondary Systems* prepared by the State Higher Education Executive Officers Organization. Full report can be accessed at http://www.sheeo.org/sspds/StrongFoundations_Full.pdf.

APPENDIX B: EXAMPLE OF 2010 SOC CLASSIFICATION WITHIN ONE MAJOR CODE

Major code	Minor code	Broad Group	Detailed Occupation
31-0000	31-1000	31-1010	Healthcare Support Occupations
			Nursing, Psychiatric, and Home Health Aides
			Nursing, Psychiatric, and Home Health Aides
			31-1011 Home Health Aides
			31-1013 Psychiatric Aides
	31-2000	31-2010	31-1014 Nursing Assistants
			31-1015 Orderlies
			Occupational Therapy and Physical Therapist Assistants and Aides
		31-2020	31-2010 Occupational Therapy Assistants and Aides
			31-2011 Occupational Therapy Assistants
			31-2012 Occupational Therapy Aides
			31-2020 Physical Therapist Assistants and Aides
	31-9000	31-9010	31-2021 Physical Therapist Assistants
			31-2022 Physical Therapist Aides
		31-9090	Other Healthcare Support Occupations
			31-9010 Massage Therapists
			31-9011 Massage Therapists
			31-9090 Miscellaneous Healthcare Support Occupations
			31-9091 Dental Assistants
			31-9092 Medical Assistants
			31-9093 Medical Equipment Preparers
			31-9094 Medical Transcriptionists
	31-9095 Pharmacy Aides		
31-9096 Veterinary Assistants and Laboratory Animal Caretakers			
31-9097 Phlebotomists			
31-9099 Healthcare Support Workers, All Other			

APPENDIX C: EXAMPLE OF 2007 NAICS CODE WITHIN ONE SECTOR

SECTOR- 62

Health Care and Social Assistance

621	Ambulatory Health Care Services
6211	Offices of Physicians
6212	Offices of Dentists
6213	Offices of Other Health Practitioners
6214	Outpatient Care Centers
6215	Medical and Diagnostic Laboratories
6216	Home Health Care Services
6219	Other Ambulatory Health Care Services
622	Hospitals
6221	General Medical and Surgical Hospitals
6222	Psychiatric and Substance Abuse Hospitals
6223	Specialty (except Psychiatric and Substance Abuse) Hospitals
623	Nursing and Residential Care Facilities
6231	Nursing Care Facilities
6232	Residential Mental Retardation, Mental Health and Substance Abuse Facilities
6233	Community Care Facilities for the Elderly
6239	Other Residential Care Facilities
624	Social Assistance
6241	Individual and Family Services
6242	Community Food and Housing, and Emergency and Other Relief Services
6243	Vocational Rehabilitation Services
6244	Child Day Care Services

Note: This tables shows the 3 and 4-digit codes within the sector; there are also 5- and 6-digit codes.