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EARNINGS ACCOUNTABILITY/STATS
(The New GE)

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AGENDA

- History of Institutional Accountability
- Student Tuition And Transparency System (STATS)
- Earnings Accountability
- Q & A: Please type all questions that you have during the webinar into the Q & A chatbox, and we will answer these at the end of the presentation

HISTORY OF INSTITUTIONAL ACCOUNTABILITY

- 1989 Cohort Default Rates
- 1992 Prorata Refunds
- 1998 Return of Unearned Funds (R2T4)
- 2010 Gainful Employment (GE-1)
- 2015 Gainful Employment (GE-2)
- 2023 Financial Value Transparency/Gainful Employment (FVT/GE)
- 2026 Earnings Accountability/Student Tuition And Transparency System (EA/STATS)

STUDENT TUITION AND TRANSPARENCY SYSTEM (STATS)

- July 1, 2026 regulations intended to replace Financial Value Transparency regulations from 2023.
- Becomes effective in July 2027.
- Early implementation option for institutions.
- Establishes the requirements for “gainful employment” reporting.
- Established to provide transparency to consumers regarding programs, costs, and outcomes.

STUDENT TUITION AND TRANSPARENCY SYSTEM (STATS)

- First STATS report will be due by October 1, 2027.
- Requires annual submission of program data and student data (similar to FVT/GE) based on the most recently completed award year.
- Program and student data for 2025-2026 due by Oct 1, 2026 under the existing FVT/GE requirements.
- Early implementation option allows STATS-based report to be filed to satisfy the 2026 FVT/GE report demand.
- Reduces required data elements from previous FVT/GE reporting obligation. 34 CFR 668.406

GE REPORTING SCHEDULE

Reporting Cycle	Award Years Reported	Data Reported	Reporting Deadline
2024 FVT/GE	2022-2023/2023-2024*	Program & Student	10/1/2024**
2025 FVT/GE	2024-2025	Program & Student	10/1/2025**
2026 FVT/GE (or Early STATS Implementation)	2025-2026	Program & Student	10/1/2026
2027 STATS	2026-2027	Program & Student	10/1/2027

* Based on Transitional Reporting Option

** Extended Until January 15, 2027

STUDENT TUITION AND TRANSPARENCY SYSTEM (STATS)

- Requires publication of a link to ED’s Program Website in conjunction with CI disclosures.
- Requires the link to also be provided to prospective students prior to completing the enrollment process or making a financial commitment.

EARNINGS ACCOUNTABILITY (EA)

- July 1, 2026 regulations intended to replace GE regulations from 2023.
- Basic concept = Completers of certificate or undergraduate degree programs must earn at least as much as someone with only a HS diploma or equivalent.
- Completers of graduate degree programs must earn at least as much as someone with only a bachelor's degree.
- Applies to all FSA-eligible programs at all institutions.
- Eliminated the GE debt-to-earnings requirement.
- Earnings Premium vs Earnings Threshold ???

EARNINGS THRESHOLD

The median annual earnings of the general public which will be compared to the median annual earnings of your program completers.

Threshold used for undergraduate certificate and degree programs

↓ ↓

The median earnings for working adults aged 25–34, with only a high school diploma (or recognized equivalent), who worked and were not enrolled in an eligible institution during the year of the associated measured earnings:

- In the State in which the institution is located, or
- Nationally, if fewer than 50 percent of the students enrolled in the institution during the award year the calculations are made are from the State where the institution is located.

(Currently based on **U.S. Census Bureau** information, not IRS)

MEDIAN ANNUAL EARNINGS OF PROGRAM COMPLETERS

OBTAINED FROM IRS RECORDS FOUR YEARS POST-GRADUATION

First Publication of EA Results Expected in Summer 2027

Earnings Year	Award Year of Program Completers	Program CIP Code	Cohort Expansion Required?	
2025	2020-2021	Six Digit (12.3456)	30+ Completers?	Yes, **Stop**. No, **Continue**
2024	2019-2020	Six Digit (12.3456)	30+ Completers?	Yes, **Stop**. No, **Continue**
2023 and 2022	2018-2019 and 2017-2018	Six Digit (12.3456)	30+ Completers?	Yes, **Stop**. No, **Continue**
4 Years Post Graduation	2017-2018 thru 2020-2021	Four Digit (12.34xx)		

Completers List Cohorts Based on All Programs at the Same Credential Level

EARNINGS PREMIUM

The amount by which the median annual earnings of the program completers cohort exceeds the Earnings Threshold.

Negative Earnings Premium? **FAIL**

Zero/Positive Earnings Premium? **PASS**

TIP SENSITIVE OCCUPATIONS

- ED has authorized a one-year delay to Earnings Accountability consequences for programs leading to occupations that contain a significant amount of tip income.
- Examples include cosmetology and related fields, massage therapy, and casino operations.
- Why? The Working Families Tax Cuts Act (WFTCA) initiated the “no tax on tips” campaign effective with 2026 tax years and beyond.
- The first year of the new Earnings Accountability test is based on 2025 income.
- 2026 income/earnings will be used for 2021-2022 completers unless cohort expansion is necessary.

EARNINGS PREMIUM FAILURES

- Programs that fail the Earnings Premium test in two out of three consecutive years' calculations are labeled as "Low Earnings Outcome" programs.
- Low Earnings Outcome programs lose FDSL eligibility for two years.
- If 50%+ of an institution's enrollments or revenue are from Low Earnings Outcome programs for 2 out of 3 consecutive years;
  a. the institution is placed on provisional approval, and
  b. the institution's Low Earnings Outcome programs lose all FSA eligibility.

EARNINGS PREMIUM ONE-YEAR FAILURE

- Warnings must be provided to current and prospective students (and any third party working on behalf of a student) within 30 days of receiving notice of program failure.
- Additional warnings must be provided to prospective students if they will not enroll for more than 12 months since the previous warning (unless the program is no longer in danger of losing eligibility in the next year).
- Warnings may be provided in hard copy or electronically (or verbally to prospective students). The warning must be the only substantive content in the communication.
- Prospective students may not be enrolled or enter into a financial commitment until they acknowledge the warning, and 3 days have passed since delivery of the warning.

EARNINGS PREMIUM ONE-YEAR FAILURE

- Warnings must include;

a. statement that the program did not meet the earnings test and may become ineligible for FSA funds,
b. Information to access the ED program information website,
c. Requirement that the student acknowledge having read the warning before any FSA funds may be disbursed,
d. For Pell-eligible students, provide them with their remaining lifetime Pell eligibility, and explain that Pell received for the failing program will count against their lifetime eligibility (must be provided each time Pell is disbursed).

INSTITUTIONAL OPTIONS AFTER FIRST EARNINGS PREMIUM FAILURE

(In Any Three Consecutive Year Period)

Do Nothing

Program could face loss of eligibility sanctions with the following year's earnings premium results.

Orderly Program Closure

Institution ceases offering program to new students. Enrolled students maintain FDSL eligibility until the earlier of program completion or three years. Cannot restart the program or add a program that shares the same 4-digit CIP code (or shares overlapping SOC codes) for two award years after completion of the program closure.

End FDSL Participation for the Program

Program loses FDSL eligibility for five years but doesn't lose other FSA funds.

EARNINGS ACCOUNTABILITY TIMELINE

2027 Publication Year

2025 Tax Year

20-21 Completers Cohort

Jan 2027
Institutions Review the Completers List Cohort for 2027
2020-2021 Graduates (w/Expansion if nec)

Spring 2027
ED Obtains Median Earnings for 2025 from the IRS for Working Completers in the Cohort
Will be Compared to the Respective Earnings Threshold Obtained from the U.S. Census Bureau.

Jul 2027
First Earnings Accountability Results Released
No Loss of Eligibility. No Impact for Tip Sensitive Programs

Aug 2027
Opportunity to Initiate Orderly Program Closure or Withdrawal from FDSL.

Oct 2027
First STATS Report is Due by 10/1/2027.
Report will Include Program & Student Data for 2026-2027.

Nov 2027
Institutions Review the Completers List Cohort for 2028
2021-2022 Graduates (w/Expansion if nec)

Spring 2028
Second Earnings Accountability Results Released
Potential Loss of FDSL Eligibility. First Year of Sanctions for Tip Sensitive Programs.

THANK YOU FOR JOINING!

QUESTIONS?

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