

Advisor Information presented at October 5, 2021 Negotiated rulemaking

1. Highlights from recent GAO report (GAO-21-105373)
2. Information on the share of public and for-profit institutions that confer degrees in certain fields, and the distribution of degrees and certificates conferred in different fields at public and for-profit institutions (from the US Digest of Education Statistics published by the US Department of Education)
3. Research evidence (limited)

GAO Findings on College Closures, 2010-2020

- About 246,000 borrowers were enrolled at 1,106 colleges that closed
 - Borrowers enrolled in closed colleges:
 - Collectively had a \$4B in federal student loans
 - Median student loan debt: \$9,500; Mean student loan debt: \$16,400
 - 86% were enrolled at FP college; 14% nonprofit, 1% public
- Enrollment outcomes (overall among borrowers)
 - 13% completed program before college closing (ineligible for closed school discharge)
 - 44% transferred to another program (possibly eligible for closed school discharge)
 - ~30% of borrowers transferred from a for-profit college to a public college
 - ~5% transferred to a program that subsequently closed
 - ~1/2 of borrowers who transferred did not graduate within 6 years of transferring (pre-2015 cohorts)
 - 43% did not complete their program before their college closed or transfer to another college (eligible for closed school discharge)
- Circumstances surrounding closure appear to matter (e.g., abrupt versus orderly)
- Negative consequences of closure
 - Students often lose credits (from prior GAO report)
 - Students transferring among FP colleges lost 83% of credits on average
 - Borrowers who reenrolled at public colleges lost 94% of credits

GAO Findings on College Closures, 2010-2020 (continued)

- >80,000 students had loans forgiven through a closed school discharge
 - Does not include Aug 2021 announcement regarding additional ITT Technical Institute student discharges
 - Discharged ~\$1.1B of loans at 682 college closures
 - Median loan debt ~\$9,900
 - 96% went to students at for-profit colleges (2/3 concentrated at 21 colleges)
- Automatic discharges accounted for 42% of discharges since eligibility in 2013
- Of the group that transferred, but did not graduate within 6 years of transferring (pre-2015 cohorts), 700 applied for and received discharges
- Of those who received automatic discharges
 - 52% defaulted on their loans
 - More than half during the first 1.5 years after college closing
 - An additional 21% were past due at by ≥ 90 days at some point during repayment

Share of Public & FP Postsecondary Institutions Conferring Associate Degrees, 2017-2018

Field of Study	Share of Total Assoc Degrees	Public	For-Profit
Liberal arts and sciences, general studies, and humanities	39%	88%	1%
Health professions and related programs	18%	85%	70%
Business	12%	87%	44%
Homeland security, law enforcement, and firefighting	3%	70%	18%
Computer and information sciences	3%	74%	29%
Multi/interdisciplinary studies	3%	31%	1%
Engineering technologies and engineering-related fields	3%	67%	8%
Social sciences and history	2%	22%	0%
Mechanic and repair technologies/technicians	2%	51%	8%
Visual and performing arts	2%	49%	11%
Education	2%	50%	3%
Psychology	1%	19%	0%
Physical sciences and science technologies	1%	29%	0%
Family and consumer sciences/human sciences	1%	38%	1%
Agriculture and natural resources	1%	39%	0%
Communication, journalism, and related programs	1%	23%	1%
Public administration and social services	1%	25%	2%
Engineering	1%	31%	1%
Biological and biomedical sciences	1%	23%	0%
Legal professions and studies	1%	31%	16%
Precision production	1%	31%	2%
Construction trades	1%	26%	3%
<i>Total # of institutions</i>	<i>2,457</i>	<i>1,242</i>	<i>580</i>

Notes: Descending rank by share of total associate degrees. Does not include every field of study. Source: Digest of Education Statistics, 2019, 318.60. Data are for degree-granting postsecondary institutions, which are institutions that grant associate's or higher degrees and participate in Title IV federal financial aid programs.

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Degrees & Certificates Conferred, 2017-2018

Field of study	Share of Total Assoc Degrees	Assoc Degrees Public	Assoc Degrees FP	1- to <4-year certificates Public	1- to <4-year certificates FP
Liberal arts and sciences, general studies, and humanities	39%	44%	2%	25%	0%
Health professions and related programs	18%	14%	48%	24%	43%
Business	12%	11%	20%	12%	35%
Homeland security, law enforcement, and firefighting	3%	3%	5%	3%	0%
Computer and information sciences	3%	3%	5%	3%	1%
Multi/interdisciplinary studies	3%	3%	1%	1%	0%
Engineering technologies and engineering-related fields	3%	3%	2%	4%	2%
Social sciences and history	2%	3%	0%	0%	0%
Mechanic and repair technologies/technicians	2%	2%	6%	9%	13%
Visual and performing arts	2%	2%	3%	3%	1%
Education	2%	2%	1%	1%	0%
Psychology	1%	1%	0%	0%	0%
Physical sciences and science technologies	1%	1%	0%	0%	0%
Family and consumer sciences/human sciences	1%	1%	0%	2%	0%
Agriculture and natural resources	1%	1%	0%	1%	0%
Communication, journalism, and related programs	1%	1%	0%	0%	0%
Public administration and social services	1%	1%	1%	0%	0%
Engineering	1%	1%	0%	0%	0%
Biological and biomedical sciences	1%	1%	0%	0%	0%
Legal professions and studies	1%	1%	2%	1%	0%
Precision production	1%	1%	0%	5%	2%
Construction trades	1%	1%	1%	4%	2%
Total # of credentials conferred	1,011,487	885,870	69,430	264,974	154,929

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Research Evidence

- Pell Grant students who attended schools that lost eligibility to disburse federal financial aid appear to have local options and many enroll in them
 - Enrollment losses at sanctioned FPs are partially offset (60–70%) by increased enrollment at local CCs
 - Overall, market enrollment declines by ~2 percent
 - Limitations
 - Schools threatened to lose eligibility to disburse federal aid, not closure
 - Does not track individual students – only Pell Grant students in aggregate in a county
 - Not able to observe costs of transfer (credit transferability; financial costs)
 - Pell Grant students only (not necessarily borrowers)
 - Other outcomes not observed (suggestive evidence regarding loan default)
 - Source: Cellini, Darolia, & Turner, Where Do Students Go When For-Profit Colleges Lose Federal Aid?, *American Economic Journal: Economic Policy*, 2020