



Draft WIOA State Plan
Skills 2 Compete Coalition Comments on
Eligible Training Provider Data Collection
Final February 2016

Background:

Colorado's Eligible Training Provider List (ETPL) identifies training providers whose performance qualifies them to receive WIOA funds to train adults and dislocated workers through Individual Training Accounts (ITAs). Beginning in Spring 2016, Colorado's ETPL will be administered in partnership with the Colorado Department of Higher Education and College In Colorado using a new online system. This new online platform will coincide with the implementation of WIOA to provide enhanced features and accessibility to our shared customers.

Comment: *We applaud the state's efforts to identify meaningful data that will be important for both local workforce development boards and consumers alike to make informed decisions about selecting training programs that are likely to lead to gainful employment. We want to ensure that the information that will be collected and made available through the new online system will be broadly accessible to consumers—that is, prospective students and their families.*

For-profit occupational schools are an important part of the post-secondary education landscape in Colorado. CDHE is charged with overseeing the 375 private occupational schools in the state. These schools offer 680 different programs as diverse as computer technology, real estate, cosmetology and trucking. We believe many of these programs will apply to become WIOA eligible training providers. Generally speaking, training available through for-profit institutions, however, is more expensive than community colleges, less likely to lead to gainful employment, results in higher debt loads and student loan default rates. For these reasons, it is critically important that prospective students and families have access to the information that the WIOA draft plan has identified will be collected—data about costs, completion rates, job placement and starting salaries so students across the state can better make informed decisions about spending their education dollars wisely. This information should be made available in a consumer friendly manner, ideally in one place. College in Colorado is a good start and we would support using that website as the portal for prospective students to access the data programs will have to provide in their initial application and applications for on-going eligibility.

Process for initial application:

Beginning in Spring 2016, training providers not on the WIA list may submit an application through the new website for initial program eligibility, which can be granted for one full fiscal year (through September 30, 2017).

1. **Threshold requirement for ETPL eligibility:** Training provider must verify that it is licensed, certified, or authorized by the Colorado Department of Higher Education, or the relevant state agency with oversight, to operate training programs in Colorado.

2. Information required by training providers in the initial application:

- a. A description of each program of training services to be offered;
- b. Information on cost of attendance, including costs of tuition and fees;

Comment: *In both the initial and continuation applications, programs should also report the cost of supplies for each training program. Some programs require students to invest in certain books or tools and those costs should be disclosed to prospective students.*

Comment: *Currently, the WIOA state plan does not require programs to report any information on the debt load of students upon completion of the program. We would like the state to require programs to report data on student loan debt loads that is consistent with what the U.S. Department of Education requires of institutions receiving Title IV student aid funds under its gainful employment rules. These programs, including 22 percent of the programs regulated by the Colorado Division of Private Occupational Schools, are required to report median student loan debt for federal student loans, private education loans, and institutional financing plans. Cost of tuition, fees and supplies combined with median debt loan and data on earnings are important considerations for prospective students.*

According to the U.S. Department of Education, students at for-profit schools account for about 1 in 10 of the higher education population but 44 percent of all student loan defaults. Recent analysis by the Brookings Institution matched administrative data on federal student borrowing and earnings data from tax records and found that the surge in student loan defaults between 2000-2014 was largely concentrated among relatively older, lower-income students who attended for-profit colleges. According to the study, those students borrowed heavily to pay relatively high tuition at schools that don't have a good track record of graduating their students and putting them on a path to good jobs compared to other colleges. Among non-traditional borrowers, about 21 percent had defaulted. By comparison, default rates among so-called "traditional students" at four-year schools and graduate schools have stayed relatively low since 2000. Of the students required to start repayment on loans in 2011, 2 percent of graduate students and 8 percent of traditional undergraduates had defaulted within two years. Of all the borrowers who were in default in 2013, 70 percent were non-traditional students.

- c. Whether the training program leads to an industry-recognized certificate or credential, including recognized post-secondary credentials;

Comment: *Currently, the WIOA state plan does not require programs to report whether the occupation for which the training is being provided requires the student to take a licensing/certification exam or register with the state. We would like programs to report for each training program whether students have to take a licensing/certification exam before they can be employed in the field of study, the passage rate for their students, the cost of the licensing exam and/or whether the occupation requires students to register with the state before they can be employed in the field/industry and the cost of registration. Finally, we would like the programs to report whether current state law bars people from employment in the field of study due to a past criminal conviction.*

- d. Whether the provider has developed the training in partnership with one or more businesses (and the names of the businesses);
- e. Which in-demand industry sectors and occupations best fit with the training program;
- f. A description of the prerequisites or skills and knowledge required prior to the commencement of training; and
- g. Social security numbers for all students residing in Colorado for the previous 2 fiscal years, regardless of funding source.

Continued eligibility:

After the initial eligibility period of one full fiscal year, training providers must submit online applications through the website for continued program eligibility every two years. During 2016, minimum performance targets will not be set as eligibility criteria for training programs to remain on the ETPL. Once the transition from WIA to WIOA is completed, this policy will be revised to establish minimum performance targets for programs to remain on the ETPL. Applications for continued eligibility must include the following information:

1. Verify that the training program is still authorized by the appropriate oversight agency to operate in Colorado.
2. Performance data:

Comment: *We would like to see information required by programs in the initial application also be updated in the application for continuing eligibility. Specifically:*

- *Information on tuition, fees are only required in the initial application. These costs are likely to be adjusted somewhat from year to year. We think that information on tuition and fees should also be added to the list of data to be reported in the application for ongoing eligibility.*
- *Per the suggestion above, information on the cost of books, supplies and equipment should be reported both in the initial application and updated in subsequent applications for continuing eligibility.*
- *Information on student loan debt loads as described above should also be reported in the continuation application.*
- *For programs that receive Title IV student aid, the U.S. Department of Education calculates Cohort Default Rates (CDRs) and holds programs to certain debt-to-earnings metrics. This information should also be reported by programs that receive federal student financial aid. Starting in 2017, training programs receiving Title IV funds will be required to disclose certain information to prospective students (see §668.6(b), §668.412), including the most recent program cohort default rate (pCDR) and whether the program is at risk of losing Title IV eligibility in the next year for failure to meet debt-to-earnings benchmarks (see §668.403(c)). We would like programs on the ETPL that also receive Title IV student aid to report the program cohort default rate and whether the program has failed to meet the debt-to-earnings benchmark set by the U.S. Department of Education.*
- *Provide updates on requirements for licensing/certifications exams or registration requirements, passage rates on licensing/certification exams, and costs associated with licensing/certification exams and/or registration.*

- a. The total number of participants enrolled in the program;

- b. The total number of participants completing the program (participant who meets all requirements of the training program);
- c. The total number of participants exiting the program (participant who left the program during the previous twelve month period for any reason (including completers));
- d. Information on recognized post-secondary credentials received by program participants;
- e. Information on the program completion rate for such participants; and
- f. Social security numbers for all participants in Colorado for the two previous years, regardless of funding source, which will be used to calculate the following performance outcomes:
 - The percentage of program participants who are in unsubsidized employment during the second quarter after exit from the program
 - The percentage of program participants who are in unsubsidized employment during the fourth quarter after exit from the program
 - The median earnings of program participants who are in unsubsidized employment during the second quarter after exit from the program
 - The percentage of program participants who obtain a recognized post-secondary credential, or a secondary school diploma or its recognized equivalent during participation in or within 1 year after exit from the program

Transition of Eligible Training Providers under WIA

Beginning in Spring 2016, the current eligible training providers may begin applying for continued eligibility in the new system. All eligible training providers under WIA must reapply in the new system to remain eligible after the new system is available, under the continued eligibility procedures.

Comment: *To ensure standardized information across programs, we think that all programs—both new applicants and continuing programs—should be required to submit all the information outlined for new applicants. That list contains some important basic information on the programs that will be useful to both local workforce boards and prospective students. We also think that program data should be updated every year rather than every two years.*