



UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF POSTSECONDARY EDUCATION

May 20, 2024

The Honorable Virginia Foxx
Chairwoman
Committee on Education and the Workforce
U.S. House of Representatives
Washington, DC 20515

Dear Chairwoman Foxx:

Section 487(d)(4) of the Higher Education Act of 1965, as amended (HEA), requires the Secretary of Education to submit an annual report to Congress of information regarding the amount and percentage of each proprietary institution's revenues from Title IV sources and non-Title IV sources. The purpose of this letter is to transmit this information for the 2022-2023 award year (AY22-23) reporting period from July 1, 2022, through June 30, 2023.

Please be aware, the 90/10 report for AY22-23 does not include institutional revenues from all federal education benefit programs because the statutory changes to the 90/10 calculation methodology to include non-Title IV federally sourced revenues required by the *American Rescue Plan Act of 2021* applies to any institutional fiscal year that started on or after January 1, 2023. The AY22-23 report covers 90/10 attestations included in footnotes to audited financial statements for institutional fiscal years that started on or before July 1, 2022. Consequently, none of the audited financial statements by this report are permitted to include 90/10 metrics calculated under the amended methodology specified by the *American Rescue Plan Act of 2021* and by the Department's implementing regulations. The Department's next annual report 90/10 proprietary institutions attestation revenue percentages for 2023-2024 Award Year will reflect the amended 90/10 calculations in audited financial statements prepared for institutions whose fiscal year periods started on or after January 1, 2023.

The 90/10 revenue percentages reflected in this report were calculated under specific requirements in the HEA and corresponding regulations using the following regulatory formula:

Adjusted Student Title IV Revenue

*Adjusted Student Title IV Revenue + Student Non-Title IV Revenue +
Total Revenue from Other Sources*

Part 668, Subpart B, Appendix C of the Title IV regulations in Title 34 of the Code of Federal Regulations (June 30, 2023) specifies the order in which funds are deemed to be paid to the institution on behalf of a student and how those funds are to be classified for institutions whose fiscal year periods started before January 1, 2023. A proprietary institution must disclose the percentage of revenue derived from the Title IV programs that the institution received during the fiscal year covered by the audit as a footnote in its audited financial statement.

Failure to derive at least 10 percent of revenue from sources other than Title IV funds for two consecutive institutional fiscal year's results in the loss of eligibility to participate in Title IV programs for at least two institutional fiscal years. To regain eligibility, an institution must demonstrate that it complied with applicable State licensure, accreditation, and financial responsibility requirements for a minimum of two institutional fiscal years after the fiscal year it became ineligible. If an institution fails to satisfy the 90/10 rule, the U.S. Department of Education (Department) is required by statute (HEA) to disclose this information on the College Navigator website (<https://nces.ed.gov/collegenavigator/>), including the extent to which the institution failed to satisfy the rule.

The enclosed report shows the revenue percentage for each proprietary institution based on that institution's most recent fiscal year with end dates between July 1, 2022, and June 30, 2023. Total funding received under the Title IV programs, and total institutional revenues, on which the numerator and denominator of the 90/10 revenue percentage calculation (with adjustments specified in regulation) are based, are also shown for each institution.

The report for AY22-23 provides the 90/10 revenue percentages that were attested to by 1,566 proprietary institutions in audited financial statements received by the Department for institutional fiscal years ended between July 1, 2022, and June 30, 2023. The report reflects audited financial statements received by the Department through April 23, 2024. Only those schools whose audited financial statements and 90/10 revenue percentage calculations have been reviewed and accepted by the Department are included in the report. The AY22-23 report identifies five proprietary institutions that exceeded the 90% threshold during institutional fiscal years that concluded during the period between July 1, 2022, and June 30, 2023. None of these five institutions have yet submitted financial statements for their subsequent fiscal year. None of the institutions who failed the 90/10 percentage threshold during AY22-23 did so for a second consecutive year during the two-year period between July 1, 2021, and June 30, 2023.

The Department will post the full report on the Federal Student Aid Data Center website at <https://studentaid.gov/data-center/school/proprietary> as well as post the required disclosures on the College Navigator website. Proprietary institutions that exceeded the 90% threshold during AY22-23 will also be disclosed by the College Affordability and Transparency Center at <https://collegecost.ed.gov/>.

If you have any questions about this report, please have your staff contact Molly Petersen in the Office of Legislation and Congressional Affairs by e-mail at: Molly.Petersen@ed.gov or by phone at (202) 401-0020.

Sincerely,

Antoinette Flores
Deputy Assistant Secretary for
Policy, Planning, and Innovation

Enclosure