



UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF POSTSECONDARY EDUCATION

June 23, 2025

The Honorable Tim Walberg
Chair
Committee on Education and the Workforce
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Walberg:

Section 487(d)(4) of the Higher Education Act of 1965 (HEA), as amended, requires the Secretary of Education to submit to the authorizing committees an annual report derived from the audited financial statements submitted by proprietary institutions that contain the amount and percentage of each institution's revenues received from the Title IV, HEA programs and the amount and percentage of such institution's revenue from other sources. The purpose of this letter is to transmit that report for the July 1, 2023, through June 30, 2024, reporting period (2023-24 award year).

The American Rescue Plan Act of 2021 amended sections 487(a) and (d) of the HEA which govern how proprietary institutions must calculate these revenue amounts and percentages, commonly referred to as the 90/10 Rule. These new changes required that an institution count all Federal education assistance funds as Federal revenue, not just funds from the Title IV, HEA programs. The Secretary published final regulations amending 34 CFR 668.28 to implementing these changes on October 28, 2022, and published a list in the Federal Register on December 21, 2022, of Federal education funds that must be included as Federal revenue in the 90/10 calculation. These changes became effective for 90/10 calculations for fiscal years beginning on or after January 1, 2023. Some of the financial statements on this report pertain to fiscal years that began prior to January 1, 2023, and for those financial statements, only Title IV funds were included in the numerator of the calculation as that is what was required by the regulations that governed them. Notwithstanding the references in section 487(d)(4) of the HEA for this report to include revenues received for Title IV, HEA program, this report reflects the recent changes in the 90-10 calculation now which includes all Federal education funds as Federal revenue, not just Title IV, HEA funds.

The enclosed report is based upon audited financial statements submitted by institutions to the Department through June 3, 2025. It identifies 16 institutions that exceeded the 90 percent threshold during institutional fiscal years that concluded during the period between July 1, 2023, and June 30, 2024. None of the institutions that failed the 90/10 percentage threshold in the institutional fiscal year covered under this report period failed to meet the threshold in their previous fiscal year.

The Department will post this full report on the Federal Student Aid Data Center website at <https://studentaid.ed.gov/sa/about/data-center/school/proprietary> in addition to posting the disclosures on the College Navigator website required by section 487(d)(3) of the HEA.

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,

A handwritten signature in dark ink, appearing to read "Jeffrey R. Andrade". The signature is fluid and cursive, with a large initial "J" and a long, sweeping underline.

Jeffrey R. Andrade
Deputy Assistant Secretary for
Policy, Planning, and Innovation

Enclosure