

Request for Information Regarding Public Transparency for Low-financial-value Postsecondary Programs

Due: February 10, 2023

DOCKET ID ED-2022-OUS-0140

Higher Learning Advocates (HLA) is a non-profit advocacy organization working to shift federal policy from higher education to higher learning—education and training beyond high school that leads to a degree, credential, or employment. HLA advocates for policies and support programs that ensure opportunity and promote inclusive pathways for today's students to succeed through an equitable system of higher learning, employment, and economic mobility. We appreciate the opportunity share our views on low financial-value postsecondary programs.

Question 1: What program-level data and metrics would be most helpful to students to understand the financial (and other) consequences of attending a program?

Higher Learning Advocates commends the U.S. Department of Education for its interest in assessing the value of postsecondary programs. Today's students deserve a system that produces the outcomes that matter to them: high-quality learning and programs that lead to timely completion and prepare students for what's next – either employment or more education. Students should expect that completion from a program or institution that accepts their federal financial aid will leave them better off after leaving school than when entering, help them gain access to professions that reward having a college credential, and lead to earnings that are appropriate for their field and level of experience.

The ultimate test of whether a program has value is whether completers obtain employment and how much they earn. Potential students want jobs and earnings that will allow them to pay back their student loans. Gainful employment, if appropriately implemented, will provide students with the information they need to assess potential outcomes and, in turn, an ability to parse between low- and high-value postsecondary programs. For this reason, ED should align the program-level data and metrics expectations it establishes based on what is collected for this RFI on low-value programs with those it identifies for gainful employment.

In particular, the data and metrics used should be based on the following measures:

1. **Median earnings after leaving college.** Establish an earnings threshold and collect the earnings data by completion status at one, three, and five years after completion,

a range that acknowledges labor market progression. The earnings threshold should reflect variations in state and/or regional labor markets.

2. **Student debt.** Require programs to report on a loan-repayment rate metric and a debt-to-income ratio. To achieve a positive return on their education investment, learners need to make enough money with their new credentials to offset the debt they took on to complete it. Given the current pause on federal student loan payments, it makes sense to report on both data sets and separate them by completion status, if possible.
3. **Program-level completion rates.** Collect and report employment data for all occupational programs where students enter a program with an explicit employment goal. Institutional completion rates for all associate's and bachelor's degree programs should also be reported for informational purposes.
4. **Job placement rates.** Ideally, institutions would report on employment in the occupational field of the program for occupational programs and any employment for all other programs. This figure would exclude students in occupational programs employed by the institution of higher education that granted their credential.

These data should be updated annually and disaggregated by race, ethnicity, gender, disability status, and other characteristics to measure equitable progress.

Establishing an earnings threshold may be the most complex portion of identifying low-value postsecondary programs. Some thresholds are based on the principle that a quality postsecondary credential should provide earnings above the earnings typically achieved by individuals with a high school diploma as their highest level of educational attainment.¹ The U.S. Department of Education estimates this is \$28,000 annually among twenty-five to thirty-four-year-olds. The methodology used for Lumina Foundation's "A Stronger Nation" report that tracks credential and degree attainment is in part based on a premium of 20 percent above the earnings of those at the high school diploma level. But thresholds at these levels rule out credentials for many occupations that are paid relatively poorly in the labor market, making it difficult for some credentials to overcome labor market pricing, including credentials for childcare workers, teaching assistants, and home health aides. The higher threshold would also rule out credentials for many preschool teachers, pharmacy technicians, nursing assistants, and medical assistants.²

It is also essential that future value determinations include both financial and non-financial measures. This relates to the challenges around strict earnings thresholds that fail to acknowledge the complexity of how the labor market rewards some jobs and professions.

¹<https://nationalskillscoalition.org/resource/publications/expanding-opportunities-defining-quality-non-degree-credentials-for-states/>

² <https://www.bls.gov/>

Some programs that lead to jobs that pay lower wages offer a high value to society. States engaged in quality non-degree credential work were cognizant of the importance of these professions in society and the need to continue to produce program graduates in these areas and are seeking ways to take that complexity into account.

Additionally, if the thresholds were expected to be achieved shortly after individuals completed their program of study, credentials for many additional occupations would be ruled out, making reporting earnings at 1, 3, and 5 years necessary. Credential holders in these fields might achieve normal, even good, earnings for their field, and individuals might achieve their education and employment goals, but a higher threshold would not reflect these things.

It is worth noting that expectations around quality and value are already familiar to states and institutions. Within the past few years, 12 states arrived at a consensus definition of quality for non-degree credential programs.³ A quality non-degree credential, as defined by these 12 states, provides individuals with the means to achieve their informed employment and educational goals equitably and offers valid, reliable, and transparent evidence that the credential satisfies quality criteria established by the states. These three mandatory criteria are:

1. substantial job opportunities,
2. transparent evidence of the competencies mastered by credential holders, and
3. evidence of the employment and earnings outcomes of individuals after obtaining the credential.

The second criterion is aspirational because postsecondary institutions aren't yet providing such evidence, but states are trying to do so.

Finally, identifying low-value programs must carefully consider the possibility of unintended consequences, particularly ensuring that institutions do not deny access to traditionally underserved student populations. One of the most glaring challenges of this work is related to the debt and earnings outcomes of women and people of color, both of whom experience discrimination in the labor market. Research finds persistently higher debt burden for students in programs with higher percentages of women and people of color.⁴ Additionally,

³<https://nationalskillscoalition.org/resource/publications/expanding-opportunities-defining-quality-non-degree-credentials-for-states/>

⁴https://www.urban.org/research/publication/getting-most-out-short-term-career-and-technical-education-cte-credentials?utm_source=urban_newsletters&utm_id=workforce&utm_campaign=Workforce

student outcomes such as earning potentials vary based on who they enroll.⁵ Any calculation of value must provide a safe harbor for institutions that serve higher percentages of students of color.

Question 2: What program-level data and metrics would be most helpful to understand whether public investments in the program are worthwhile? What data might be collected uniformly across all students who attend a program that would help assess the nonfinancial value created by the program?

The same data (earnings, completion, job placement, and debt) that should be collected to inform student determinations of value apply to whether public investments in a particular program are worthwhile. The government, taxpayers, and potential students are interested in the return on investment in a program. Additionally, the gainful employment measures should be used across all programs, regardless of whether they are occupational in nature.

As noted in our answer to Question #1, other measures could be considered for value determinations in the future. Ideally, the assessment of program value would include both financial and non-financial measures. Some programs that pay lower wages offer a high value to society, such as childcare workers, certified nursing assistants, and social workers. Yet these professions are essential to society, and we need to continue to produce program graduates in these areas.

Job quality beyond earnings is also an important part of individuals' employment goals. Whether a job provides health benefits, retirement benefits, paid sick leave, and suitable and dependable hours, among other elements of job quality, are important. There is no economic method for states to measure these employment outcomes at the

individual-credential level now, but ideally, there will be a way to take them into account someday.

Question 3: In addition to the measures or metrics used to determine whether a program is placed on the low-financial-value program list, what other measures and metrics should be disclosed to improve the information provided by the list?

We have identified three other measures and metrics that should be disclosed to augment the information provided by the low-financial value program list.

⁵https://ticas.org/wp-content/uploads/2023/01/Shifting-Narratives_Centering-Race-in-Defining-and-Measuring-College-Value.pdf

1. Financial viability of the institution. Students must have access to information about the financial viability of the institution to make an informed decision about whether to attend an institution. This information could be collected in a range of ways but will require participation by the federal government, state government, and accreditors.⁶
 - The federal government portion should include Heightened Cash Monitoring, financial responsibility, letters of credit, and any other relevant warning.
 - The state government portion should include any relevant warnings or investigations, although this requires either states to cooperate or institutions to voluntarily disclose this information.
 - The accreditor portion should include any warnings at the institution or program level if a programmatic accreditor is relevant in that case.
2. Tuition, housing & fees paid per student
3. Learning mode and location

Question 4: The Department intends to use the 6-digit Classification of Instructional Program (CIP) code and the type of credential awarded to define programs at an institution. Should the Department publish information using the 4-digit CIP codes or some other type of aggregation in cases where we would not otherwise be able to report program data?

HLA would find the use of the 4-digit code acceptable.

Question 5: Should the Department produce only a single low-financial-value program list, separate lists by credential level, or use some other breakdown, such as one for graduate and another for undergraduate programs?

The Department should produce several lists, including one of programs by credential level and separated by field of study. It should also separate graduate and undergraduate programs by credential level and field of study.

⁶ https://kelchenoneducation.files.wordpress.com/2023/01/kelchen_valuelist_jan23-1.pdf

Question 6: What additional data could the Department collect that would substantially improve our ability to provide accurate data for the public to help understand the value being created by the program? Please comment on the value of the new metrics relative to the burden institutions would face in reporting information to the Department.

Gathering information on program-level completion rates presents a burden, and certainly to programs that are outside the bounds of gainful employment data collection, the value of these data to students and policymakers outweighs the administrative burden to the institution. If the Department aligns low-economic value program measures with gainful employment measures it will ease the burden on institutions. Also, states are implementing their own quality assurance systems for credentials, so some states have already started requiring the collection of some of these data. By aligning data collected with that already required by other states and the gainful employment metrics, institutions should not have to collect separate data.

Question 7: What are the best ways to make sure that institutions and students are aware of this information?

HLA supports the widespread use of notifications about program value along multiple points of the potential students' journey to a postsecondary program. Flags should be included on the College Scorecard, FAFSA, and the GI Bill Comparison tool. The Department should also look for ways to provide warnings directly to students, including providing attestations to students. The data should be housed on a Department website that is easily accessible and provides the ability to ensure students have received the data. It should also be downloadable. The National Advisory Committee on Institutional Quality and Integrity should also encourage accreditors to consider these data in their analysis of institutional performance. It might be worth working with organizations that work directly with high schools and other similar entities to directly connect with those

who are helping students make decisions about any sort of post-secondary education. Finally, HLA also encourages the Department to support research into effective strategies for helping students understand and use the data to make decisions about their future.