February 10, 2023

Mr. Jean-Didier Gaina
U.S. Department of Education
400 Maryland Ave SW
Room 2C172
Washington, DC 20202

Dear Mr. Gaina,

The American Association of Community Colleges (AACC) and the Association of Community College Trustees appreciate the opportunity to provide input to the Department of Education (ED) on its proposed framework to determine programs that are of "low financial value," as outlined in its January 10 Federal Register "Request for Information" (RFI) Notice. AACC and ACCT represent the presidents and trustees, respectively, of the nation's 1,039 community colleges. Community colleges enroll almost 40% of all U.S. undergraduates and offer more than 50,000 programs overall, making the RFI critical to their interests.

Community colleges strongly support applying a uniform set of analytic variables to all higher education programs. We enthusiastically endorse efforts to provide more complete information to consumers of higher education than what is currently available, and to place that information in a relevant and easily understandable context. Even today, with the intense focus on institutional performance, national data on postsecondary performance remains sorely lacking, in part because of the absence of a national unit record data system. This creates a significant, almost hobbling liability, but, nevertheless, ED can and should improve the information made publicly available.

That said, designating some higher education programs as being of "low financial value" is problematic, and the Department should reconsider this initiative. At minimum, the plan needs to be substantially redesigned.

For the reasons stated below, the "low financial value" label as proposed by ED will stigmatize programs and leave them prone to misunderstandings by prospective students and the public. It is the type of judgment that is best made by potential students, families, and their academic advisors—not the U.S. Department of Education.

First, because of the significant ongoing limitations in available data and the broad variations in higher education programs, inevitably some would be erroneously labeled as being of "low financial value." This is especially the case in a comprehensive framework applied to tens of thousands of higher education programs.

Second, there likely will be a “cliff effect” concerning programs that just make, or miss, falling into this category, however it is ultimately designed. Given the high stakes nature of the “low financial value” designation, this would be an unfortunate but predictable outcome.

Third, the proposed list neglects the fact that certain potentially “low financial value” programs serve as a springboard to other programs that are of higher value. This is particularly the case for community colleges, who serve high numbers of relatively underprepared students who first gain a footing in higher education and then progress into programs that provide more substantial economic benefits.

In addition, at community colleges, some programs that might have “low financial value” are the only programs in which students with disabilities can participate.

Instead of labeling programs as proposed, ED should continue to refine and expand its efforts to provide comprehensive, accurate data on key program elements that would benefit stakeholders. The current effort can be structured to achieve that highly worthwhile goal, even in the absence of Congressional enactment of the College Transparency Act, which would make this effort much more robust and helpful to the public.

One way that ED can avoid the pernicious impact of a “low financial value” designation while still highlighting different program outcomes is to group programs metrics, such as debt to earnings. Clearly presented data of this nature, with an explanation of what the calculation means, could greatly benefit students.

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

Key data that would be most helpful to students to understand the financial (and other) consequences of attending a program include:

• *Debt to earnings*. As loans have become the largest form of federal financial assistance supporting college attendance, prospective students should be provided data that will enable them to determine their ability to retire federal debt obligations with their expected earnings. Through their extraordinary efficiency, lean administrative structures, and focus on teaching, community colleges strive to maintain low tuition, allowing the vast majority of students to finance their educations without relying upon federal loans. (The contributions of state and local government sponsors to low tuitions play a major role as well.)

We heartily support the use of the debt-to-earnings metric for program eligibility determinations made under the gainful employment (GE) regulations, and, for information purposes, it should be provided for all programs at all levels of higher education. A centerpiece of the community college public policy agenda is the concept that disclosures about program outcomes should be uniform across programs, irrespective of any additional eligibility standards. Furthermore, ED should primarily rely on the GE debt-to-earnings metric in this initiative to avoid an unnecessary institutional reporting burden and possible contradictions between two different measures of a program’s financial value.

• *Earnings*. Solid data on post-completion earnings will be of major benefit to all stakeholders. The information must be provided at various post-graduate junctures so that the common earnings patterns, over time, are fairly reflected. For most community college career-oriented programs, an earnings snapshot at two and five years should be sufficient. Those with an associate degree should be given longer, particularly since students who subsequently transfer to a four-year institution will not be financially benefitting from their studies for some time. Longer windows will be needed for baccalaureate and post-baccalaureate programs.

In presenting earnings data, contextual information, such as the long-term earnings patterns of program completers, or a sharp earnings change in a particular field, should be provided to the maximum extent possible—depending on the nature of the program and the students who enroll in it, average earnings data can be misinterpreted, and averages are only that—averages. Institutions themselves have a responsibility to outline some of the likely parameters of earnings and career options available to program completers.

> **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?**

Unfortunately, these questions and their implications are vague. For the first question, it is not clear to which governmental entities this applies and how. If ED is referring to worthwhile federal "public investments," ED knows that it does not have the authority to regulate broadly in this regard; therefore, requesting input as to whether public investment is "worthwhile" is confusing and makes little sense. The role of Title IV is to provide financial support to students, not institutions. If the question refers to state and local investments, that determination is appropriately made by those other entities.

A program could surely have substantial "nonfinancial value" to an individual student, based on any number of factors, and/or to society as a whole. While most students enroll in higher education with the primary goal of increasing their earnings potential, they have a myriad of other reasons for doing so that are highly personal. These personal reasons are not susceptible to easy classification that would help others in their choice of academic programs. However, institutions and other individuals with a deeper understanding of the particular offering are better situated to help prospective students evaluate a programs' full significance. College academic and career counselors, as well as high schools and non-academic organizations that are committed to helping students move successfully to and through college, can play a positive role in helping them understand the many dimensions of a meaningful and successful career.

Judgements about societal value are inherently subjective, and it is simply not possible for the federal government to fairly make this determination for every Title IV-eligible program, nor is it clear what ED would do with this determination even if could make it. Would it label a program "low financial value" but then note that the program provides other nonfinancial benefits? Would it decline to label programs that benefit society as a whole but lead to low salaries for their completers?

Furthermore, the societal value of a given program may not be uniform but depend on the use of the program credential by individual students. For example, an information technology professional working at a rural community college in a high-poverty area and receiving a relatively low wage may be performing a function that could be fairly deemed to provide societal value; but that same individual, with the exact same academic credential, working for a large for-profit organization in an urban area and receiving a relatively high salary would not be equally thought of as providing societal value. Society is comprised by individuals making a variety of contributions to the overall public welfare, and making categorical distinctions about the societal value of a career or program through a national lens will inevitably fail to capture this extraordinary complexity.

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?

The list, which, again, should be a matrix that encompasses all programs at all institutions of higher education, should include non-academic credentials that students who complete a program routinely receive. This includes industry certifications, licensure examinations, and certain "badges." Where possible, the number of completers who attained these non-academic credentials or other related objective data should be indicated. In addition, where applicable, programmatic accreditation from an ED-recognized agency should be denoted. It clearly would not be easy to provide a vehicle to deliver this type of information alongside more quantitative and systematic data about all programs, but it is worth doing.

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?

First, ED is to be commended for building on the actions of previous administrations and focusing on the performance of individual programs. Substantial evidence demonstrates that the individual program in which a student enrolls, rather than the institution or even the general programmatic area within that institution, play a significant role in determining post-completion outcomes. For example, one social science major at the same undergraduate institution might have a much different post-graduate experience than another; on average, an economics graduate will generate higher incomes than an anthropology major. At a community college, a student obtaining an ADN degree in nursing will likely earn much more than a student with an associate degree in general studies. The programmatic focus takes this into account.

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?

If ED insists on developing the low-financial value list, it probably is best for the programs to be organized by institution, coupled with an easy ability to make cross-comparisons between similar programs at other institutions. This framework will work best for prospective community college students because once they have decided to attend a community college to advance their academic or occupational standing, they tend to enroll there rather than "shop around" between institutions. Instead, they usually "shop around" for a program at the college that best suits their interests and aptitudes. This sequence applies to most, if not all, community college students, particularly those enrolling in career and technical education programs.

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.

Although more data would perhaps be desirable, it is more important that the variables that ED uses to apply to all programs contain the most comprehensive and accurate data possible. With that in mind, we do not think that additional variables should be added to those outlined above.

Unfortunately, nothing that ED has announced, or even can propose, changes the fundamental reality that any federal analysis of programs' outcomes tied to post-completion earnings is inherently limited by the fact that it applies to Title IV recipients only. Barely more than half of all community college students receive Title IV aid, dramatically limiting the covered universe of students, and this inevitably undermines the quality of the data. In particular, the students who received Title IV aid on average have lower incomes than those who do not. Furthermore, there remains a strong correlation between income before and after college, despite the earnings premium that college generally provides.

Absent Congressional action, there is no obvious solution to the situation described above, so policymakers must exercise an appropriate level of caution or humility in attaching consequences to information that is inherently limited.

In any new information gathering process, institutional burden must be front of mind for policymakers, and it is helpful that ED is focused on this. Previous iterations of the gainful employment regulations have underscored the difficulty, and cost, of effectively capturing the at-times circuitous paths that community college students take towards attaining an academic credential. In recent years, this tracking process has become more efficient in many places, but the underlying reality remains—that many community college students do not follow a direct path to a credential because their academic career goals often develop and change while they are attending college.

The Department should also consider ways to allow institutions to provide their own information about program outcomes that fall outside of whatever comprehensive framework is developed as a result of this initiative. This could include financial impacts of programs—such as earnings—that institutions are able to secure through their non-federal efforts, including state data or other public data, or student surveys. Although these data are a patchwork from a national perspective, some of this information is far more robust than what can presently be provided by the federal government. Institutions could also voluntarily provide rates of attainment of non-academic credentials, including industry-wide certifications, licensure, badges, and individual employer credentials. This addition might take the form of an additional page or a designated field.

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

Simplicity is the overriding principle that should guide ED in establishing a new framework for presenting the information along the lines of this proposal. Students and their families already have access to the College Scorecard and College Navigator, which alone can be somewhat confusing. Consideration should be given to integrating any new measurements with these two existing federal data sources. Links to additional programmatic information provided by colleges could be built into the format. Any new or significantly modified comprehensive framework about program outcomes that is intended for public disclosure should be subject to rigorous consumer testing. Although the current stay of information about postsecondary outcomes is lacking, the lack of awareness and use of information that the government does provide, is a huge problem as well.

Thank you for your consideration of these views.

Sincerely,

Walter G. Bumphus
AACC President and CEO

Jee Hang Lee
ACCT President and CEO