NASFAA

NATIONAL ASSOCIATION OF STUDENT FINANCIAL AID ADMINISTRATORS

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U.S. Department of Education
400 Maryland Ave., SW, Room 2C172
Washington, DC 20202

Docket ID ED–2022–OUS–0140

To whom it may concern:

On behalf of the National Association of Student Financial Aid Administrators (NASFAA) and our 3,000 member institutions, we respectfully submit to the U.S. Department of Education (ED) our comments on its Request for Information Regarding Public Transparency for Low-Financial-Value Postsecondary Programs (Docket ID ED–2022–OUS–0140).

NASFAA represents nearly 20,000 financial aid professionals who serve 16 million students each year at colleges and universities in all sectors throughout the country. NASFAA member institutions serve nine out of every 10 undergraduates in the U.S.

ED's proposed low-financial-value programs list signals that a postsecondary credential's quality can be boiled down to a single factor: its graduates' earnings. This approach runs the risk of assigning an arbitrary value judgment on programs by highlighting only one outcome of postsecondary education. This could steer prospective students away from programs whose graduates enter careers where compensation does not always match their value to society, jeopardizing the survival of those programs and the flow of new practitioners into critical public service fields.

Further, a list of low-financial-value programs may send mixed messages to prospective students by understating the value of public service on the front end, while at the same time rewarding public service on the back end with loan forgiveness — putting two policy initiatives at odds with one another.

Postsecondary education programs comprise a broad and varied landscape. Some are designed to deliver workforce training, providing a set of defined skills to prepare students for specific occupations with predictable financial returns. Others focus less on technical skills and more on intellectual growth and critical thinking skills valuable both in and outside of the workplace. Different postsecondary education offerings cater to different students' goals and have vastly different time horizons to reach the break-even point where earnings justify the time and money invested in earning a postsecondary credential.

ED and the higher education community have struggled considerably for more than a decade to develop a meaningful measure of value through the gainful employment regulations for just the limited subset of postsecondary programs that prepare students for specific careers. If a set of metrics designed to evaluate this small universe of postsecondary programs hasn't been identified in the four rounds of rulemaking held to date, it is difficult to imagine the current request for information — with only a 30-day comment period — will yield anything to meaningfully convey to students and the broader public the value of every postsecondary educational program.

Using an imperfect tool for measuring program quality will yield unreliable results. Even without the potential of ED-imposed penalties, the proposed list of low-financial-value programs is a high-stakes undertaking with the potential to close down quality programs by steering students away from them based on flawed metrics that don't adequately reflect their value. It is especially risky given that ED proposes to use a gainful employment (GE) type rubric for all postsecondary programs when ED has not yet developed — in over a decade of attempts — a satisfactory GE framework for the much smaller subset of career programs. It is critical for ED to ensure this endeavor does not lead to harmful, unintended consequences.

NASFAA supports efforts at increasing accountability and transparency for institutions of higher education participating in the Higher Education Act (HEA) Title IV student aid programs. When done properly, these efforts guide prospective students to the programs that best suit their needs and stop the flow of federal dollars to programs that don't provide acceptable returns to students and taxpayers. When done poorly, such initiatives can have serious unintended consequences.

Several prominent higher education scholars recently noted[1] the failings of transparency initiatives, arguing that, "the federal government not only has more information on college performance, but also has more experience in interpreting this information than does the typical college applicant." Measuring the value of a postsecondary program is a complex and nuanced undertaking. It is irresponsible to publish a low-financial-value programs list and expect prospective students to know how to weigh that information in relation to their own goals, other program outcomes, the institution's mission, and the myriad other elements that factor into a program's value.

Below we address the questions posed in the request for information.

Measures and metrics

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

In asking this question, ED appears to underestimate the impact its list will have on postsecondary programs. Students are unlikely to want to know more about a program that appears on a department-issued list of low-financial-value programs, making any data or metrics accompanying the list less relevant.

That said, a wealth of program-level data is already available to prospective students on the College Scorecard. However, data and metrics provide limited value to prospective students unless provided

[1] https://www.brookings.edu/blog/brown-center-chalkboard/2021/12/14/why-information-alone-is-not-enough-to-improve-higher-education-outcomes/

within the proper context. While transparency is a commendable goal, relying too heavily on transparency alone places an unfair burden on prospective students to interpret outcomes data to find the programs that will best meet their needs. Instead of heaping yet more data on students, ED should take steps that meaningfully lead to more students getting the education they deserve.

We hope the gainful employment proposed rules due out this spring improve upon past efforts and impose true accountability on underperforming programs without catching deserving programs in a net cast too wide. Allowing truly low-quality programs access to Title IV aid is an implicit stamp of approval and students will continue to enroll in those programs even with data indicating they are a poor bet. Taking those options off the table ensures fewer students will end up worse off than they were before attending college.

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?*

As ED has no doubt learned from the past four rounds of gainful employment negotiated rulemaking, no metric or set of metrics is perfect in assessing a postsecondary program's quality. This will be even more difficult when non-GE programs are added. Whatever data and metrics ED uses to help prospective students assess program value, they must be presented in the proper context.

ED should especially consider the different time horizons to achieving peak earnings for different programs, student loan indebtedness in the context of Public Service Loan Forgiveness (PSLF) and income-driven repayment (IDR) plans (especially the new modified REPAYE plan), the diversity of institutional missions and demographic enrollments at postsecondary institutions and programs, and the impacts of systemic sexism, racism, ableism, and other discrimination on student outcomes to contextualize any metrics it uses in developing this list.

Whichever metrics ED decides to include, their importance in contributing to overall program value should be weighted to provide the opportunity for a wide range of mitigating factors to add to or detract from the value determination.

Returns on higher education investments, for both individuals and taxpayers, come in many forms. One, certainly, is financial. Higher wages benefit college graduates personally, and higher tax revenues contribute to the greater good.

We appreciate ED asking how it can assess the nonfinancial value created by programs. Hyperfocus on education exclusively as a means to high wages misses the significant other benefits to individuals and society. We question, however, whether and how those nonfinancial returns would be factored into the list considering the focus of this request for information on "low-financial-value programs." If ED truly intends to give consideration to the nonfinancial value created by a program, it should be reflected not only in the data and metrics it uses, but also in how the list is named and presented. We urge ED to consider a name and presentation that accurately reflect the totality of a program's value.

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?

As noted earlier, student-facing measures and metrics must be presented within relevant context to be meaningful in the decision-making process.

List structure

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?

NASFAA agrees with ED's decision to use the 6-digit CIP and type of credential awarded to define programs at an institution. The 4-digit CIP level is too broad to provide meaningful data. For instance, early childhood program administration and elementary and middle school principalship programs share a 4-digit CIP code despite data[2] showing graduates of the latter earn twice as much as the former. It would be wrong to produce a list using the 4-digit CIP code level that would imply both programs offer low financial value.

If the intention is to steer prospective students clear of low-value programs, the list must be as specific as possible so as not to malign an entire department because it chooses to offer one program that is undervalued by society.

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?

How this list is presented to prospective students is as important as the data itself. A single list is unlikely to provide the most value when considering how a student would typically conduct a search for postsecondary programs. We recommend separate lists for graduate and undergraduate study since it would be unusual for a student to seek information about graduate and undergraduate study at the same time. We also recommend sorting the list by 4-digit CIP code. Students will have likely narrowed down at least a broad field of study by the time they would use a list like this one, and grouping programs by 4-digit CIP will make the list easier to navigate.

[2] https://www.bls.gov/oes/current/oes_nat.htm#25-0000

Data elements

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.

NASFAA opposes any new institutional data collection without a sound, evidence-based rationale from ED.

Financial aid offices are still reeling from pandemic-related staffing shortages[3] while they continue to administer pandemic relief funds and comply with quarterly and annual reporting requirements on top of managing the Title IV student aid programs. They are planning for the impacts of the most significant change to the student aid eligibility formula in decades while simultaneously preparing for regulatory changes effective in July.

This is not the time to ask already overburdened financial aid administrators to provide more data unless ED can tie that data request directly to tangible benefits for students.

Public dissemination

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

We reiterate that a standalone list of low-financial-value programs is unlikely to be helpful to prospective students and could pose a risk of weeding out worthy programs from consideration based on flawed metrics or assumptions, even potentially shutting down programs without the benefit of due process.

If ED proceeds with this list or some iteration of it, the timing of information delivered is as important as its quality and format. Simply publishing a list is unlikely to catch students at the time they are ready to absorb this information. Cross-posting the information in places students are likely to visit in their postsecondary education search is the best way to ensure students get this information when it is likely to be of the most use to them.

Other Recommendations and Questions for ED

The Request for Information indicates that it would seek improvement plans from programs it identifies as having low financial value. We ask that ED clarify what information it would seek in an improvement plan and how an improvement plan would impact a program's placement on the list. We recommend that ED post links to programs' improvement plans on the list to allow prospective students to use in determining whether the program, with improvement plans in place, would suit their needs.

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[3] https://www.nasfaa.org/staffing_shortages_in_financial_aid_offices_reach_critical_levels_amid_pandemic

NASFAA seeks clarification on the statement, "warnings would be required regardless of whether the program is subject to the gainful employment accountability requirements," from ED's Fact Sheet: Increasing College Accountability.[4] Warnings were part of ED's 2021-22 rulemaking agenda but applied only to GE programs in the draft regulations shared during negotiations. ED only amended disclosure requirements, which exist outside of the GE regulations, to apply to all programs. We question whether ED has the authority to mandate GE-type warnings for all programs, particularly if it requires additional disclosures by institutions.

Finally, we ask that — after determining the data and metrics it will use to create a low-financial-value programs list based on the current request for information — ED holds a subsequent comment period for stakeholders to weigh in on whether the list stands up to scrutiny. ED should also share more information on what it expects from program improvement plans so stakeholders have the opportunity to comment on those.

Concluding Thoughts
Prospective students should have the information they need to make informed decisions about the programs they enroll in. But nearly a decade of failed attempts at measuring value through gainful employment regulations shows that any information ED is likely to share will be flawed, especially given this is the first time ED would attempt to apply GE-type metrics to non-GE programs.

The low-financial-value programs list is a high-stakes endeavor. While programs that fail GE metrics have three years before losing eligibility, placement on this list has the potential to shut down programs immediately with the chilling effect it will have on future student enrollments. All of ED's enforcement actions provide institutions with due process and time to remedy failings before imposing harsh penalties like limiting or terminating HEA Title IV student aid eligibility. We must proceed cautiously and with humility to ensure this effort is successful.

We appreciate the opportunity to comment on this request for information. If you have any questions regarding these comments, please contact us or NASFAA Senior Policy Analyst Jill Desjean at desjeanj@nasfaa.org.

Regards,

Justin Draeger, President & CEO

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[4] https://www2.ed.gov/policy/highered/reg/hearulemaking/2021/accountabiltyfactsheetfin.pdf