



May 20, 2026

Mr. Joe Massman
Office of Postsecondary Education
400 Maryland Ave. SW,
Washington, DC 20202

Dear Mr. Massman:

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 Notice of Proposed Rulemaking (NPRM) for Accountability in Higher Education and Access through Demand-Driven Workforce Pell: Student Tuition and Transparency System (STATS) and Earnings Accountability [Docket ID ED–2026–OPE–0100].

NASFAA represents nearly 29,000 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 United States.

We appreciate the Department's efforts to move toward a unified, transparent accountability framework under STATS, which simplifies program oversight for institutions while giving students clearer information about the economic value of the programs they are considering. This proposed rule reflects meaningful steps toward accountability and transparency, and we offer the following comments to further strengthen it.

NASFAA appreciates the Department's decision to apply this new framework uniformly across all program types and institutional sectors by including undergraduate certificate programs. By bringing certificates under a single framework, ED has created a more consistent and equitable system in which all students, regardless of the credential they pursue, benefit from the same transparency and protections. We also welcome the Department's choice to utilize the existing Gainful Employment (GE) reporting infrastructure for this framework. Given that institutions have already made significant investments in building the systems and processes required to comply with GE reporting, continuity in the reporting structure will reduce administrative burden and allow them to focus on implementation, particularly given the tight time frame.

We have concerns about ED's proposal to use national median earnings as the comparison benchmark for measuring program completers when fewer than 50% of students enrolled at the institution during the award year are located in the same state as the institution. Understanding that using earnings from the state the institution is located in may not be accurate when institutions enroll students from many, or even every, state, many institutions enroll students from just a few states. Institutions located close to one or more other states' borders may enroll more than 50% of their students from those few states, but could be subject to the national earnings benchmark for the earnings premium calculation.

This could unfairly advantage some institutions located in high-cost areas and disadvantage those located in low-cost areas. It is NASFAA's understanding, based on discussions during negotiated rulemaking, that ED plans to use the address provided on the student's first FAFSA to determine the student's state of residence. We ask that ED allow institutions greater flexibility to determine where students are from when their catchment areas are geographically small but extend beyond one state border. We recommend that ED look to the state authorization regulations at §600.9(c)(2), which allow for several different methods to establish a student's location for purposes of determining which state's requirements to be legally offering postsecondary distance education or correspondence courses must be met as a starting point for creating flexibilities to establish the correct earnings premium threshold.

ED indicated in its NPRM that it is unsure whether the Census Bureau's American Community Survey (ACS) data on highest educational attainment account for individuals who have earned undergraduate certificates. The Department should take great care to ensure that the "high school diploma only" comparison group used to construct the undergraduate earnings threshold against which program completers are compared only includes individuals whose highest level of educational attainment is a high school diploma, with no postsecondary credentials of any kind. The statute's use of "high school graduate" as the benchmark is precise and intentional, and it establishes an earnings premium that measures the wage gain postsecondary education provides relative to a baseline of secondary completion alone. If the ACS data captures individuals who hold undergraduate certificates in the "high school diploma only" category, the comparison group would include people who already have a postsecondary credential, which could push the earnings benchmark higher than it should be. Instead of being compared to true high school graduates, they would be measured against a group that may already include certificate holders with similar earnings. That creates a more "apples to apples" comparison rather than showing whether the program actually boosts earnings. The results could lead to failures in certification programs, not because those programs underperform, but because the benchmark itself is miscalibrated. The Department must resolve this data question with the Census Bureau before finalizing the rule and should consider additional safeguards or data filters to ensure that only true high school graduates with no postsecondary attainment are included in the comparison group.

Related to potentially miscalibrated earnings, we suggest that the Department establish an appeals process for graduate and professional programs in fields that require postgraduate training, where early-career earnings may be lower because graduates are engaged in required training that precedes full professional earnings. We have concerns that measuring completers' earnings during residency, fellowship, or other mandatory post-graduate training periods could produce low results that do not reflect the actual financial value of the credential. We acknowledge that the Department's use of the lowest of the three possible earnings benchmarks reduces the likelihood that programs in these fields will fail the earnings premium measure, but the risk is not zero, and the consequences of a wrongful failure determination are severe enough to warrant a safeguard.

We believe there is precedent for this process, as the Department has already recognized and addressed this dynamic in the gainful employment regulations, where it was acknowledged that early earnings data can be misleading for programs with required post-graduate training, and accommodations were built into the regulations accordingly.

During negotiated rulemaking, it was stated that the changes to the reporting requirements are subject to the master calendar, meaning that the earliest they could become effective is July 1, 2027, because the final rule was not published by November 1, 2025. ED also mentioned that it was considering allowing

for early implementation. Department officials noted that institutions will have less data to report under the new reporting requirements than they currently do under the existing GE/FVT regulations, meaning that choosing early implementation would be less burdensome for institutions. ED should not require institutions to report more data than is necessary to implement its new accountability framework. We ask that ED explicitly confirm whether the reporting platform will be updated to reflect the new reporting requirements before the October 1, 2026, reporting deadline. If not, we strongly encourage ED to offer an early implementation option to institutions.

NASFAA has concerns about the provision ED added during rulemaking that triggers loss of all Title IV student aid eligibility when more than 50% of an institution's students or Title IV dollars are associated with low-earning outcomes for two out of three consecutive years. While we do not object to the underlying policy goal of removing persistently low-performing programs from Title IV participation, we question the Department's authority to add this provision.

Congress did not provide for loss of all Title IV eligibility in the OBBBA. The absence of such statutory direction raises legitimate questions about ED's authority to impose this consequence through regulation.

We also urge the Department to clarify how the new accountability framework applies to Prison Education Programs (PEPs), as the rule, as written, creates significant potential for unintended negative consequences. While the rule excludes students enrolled in PEPs from the Secretary's earnings premium measure calculation, it does not include an explicit carve-out for PEPs from the broader accountability framework itself. This gap is particularly problematic because many institutions offer programs under the same 6-digit CIP code and credential level both inside and outside of a PEP, meaning that if the non-PEP version of a program is designated a low-earning outcome program, the PEP version is swept up in that as well, regardless of whether the PEP itself is producing poor outcomes. Because PEPs are eligible only for Pell Grants, the immediate practical effect may be limited because low-earning outcome programs initially lose only Direct Loan eligibility. However, the consequences escalate significantly once the threshold triggers the loss of all Title IV aid eligibility, including Pell Grants, which occurs if more than 50% of a program's students or Title IV dollars are associated with low-earning outcomes for two out of three consecutive years. This would directly threaten PEP viability. A related concern arises when an institution offers a program exclusively as a PEP under a given 6-digit CIP code and credential level, but this program is too small for ED to generate reliable earnings data at that level of specificity. In such cases, the Department may roll up to a 4- or 2-digit CIP for the comparison cohort, potentially tying a PEP's eligibility to the earnings outcomes of programs that bear little resemblance to the PEP in content, population, or purpose.

Given that PEPs already operate under a separate, robust accountability framework specifically tailored to their unique institutional context and student population, we ask that the Department explicitly exempt PEPs from the new accountability framework, or at a minimum, establish a clear carve-out to ensure that incarcerated students' access to Pell Grants and PEPs is not jeopardized by the outcomes of non-PEP programs offered at the same institution.

Beyond the potential consequences for PEP eligibility, the rule's required student notifications impose an additional practical burden on the PEP student population. Incarcerated students who received notices that their program is not meeting performance measures and that loan availability could be jeopardized are likely to find such disclosures confusing and alarming, given that they are not loan-eligible in the first place. Institutions will need to invest in significant additional advising resources to contextualize these

notices for incarcerated students. Therefore, we further recommend that the Department exempt PEPs from the student notification requirements as part of a full exemption from the accountability framework.

NASFAA is committed to supporting a regulatory framework that holds institutions accountable for student outcomes while ensuring that the rules are workable, equitable, and grounded in accurate data. To achieve those goals, we urge the Department to address the concerns outlined in these comments before finalizing the rule. Financial aid administrators are facing significant time pressure as they work to understand and implement these changes on their campuses. Institutions are already making programmatic decisions that will be affected by this framework, without the benefit of final rules or answers to many outstanding operational questions. We urge the Department to finalize regulations as soon as possible so that financial aid administrators have the information they need to counsel students about their program options.

We appreciate the opportunity to comment on the Department's public comment period regarding its AHEAD Notice of Proposed Rulemaking [Docket ID ED-2026-OPE-0100]. If you have any questions regarding these comments, please contact us or NASFAA's Senior Policy Analyst, Megan Walter, walterm@nasfaa.org.

Regards,

A handwritten signature in black ink that reads "Melanie E Storey". The signature is written in a cursive, flowing style with a large, sweeping flourish at the end of the name.

Melanie Storey
President and CEO, NASFAA