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February 10, 2023

The Honorable Miguel Cardona
Secretary
U.S. Department of Education
400 Maryland Avenue, SW
Washington, D.C. 20202

Re: Docket ID ED-2022-OUS-0140

Dear Secretary Cardona,

I write to share my views on the Department of Education's (Department) Request For Information (RFI) regarding how to best identify low-value postsecondary programs.¹ Higher education is commonly viewed as a pathway to upward economic mobility, and the value of postsecondary education has never been higher. In addition to the economic return on investment, higher education also provides a myriad of valuable social returns for students and communities.² The benefits of a highly skilled, well-educated workforce are the strongest when a postsecondary education system provides quality education options across all sectors and programs. To that end, I applaud the Department's efforts to provide increased transparency and information to students on the quality of postsecondary education by constructing and disseminating a list of low-financial-value programs.³ I am pleased to share my views on ways the Administration could achieve this goal in a way that benefits students, families, and taxpayers.

Measures, Metrics, and Data Elements

The Department has requested information on what program-level data and metrics would be most helpful to collect to develop a low-financial-value program list. When deciding on their

¹ Request for Information Regarding Public Transparency for Low-Financial-Value Postsecondary Programs, 88 Fed. Reg. 1567, (requested Jan. 11, 2023) (hereinafter Value RFI).

² See Enrico Moretti, Estimating the social return to higher education: evidence from longitudinal and repeated cross-sectional data, 121 J. of Econometrics 175-212 (2004), <https://eml.berkeley.edu/~moretti/socret.pdf>.

³ Value RFI at 1568.

postsecondary plans, students generally attend college to enhance their employment options and to expand economic opportunities.⁴ They often cite cost of attendance (including financial aid and debt), employment rates, and graduate salaries as key factors in choosing specific programs.⁵ Although there are other very important reasons to attend college, including the invaluable development of intellectual and social skills, economic stability and mobility are key reasons for most students.

Thus, when assessing the value of a program, it is important to direct some attention to a program's debt-to-earnings and high school earnings metrics. A debt-to-earnings metric measures the ratio of a student's earnings with respect to debt accrued from a program. A high school earnings threshold compares graduate earnings to the median earnings for a working adult with only a high school diploma or GED. The Department of Education decided to focus on debt-to-earnings when creating the gainful employment (GE) rules, which are applicable to all certificate programs across institutional sectors and degree programs at for-profit institutions, as the *Higher Education Act of 1965* requires that such programs must "prepare students for gainful employment in a recognized occupation" to access Title IV federal aid.⁶ Therefore, as the Department considers ways to identify low-financial-value programs, it should consider utilizing the GE debt-to-earnings metrics and the high school earnings threshold.

In addition to the debt-to-earnings metrics, the Department should consider the usefulness of other measures suggested by higher education researchers and experts as proposed during the 2022 rulemaking session as supplemental performance measures to disclose to students enrolled in GE programs. These included measures such as instructional spending amounts, student withdrawal rates, and job placement rates.⁷ It is important for the Department to analyze whether such measures, among others, could help students and families determine whether a program would be the most beneficial for them.

List Structure & Public Dissemination

The Department also requested insight on the structure of a low-financial-value list and the best ways to publicly disseminate information from that list. Research shows students face a knowledge gap in understanding potential college costs and this gap impacts their ability to choose a college.⁸ Incorporating financial value metrics on a list of institutions deemed as "low-financial-value" would ultimately benefit students, but it could also be confusing if not presented effectively. Since such a list would aim to reduce exposure to the potential negative consequences of low-value programs, the information should be structured and presented in formats that are accessible, digestible, and comparable.

⁴ Rachel Fishman, [2015 College Decisions Survey: Part 1, Deciding to Go to College](https://static.newamerica.org/attachments/3248-deciding-to-go-to-college/CollegeDecisions_PartI.148dcab30a0e414ea2a52f0d8fb04e7b.pdf) 4, New America (2015), https://static.newamerica.org/attachments/3248-deciding-to-go-to-college/CollegeDecisions_PartI.148dcab30a0e414ea2a52f0d8fb04e7b.pdf

⁵ *Id.* at 6.

⁶ 20 U.S.C. 1002(b)(1)(A)(i).

⁷ U.S. Dep't. of Educ., [Issue Paper 3: Gainful Employment](https://www2.ed.gov/policy/highered/reg/hearulemaking/2021/isspap3gainempl.pdf), 18 (March 2022), <https://www2.ed.gov/policy/highered/reg/hearulemaking/2021/isspap3gainempl.pdf>.

⁸ Ann Coles, et al., [Beyond the College Bill: The Hidden Hurdles of Indirect Expenses](http://www.uaspire.org/BlankSite/media/uaspire/Beyond-the-College-Bill.pdf) 14, UAspire, (2020) <http://www.uaspire.org/BlankSite/media/uaspire/Beyond-the-College-Bill.pdf>.

I believe the data should be presented, at a minimum, on the College Scorecard, since it is the Department's primary resource for students and families to access information on institutions and programs.⁹ Often, students are not taught how to understand information presented to them about different postsecondary program options (e.g., the difference between an associate's degree and a 9-month certificate), and yet program choice significantly impacts future economic opportunities.¹⁰ Students should be able to easily compare similar programs across institutions to make informed choices regarding where to enroll. To that end, the list should be separated by credential level and program type, such that students can easily identify programs of interest to them and compare across institutions.

Non-financial value factors

Regardless of the metrics utilized to determine low-financial value, there are instances where the Department must also consider the impacts of non-financial value. A liberal arts education provides significant intrinsic value by preparing students to be thoughtful, curious, and informed citizens.¹¹ And many students choose to attend liberal arts institutions and major in courses such as fine arts that may not translate into any financial gain. When finding ways to provide transparency and information to students on the quality of postsecondary education, the Department must be sure to differentiate liberal arts education from programs that promise to prepare students for a field of work.

Conclusion

Financial value will, and should, continue to be a prominent concern for students, families, and taxpayers. As the Department works to develop this low-financial-value program list, it should also take into consideration the best ways to present this information and take care to consider the impact of non-financial value factors from certain institutions. I appreciate your consideration of these comments and look forward to seeing the Department's next steps on this matter.

Sincerely,



ROBERT C. "BOBBY" SCOTT
Ranking Member

⁹ The Department has also included warnings in the College Scorecard when institutions are placed on Heightened Cash Monitoring 2, which indicates financial risk for students and taxpayers.

¹⁰ Preston Cooper, *Is College Worth It? A Comprehensive Return on Investment Analysis*, Found. for Rsch. on Equal Opportunity (October 19, 2021), <https://freopp.org/is-college-worth-it-a-comprehensive-return-on-investment-analysis-1b2ad17f84c8>.

¹¹ Mark W. Roche, *Why Choose the Liberal Arts?* 5 (2010), https://mroche.nd.edu/assets/287512/roche_landscape_of_the_liberal_arts.pdf