February 10, 2023

U.S. Department of Education
400 Maryland Ave. S.W.
Washington, DC 20202

Docket ID ED-2022-OUS-0140

On behalf of the 1.7 million members of the American Federation of Teachers and our partner organization, the American Association of University Professors, including 300,000 higher education faculty and staff, we write in response to the Department of Education's request for information regarding public transparency for low-financial-value postsecondary programs.

We share the department's belief that for most postsecondary students, a higher education is a path to upward mobility that simultaneously provides a public benefit. We also share the department's concern, however, that student debt is making higher education ever more unattainable, and that bad actors across the higher education sector are making the experience of being a student loan borrower even worse for too many borrowers. That is why we encourage the department to heed recent Government Accountability Office reports and actively enforce the various program integrity rules that are currently on the books (such as those relating to substantial misrepresentation and the incentive compensation ban), without simply relying on creating an entirely new accountability system to fill the role that the department's lack of enforcement has exacerbated. For example, one could consider the list of schools operating under provisional program participation agreements as an existing list of low-value, or at least high-risk, programs. However, that information is so difficult to find that it has no opportunity to influence college choice.[1]

This concern is particularly true in the case of predatory institutions that specifically target students in career education programs (who by way of enrolling in a career education program are strongly indicating that their main objective is to improve their economic outcomes in a specific career), and leave those student borrowers with high debt and often no or valueless degrees. That is why we have spent over a decade strongly supporting a robust gainful employment rule that (as required by statute) is focused on career education programs. However, the purpose of college and graduate education is not just to create more individuals with degrees, but also to create new knowledge, guide the search for truth, and promote the flexibility of thought and intellectual ability that will drive sound decisions for the 21st century. Rather than asking our vitally important postsecondary humanities, engineering, science, and other programs to contort themselves into direct career

[1] https://tcf.org/content/commentary/college-federal-review-check-schools-status/

preparation entities, we need to ensure that federal postsecondary education policy aligns with reality by valuing and supporting each of the separate pathways to postsecondary opportunity that include both career education programs and liberal arts education.

The department must avoid turning an effort at increased transparency for low-financial-value postsecondary programs into any type of "performance funding" initiative that simply rates the wreckage of disinvestment from both K-12 education and postsecondary education. (Specifically, we would strongly object to any effort that mirrors the department's proposal last decade to create a College Ratings system, or something similar.) After decades of receding state funding for higher education, institutions are paying adjunct professors poverty wages to teach the majority of classes.[2] We know what it takes for students to succeed in postsecondary education; research has shown that factors such as the ratios of full-time staff to part-time staff, advisers to students, and counselors to students affect student completion, as does the percentage of state investment in the higher education system.[3] Yet, instead of offering the supports we know would address the real problems our higher education system faces and improve student outcomes, any "low-value" list focused on specific outcome metrics will likely conflate accountability with improvement, extending to our higher education system the shame-and-blame accountability system that has failed our K-12 students. We have also seen this type of "performance-based" funding model tried in 26 states without resulting in meaningful improvements in student outcomes.[4]

Instead, we recommend that the department focus on the value of what students' tuition dollars are actually being used to buy. We suggest that greater transparency about how much *education*—or not—is being purchased with tuition dollars. We hope that such transparency would encourage institutions to spend the majority of their tuition revenue (including federal funding in the way of student financial aid) on instruction and student academic support services—not on advertising, stadiums, real estate investments or the like. Such an approach also (1) accounts for the fact that many low-income and first-generation students are concentrated in low-resourced institutions that nonetheless are working in good faith to provide top value for their students and (2) distinguishes such institutions from those—like predatory colleges—that have plenty of resources but choose not to sufficiently invest in students' educational experience.

Currently, all institutions report data to the Integrated Postsecondary Education Data System (IPEDS) that categorizes their spending, be it on instruction, support services or other categories of spending. This already creates the basic framework for reporting a percentage, or ratio, of tuition dollars that directly go toward a student's education. We recommend that the department build on this framework by standardizing definitions of institutional spending categories, including separately

[2] https://www.aft.org/highered/2022-contingent-faculty-survey
[3] Washington State Board for Community and Technical Colleges, "Benefit Drivers Report" March 1, 2013.
[4] Kevin J. Dougherty, Sosanya M. Jones, Hana Lahr, Rebecca S. Natow, Lara Pheatt, and Vikash Reddy, "Performance Funding for Higher Education: Forms, Origins, Impacts, and Futures," *The Annals of the American Academy of Political and Social Science* 655, no. 1 (2014) 163-184.

defining expenditures on marketing, recruitment, advertising, lobbying and student services, and ensure that marketing and recruiting expenses are excluded from the student services expense category. For example, the department may clarify the definition of student support services by separating the category into multiple parts that at least distinguish "pre-enrollment students services" and "post-enrollment student services." The resulting information about instructional spending, post-enrollment student support services, and all other spending should be included in the department's College Scorecard website so that this information can be easily accessed by students, families, policymakers, researchers and other interested parties. The College Scorecard might also note any institutions (or divisions thereof) whose noninstructional spending increases by at least 5 percent (year over year), a concept that has received strong bipartisan support in the past.[5]

This information could be presented both at the institutional level as well as at the division level within institutions—divisions meaning the combinations of a college or university's programs whose admission and tuition are unified across multiple programs (e.g., all of a college's arts and sciences undergrads). The department could also consider presenting additional information where programs are managed by third-party online program managers collecting a share of tuition revenue. We believe this would further our shared goals of accountability and transparency and be accessible to students, families, researchers, policymakers and other stakeholders. However, disclosures alone are not sufficient, and we again urge the department to enforce current program integrity rules to ensure all schools in the federal student aid program provide value to students.

We look forward to collaborating with the department as we continue to work toward our shared goals of ensuring that an affordable, high-quality postsecondary education is accessible to all.

Thank you for considering our views.

Sincerely,

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[5] https://www.congress.gov/congressional-report/116th-congress/house-report/700; see action item referencing Education and Labor Committee accepting this amendment by a recorded vote of 47-0.