

07JAN26

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Proposal from Accrediting Agencies for consideration in the context of today's caucus.

1. § 668.401, *et seq*: Limit reporting of pass-fail schools/programs to institutions that currently participate in the Direct Loan program. [This can be effectuated by a series of inserts sprinkled in various locations; or a one-time 'notwithstanding anything to the contrary' insert.]

Explanation: Institutions that do not currently participate in the Direct Loan program are not facilitating the accumulation of student debt by their students and should not be called out for 'failure' within that system.

2. § 668.403: Calculating earnings premium measure: In (c)(2) delete "eligible", as follows: '(2) The student was enrolled in any other **eligible** program at the institution...'

Explanation: Students who are furthering their education by being enrolled full-time in a program of higher education should continue to be excluded from the cohort.

3. § 668.403: A qualifier to be added along the following conceptual lines: *It is expected that the calculation of median annual earning of students who complete programs would be adjusted upwards by the Secretary as appropriate to account for employee benefits which have monetary value and are often offered or made available to employees, or other amounts realized by tax filers which lawfully reduce reported income, in certain settings.*

Explanation: Completers in certain careers realize meaningful amounts which lawfully are not fully reported as direct income (such as parsonage or QTR benefits in W-2 contexts). We appreciate the Department's recognition of this concern, and its willingness to elicit further input by way of a "direct question".

4. § 668.403: A qualifier to be added along the following conceptual lines: *Reported incomes of less than \$10,000 for the annual earnings of completers would be treated as zero for purposes of calculating the earnings premium.*

Explanation: This seeks to exclude from the cohort completers who are purposely seeking only very modest incomes (such as through stipends or very part-time work) until they are prepared to enter the workforce in full. No full-time worker at minimum wage would earn less than this amount annually. This also seeks to somewhat correct for the fundamental discrepancy between the nature of the data utilized to calculate the threshold versus the data utilized for completers.