

Memo on Proposal to Exclude Individuals With Bachelor's Degrees from Value-Added Earnings Calculation

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In Sec. 668.32(c)(2)(i)(B)(2), the Department proposes allowing students who have attained a baccalaureate degree to use Workforce Pell Grants for enrollment in eligible programs. As individuals with bachelor's degrees tend to have higher earnings than those with only a high school education, including these individuals in the value-added earnings calculation under Sec. 690.95 could artificially inflate the measured value-added earnings for each program. In other words, high value-added earnings for some programs could be a function of the types of students they enroll (mostly those with bachelor's degrees) rather than the quality of the education they provide.

We therefore propose amending the language in Sec. 690.95 to exclude individuals who have attained a bachelor's degree from the value-added earnings calculation.

Sec. 690.95:

(a) For each award year, an eligible workforce program's total published tuition and fees may not exceed the value-added earnings of students who are working, received a Pell Grant for enrollment in the program, *do not have a baccalaureate or first professional degree*, and completed the program during the period described in paragraph (h)(2).

...

(f)(1) Compile a list of students who received Federal Pell Grant funds, *do not have a baccalaureate or first professional degree*, and who completed each program during the cohort period, after which the Secretary—