

Proposal to Exclude Graduate Students with Higher Credentials from Calculation of Earnings Premium Measure

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Summary and Justification

The Department has maintained a sensible list of types of students who will be excluded from the calculation of the earnings premium measure, such as students under consideration for a loan discharge based on total and permanent disability and undergraduate students who go on to earn a higher credential at the same institution.

This proposal would retain language that also excludes students who completed graduate programs and then went on to complete a higher credentialed graduate program at the same institution. This is a relatively common scenario—many PhD students receive an intermediate master’s degree, for instance. It is better to exclude students who go on to earn a PhD from the earnings premium measure for the master’s degree program, as the goal of the earnings premium measure is to assess whether the master’s degree program on its own is providing an acceptable earnings outcome.

Proposed Language (additions in red)

§ 668.403 Calculating earnings premium measure.

(c) Exclusions. The Secretary excludes a student from the earnings premium measure calculation if the Secretary determines that—

(4) For graduate programs, the student completed a higher credentialed graduate program at the institution subsequent to completing the program as of the end of the most recently completed award year prior to the calculation of the earnings premium measure under this section;