

AHEAD Negotiated Rulemaking | Follow-Up Regarding 4-Digit CIP Codes

Submitted by Employers / Business

Summary

In follow-up to our proposal yesterday titled “4 Digit CIP Codes for “Same Field” Classification,” we understand that the Department does not believe the ACS data is sufficiently detailed to facilitate benchmarking at the 4-digit CIP level for prior Bachelor’s graduates when evaluating graduate degrees. We understand that point and believe the Department has multiple practical and statutorily viable options to address this substantive issue.

This document details three options that improve upon the current draft, and that are available to the Department. They are listed in priority / preference order.

OPTION 1 – Use Department Data to Adjust ACS Data

Use ACS for the required baseline, and use the Department’s own program-level earnings data only to distribute the ACS baseline across 4-digit subfields—uniformly, transparently, and with guardrails. This approach stays compliant with OBBBA and fixes the core statistical issues.

It would work as follows:

1. **ACS sets the level.** We use ACS (Census Bureau) to calculate the median earnings for bachelor’s-degree holders in each 2-digit CIP field. This satisfies the statutory requirement and keeps the threshold grounded in Census data.
2. **The Department’s data determines the spread across programs.** College Scorecard and IRS-matched NSLDS earnings data indicate how each 4-digit CIP program compares to the broader 2-digit field. For each 4-digit CIP, compute a relative factor: *Program median earnings ÷ 2-digit CIP median earnings*. For example:
 - Computer Science grads earn **1.10×** the median for CIP 11
 - Network Administration grads earn **0.92×**
3. **Apply uniform caps to avoid outliers (Optional).** To prevent any one program from pulling the benchmark too far up or down, every factor is “bounded” (e.g., no more than +/- 30%). This eliminates distortions, improves reliability, and ensures fairness.
4. **Final “same field” threshold = ACS baseline × capped program factor.** This creates program-specific thresholds that are Census-based, reflect real differences across subfields, and treat every institution the same.

We believe this approach is best because it achieves the following:

- **Satisfies the law.** ACS provides the earnings baseline, as OBBBA requires.
- **Uses high-quality Department data to add precision.** Scorecard, NSLDS and/or IRS data improve accuracy without replacing Census data.
- **Prevents unfair penalization from outliers.** Uniform caps ensure stability and prevent extreme subfields from distorting thresholds.
- **Preserves program parity.** Every program within a CIP is treated the same; no carve-outs.
- **Transparent and easy to communicate.** ACS sets the level, the Department data refines it, uniform caps keep it fair.

OPTION 2 – Use the more granular CIP-PUMS Crosswalk maintained by the Census

Alternatively, the Department could choose to use the PUMS crosswalk maintained by the Census Bureau to map to occupation or field levels that are more granular than two-digit CIPs and less granular than four-digit CIPs.¹ This does not perfectly address the problem at hand, but it's at least an improvement from the current two-digit CIP level. Specifically, there are 173 PUMS Codes as compared to 40 two-digit CIPs and 412 four-digit CIPs. For this reason, we believe this method improves upon the current draft but does less to address the current issue than Option 1.

OPTION 3 – Adjust regulatory language to provide flexibility for more granular data usage to the extent available in the future

Finally, if neither of the above options are available, we would suggest the Department adjust the draft regulatory text to read as follows, providing the Department with maximum flexibility to update its benchmarking whenever such data becomes available.

Earnings threshold:

(1) . . .

(2) *For graduate programs, based on data from the Census Bureau, the median earnings of working adults aged 25-34, with only a baccalaureate degree, who were not enrolled in an institution of higher education during the year of the*

associated measured earnings. The median earnings will be—

¹ Please refer to Crosswalk_handout.xlsx as linked to by Matthew Bombyk at the link here: <https://forum.ipums.org/t/crosswalk-between-degfieldd-and-cip/4209>. While we believe this is an old Crosswalk, it does serve as evidence that the Census Bureau does maintain such a file. Footnote included per Department preference 😊

(i) *The lowest of the median earnings of working adults—*

- A. *In the State in which the institution is located;*
- B. *In the same field of study under the two-digit or four-digit CIP code in the State in which the institution is located; or*
- C. *Nationally in the same field of study under the ~~two-digit~~ more granular of the four-digit CIP or two-digit CIP code, as available at that time CIP code; or*

(ii) *If fewer than 50 percent of the students enrolled in the institution reside in the State where the institution is located, the lowest of the median earnings of working adults—*

- A. *Nationally; or*
- B. *Nationally in the same field of study under the ~~two-digit~~ more granular of the four-digit CIP or two-digit CIP code, as available at that time CIP code.*