Designing Program-Level Metrics for Federal Higher Education Accountability

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Current federal accountability measures discontinue federal Title IV aid eligibility for institutions that have high shares of student borrowers who default within three years of entering repayment. Rather than disqualify entire institutions for federal aid, recent policymaking has focused on building better accountability standards for individual programs. But policymakers need to address measurement and content issues to implement meaningful program-level accountability standards.

In a recent report, we outlined our recommendation for implementing program-level accountability, which includes setting a **minimum program size,** pooling **two years of data,** and **combining programs** (based on CIP code) to meet the minimum size. But what metric is best for evaluating whether a program is meaningfully serving students?

What Is a CIP Code? Classification of Instructional Programs (CIP) codes are a universal classification system for fields of study. An institution may have more than one program under a given CIP code. For example, an institution may offer a bachelor's degree in education and a master's degree in education, both with CIP code 13.0101. CIP codes are six-digit codes made up of two-digit pairs that indicate subsequently more specific program categories:

CIP code	Category title
11	Computer and information sciences and support services
11.08	Computer software and media applications
11.0803	Computer graphics

Earnings and student loan outcomes are the two most discussed metrics in conversations about how to hold colleges accountable for student outcomes. Currently, program-level metrics on earnings and student loan repayment are reported differently across different data sources:

- **College Scorecard.** The program is reported at the four-digit CIP code level, pooled across two years of data, and divided into eight credential levels.
- **Gainful Employment.** The program is reported at the six-digit CIP code level, pooled across three years of data, and divided into eight credential levels.
- **Post-Secondary Employment Outcomes.** The program is reported at the two-digit CIP code level, with doctoral or professional practice and bachelor's degree programs reported at the four-digit CIP code level. Data are pooled across five years, (except for bachelor's degree programs, which are pooled across three years) and divided into 10 credential levels.

This table highlights some of the most frequently discussed measures that might be used for program-level accountability, highlighting key policy considerations. All these measures could be developed to meet our recommendations for program-level metrics.

Potential Measures of Program-Level Accountability

Metric	Measure	Example	Current reporting	Considerations
Earnings	Mean or median above a set threshold	Median earnings of cohort are more than $28,000 a year	College Scorecard: Median income for program completers	▪ Local economic conditions can affect earnings outcomes—consider thresholds that vary by geography ▪ Earnings thresholds should vary for different credentials ▪ Some program graduates earn tipped wages—consider different threshold by program ▪ Programs that feed a large local employer may need an adjustment if the employer closes ▪ Choose a baseline (e.g., typical high school graduate earnings) ▪ Determine how to calculate for adults who are not enrolled in school and not employed—could use household earnings to account for graduates who are voluntarily out of the labor force ▪ Challenging to include noncompleters
	Share of incomes above a set threshold	Share of students earning more than $28,000 a year	College Scorecard: Share of students at institution earning over $25,000 a year (reported in previous version of data)	
Federal student loan default	Share of borrowers in default	Share of student borrowers in default within 3 years	Cohort default rate: Share of an institution's borrowers who enter repayment in a given year and default within 3 years, with protections for institutions with low shares of borrowers	▪ Default rate is a current institution-level accountability metric but is less useful given income-driven repayment plans, deferments, and the COVID-19 payment pause ▪ The default rate is not dependent on size of loan and may be weakly associated with student earnings outcomes
Federal student loan repayment	Repayment of principal	Share of students paying at least $1 in principal	College Scorecard: Repayment rate by program	▪ Loan repayment is a current measure in College Scorecard, which indicates multiple repayment statuses (e.g., making progress, paid in full) ▪ Repayment is somewhat dependent on size of loan (larger graduate loans mean more repayment to get to principal) ▪ Borrower use of income-driven repayment or Public Service Loan Forgiveness can affect repayment rates
	Repayment of total loan debt	Share of student loan dollars repaid within 3 years	College Scorecard: Share of student loans paid down, by institution repayment cohort	
Debt-to-income ratio	Amount of debt relative to income	Student loan payments no more than 30 percent of annual income or 12 percent of discretionary income	Gainful Employment: Ratio of median or mean debt to median or mean (discretionary) income, up to three years of cohorts, with protections for programs with low shares of borrowers	▪ Data were not produced for cohorts with fewer than 30 students across three years of data ▪ Only program graduates are included in gainful employment measure ▪ Programs may be able to pass the threshold if graduates have low debt and low earnings

This work was supported by Arnold Ventures. The views expressed are those of the authors and should not be attributed to the Urban Institute, its trustees, or its funders. Further information on the Urban Institute's funding principles is available at urban.org/fundingprinciples.