February 10, 2023

Docket ID ED-2022-OUS-0140

U.S. Department of Education, Office of Postsecondary Education
400 Maryland Ave. SW, Second Floor
Washington, DC 20202

Thank you for allowing Western Governors University (WGU) the opportunity to provide input on the Request for Information Regarding Public Transparency for Low-Financial-Value Postsecondary Programs. WGU is a private, nonprofit institution of higher education based in Salt Lake City, Utah, which offers online competency-based education programs to students throughout the nation. WGU is accredited by the Northwest Commission on Colleges and Universities and currently serves approximately 140,000 full-time students with more than 300,000 graduates in all 50 states.

WGU's response is grounded in our experiences and practices to hold ourselves accountable to deliver value to students. In the absence of industry-standard accountability metrics, we track three key results: lifetime financial return for graduates, personalized on-time completion, and equitable access and attainment. No matter what the endeavor, these key results serve as a lens that focuses the conversation and ensures all activities and resource allocation decisions stay centered on the student.

While WGU orients its operations to the key results—outcomes that the university has more leverage to control—we also round out our definition of success by tracking experiential data, including graduates' feelings of preparedness for the real world, their engagement in their work, and their overall wellbeing. This data, tracked and reported by Gallup, provides a more holistic picture of the value the university is delivering to students beyond financial return and completion, and is compared to nationally representative Gallup data collected during the same timeframe.[1]

Additionally, WGU's Responsible Borrowing Initiative demonstrates the power in empowering students with information to make more informed choices. Since 2013, the average amount borrowed has decreased by more than 30 percent. Currently 65 percent of borrowers accept the recommendation to borrow less, and another 10 percent decline loans altogether. By simply providing useful information, WGU is able to significantly change student behavior and reduce borrowing.

WGU comments on the proposal to identify low-value postsecondary programs

General Response: In alignment with the Department's stated goal of improving accountability for institutions of higher education, WGU offers the following considerations in addition to specific responses to questions in the RFI:

> **Improve transparency across the value spectrum:** There is a substantial amount of variation among programs and institutions in terms of the value provided to students.[2] And yet,

[1] Gallup. (2022). Western Governors University 25th Anniversary Impact Report.

[2] Georgetown University Center on Education and the Workforce. (2020). Buyer Beware: First-Year Earnings and Debt for 37,000 College Majors at 4,400 Institutions.

information on the wide variation in value among programs and institutions is not made readily available to students. While the College Scorecard provides data on costs, as well as median earnings and median debt by program of study, the information is difficult for an individual to translate into a return-on-investment (ROI) metric. This makes it harder for individuals to identify high-value programs and institutions that could have a transformative impact on their lives and that of their families. At worst, it leaves students vulnerable to scams and predatory institutions.

While a low-financial-value list might steer students away from enrolling in the lowest-value programs, greater transparency on the variation in value across institutions would further inform students' choices. Additionally, the "raise the floor" approach is certainly not sufficient to significantly impact the escalating costs of higher education. Increased transparency across the value spectrum would incentivize a broader set of institutions to orient toward value.

Intervene at the point of impact: Publishing a list and drawing public attention will not intervene at the point of impact—the student. To truly impact the extent to which students and taxpayers are exposed to the negative consequences resulting from low-financial-value programs, as intended, information on value needs to be provided to students before enrollment. A recent GAO report found that colleges present cost and financial aid information differently, making it difficult for students and parents to compare offers and college affordability. The GAO recommended that Congress consider legislation requiring colleges to provide students financial aid offers that follow best practices for providing clear and standard information.

The Department could proactively address this issue by building on the College Scorecard concept. As emphasized by the Secretary of Education Arne Duncan at the time the project was announced, the College Scorecard was created "to provide a snapshot about an institutions' cost and value to help families make smart decisions about where to enroll." However, to date, limited use and other factors hinder its effectiveness in informing enrollment decisions as intended.[3] As opposed to imposing singular definitions of value or posting a rank-ordered list, the Department should build on the College Scorecard to enable users to apply their own weightings of value and provide a set of institutions to consider in line with what is most important to them. In addition to this more personalized interface, the tool could be provided to students directly prior to enrollment. To that end, the Department should consider embedding the tool in the Federal Application for Student Aid (FAFSA).

Accountability for Value: The focus of accountability policies at the federal level has generally been limited to the low end of the performance distribution, aimed at protecting students from the negative consequences of enrolling in low-financial-value programs. While that is an important place to start, the Department should further incentivize institutions to orient toward

[3] Klein-Huntington, California State University Fullerton. (2016). The Search: The Effect of the College Scorecard on Interest in Colleges.

value by considering ways to align financial aid allocations with value. For example, apply outcomes-based qualifying criteria for the FIPSE Postsecondary Student Success Program, including ROI, economic mobility, and wellbeing measures as described below. Additionally, the Department should advocate for Congress to revise the methodology to allocate the Federal Supplemental Educational Opportunity Grant (FSEOG) under the fair share formula, taking into account Pell Grant volume, Student Aid Indices or Estimated Family Contributions,[4] and an ROI metric. By providing higher FSEOG allocations to high-value schools, this revised methodology can reward and incentivize value instead of penalizing low-cost schools as it does in the current fair share methodology.[5]

<u>Measures and Metrics</u>

What program-level data and metrics would be most helpful to students to understand the financial (and other) consequences to attending a program? (Question 1)

The top reasons students enroll in college are to increase their employability and gain financial security.[6] In addition to data on costs, earnings, debt, and completion provided through the College Scorecard, an ROI metric would enable students to better assess the value of pursuing a program in line with their reasons for enrolling.

ROI: There is a thorough research literature exploring approaches to defining the ROI of college enrollment. Most attempt to estimate the earnings boost compared to the cost of earning a credential. WGU tracks and reports factored graduate return defined as median pay increase two years post-graduation multiplied by the graduates' number of years to age 65 divided by median tuition and fees paid. WGU caps the earnings at two years post-graduation to narrow the window believed to be attributed to earning the degree. The appropriate attribution window may vary by program but should definitely be limited to a reasonable timeframe given that today's workforce is continually re-skilling and up-skilling.

As a minimum standard—essential for constructing a low-value college list—the Postsecondary Value Commission defined this metric as earning at least as much as a high school graduate plus enough to recoup their total net price within ten years. As further outlined by the Postsecondary Value Commission, providing data on a scaled approach of *how much* students are better off due to attending a program, would further inform student choices.

[4] As reported on the Fiscal Operations Report and Application to Participate (FISAP) report.
[5] The National Association of Student Financial Aid Administrators has long advocated for the need to revise the methodology to allocate the FSEOG formula to better reflect an institutions' current student enrollment eligible for the Pell Grant instead of a 40-year old distribution of program funds. See: https://www.nasfaa.org/uploads/documents/campus_based_formula.pdf#:~:text=The%20task%20force%20recommends%20that%20the%20fair%20share,the%20federal%20grant%20funds%20to%20the%20poorest%20students.
[6] New America. (2015). Deciding to go to College.

Additionally, the Department should adjust the earnings metric for wage discrimination to improve accuracy when comparing the relative value of enrollment at institutions with varying demographic makeups, as recommended by the Bipartisan Policy Center.[7]

What program-level data and metrics would be most helpful to understand whether public investments in the program are worthwhile? What data might be collected uniformly across all students who attend a program that would help assess the nonfinancial value created by the program? (Question 2)

In addition to metrics to help individuals understand financial consequences to attending a program, returns on investment to society and taxpayers more broadly should be considered to help the public understand whether public investments in a program are worthwhile.

Economic Mobility: One of the primary purposes of higher education on a societal scale is to serve as a driver of economic mobility. To capture an institutions' contribution to that mission, ROI metrics should be paired with metrics accounting for the proportion of student enrollment from low-or moderate- income backgrounds. Third Way's Economic Mobility Index models the profound impacts that this pairing has on how institutions rank in terms of value provided to society.[8]

Data Elements

What additional data could the Department collect that would substantially improve our ability to provide accurate data for the public to help understand the value being created by the program? Please comment on the value of the new metrics relative to the burden institutions would face in reporting information to the Department. (Question 6)

Student/Alumni Experiential Data: To improve the Department's ability to provide accurate data for the public to help understand the value being created by a program, the Department should consider requiring institutions to collect and report student/alumni experiential data, including whether students would recommend the program to others (Net Promoter Scores), wellbeing measures, and graduates' feelings of preparedness for the real world. WGU has partnered with Gallup to track and report these metrics, which provides a more holistic picture of the value we are providing to students beyond financial return and completion. [9]

While collecting these data would represent a significant new reporting requirement, the impact could be transformative. Orienting to customer voice and satisfaction through tracking and reporting experiential data has transformed the way businesses think about value and it has the potential to do the same in higher education. The most significant cost would be borne by those not already gathering student satisfaction data; however, it could be argued that gathering student satisfaction data should be standard practice for colleges and universities.

Public Dissemination

What are the best ways to make sure that institutions and students are aware of this information?

[7] Bipartisan Policy Center. (2022). Which Colleges are Worth the Cost?
[8] Third Way. Out with the Old, In With the New: Rating Higher Ed by Economic Mobility.
[9] Gallup. (2022). Western Governors University 25th Anniversary Impact Report.

Students should be made aware of this information before enrolling or taking on debt. To that end, the list could be embedded in common college applications (such as Common App, Coalition Application, or Universal College Application) and the FAFSA. For example, when completing the online FAFSA, a student could be notified if the student lists one of the colleges on the low-financial-value list to receive their information.

Thank you for your consideration of our comments. WGU appreciates the process that the Department of Education is undertaking to increase transparency and institutional accountability. We are grateful to be able to offer our insight and experience to this conversation.

Respectfully submitted,

Scott D. Pulsipher
President
Western Governors University

4001 SOUTH 700 EAST, SUITE 700, SALT LAKE CITY, UTAH 84107-2533 | phone 801.274.3280 | wgu.edu