August 28, 2025

The Honorable Linda McMahon
Secretary
U.S. Department of Education
400 Maryland Ave. SW
Washington, DC 20202

Re: Docket ID ED-2025-OPE-0151

Dear Secretary McMahon,
Thank you for the opportunity to provide a response to the Notice of Proposed Rulemaking (NPRM) regarding institutional and program accountability, the Pell Grant program, and other changes to Title IV programs of the Higher Education Act as found in *Pub. L. 119-21*, known as the *One Big Beautiful Bill Act*. The topics addressed in this letter are of most relevance to community, technical, and junior colleges, which are open-access public institutions offering degrees and certificates, as well as credit and non-credit education, and serve as engines of workforce development.

The Association of Community College Trustees (ACCT) is a non-profit educational organization of governing boards, representing more than 6,500 elected and appointed trustees who govern over 1,000 community, technical, and junior colleges in the United States and beyond. Trustees have the fiduciary responsibility for their institution and responsibility for hiring the college leadership. Further, trustees are leaders in their community and are concerned with the health of the community college sector, both in terms of finances and student success.

<u>Negotiating Committee Constituencies</u>
Given the scope of the changes that need to be implemented because of *Pub. L. 119-21*, ACCT recommends that public two-year institutions be given a representative in the AHEAD Committee to be able to speak on the unique nature of our institutions, which will differ from our peers in the four-year sector, both regarding Workforce Pell and the new earnings metric. Likewise, for the RISE committee, given all the changes in the federal student loan program that will need to be hashed out through the negotiated rulemaking process, having a financial aid administrator at the table would be greatly beneficial.

Comments for the AHEAD Committee

Accountability

One of the provisions found in *Pub. L. 119-21*, establishes a new earnings accountability metric which indicates that postsecondary institutions cannot offer federal direct loans to students who are enrolled in "low-earning outcome undergraduate programs," which is described as when the median earnings of 25-34 aged adults with only a high school diploma is higher than that of a cohort of students who borrowed to participate in the program. As the Department of Education (the Department) works to implement the new accountability provision, ACCT asks that you consider the unique nature of community colleges and the role they play in various communities, sometimes as the only institution of higher education in the area, and oftentimes as one of the largest workforce training providers.

Generally, as the Department works through the implementation, we ask that you work closely to align as much as possible the reporting requirements that our institutions are asked to provide already through Gainful Employment, Perkins CTE, and WIOA with any new requirements stemming from the new metric. In addition to that, we ask the Department to be sensitive to the different work being done at the state level and provide flexibility, when possible, to allow states to continue and build upon their existing reporting requirements by aligning them with federal requirements, establishing a baseline model for all states to follow through guidance. This balancing act would help our institutions by lowering additional administrative burden while also allowing them to continue working within systems that are already familiar to them.

In addition to designing a reporting process that aligns with the already required reporting measures, ACCT recommends that the Department heads the effort to create a process by which they would collect data from other federal and state agencies, with the understanding that institutions can produce additional data if they choose to do so. The Department should also support the passage of the College Transparency Act or other initiatives that would aid streamlined data-collection efforts, and as such create processes that can easily integrate the passage of such laws.

We're glad to see the statute includes both an appeals process and a reapplication process. In forming the appeals process, ACCT recognizes that in many localities, especially in rural ones, community colleges are operating in labor market monopsonies, where there is one main employer for the area, sometimes creating a situation where, depending on the industry, a high school graduate out-earns post-secondary graduates regardless of program of study; this would be especially true in a situation where other professions that may be in high demand require a higher education but offer a low wage, such as early childhood education.

As such, ACCT asks for this rulemaking process to take this reality into account when interpreting the median earnings provision and when forming the appeals process. This consideration can include evaluating the median earnings data of a region and the state and applying the lower amount when determining an institution's program eligibility to offer federal direct loans.

ACCT recommends that when determining the appeals process, consideration ought to be given to comparing the median earnings of an awardee of a baccalaureate or lesser degree by program of study to other completers of the same field of study across the nation, after adjusting for cost of living. This would be so that colleges have the opportunity to demonstrate that even if in their localities, completers of certain programs are not out-earning their high-school graduate counterparts, when comparing them to the rest of the country who completed the same field of study, their earnings would be similar.

Just like submitting data during the typical accountability process, as institutions are engaging in the appeals process, ACCT asks that this process be as least burdensome as possible for postsecondary institutions, which oftentimes function with limited bandwidth to comply with all their obligations. When engaging in an appeals process, lessening the burden for institutions would mean having the Department collect publicly available data instead of asking the institution to submit such information. This would mean that the Department would need to establish processes to interface with other federal and state agencies for adequate data collection. If the institutions can produce additional data outside of administrative data collected by the Federal government to support their appeals, institutions should be allowed to do so.

Regarding programs that lose access to the federal loan program, the process to reinstate eligibility should apply the same considerations previously mentioned. Again, the process to acquire data ought to be led by the Department. In addition, the Department should notify institutions of their eligibility status in an expeditious manner so institutions in turn can notify students enrolled in such programs of any eligibility changes. Furthermore, given that the program that loses access to the federal loan program would be ineligible for a period of two years, the Department's reinstatement process should include frequent technical assistance and counseling within the two-year duration to facilitate reinstatement.

In terms of accountability, community colleges that offer non-degree career education programs have been subject to comply with accountability measures as laid out by the Gainful Employment regulations. While community colleges are not in opposition to complying with accountability mandates and expectations, this must be done in a fashion that is attainable for our institutions, including making reporting requirements predictable, accessible, not burdensome, and replete with support from the Department. Moreover, ACCT is in favor of the recommendation of modifying gainful employment regulations so that programs that cannot demonstrate student success after completion face the penalty of losing access to only the loan programs instead of all Title IV funding.

This change incentivizes institutions to consider program affordability without barring low-income students, in need of Title IV supports, from participating in such programs and aligns closer to the new accountability approach established by the new law.

On a related note, this negotiated rulemaking process invites the opportunity to address cohort default rates (CDRs). Currently, institutions become at risk of losing their Title IV access if their CDR surpasses 40 percent in one year. Now that borrowers are being penalized for defaulting on their student loans, institutions face the prospect of losing access to Title IV eligibility and thus creating an environment where post-secondary education and training are less accessible. This particular policy is not part of statute and, as such, should be removed, especially given the unpredictable consequences that would befall community colleges as a result of unstable student loan repayment trends over the past five years. *Workforce Pell*

In regard to the Workforce Pell Grant, community colleges are seeking clear guidance for implementation, especially given that institutions must coordinate with both their state's Governors and workforce boards to determine which programs are high-skill, high-wage, or in-demand, and the Department to ensure such programs qualify to access these funds. To add clarity, ACCT recommends that the Department establish points of contact through a hotline, a virtual portal, or any means that facilitates direct contact with a Workforce Pell specialist in the Department who can provide technical assistance and implementation support to financial aid offices and related personnel at our institutions.

Moreover, *Pub. L. 119-21* states that eligible Workforce Pell programs must have been "offered by the eligible institution for not less than 1 year prior to the date on which the Secretary makes a determination." This provision necessitates clarity for the post-secondary education sector as one year can mean one academic year, one fiscal year, one year after the creation of the program, or one year prior to submitting the request to add Workforce Pell programs to the current program participating agreement. Additionally, programs must have a verified completion rate of at least 70 percent within 150 percent of the normal time for completion and a 70 percent job placement rate 180 days after completion. As such, ACCT asks the Department to define how long a program would lose access to Workforce Pell should it find itself not meeting these requirements. With this in mind, ACCT encourages the Department to develop a waiver process for programs to keep their Workforce Pell access that considers economic shifts in the labor market as well as the student size of the program.

Similarly, ACCT would like to see a process by which a program, if it loses access to Workforce Pell, can be reinstated to offer Workforce Pell grants when it is ready to again meet the requirements set in *Pub. L. 119-21*. This process ought to include technical assistance and counseling from the Department to facilitate reinstatement.

Finally, when it comes to data collection, ACCT once again asks the Department to consider the burdens that would be placed on smaller institutions, which would be the ones driving Workforce Pell programming. Again, to prevent additional administrative burdens, ACCT recommends that the Department spearhead the task of collecting data and interfacing with federal and state agencies to alleviate as much as possible the load institutions will bear when it comes to reporting. ACCT also recommends that the Department facilitate a data-sharing partnership between state governors and state departments of education or their equivalent, as state-level departments of education often define high-skill and high-wage because of administering Carl D. Perkins Career and Technical Education programming, while state workforce boards define in-demand industries, as a result of administering Workforce and Innovation Opportunity Act programs.

Overall, these recommendations as they pertain to data-sharing, collection, and submission would apply to the implementation and operation of Workforce Pell as well as requirements involved in an appeal or solicitation of a waiver process.

Comments for the RISE Committee

In terms of the student loan space, ACCT asks the Department to offer post-secondary institutions clarity and guidance on best practices now that institutions have the flexibility to lower borrowing limits for students at the programmatic level. Given that community colleges offer degrees and certificates at an affordable cost, it would be these institutions that would see themselves leveraging this flexibility.

To conclude, ACCT, on behalf of our governing boards across the nation, appreciates the Department of Education for this opportunity to opine and participate in the negotiated rulemaking process. Again, we encourage the Department to give priority to community colleges when considering the implementation of the *One Big Beautiful Bill Act,* especially as it relates to ensuring the process of submitting data is as least burdensome for our institutions that oftentimes must operate with limited capacity.

For more information or with questions, please contact ACCT Vice President, Public Policy, Carrie Warick-Smith at cwsmith@acct.org.

Sincerely,

Jee Hang Lee
ACCT President and CEO