Accountability in Higher Education and Access through Demand-driven Workforce Pell (AHEAD) Committee
January 5 – 9, 2026

From January 5-9, 2026, the Accountability in Higher Education and Access through Demand-driven Workforce Pell (AHEAD) Committee met and subsequently reached agreement on a new accountability framework for all institutions of higher education. During its second session, January 5 through 9, the committee focused on the accountability framework (earnings premium test), replacing and modifying existing Gainful Employment and Financial Value Transparency (GE/FVT) regulations. The committee agreed that graduate programs must show higher earnings than those with only a bachelor's degree in a specific age range and location, under the new earnings premium test. The AHEAD Committee was convened by the U.S. Department of Education (Department) as part of the negotiated rulemaking process required to implement provisions of the One Big Beautiful Bill Act. The new earnings premium test applies to all Title IV programs.

Looking Ahead – The AHEAD Committee ultimately reached consensus on a comprehensive accountability package, which the Department is required to use as the basis for a forthcoming Notice of Proposed Rulemaking. The draft rule is expected to be released in the coming months for a public comment period. Following a public comment period, the Department of Education will draft final regulations, and the rule will become effective on July 1, 2026. With an effective date of July 1, 2026, the first earnings premium calculations under the new rule would be issued by July 1, 2027. Since programs lose Direct Loan eligibility only after failing the metric in 2 of 3 consecutive years, the earliest a program could become ineligible is July 1, 2028.

CGS has also created a webpage on the implementation of the One Big Beautiful Bill Act.

Provisions Adopted by the AHEAD Committee

New Proposed Earnings Premium Framework

The committee reached consensus on eliminating the debt-to-earnings metric from the existing GE & FVT regulations. In its place, the Department will rely solely on an earnings premium test to assess program performance. A program is considered to pass the earnings test if its completers' earnings meet or exceed the established threshold. Programs whose completers' earnings fall below the threshold fail the test and are classified as "low-earning outcome programs." A program that fails in two out of three consecutive years loses eligibility to participate in the Direct Loan program for a period of two years.

NOTE: Failure under this framework affects only Direct Loan eligibility and does not automatically terminate a program's participation in other Title IV aid programs, unless additional institutional level thresholds are triggered.

Earnings Premium Calculation

The earnings premium calculation for graduate programs will be based on data from the U.S. Census Bureau. The earnings of those with graduate degrees will be compared to 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 the lowest of the median earnings of working adults:

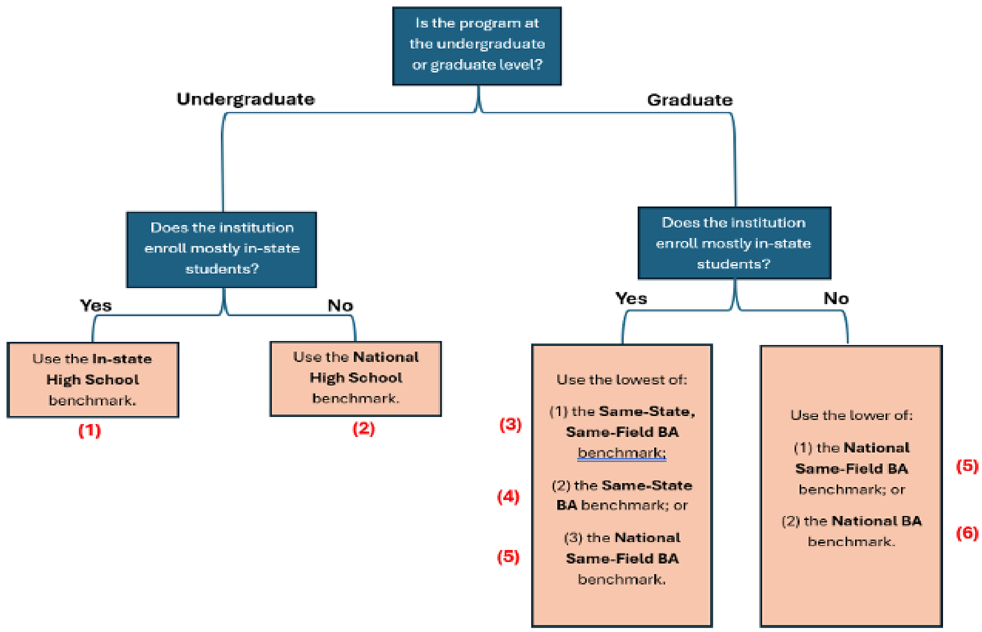
- In the state in which the institution is located;
- In the same field of study under the 2-digit or 4-digit Classification of Instructional Programs (CIP) code in the state in which the institution is located; ***or***
- Nationally in the same field of study under the 2-digit or 4-digit CIP code

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:

- Nationally, ***or***
- Nationally in the same field of study under the two-digit CIP code.

Summary

OBBB Earnings Test & Modified GE Benchmarks, Domestic Programs Only



Cohort Aggregation Method

For programs with fewer than 30 completers in one year, institutions must follow the framework for aggregating cohorts to achieve a statistically reliable sample (N = 30–50). For small programs (N < 30 Title IV Completers), for up to four prior award years following the fourth award year prior to the year the most recent earnings data is available:

1. Aggregate Title IV completers from prior award years from the same OPEID6, Credential Level, and 6-digit CIP code;
2. If a statistically reliable cohort size is not achieved, aggregate Title IV completers from prior award years from the same OPEID6, Credential Level, and 4-digit CIP code;
3. If a statistically reliable cohort size is not achieved, aggregate Title IV completers from prior award years from the same OPEID6, Credential Level, and 2-digit CIP code.

**If at least 30 Title IV completers are still not achieved after following steps #1, #2, and #3, the program is exempt from the earnings test.*

Institutional Reporting

Institutional reporting for the new accountability framework largely mirrors current GE/FVT requirements, with reports due each October 1 and earnings premium data published the following July. For 2026, reporting will remain unchanged due to limited implementation time, but in future years, fewer data elements will be required. Starting in 2027, the following elements will be eliminated:

- Whether the program is a qualifying graduate program whose students are required to complete postgraduate training;
- The student's attendance dates and attendance status (e.g., enrolled, withdrawn, or completed) in the program during the award year;
- The student's enrollment status (e.g., full-time, three-quarter time, half time, less than half time) as of the first day of the student's enrollment in the program;
- The date the student completed or withdrew from the program;
- The total amount of institutional debt the student owes any party after completing or withdrawing from the program.

Student Warning Requirements and Enhanced Pell Disclosures

The proposed rule expands and standardizes student warning requirements. Institutions must provide standalone warnings to currently enrolled students within 30 days of receiving a failure notice and to prospective students at first contact, with enrollment and financial commitments prohibited until at least three business days after delivery and acknowledgment. For Pell-eligible students, a separate warning must disclose remaining lifetime Pell Grant eligibility and explain that Pell funds used in a failing program count toward lifetime limits. The Department will issue a Federal Register guidance to standardize warning content in the future.