

Gainful Employment for Graduate and Professional Borrowers

Background

The term “gainful employment” was added to the Higher Education Act in 1968.¹ The current statutory language provides no framework for how the Department of Education should regulate gainful employment. It’s doubtful that Congress in 1968 could have contemplated how higher education would look today, including for-profit conversions, the rise of OPMs, and a heightened focus on career programs at all institutions of higher education.

Graduate and professional programs

We are unaware of evidence to suggest that Congress intended to apply a “gainful employment” framework to graduate and professional programs.

During negotiated rulemaking, there was lack of robust discussion and consideration given to how graduate and professional programs may differ from undergraduate programs and from each other. This raises concerns because:

- Although improving, there is limited research on graduate and professional borrowing.
- Using a one size fits all approach overlooks significant differences between first-time undergraduate borrowers and more financially literate graduate borrowers.
- A short-term earnings period does not account for the higher lifetime earnings of the graduate borrower.

Unintended Consequences

Setting a failing discretionary debt to earnings rate at 20 percent across all gainful employment programs oversimplifies debt management and will unintentionally eliminate high-quality graduate and professional programs that are meeting the workforce demands of our country.

Workforce Impact

- Employment of veterinarians is projected to grow 19 percent from 2021 to 2031, much faster than the average for all occupations. About 4,800 openings for veterinarians are projected each year, on average, over the decade.² Ross University School of Veterinary Medicine contributes significantly to filling these workforce demands, with an average of 400 graduates per year entering the U.S. veterinary market and approximately 6,000 alumni to date.³ In fact, RUSVM produces more U.S. DVM graduates than any U.S. veterinary school.⁴

Supplemental Information on Veterinarian Salaries (requested during the meeting)

Internship & Residency Salaries: Following completion of a Doctor of Veterinary Medicine program, graduates often continue their training through internships and residencies. An internship is a 1-year clinical training program that allows veterinarians to gain additional training in clinical sciences. Residencies are generally three years in length and are advanced training in a specialty area intended to lead to an AVMA-recognized specialty certification.⁵ Both are highly valued by potential employers, with the latter often being required for employment in a specialty field. “Mean annual salaries reported by the American Association of Veterinary Medical Colleges for academic internship and residency positions secured through the Veterinary Internship and Residency Matching Program for the 2020–2021 training year were \$28,372 and \$35,098. By comparison, mean reported annual starting salaries for new veterinarian graduates in public and private practice were \$71,422 and \$86,920, respectively.”⁶

¹ 84 FR 31392 Program Integrity: Gainful Employment <https://www.federalregister.gov/documents/2019/07/01/2019-13703/program-integrity-gainful-employment>

² Occupational Outlook Handbook <https://www.bls.gov/ooh/healthcare/veterinarians.htm>

³ Source: Institutional data, fiscal years 2018 - 2022

⁴ Source: Institutional data and IPEDS Completions, 2019-2020

⁵ AVMA Internships and residency programs <https://www.avma.org/resources-tools/avma-policies/internships-and-residency-programs>

⁶ Source: Morello, Samantha L., Shiu, Kai-Biu, Thurston, Joseph, 2022, “Comparison of resident and intern salaries with the current living wage as a quantitative estimate of financial strain among postgraduate veterinary trainees” Journal of the American Veterinary Medical Education Volume 260: Issue 1 <https://avmajournals.avma.org/view/journals/javma/260/1/javma.21-07-0336.xml>

Specialty Salaries: “The most recent report from AVMA had salary breakdowns as follows: ophthalmology earning the highest at around \$200,000, lab animal specialization earning around \$170,000, pathology around \$160,000, surgery around \$130,000, radiology around \$120,000, and theriogenology also around \$120,000. This is in comparison to the median salary of a veterinarian, which depending on experience and location, is around \$90,000.”⁷

- Our country faces an unprecedented mental health crisis among people of all ages.⁸ Employment of substance abuse, behavioral disorder, and mental health counselors is projected to grow 22 percent from 2021 to 2031, much faster than the average for all occupations. On average, about 43,600 openings for substance abuse, behavioral disorder, and mental health counselors are projected each year over the decade.⁹ Walden University’s Masters in Mental Health Counseling had the third highest number of graduates in the country, representing about 6% of all conferrals nationally.¹⁰

Recommendations

1. Commission additional research, in order to -
 - a. Better understand the borrowing history of graduate and professional programs and come to data-driven policy decisions.
 - b. Reliably assess how all graduate and professional programs would perform.
 - c. Understand workforce impacts of these programs.
2. Consider alternatives to a strict debt to earnings threshold. For example, evaluating other metrics alongside a debt to earnings ratio such as placement rates, licensure pass rates, extended earnings windows, and cohort default rates.
3. Consider expanding the timeline allowed for graduates to meet earnings targets to six years when post-graduate training is common.
4. Given the inherently retroactive nature of the draft Gainful Employment rules, allow for a reasonable transition period proportional to the length of the program.

⁷ Source: Breaking Down Veterinary Specialist Salaries, 2020. <https://myveterinaryjobboard.com/blog/breaking-down-veterinary-specialist-salaries/>

⁸ Fact Sheet: B Biden-Harris Administration Highlights Strategy to Address the National Mental Health Crisis, <https://www.whitehouse.gov/briefing-room/statements-releases/2022/05/31/fact-sheet-biden-harris-administration-highlights-strategy-to-address-the-national-mental-health-crisis/>

⁹ Occupational Outlook Handbook <https://www.bls.gov/ooh/community-and-social-service/substance-abuse-behavioral-disorder-and-mental-health-counselors.htm>

¹⁰ Source: IPEDS Completions, 2020-21