



# Debating How to Create Higher Ed Accountability at AEI

Policy experts generally agree more value-based accountability is needed in higher ed, but questions remain about how best to execute those goals and what the consequences of existing measures should be.

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WASHINGTON, D.C.—In many higher ed circles, the longtime focus on college access, completion and affordability has given way to a new priority: value-based accountability. But what remains undecided are the best ways to measure that value and who is responsible for doing so.

Those questions took center stage Thursday [at the American Enterprise Institute](#), a conservative-leaning think tank, where higher ed scholars, accreditors, government officials and economic researchers convened for a series of panels on the future of academic accountability.

“We’re in a value-based era of thinking about what it is that higher education needs to deliver,” said Beth Akers, a senior fellow at AEI, in her opening remarks.

“Given that, we are still hamstrung by the availability of data that value-based accountability requires in order to know what’s happening to students after they finish their degree.”

The growing focus on value-based accountability stems in part from a new federal metric—[known as the Do No Harm test](#)—that is slated to take effect July 1. It will [compare](#) the earnings of college graduates to high school diploma holders in the same state; degree programs that don’t lead to higher earnings on average will lose access to federal loans.

The regulations needed to implement Do No Harm are still a long way from being finalized; the [public comment](#) period doesn't close until May 20. But even if the test is late to launch, it will eventually take effect—barring any lawsuits—as it is statutorily required.

Multiple speakers at the event—including some Democrats—described the test as progress for higher education policy.

As a champion of the Do No Harm test's predecessor, [the gainful-employment rule](#), James Kvaal, who served as the highest official overseeing colleges and universities during the Biden administration, said he was “pleasantly surprised” to see Do No Harm come to pass. (Gainful employment included a similar earnings test, but it only applied to programs at for-profit institutions or certificate programs at any institution.)

“I give Congress and the [Trump] administration a lot of credit for taking a step forward there, and I don't think we're going to go back,” Kvaal said, suggesting that some form of value-based accountability is here to stay.

Still, politicians and various sectors of the industry remain at odds over what the consequences of accountability measures should be and who should face them.

“One question that we should confront is ‘Are there some of these programs that are good programs, even if the loans don't pay off?’” Kvaal said. “There are also some programs that struggle to perform on the metrics because they prepare people for public service professions ... or prepare people that often struggle in labor markets because they're people of color, first-gen or low-income.”

Jason Delisle, chief economist at the Department of Education, noted that the Do No Harm test is not about determining whether certain careers—such as social work or education—matter or should continue to exist. It's about whether the students who pursue them should get access to loans that American taxpayers reasonably expect to be repaid.

“The connection between earnings and getting a loan is much more justified,” he said.

Nicholas Kent—who currently serves in the same role Kvaal held under Biden—took the rebuttal one step further. He said the bar set by Do No Harm is so low that if you exempt certain professions, the question becomes, “Who’s left to hold accountable?”

“I don’t care if you’re a teacher, a sociologist or a name-your-public-service profession—when you sign up to go into higher education and you’re taking on debt, you want to leave with a better job than the one that you had,” Kent said.

### **Collecting Data, Defining Value**

Other questions raised throughout the day centered on whether government agencies at the state and federal level have access to the data they need to measure how college students’ earnings compare to those of their non-college-educated peers, factoring in the cost of their degree and the earnings they lost while enrolled.

Calculating this value—referred to as cumulative value-added earnings (VAE)—is a long and arduous process that uses data typically tracked by multiple separate state agencies.

But it has been accomplished before. Leaders from Mathematica, an independent research firm, and the Postsecondary Commission, an aspiring accreditation agency focused on student outcomes, recently conducted what many higher ed experts describe as [a monumental VAE study in the state of Texas](#).

The results, presented Thursday, reinforced the idea that higher ed ultimately pays off. To what degree, however, depends on a range of variables, including the level of credential pursued, the area of study and even the entering student’s standardized test scores.

For instance, the findings showed that someone who scores at or below the 25th percentile on their high school standardized math test and then goes on to earn a

bachelor's degree only earns about \$24,000 more than a peer with a high school diploma. But someone who scores in the 76th to the 99th percentile earns about \$112,000 more.

Collecting this kind of detailed data could help raise the bar on academic quality and inform more nuanced approaches to government policy, panelists said. But not all states currently have the infrastructure to do so. And even if they did, it would be difficult to follow students who cross state lines after graduation or make national comparisons.

The VAE study was only possible because Texas politicians envisioned such a database 25 years ago, and the current governor, Greg Abbott, supports interagency data sharing, said David Troutman, the state's deputy commissioner for academic and workforce initiatives.

“When you collect data, that doesn't [automatically] mean you can use the data in an agile way,” Troutman said. “My suggestion to another state is think through how you can create contracts and agreements to share data fluently and easily and go big or go home.”

Even when data is successfully collected and shared, questions about value-based accountability remain, noted Delisle from ED. Currently VAE studies are student-focused, asking whether degrees pay off for the individual. But part of what makes that happen is government aid; the more government subsidy is added, the more valuable a degree is, he explained.

“There's a group of people that will say STEM programs have a high payoff and arts programs have low payoff so therefore we should subsidize more government money for the programs with the high payoff, and I'm sure there are people who would say, ‘Oh, no, no, no. It's the other way around. You shouldn't subsidize the program that pays for itself,’” he said. “That's something for the field to still discuss.”

