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National Association for the Education of Young Children

Federal Policy Update

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Federal Updates

Appropriations FY27

- Annual process to fund gov't
- CCDF, HS, IDEA, PDG B-5, CCAMPIS
- Short term funding expires Dec 11
- Negotiations continue post midterm elections

Head Start NPRM weakening standards

- 40k+ comments submitted – record breaking!
  - NAEYC comment & resources
- 500 organizational sign-ons
- Congressional letter from 190 MoC
- What's next?

Federal Updates

Upcoming CCDF NPRM

- National working group underway
- Coordinating messaging and education
- Different approach than HS NPRM
- Lessons learned from states

CCAMPIS funding issue

- No notifications
- 148 awards expected; only 40 awarded
- Front-loaded

SEED Act Passage

- Expands tax deduction for classroom expenses to early educators

Opportunities to Stay Engaged

- ✓ **NAEYC Annual Conference 2026** December 4-8
  - Attend sessions in policy/advocacy + higher ed tracks
- ✓ **NAEYC Public Policy Forum 2027** February 21-23
  - Registration opens in December
- ✓ Sign up for our newsletters
  - *Advocacy in Action*
  - *Higher Ed News*
  - *NAEYC Notes*
- ✓ **Check out our policy blogs**

NAEYC NEWSLETTERS

POLICY BLOGS

Higher Education Policy Updates

Oct. 22, 2026

Major Higher Ed Provisions in OBBBA/HR1/"Working Families Tax Cut Act"

1

Reimagining and Improving Student Education (RISE)- Federal Student Loan Program Final Regulations

- Loan programs
- Loan limits
- Restructures Loan Repayment Plans

2

Accountability in Higher Education and Access Through Demand-Driven Workforce Pell (AHEAD): Pell Grant Exclusion Relating to Other Grant Aid; and Workforce Pell Grants

- Established a new Workforce Pell Grant program
- Restricts Pell Grants if non-federal $$ covers costs

3

Student Tuition and Transparency System (STATS) and Earnings Accountability

- Institutional/ Program Data
- Replaces FVT/GE framework with a broader earnings-based accountability system ("Do No Harm")

Highlights: A closer look at HR1 Higher Education Provisions

Most provisions went into effect July 1, 2026

Graduate Plus program eliminated (this program allowed grad students to borrow up to the cost of attendance)

New aggregated limit established for graduate student Direct Unsubsidized Loans ($20,500 annually/$100K, previously $138K)

New aggregated limit for professional student Direct Unsubsidized Loans ($50K annually; $200K total)

New limits for Parent Plus Loans -previously parents could borrow up to the cost of attendance

New lifetime maximum limit/cap for federal Direct loans - $257K (in student's name; thus excludes Parent PLUS)

Institutions can now set loan limits by program of study

Federal loan repayment options are streamlined into two new plans for new borrowers

Workforce Pell Established

Institutional/Program Data Reporting:

from FVT to STATS

Do No Harm provision

(Aug. 31, 2026 & July 1, 2027)

New "administrative capability" provision on institution Title IV funding based on "low-earning outcome" metrics

What is the Do No Harm Provision?

- Essentially, it requires each program within each institution to demonstrate that its graduates make more than an individual with solely a high school diploma (for undergraduate programs) or with solely a baccalaureate degree (for graduate programs).

- Determined by the "**earnings premium metric**." If a program fails this metric two out of three years, students can no longer access **federal student loans** in that program.

Determining Program Performance on the "Earnings Premium Metric"

Programs will be defined at the 6 digit OPEID, 6-digit CIP Code level and credential level (e.g. certificate, associate degree, baccalaureate degree)

For each program, ED will compile a list of the program completers **(a cohort**) who received Title IV funding for the relevant financial aid year. If the cohort does not have at least 30 completers, ED will aggregate completers from previous years until 30 is reached (ED will also aggregate up CIP Codes).

ED will use IRS data to attain program completers' wages. *(note: it will not include individuals who are in school or unemployed)*

ED will set an **"earnings threshold"** using the American Community Survey (ACS) - an annual, nationally-representative dataset maintained by the US Census Bureau – to set the state/national wage comparison threshold *(note: it will not include individuals in school or unemployed)*

The **earnings premium measure** will compare the cohort's median earnings to the median earnings of adults age 25-34 in the state/or nationally who hold solely a high school diploma or baccalaureate degree.

Determining the Program Cohort

If a cohort includes less than 30 completers (who receive Title IV funding), ED will aggregate completers from previous years up to four years total (removing any from excluded categories). For example, in this first year of implementation, the cohort will include:

- completers from 2021 + (if needed)
- completers from 2020 + (if needed)
- completers from 2019 & 2018 (combined in one batch).

If a sufficient number of completers (30) has still not been obtained, data will expand to completers of programs in the related four-digit CIP code for those same four years, all in one batch.

If a cohort of 30 completers is still not reached, the metric will not be calculated for the program.

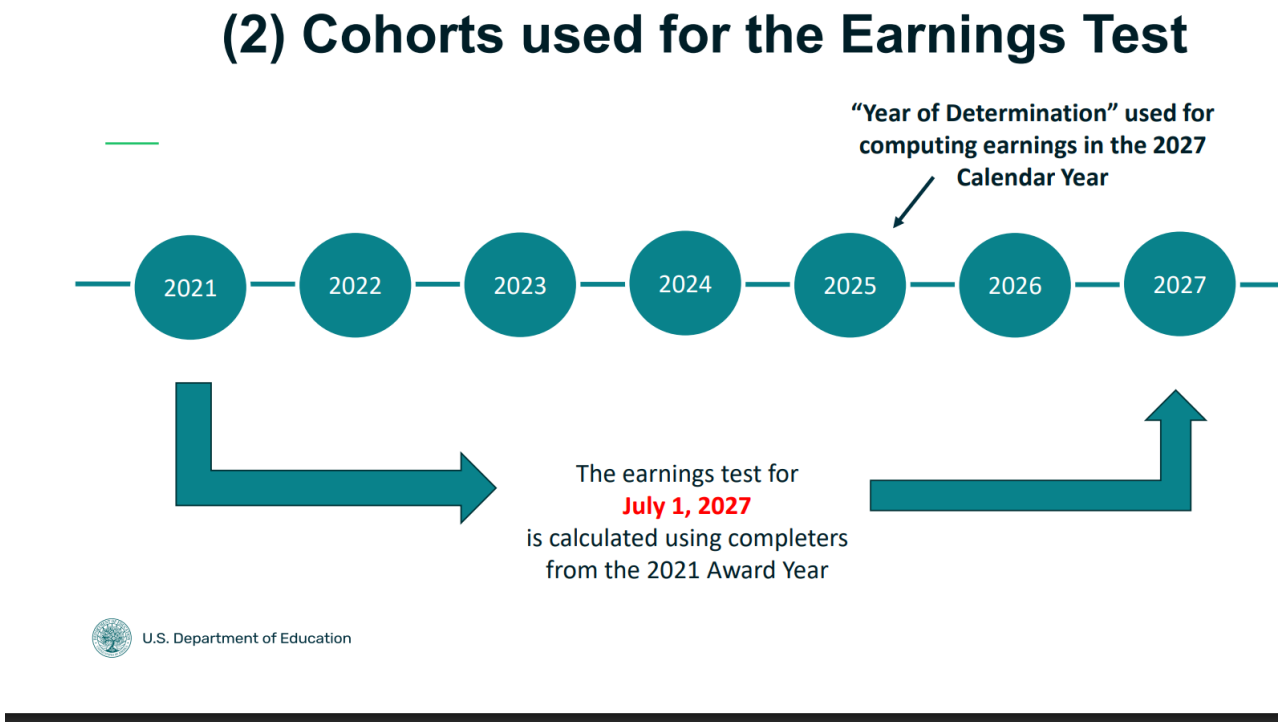


Image Source: U.S. Department of Education Presentation to Negotiated Rulemaking Committee on January 7, 2026

Determining Program Performance on the "Earnings Premium Metric"

Programs will be defined at the 6 digit OPEID, 6-digit CIP Code Level, level and credential level (e.g. certificate, associate degree, baccalaureate degree)

For each program, ED will compile a list of the program completers **(a cohort**) who received Title IV funding for the relevant financial aid year. If the cohort does not have at least 30 completers, ED will aggregate completers from previous years until 30 is reached (ED will also aggregate up CIP Codes).

ED will use IRS data to attain program completers' wages. *(note: must include wages from at least 16 individuals from the cohort).*

ED will set an **"earnings threshold"** using the American Community Survey (ACS) - an annual, nationally-representative dataset maintained by the US Census Bureau – to set the state/national wage comparison threshold.

The **earnings premium measure** will compare the cohort's median earnings to the median earnings of **working** adults (not enrolled in higher ed) age 25-34 in the state/or nationally who **hold solely a high school diploma (undergrad programs) or baccalaureate degree (graduate programs).**

What happens if a program fails the earnings premium metric?

For the first time during a three-year period

- Institutions must provide warnings to students in programs that failed that they may lose access to federal loans in those programs in subsequent years.
- The institution can appeal ED's determination of a program's performance on the earnings premium metric.
- Institutions have an option to close the program (orderly program closure), while allowing (pending ED's approval) currently enrolled students to continue to access federal loans for a period of time.
  - The program (or one that shares the same four-digit CIP code) cannot be restarted for at least two years after the program closes.
  - Institutions may voluntarily opt out of Direct Loan borrowing for a minimum of 5 years (avoids administrative capability consequences).

For the second time during a three-year period

- The institution can appeal ED's determination of a program's performance on the earnings premium metric.
- Students will no longer be able to use federal student loans in that program.
- The program is deemed a "low-earning outcome" program
- Institutions are ineligible to apply to re-establish eligibility for the Direct Loan program for the "low-earning outcome" program for two years (cannot reestablish eligibility until the program passes for at least two years).

Related Regulatory Changes to Pell Eligibility Institutional "Administrative Capability"

In order for institutions to participate in Title IV programs they must demonstrate (two out of three consecutive years) that:

a) at least half of their Title IV recipients are in passing (or non-calculable) programs (not in programs that fail the earnings premium test)
AND
b) at least half of their Title IV funds/revenue comes from passing/non-calculable programs (not from programs that fail the earnings premium test)
(*breaching either metric fails the administrative capability test)

If an institution fails this metric, then the institution is placed on provisional certification status and its "low-earning outcome programs" are not eligible for Title IV funds (i.e., Pell Grants, etc.)

What to Expect Between Now and July 1, 2027

1. ED will provide institutions 2021 program completer lists by January 2027
2. Institutions will have 60 days to verify the lists
3. ED will provide institutions their program results on the earnings premium metric by June 2027
4. Institutions have 30 days to appeal results
5. July 1, 2027 – Year 1 results are official & published (30 days to “warn” students if failed in year 1)

Source:

https://help.studentclearinghouse.org/compliancecentral/fvt-ge-stats-accountability-reporting-authorization-pop-up/

Near-Term and the Long-Term Next Steps

Leverage Opportunities to Increase Compensation

Assess/Estimate whether your graduates' wages meet/exceed the DNH wage comparison threshold

Engage the business/philanthropic community to address any gaps needed to exceed the wage comparison threshold

Protect/Expand compensation initiatives in your community/state

Retool program/curricula to ensure students can steer towards higher-paying sub-sectors of the ECE profession (e.g., state pre-k, Head Start, developmental pre-k, ECE administration/leadership, early intervention/behavior specialists, etc.)

Mitigate the Cost of ECE Credentials and Degrees

Implement/expand credit for prior learning

Protect/expand statewide/local ECE scholarship programs; reduce the "Title IV footprint/use" for ECE students (also shields the program)

Implement/expand dual enrollment

Implement/expand transfer and articulation in ECE pathways

Leverage "stackable credentials"- not only for students but for shielding the program

Elevate "ECE as a profession" Narrative and Policies

Combat the "babysitting" & "anyone who can parent can provide childcare" narrative

Push back on deregulation efforts that lower educator qualification requirements

Identify opportunities to have ECE and ECE credentials and degrees named as "of value" (e.g., via Workforce Pell, ECE listed as in-demand workforce, WIOA)

Advocate for ECE workforce policies that advance professional recognition

Monitor Impact of H.R.1 Higher Ed Provisions

Are the new, lower federal loan limits influencing ECE students' pursuit of ECE degrees?

Is (and how is) your institution preparing for DNH?

Is there an entity in the state that can collect/analyze ECE certificate/degree performance on DNH?

Tools/Resources To Support Preparing for Do No Harm

Things to consider when using tools:

- they analyze data at the 4-digit, not 6-digit CIP code
- the completer cohort years and wage years are not what will be used for Year 1 or Year 2 metric calculations
- The tools will often account for programs sizes smaller then a 30 person cohort or those with missing wage data (less than 16) differently (some tools “pass” them; others declare them unevaluable or don’t include them at all, etc.)

What's clear across all the tools is that ECE certificate programs and ECE associate degree programs are more negatively impacted/more at risk by the DNH metric than other credential levels!

NAEYC's ACS and BLS Wage Data

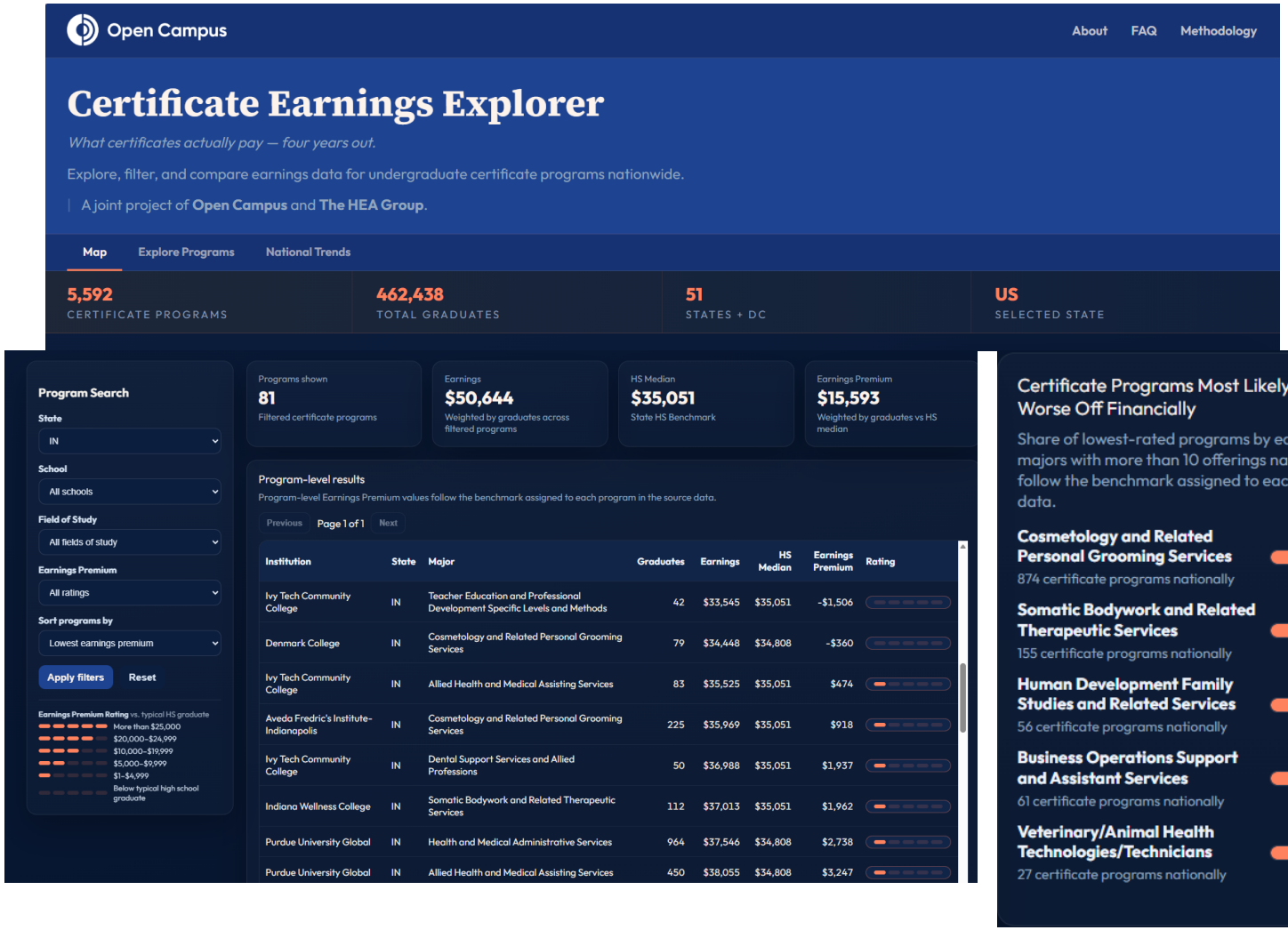
Find all the states & DC at: https://www.naeyc.org/our-work/public-policy-advocacy/do-no-harm-provision

	Median earnings of all adults with high school diploma	Median earnings of men with a high school diploma	Median earnings of women with a high school diploma	Median earnings of white adults with a high school diploma	Median earnings of black adults with a high school diploma	Median child care earnings of adults with high school diploma	Median childcare earnings of adults with an associate degree	Median childcare earnings of adults with a baccalaureate degree	Median childcare wages (BLS data)
Indiana	$35,287	$40,693	$27,205	$36,577	$29,364	$19,587	$27,899*	$29,200	$29,340
Texas	**$33,407**	$38,086	$27,017	$35,534	$29,406	$18,586	$22,879	$28,230	$28,520
Virginia	**$35,910**	$41,168	$29,477	$38,225	$32,645	$27,140	$24,457*	$24,665	$30,150
Ohio	**$34,822**	$40,263	$28,230	$36,577	$27,205	$18,281	$16,737*	$32,899	$28,230

Median earnings estimates derived from the U.S. Census Bureau's 2024 ACS 5-year data, unless otherwise indicated

** Indicates the number is derived from a small sample size*

Open Campus Tool- A Focus on Undergrad Certificates



https://certificates.opencampus.org/

About the Data

- Data unit is focused on undergrad certificate programs
- Programs with too few graduates don't appear in the data
- The earnings premium metric data is based on
  - Title IV 2017-18 &/or 2018-2019 program completers
  - Median wages are 2022 or 2023 inflation adjusted to 2024 rates from IRS; four years post completion
  - HS Median earning- 2023 ACS data inflation adjusted to 2024
  - Program is defined at the 4-digit, not 6-digit CIP code level

Filter Capability

- Program (field) of study
  - Human Development Family Studies and Related Services (1907)
  - Education General (1301)
  - Special Education and Teaching (1310)
  - Teacher Education and Professional Development Specific Levels and Methods (1312)
  - Teacher Education and Professional Development Specific Subject Areas (1313)
- State
- School

• New Tool Available That Estimates How Programs Might Perform

• PEER Center at American University

https://www.peer-center.org/research/earnings-based-accountability-explorer

About the Data

- Includes ~87% of students; ~30% of programs (the remainder had too small of "n" or missing earnings to be included in the earnings premium calculation. The tool assigns these programs as "passing" the metric)
- Data reports #/% of students in failing programs (not the #/% of programs that fail)
- The earnings premium metric data is based on
  - the 2018-2019 program completers
  - Median wages in 2024 calendar year
  - Program is defined at the 4-digit, not 6-digit CIP code level

Filter Capability

- Program of study
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  - Teacher Education and Professional Development Specific Levels and Methods (1312)
  - Teacher Education and Professional Development Specific Subject Areas (1313)
- Credential level
- State

•Another Data Source Forthcoming

• Child Trends

About the Data

- Data unit is programs
- Does not assume “no data” means not evaluable
- The earnings premium metric data is based on
  - the 2018-2019 program completers
  - Median wages in 2024 calendar year
  - Program is defined at the 4-digit, not 6-digit CIP code level

Federal preview signals substantial risk.

Child Trends

CIP 13.12 — Teacher Education and Professional Development—Specific Levels and Methods

Credential level	Total programs	Evaluable	Failing	Non-failing	No data	Failure rate among evaluable
Undergraduate Certificate	494	35	18	17	459	51.4%
Associate Degree	776	148	44	104	628	29.7%
Bachelor's Degree	1,217	657	2	655	560	0.3%
Post-baccalaureate Certificate	150	4	0	4	146	0.0%
Master's Degree	785	372	0	372	413	0.0%
Doctoral Degree	77	7	0	7	70	0.0%
First Professional Degree	17	1	0	1	16	0.0%
Graduate Certificate	256	6	0	6	250	0.0%
13.12 total	**3,772**	**1,230**	**64**	**1,166**	**2,542**	**5.2%**

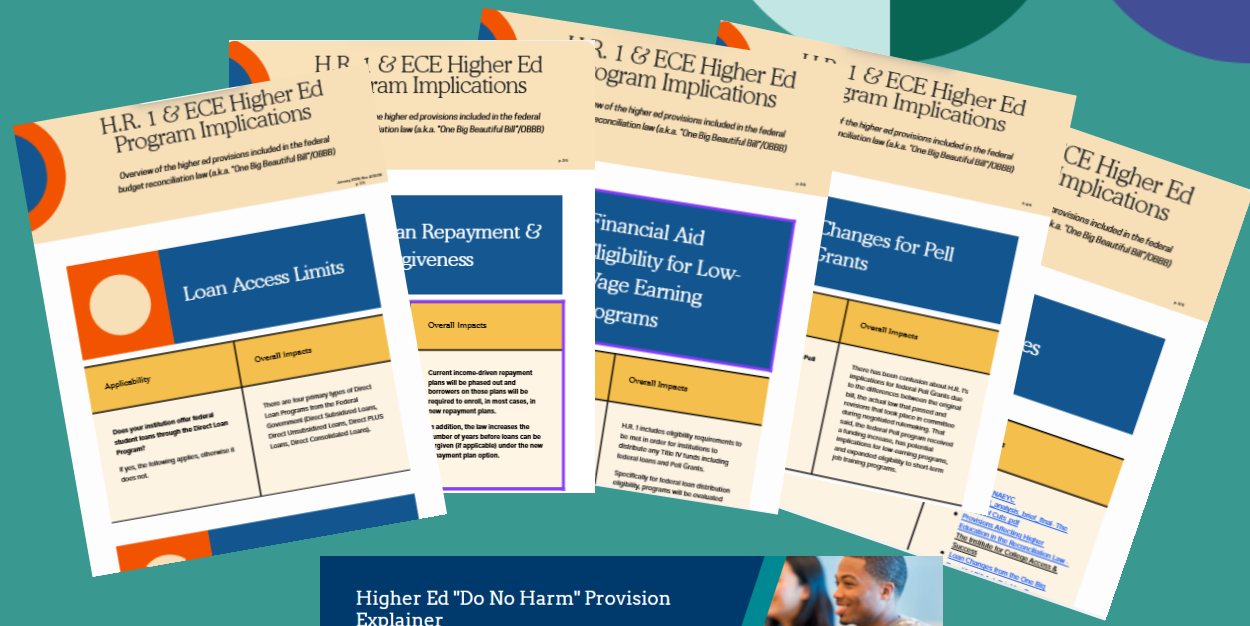
CIP 19.07 — Human Development, Family Studies, and Related Services

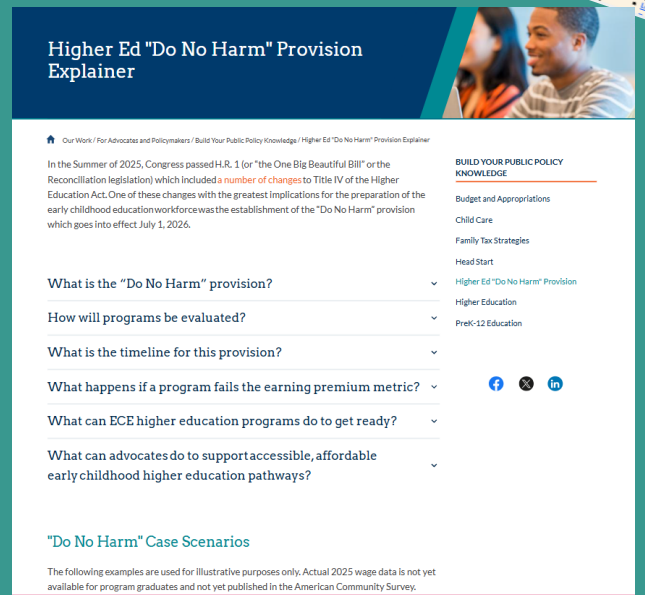
Credential level	Total programs	Evaluable	Failing	Non-failing	No data	Failure rate among evaluable
Undergraduate Certificate	638	57	39	18	581	68.4%
Associate Degree	564	83	42	41	481	50.6%
Bachelor's Degree	317	147	5	142	170	3.4%
Post-baccalaureate Certificate	16	1	0	1	15	0.0%
Master's Degree	127	26	0	26	101	0.0%
Doctoral Degree	43	0	0	0	43	—
First Professional Degree	2	0	0	0	2	—
Graduate Certificate	33	4	0	4	29	0.0%
19.07 total	**1,740**	**318**	**86**	**232**	**1,422**	**27.0%**

- Modeled accountability failure for CIP 13.12 and 19.07 is greatest for undergraduate certificates and associate degrees (among evaluable programs).
- Modeled failure reflects potential Title IV impacts on >2,700 trainees per year in these CIP codes. Further analysis is needed to isolate ECE-specific estimates.

NAEYC Resources on DNH

- H.R. 1 Explainer and Resources
- Do No Harm (DNH) Explainer
- NAEYC's Comments on the Draft Regulations
- Organizational Sign-On Letter





https://www.naeyc.org/our-work/public-policy-advocacy/do-no-harm-provision

Keep an Eye Out for an Upcoming NAEYC/Child Trends Survey Assessing the Early Impact of H.R. 1 Higher Ed Provisions on ECE Higher Ed Programs

1

- Impact (thus far) of the Do No Harm Provision

2

- Impact of Changes to Federal Student Loan Program

3

- Impact of Workforce Pell

Many Thanks to All of You!

Questions?

Reach out anytime to
highered@naeyc.org