

Completion, Earning, and Debt as Strategic Imperatives for Community College

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February 2026



Community colleges are entering a new accountability era in which student completion, defined not only as associate degree attainment but also as certificate and other recognized credential completion, post-completion earnings, and educational debt outcomes, is no longer a peripheral measure of success.

Federal regulation, proposed legislation, and expanding transparency systems increasingly treat these outcomes as core indicators of institutional performance, financial viability, and public trust, particularly for programs that prepare students directly for the labor market.

The Accountability Landscape: Why Outcomes Now Drive Strategy

Financial Value Transparency and Gainful Employment

The U.S. Department of Education's Financial Value Transparency (FVT) and Gainful Employment (GE) regulations require institutions to publicly disclose program-level information on costs, debt, completion, and post-completion earnings for Title IV-eligible programs, including certificates and associate degrees that are central to the community college mission.

Although sanctions apply at the program level, the disclosure regime creates institution-wide reputational and enrollment risk, particularly when earnings outcomes fall below federal comparison thresholds. Programs that repeatedly fail GE tests may lose Title IV eligibility, while those that pass may still experience enrollment declines due to negative public signaling.

Proposed Federal Legislation

Proposals such as the College Cost Reduction Act (CCRA) and related Senate accountability frameworks would expand earnings, based accountability by:

- ✓ Conditioning access to federal student loans on median earnings thresholds
- ✓ Limiting borrowing based on program cost and return on investment
- ✓ Applying these standards across institution types, including public community colleges

While not all proposals have been enacted, bipartisan agreement on economic value as a condition of federal aid suggests these measures should be treated as near-term strategic planning assumptions.

College Scorecard as De Facto Accountability

The College Scorecard aggregates completion, earnings, and debt data from IPEDS, the National Student Loan Data System (NSLDS), and federal tax records into a set of highly visible, institutional-level performance indicators that are widely used by policymakers, journalists, state systems, and the public.

ⓘ Although originally designed as a transparency tool, the Scorecard now functions as a de facto accountability system, shaping institutional behavior even in the absence of formal sanctions.

Several features of the Scorecard are particularly consequential for community colleges. First, earnings outcomes are reported not only for program completers, but for entry cohorts that include both completers and noncompleters. As a result, institutions with high stop, out or withdrawal rates experience depressed median earnings, even when graduates themselves perform reasonably well in the labor market.

Risks and Ramifications of Underperformance

In the current accountability environment, underperformance on completion, earnings, and debt outcomes exposes community colleges to interlocking financial, reputational, and mission-related risks.

These risks are cumulative and self-reinforcing, particularly for institutions that serve large proportions of part-time, adult, and low-income students.

Financial Risk

Under existing Financial Value Transparency and Gainful Employment (GE) regulations, and under several proposed federal accountability frameworks, community colleges face direct financial exposure when programs demonstrate persistently weak outcomes. Specific risks include:

- Program, level loss of Title IV eligibility under GE for certificate programs that repeatedly fail earnings or debt tests
- Reduced access to federal student loans, limiting students' ability to enroll and complete programs
- Lower competitiveness for federal and state workforce funding, including Perkins and Department of Labor grants, which increasingly emphasize measurable outcomes and return on investment

Although GE sanctions apply at the program level, the downstream effects often extend beyond the affected program, influencing institutional budgeting, enrollment planning, and program viability decisions.

Enrollment and Reputational Risk

Public disclosure of outcomes through the College Scorecard and Financial Value Transparency has created a permanent reputational record for institutions. These data are actively used by:

- Prospective students and adult learners making enrollment decisions
- State systems and governing boards evaluating institutional performance
- Journalists and policy analysts identifying "low-value" programs or colleges

As a result, weak performance on publicly reported metrics can:

- Depress enrollment, particularly in workforce-oriented programs
- Trigger heightened scrutiny from state agencies and trustees
- Generate negative media narratives that are difficult to reverse, even when improvement efforts are underway

Because Scorecard metrics are lagged, reputational damage may persist for several years after institutional reforms are implemented.

Mission Risk

Perhaps most critically, earnings- and completion-based accountability systems pose a mission risk for community colleges that serve high-need populations. Research shows that institutions enrolling higher proportions of part-time students, adult learners, Pell recipients, and first-generation students are more likely to appear as underperformers in earnings, based on frameworks, unless completion and transfer outcomes are actively managed. In this context, access-oriented missions can become liabilities rather than strengths. Without intentional strategies to reduce noncompletion and accelerate credential attainment, institutions risk being penalized not for whom they serve, but for how outcomes are measured.

Why Community Colleges Face Higher GE Risk

Student composition matters under Gainful Employment, and community colleges are structurally more exposed to it.

Gainful Employment and related accountability frameworks assess earnings outcomes using entry cohorts rather than just program completers. This design has disproportionate consequences for community colleges because they enroll:

- Higher shares of part-time and working students
- More adult learners with delayed labor, market returns
- A larger number of students who stop out without a credential, even after earning credits

When students exit without completing a degree or certificate, they are still included in earnings calculations, often with lower short-term earnings, thereby materially depressing program-level median earnings.

As a result, community colleges may face elevated GE risk even when their graduates perform adequately, unless they implement strategies to:

- Increase completion of any recognized credential (degree or certificate)
- Improve early momentum and persistence
- Strengthen transfer pathways that lead to completion elsewhere

In this environment, managing completion is not only a student success strategy but also a compliance and risk-mitigation imperative.

Case Illustrations: Maryland and Virginia Community Colleges

Selected community colleges in Maryland and Virginia illustrate the structural risks created by contemporary federal accountability frameworks. These institutions serve diverse regions and student populations yet face similar exposure under Gainful Employment (GE), Financial Value Transparency (FVT), and College Scorecard reporting regimes.

Publicly available College Scorecard data and institutional profiles reveal several common patterns:

1. Completion rates in the mid-20 percent to low-30 percent range, reflecting the high prevalence of part-time enrollment, adult learners, and transfer-oriented pathways typical of community colleges
2. Median earnings for entry cohorts that approach or fall below federal comparison benchmarks, particularly for certificate and short-term workforce programs
3. High proportions of students who exit without completing a recognized credential, which materially depresses reported earnings outcomes because noncompleters are included in entry-cohort calculations

These patterns are observed at institutions such as Baltimore City Community College, Chesapeake College, Garrett College, Danville Community College, Patrick & Henry Community College, and Mountain Gateway Community College. Importantly, these outcomes do not indicate institutional neglect or weak instructional quality. Rather, they reflect how federal accountability rules interact with student composition and enrollment patterns.

Clarifying the Applicable Program Rules

Under Gainful Employment, certificate programs at public community colleges are evaluated against absolute earnings benchmarks, not against other community colleges. Specifically, programs must demonstrate that typical graduate earnings exceed those of high school graduates in the same state or region, or that earnings are sufficient relative to debt levels.

There is no adjustment for institutional mission, student age, or enrollment intensity. Similarly, Financial Value Transparency requires public disclosure of program-level costs, median debt, and median earnings, which are then used by policymakers, journalists, and state agencies to assess value. While FVT does not impose sanctions, its disclosures shape enrollment behavior and policy scrutiny.

The College Scorecard compounds this exposure by reporting entry-cohort earnings, which include both completers and noncompleters. As a result, institutions with higher stop-out rates, common among working adults and part-time students, experience lower reported

median earnings, even when program completers perform comparably to peers in the labor market.

Benchmark Clarification

Crucially, the benchmarks applied in these frameworks are not peer-based. Community colleges in Maryland and Virginia are not compared to similar two-year institutions, but rather to:

- State or regional high school graduate earnings (GE benchmarks)
- Broad cross-sector institutional medians (Scorecard interpretation)

This means that a certificate program at a rural or urban community college may be evaluated against labor-market standards that do not reflect the timing or trajectory of adult learners' earnings.

Interpreting the Case Evidence

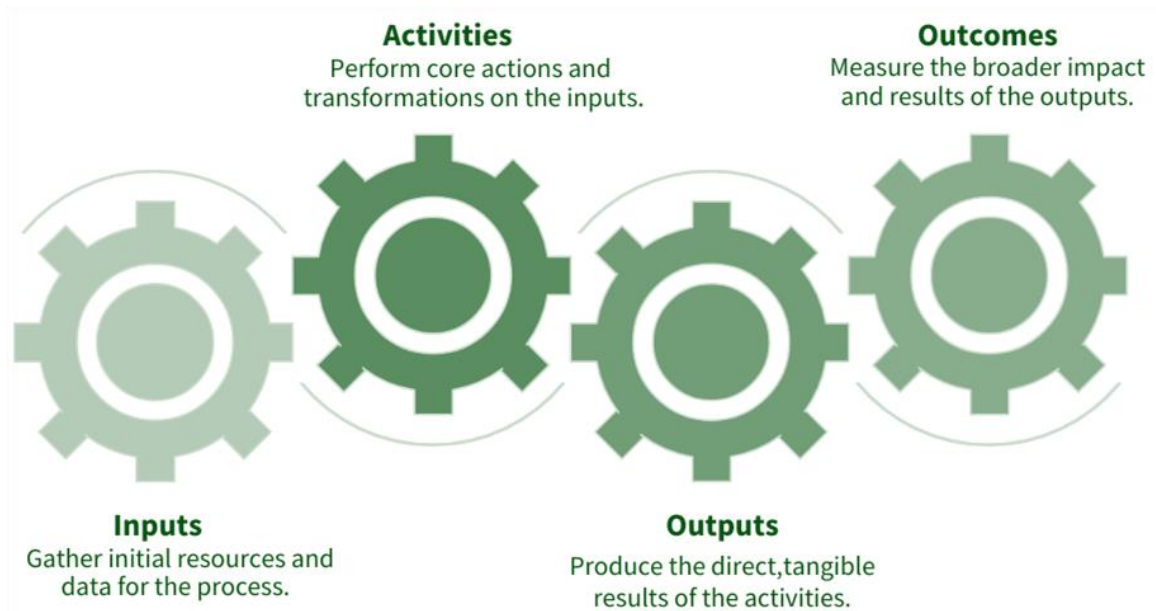
In this context, the Maryland and Virginia examples underscore a central policy reality: completion is a necessary but insufficient outcome unless it includes completion of any recognized credential and is accompanied by early labor-market attachment. Where students withdraw without earning a degree or certificate, they remain in the earnings cohort and depress reported outcomes, increasing institutional exposure under federal accountability systems.

The common challenge across these institutions is therefore not access or intent, but the absence of integrated systems to manage persistence, credential momentum, work-based learning, and post-completion outcomes at scale. Without such systems, institutions remain vulnerable to accountability regimes that increasingly translate student composition into institutional risk.

A Policy-Aligned Logic Model for Community College Action

In an accountability environment defined by completion, earnings, and debt outcomes, community colleges must move beyond retrospective reporting and adopt a policy-aligned logic model that links institutional action to externally reported performance measures.

Federal transparency and accountability frameworks, most notably Gainful Employment, Financial Value Transparency, and the College Scorecard, evaluate institutions using lagging outcomes that colleges cannot directly influence at the point of measurement. Yet these outcomes are shaped by a set of leading indicators that institutions can manage deliberately and at scale.



This logic model reframes completion, earnings, and debt outcomes as strategic variables rather than passive compliance outcomes. By intentionally managing leading indicators, community colleges can reduce accountability risk, protect access-oriented missions, and improve outcomes for students and communities.

Policy-Relevant Inputs

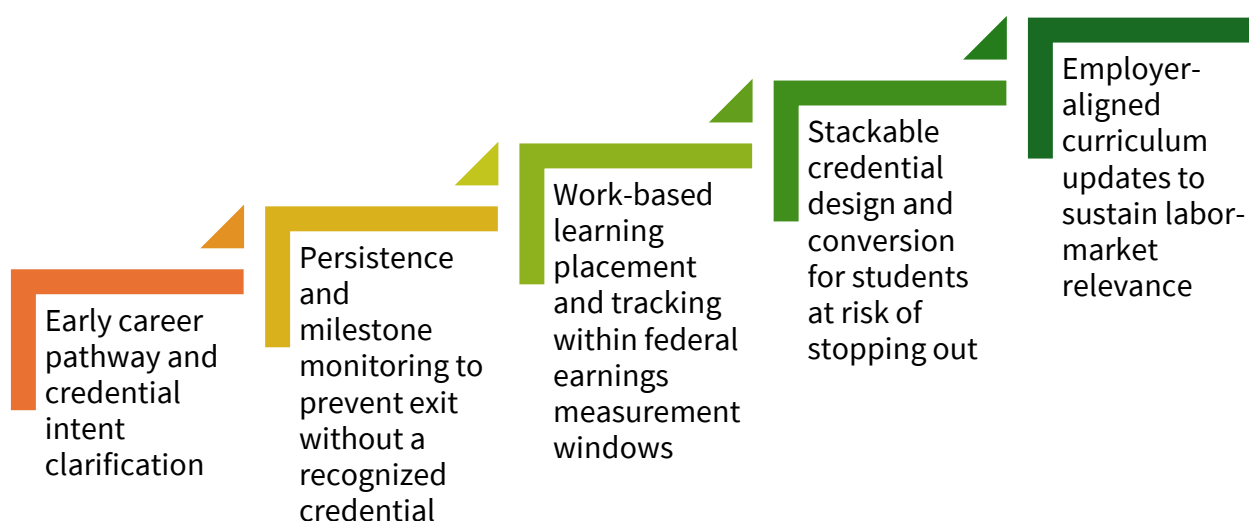
The inputs to this logic model reflect policy-constrained institutional assets rather than generic resources. They include:

- Title IV–eligible degree and certificate programs, particularly workforce-oriented certificates, subject to GE and FVT requirements
- Student populations included in federal entry-cohort calculations, including part-time students, adult learners, Pell recipients, and students at risk of stopping out without a credential
- Advising, instructional, and career services staff positioned to influence early momentum and persistence
- Employer and workforce partners capable of providing work-based learning and validating labor-market alignment
- Institutional data systems aligned with IPEDS, College Scorecard, and GE/FVT reporting requirements

These inputs define the environment in which colleges must manage risk: institutions cannot alter federal benchmarks, but they can change how students' progress is measured before outcomes are measured.

Leading-Indicator Activities Institutions Control

Within these constraints, community colleges retain control over a critical set of leading-indicator activities that shape accountability outcomes:



These activities represent the primary levers institutions can use to reduce noncompletion, strengthen early labor-market attachment, and mitigate downstream earnings and debt risks.

Near-Term Outputs and Long-Term Accountability Outcomes

Effective execution produces near-term outputs that signal reduced institutional exposure, including:

- Increased advising and career engagement
- Higher rates of any credential attainment (degree or certificate)
- Fewer students exiting without a recognized credential
- Expanded participation in internships, apprenticeships, and clinical experiences
- Clear documentation of skills and competencies aligned to employer demand

Over time, these outputs translate into the lagging outcomes on which institutions are publicly evaluated:

- Higher completion rates, including degree completion, certificate completion, and completion following transfer
- Improved median earnings for both completers and entry cohorts, reducing exposure under GE thresholds and improving College Scorecard results
- Improved debt affordability and repayment outcomes, strengthening Financial Value Transparency disclosures

Because noncompleters remain in earnings cohorts and often exhibit lower short-term earnings, completion, particularly completion of any recognized credential, functions as a gateway outcome linking institutional action to federal accountability measures.

Key Performance Indicators and Strategic Interventions

Key Performance Indicators (KPIs)

To manage effectively toward externally reported accountability outcomes, community colleges must adopt a focused set of Key Performance Indicators (KPIs) that serve two distinct purposes:

- to monitor leading indicators that institutions can influence in real time, and
- to anticipate performance on lagging outcomes reported through federal transparency and accountability systems

Completion and Persistence KPIs

- Overall completion rate (150% of normal time)
- Certificate completion rate
- Transfer-out rate with credentials
- First-year persistence rate
- Gateway course completion rate
- Percentage of students exiting without any credential

Earnings and Employment KPIs

- Median earnings 1 year post-completion (completers only)
- Median earnings 1 year post-entry (entry cohort, including noncompleters)
- Percentage of programs meeting GE earnings thresholds
- Work-based learning participation rate
- Employment rate in the field of study

Cost and Debt KPIs

- Median cumulative debt at completion
- Debt-to-earnings ratio (program level)
- Percentage of students borrowing federal loans
- Default rate (3-year cohort)

All KPIs should be disaggregated by Pell status, age, enrollment intensity, and program type to identify differential risk and ensure that aggregate averages do not obscure equity-focused missions.

Strategic Interventions to Mitigate Risk

The policy environment makes clear that community colleges cannot rely solely on traditional student success initiatives.

Instead, institutions must adopt a coordinated set of strategic interventions explicitly designed to manage the leading indicators that shape completion, earnings, and debt outcomes.

Pathway Clarity and Credential Intent

- Institutions should ensure that every student establishes a clear program and credential objective early in their enrollment, including whether the immediate goal is a degree, certificate, or stackable award. Clear pathway intent reduces excess credit accumulation, shortens time to credential, and lowers the likelihood that students exit without completing a recognized award.

Early Momentum and Persistence Management

- Colleges should monitor early milestones, such as gateway course completion, credit momentum, and term-to-term persistence, and trigger timely advising and support when students fall off track. Because stop-outs materially depress earnings metrics, preventing early disengagement is a core risk-mitigation strategy.

Work-Based Learning Integration

- Embedding internships, apprenticeships, clinicals, and other forms of work-based learning within programs strengthens early labor-market attachment and improves earnings trajectories within federal measurement windows. These experiences also validate employer alignment and program relevance.

Credential Momentum and Stackability

- Short-term certificates and stackable credentials should be intentionally designed to capture student progress before exit and to build toward higher-value awards. This approach converts partial completion into recognized success and reduces the share of noncompleters included in earnings cohorts.

Outcome-Oriented Data Governance

- Finally, institutions must shift from retrospective compliance reporting to forward-looking performance management, using KPIs aligned with College Scorecard, GE, and FVT measures. Leadership teams should routinely review leading indicators alongside projected accountability outcomes.

Conclusion

Completion, earnings, and debt outcomes now define the strategic terrain on which community colleges operate, shaped by federal accountability systems that rely on absolute benchmarks rather than peer-based comparisons. Institutions that treat these measures as retrospective compliance artifacts remain exposed to financial, reputational, and enrollment risk, particularly given the inclusion of noncompleters in reported earnings outcomes.

By intentionally managing leading indicators such as persistence, credential momentum, and work-based learning, community colleges can mitigate accountability risk while advancing student success. Forthcoming white papers will provide community college executives with deeper insights into promising interventions, with a particular focus on the design, governance, and scaling of work-based learning infrastructure that strengthens completion and earnings outcomes.