

Beyond the Bottom Line: A Faculty Perspective on Return on Investment in California Community Colleges

By Wendy Brill-Wynkoop,
FACCC Past-President, College of the Canyons,
FACCC Communications Committee Chair

A preschool teacher preparation program that has placed graduates in every childcare center in the Central Valley for 20 years is now at risk of closure. It's not because it's failing students, but because federal law will soon measure its value solely by graduates' starting salaries, which average \$30,000 in a sector essential to working families but chronically underpaid. This isn't a hypothetical scenario. It's the reality facing faculty across California's community colleges.

Policymakers are increasingly measuring the value of California's community colleges using a single, narrow metric: how quickly students can recoup their educational costs through higher earnings. Programs that fail to meet earnings thresholds face a stark consequence: loss of federal financial aid eligibility, leading to program closures and faculty job losses.

The Golden Returns report, released in August 2025, previews what's coming. This analysis found that 34% of Inland Empire institutions showed no measurable economic return for students. Nearly a quarter of the state's certificate-granting institutions showed students obtaining no earnings premium whatsoever compared to high school graduates. These findings already are shaping discussions about program discontinuance across the state, even as federal accountability intensifies.

For faculty, this isn't an abstract policy debate. It's a direct threat to job security and the comprehensive mission of community colleges. The time to act through shared governance is now.

What's Changed: Federal Accountability in 2025

The new federal accountability framework represents a fundamental shift in how the government measures college value. For community colleges, the stakes grew dramatically in 2025. On July 4, President Trump signed the "One Big Beautiful Bill Act" (OBBBA) into law, fundamentally expanding the federal accountability framework. The legislation introduces the Earnings Premium Test, which now applies to certificate programs and associate and bachelor's degree programs. The Department of Education (DOE) is conducting accelerated rulemaking to finalize regulations implementing this test, with completion expected in 2026, though the exact timeline remains uncertain as negotiations continue.

Under the proposed framework, programs that fail the earnings test would lose eligibility for Direct Loan Program funds, though Pell Grants and other Title IV aid would remain available under current regulations. However, the trajectory is clear: future rulemaking will likely expand these penalties to include Pell Grants and all Title IV funding. For programs serving low-income students who depend on federal student loans, even the immediate loss of financial aid is significant. Enrollment could collapse. Programs could close. Faculty positions could be eliminated.

What it Looks Like in California: The Golden Returns Report

The highly publicized Golden Returns report, released by the College Futures Foundation and the HEA Group in August 2025, illustrates what narrow Return on

Investment (ROI) metrics look like for California's colleges. This report examined 327 community and certificate-granting colleges serving more than 1.2 million students and aggregated outcomes across all credential types, short certificates, associate degrees, and transfer pathways into a single institutional metric. While 38% of Bay Area institutions allowed students to recoup costs in under a year, only 6% of Inland Empire colleges achieved the same result. These findings matter because they shape policy discussions within California, even though federal accountability will use a different methodology. The Golden Returns report calculates the Price-to-Earnings Premium (PEP), dividing a student's total net cost by their annual earnings premium to determine how many years of higher earnings it will take to break even.

Here's how it works:

Take American River College, for example. Students pay a total net cost of \$9,256 for a two-year associate degree. Ten years after enrollment, they earn \$7,686 more annually than California high school graduates. Dividing the cost by the premium yields a payback period of 1.2 years, suggesting the college delivers value.

Why the Data is Problematic

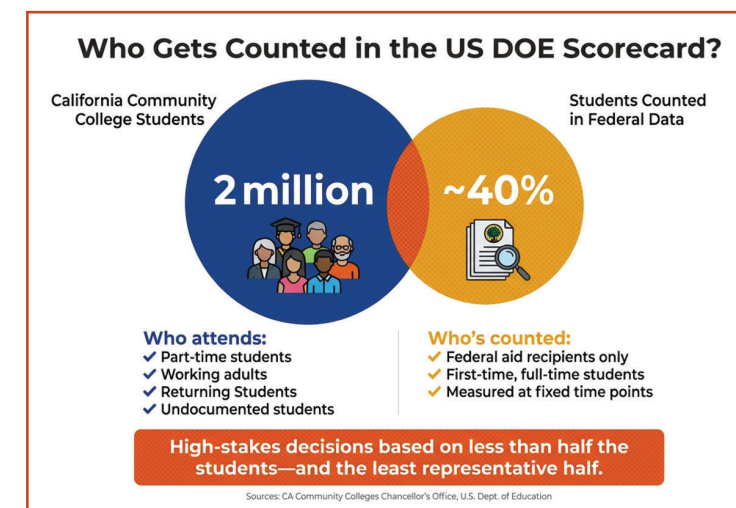
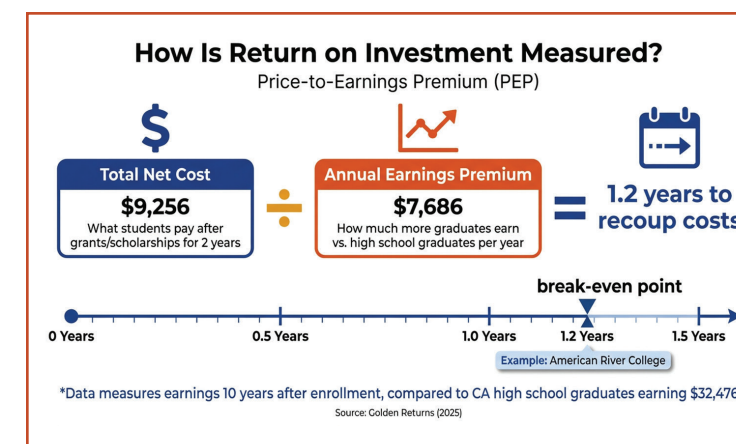
But dig deeper, and the data's profound limitations become clear.

The sample excludes most community college students. The US DOE earnings data includes only data from full-time, first-time students who received federal financial aid and completed a program. But California's community colleges serve a far broader population. According to the California Community College Chancellor's Office Data Mart, more than half of students attend part-time. Many are returning adults, parents balancing work and family, or students taking a few courses to upgrade skills without pursuing a degree. Undocumented students who complete the California Dream Act Application and receive state aid, but not federal aid, are excluded entirely from the federal data. This published ROI reflects only a subset of the student body, not the whole.

The calculation is extraordinarily volatile. Consider Compton College, whose PEP jumped from 4.2 years to 13.0 years in just one reporting cycle. Was this due to institutional failure? No. The college's graduates

actually saw their absolute earnings increase by 13%. The problem was the benchmark: California's median wage for high school graduates jumped 24.5%, mathematically collapsing Compton's calculated earnings premium from \$4,247 to just \$1,705. An institution can actively improve student outcomes while appearing to fail because an uncontrollable, external variable shifted.

Statewide benchmarks punish regional colleges unfairly. California is not economically uniform. A single state-level median wage for high school graduates doesn't account for variations in the local cost of living, minimum wage laws, or industry composition. Research from the Student Success Through Applied Research (SSTAR) initiative at the University of Wisconsin-Madison clearly demonstrates this problem. Colleges in high-wage regions like San Francisco appear to perform better than those in the Central Valley or the Inland Empire, even when local students experience



continued on page 24

similar relative wage gains in their communities. Community colleges in rural areas often serve students who stay and work locally after graduation. Comparing their graduates' earnings to the statewide median, inflated by high-wage metropolitan areas like the Bay Area, creates an unfair penalty for institutions serving lower-income communities. SSTAR found that using regional or commuting-zone-level benchmarks would provide a more accurate and equitable assessment of whether programs deliver value in their specific labor markets. Yet Golden Returns relies on statewide data, disadvantaging colleges in economically depressed regions through no fault of their own.

Institutional averages hide which programs are actually struggling. The Golden Returns aggregated outcomes were calculated across all programs, including short certificates, transfer-focused AA degrees, and career-

technical programs. Yet students who transfer to four-year institutions, often those with the strongest long-term earnings outcomes, are invisible in this data if they don't complete a degree before transferring. A college might have excellent transfer outcomes but struggling certificate programs, or vice versa. The aggregate metric obscures which specific programs are at risk, making it difficult for colleges to target improvements where they're most needed.

Which Programs are Most Vulnerable?

Data simulations conducted by American University suggest that specific fields face disproportionate risk under earnings-based accountability: precisely those programs that serve essential public needs but don't generate high initial wages. Early Childhood Education (ECE) is one concerning example. Associate degrees in

ECE train preschool teachers and childcare center directors. The median national pay for preschool teachers is approximately \$37,120, with entry-level wages in many California regions closer to \$28,000 to \$32,000. In high-wage states like California, where the statewide median income of high school graduates exceeds \$32,000, typical ECE graduates may earn less than or equal to the threshold. Research projects that approximately 52% of borrowers in ECE associate programs are enrolled in programs that would fail earnings thresholds, a catastrophic failure rate that threatens to defund the pipeline of childcare workers exactly when the economy needs them most.

Visual and performing arts programs, as well as human services and social work programs, face potential failure rates of 30-60%. These are not "low-quality" programs. They are essential to functioning, equitable communities. Yet they are

vulnerable to elimination not because they lack rigor or societal value, but because they don't produce high enough salaries to meet a narrow economic threshold.

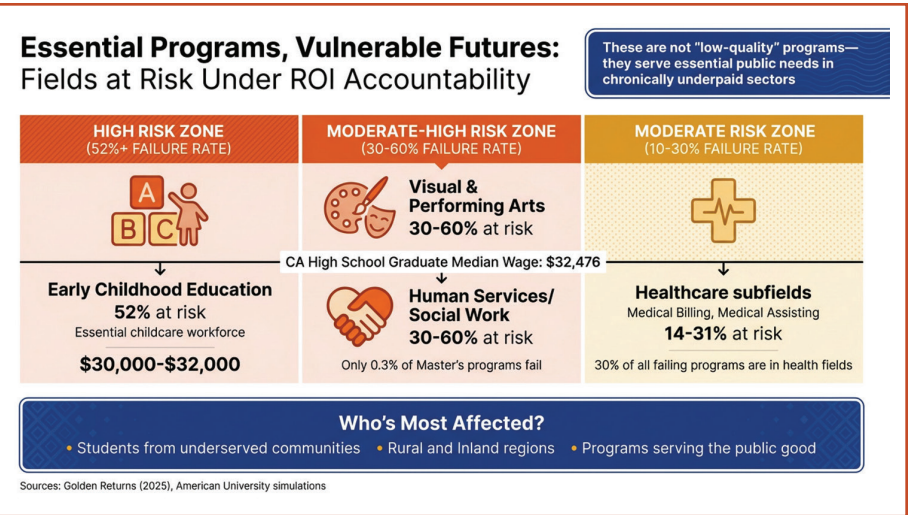
The Human Cost: What's at Stake for Faculty and Students

For faculty, these metrics are not abstract policy debates; they're tangible threats to job security, academic freedom, and the comprehensive mission of community colleges.

The expansion of earnings-based accountability from certificate programs to degree programs significantly raises the stakes. If a program loses federal financial aid eligibility, it may effectively disappear. Even without federal consequences, programs that perform poorly on metrics such as the Golden Returns PEP face institutional pressure to close or be dramatically restructured. And with these closures go the faculty positions, both full-time and contingent, associated with that program. This establishes a direct causal relationship between a program's earnings outcomes and a faculty member's employment status. Part-time faculty, who already lack the due process protections of tenure and comprise the majority of instructional staff at many colleges, are especially vulnerable.

In California's community colleges, local academic senates and unions have a voice in local policy on program viability and discontinuance through shared governance. This faculty voice will be essential in protecting and supporting vulnerable programs, ensuring that decisions are made holistically and with full consideration of community need, pedagogical merit, and the diverse ways programs create value, not just short-term earnings metrics from either federal accountability or state-level analyses like Golden Returns.

But the threat extends beyond job losses. High-stakes accountability systems that reduce institutional value to a single earnings metric erode the professional autonomy and intellectual freedom that are essential to effective teaching and learning. Faculty members report feeling pressured to narrow curricula,

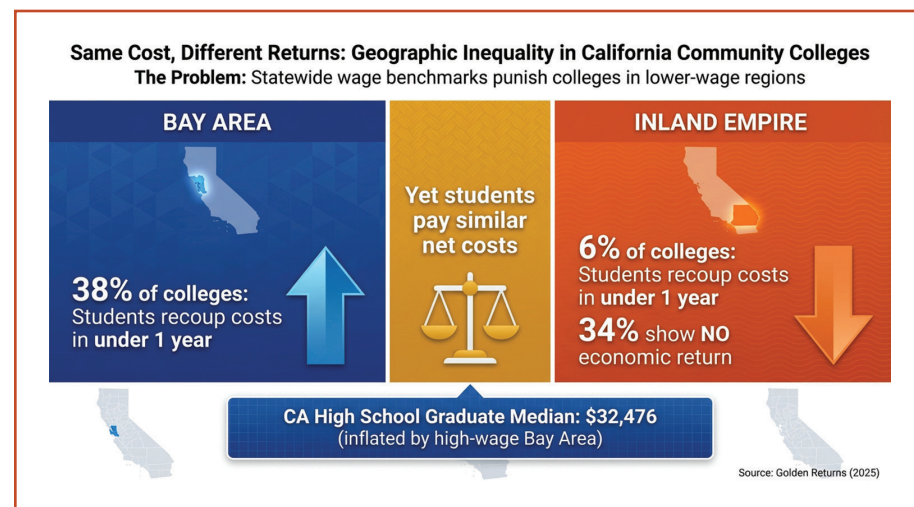
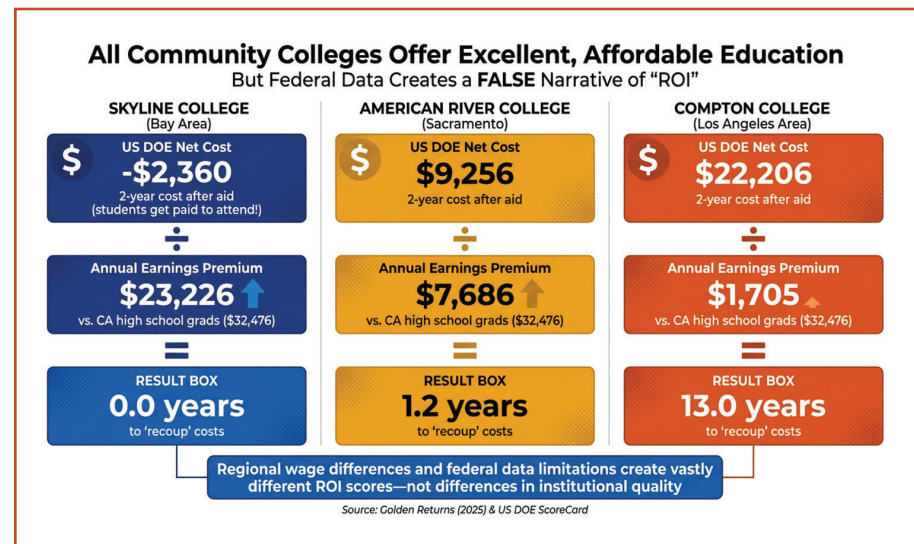


deprioritize critical thinking and civic education, and focus exclusively on short-term job placement at the expense of long-term student development. Perhaps most troubling is the bias in the metrics against fields that serve the public good but don't pay high wages. Early childhood education, social services, the arts, humanities, and public health are essential to a functioning, equitable society. Yet programs in these areas are vulnerable to cuts not because they lack rigor or societal value, but because they don't produce high enough salaries to meet the earnings premium threshold. The pressure to eliminate these programs pushes colleges toward "narrow vocationalism," abandoning their comprehensive mission, including the role in developing engaged, thoughtful citizens who can navigate the increasingly complex and divided democracy, in favor of workforce training alone.

Students from underserved communities bear the brunt of this shift. Low-income students, students of color, first-generation students, single parents, veterans, and justice-involved individuals rely on community colleges precisely because they offer affordable, accessible pathways to economic mobility and civic participation. When programs are cut solely on the basis of students' earnings, doors close for the students who need them most.

The accountability system being constructed, whether through federal regulation or state-level analysis, fails to capture what community colleges actually do and threatens to dismantle the very programs that serve California's most vulnerable students. But faculty have the power to change this trajectory.

continued on page 26



What Faculty Must Do Now

Changing the narrative around earnings-based accountability requires more than critique; it demands action. Faculty across California's community colleges must lead a proactive, strategic response that demonstrates their indispensable role in student success and institutional vitality. With federal rulemaking ongoing, the time to act is now.

Faculty can lead the way forward through the following actions:

Immediate Action: Engaging in federal rulemaking.

The Department of Education will continue to develop proposed regulations and subsequently solicit public comment on proposed rulemaking implementing the Earnings Premium Test following the publication of a Notice of Proposed Rulemaking. Faculty expertise is essential to this process. Faculty must submit comments that:

- Document the limitations of current earnings data and the populations it excludes.
- Provide evidence of programs' comprehensive value beyond short-term wages.
- Advocate for regional earnings benchmarks at the metropolitan or county level.
- Insist on adequate phase-in periods and appeals processes for programs at risk.
- Faculty voices in this process can shape how the final regulations are implemented and potentially protect the programs and students that a narrow, punitive approach would most harm.
- Strengthening data infrastructure through shared governance. The coming requirement for program-level data collection represents both a significant burden and a critical opportunity. Faculty should work through local academic senates to ensure new data systems.
- Capture the full student population, including part-time, returning adult, undocumented students completing the Dream Act Application, and skill-building students—not just full-time, first-time, FAFSA-completing students.
- Track regional labor market alignment and transfer outcomes separately rather than aggregating them into misleading institutional averages.
- Document non-wage outcomes such as civic engagement, career advancement, and community benefit.

- Provide actionable intelligence to improve programs, not just compliance reporting.
- This work will require substantial institutional research capacity, and faculty should advocate for adequate staffing and resources to ensure it is done well. Done right, California's colleges can develop data systems that tell a more complete and accurate story of student success than federal metrics ever could.

Faculty should:

- Lead program review and redesign efforts, using data to identify strengths and areas for improvement.
- Champion asset-based pedagogies that honor students' diverse cultural, linguistic, and experiential backgrounds as strengths rather than deficits, approaches that research shows improve retention, completion, and long-term success.
- Actively engage in decisions about program viability and discontinuance, ensuring that these decisions are informed by pedagogical merit, community need, and comprehensive definitions of value, rather than solely by a single, flawed earnings metric.
- Demand that program discontinuance policies require multiple metrics, including employment rates, student satisfaction, community need assessments, and transfer success—not just earnings data.
- Insist on multi-year data windows to account for volatility in earnings benchmarks.
- Advocate for appeals processes that allow programs to demonstrate value through alternative evidence.

Colleges can choose to continue offering valuable programs even if the federal government determines them to have poor earnings outcomes. The consequence is the loss of federal financial aid for that specific program, which is significant but not necessarily fatal if the institution commits resources and develops alternative funding strategies. California must commit to supporting its comprehensive mission and breadth of programs, and cannot allow federal metrics alone to dictate what we offer. Students need public higher education that develops the whole person, cultivating critical thinkers, engaged community members, and skilled professionals who are ready to contribute to a diverse and democratic society.

Advocating for Better Policy

Beyond campus, policymakers, accreditors, and state leaders need to fundamentally rethink how they measure the value of community college education. This accountability system can be fair, evidence-based, and designed to support improvement rather than punish institutions serving vulnerable students, but only if faculty and advocates demand it.

The DOE should regionalize the high school graduate wage benchmark used in earnings calculations beyond the state level. A statewide median wage does not accurately reflect local economic conditions. While the proposed regulations do use state-level benchmarks rather than a single national standard, this does not go far enough. Using county- or metro-level data, as recommended by the SSTAR research, would provide a more accurate and fair assessment of whether a program delivers value in its community, particularly in regions with a lower cost of living and different industry compositions. This same principle applies to state-level accountability discussions: California policymakers should demand regional wage adjustments in any earnings-based metric, whether federal or state-developed.

State policymakers should invest in community colleges' comprehensive mission, recognizing that their value extends far beyond immediate job placement. California needs data systems that tell the whole story of what these colleges accomplish, tracking not just first jobs but career trajectories, not just degree completion but skill development, and not just individual earnings but community prosperity. The state should also be prepared to support programs that serve essential public needs, even if they face federal penalties, ensuring that California's commitment to comprehensive education doesn't waver in the face of narrow federal accountability rules. California's leadership also should critically examine state-level reports like Golden Returns, recognizing their limitations and ensuring that policy discussions incorporate multiple measures of institutional value rather than relying on a single earnings metric.

Faculty senates, unions, and professional organizations should advocate for accountability systems that are fair, evidence-based, and designed to support improvement rather than to punish institutions that serve the most vulnerable students.

State policymakers should invest in community colleges' comprehensive mission, recognizing that their value extends far beyond immediate job placement.

Conclusion

California's community colleges educate nearly half of all undergraduates in the state. They serve the students who face the greatest barriers to opportunity. They provide pathways to economic mobility, civic participation, personal growth, and social justice. They are the backbone of California's workforce, the gateway to socioeconomic mobility, and the embodiment of the democratic promise that education should be accessible to all.

Community colleges cannot allow their value to be defined by a single, narrow metric that overlooks the full scope of what they do and who they serve. The strategies that improve student outcomes are fundamentally faculty-driven: curriculum innovation, student support, career integration, inclusive pedagogy, and relational teaching. Investing in faculty, compensating them fairly for expanded roles, supporting their professional development, and honoring their expertise through shared governance are the most direct and effective strategies for improving institutional outcomes and ensuring the long-term health of the colleges and communities they serve.

The federal rulemaking process is underway. Discussions about program discontinuance are happening on campuses across California. Faculty must engage through shared governance to ensure that essential programs serving the public good are not eliminated based on flawed data that excludes most community college students and ignores regional economic realities.

The preschool, human services, humanities, and arts programs that have served California's communities for decades are worth fighting for. Faculty have the expertise, the authority through shared governance, and the moral obligation to lead that fight. California's students and the state deserve nothing less. ■