

American Musicological Society

Issues with the DOE's STATS and earnings accountability framework

1) Fails to capture full income picture for gig workers/small-business owners

Issue: The proposed rule calculates earnings according to four years of reported income on tax filing post-graduation. This means that sole proprietors, small-business owners, and other "gig" workers' earnings will be captured *after* legitimate business expense deductions.

Impact: Many music graduates pursue self-employment from gigs, teaching, and other contracts post-graduation. This means that, unlike some other fields, the fate of music programs would be uniquely adversely impacted by their graduates' tax filing strategies.

Possible Solution(s): We propose that earnings premiums calculations be based on "gross" income from [Schedule C filings \(Form 1040\)](#), not "net" income as reported on [Schedule SE \(also Form 1040\)](#).

2) Changes to 1099 reporting thresholds may lead to lower reported incomes

Issue: Starting in 2026, employers who contract with a music "gig" worker for under \$2,000 per year will not be required to file a [1099-NEC](#). Previously, this "reporting threshold" was \$600. Income underreporting already contributes to a tax gap estimated at \$80 billion. The 1099 rule changes will lead even more gig workers to underreport their real earnings.

Impact: The proposed rule imposes serious penalties on educational programs based on their graduates' reported income, while at the same time raising the 1099 reporting threshold in ways that are likely to exacerbate widespread income underreporting.

Possible Solution(s): We propose halting enforcement of sanctions on educational programs for which a high percentage of graduates engage in contract, freelance, and other "gig" work after graduation until the effects of the new 1099 reporting threshold can be better understood.

3) CIP code classification of arts and music programs is too broad

Issue: The proposed rule relies on two- and four-digit [Classification of Instructional Programs \(CIP\) codes](#) to define educational programs for the purpose of evaluating their graduates' incomes. Unfortunately, CIP codes are often too broad. For example, the CIP code for music (50.09) collapses programs in performance, composition, music studies, and music technology into one category, even though the career income potential of their graduates is very different.

Impact: Grouping programs with very different earnings outcomes under a single two- or four-digit CIP code will create unintended harms. A small educational program whose graduates easily meet the income benchmarks may be disqualified from receiving federal student loans because it is grouped with a much larger program whose graduates regularly miss the income benchmarks.

Possible Solution(s): We propose evaluating music programs according to more specific six-digit CIP codes. We also propose using other kinds of data such as [CIP SOC Crosswalk](#) to more accurately define areas of study.

4) Framework Does Not Adequately Measure the Performance of Small Programs

Issue: The proposed rule acknowledges that programs with less than thirty graduates per year are difficult to evaluate because their numbers are not statistically significant. Graduate programs in the music and arts typically have small cohorts.

Impact: Many music programs are impossible to evaluate under the proposed methodology because they are too small. Thus, the DOE has suggested grouping them together with much larger programs whose graduates may have very different career outcomes and average incomes. This risks creating the unintended harms explained in item 3 above.

Possible Solution(s): The DOE should recognize the reality of inadequate data and either a) refrain from imposing sanctions on small programs or b) accept qualitative outcomes data when evaluating small programs.

5) Specialized schools and careers in the arts and humanities face the most severe penalties

Issue: The proposed rule states that eligibility for Title IV funding, including Pell Grants, will be revoked if over 50% of students enrolled in a program fail to meet the income benchmarks. This disproportionately affects highly specialized educational institutions such as music conservatories, seminaries, and cosmetology schools.

Impact: If the rule went into effect as currently written, world-renowned conservatories such as the Cleveland Institute of Music, Manhattan School of Music, New England Conservatory, and The Julliard School would *all* lose eligibility for both federal direct student loans and Pell Grants.

Possible Solution(s): We propose that highly specialized schools, such as music conservatories, be either wholly exempt from the automatic loss of Title IV eligibility or that their failure percentage threshold be raised to 75% to accommodate the unique challenges that they face.

6) Four years of data is not enough to determine earnings potential

Issue: The proposed rule uses earnings data taken from a cohort's first four years after graduation. Music professionals often take more than four years post-graduation to achieve their true earnings potential. Directly following graduation, music professionals are often auditioning, pursuing further study, or working to further build their credentials.

Impact: Music programs could be unfairly penalized because of the unique challenges of building a career in the creative arts.

Possible Solution(s): We propose that the period of examination is lengthened to at least six years, especially for fields in music and the arts, where slow early-career development is the norm.

7) Professional achievement is not reducible to income; many careers have intrinsic social and cultural value

Issue: The proposed rule equates student success with income. However, other government programs—such as the [Public Service Student Loan Forgiveness Program](#) (PSLF)—recognize that some career tracks have intrinsic social and cultural value, even if salaries are typically low. Music students frequently work in public service and the nonprofit cultural sector, and the DOE's rulemaking should recognize that career success is not reducible to income.

Impact: According to the Department's preliminary data, over eighty music programs risk losing eligibility for federal student loans. Some of these programs—such as The Julliard School—are internationally renowned and produce some of the most successful professionals in the field.

Possible Solution(s): We propose allowing programs the ability to submit qualitative data that accounts for their graduates' success before they lose Title IV access, and that the DOE create carveouts to recognize that some careers, such as music and the clergy, contribute to society in ways that are not captured by average income.