

Committee on Measures of
Student Success

Draft Report

November 15, 2011

FOR DISCUSSION ONLY

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Summary

Each year institutions report graduation rates for cohorts of students enrolled at their institution based on methods outlined in federal laws and regulations. However, the current federal graduation rate measure is incomplete and does not adequately convey the wide range of student outcomes at two-year institutions. For example, the student cohort used in calculating federal graduation rates excludes a large number of students who typically enroll at two-year institutions. In addition, the period of time for tracking student outcomes is not long enough to capture the success of many students who may take longer to graduate than their peers at four-year institutions. Moreover, federal graduation rates do not take into account students' college readiness and enrollment in remedial coursework, which may delay their progress toward a degree. Finally, data are not collected on other important outcomes that students at two-year institutions achieve. Although federal graduation rates provide important and comparable data across institutional sectors, limitations in the data understate the success of students enrolled at two-year institutions and can be misleading to the public.

The U.S. Department of Education's Committee on Measures of Student Success was authorized by the Higher Education Opportunity Act of 2008 (HEOA) to advise the Secretary of Education in assisting two-year degree-granting institutions of higher education in meeting graduation rate disclosure requirements in the Act. The Committee can also recommend additional or alternative measures of student success that take into account the mission and role of two-year degree-granting institutions.

After over a year of deliberations, the Committee recommends actions that the Department and the higher education community can implement both in the short and long term. We believe that such changes are necessary to ensure that institutions have access to and are able to report data that more accurately describe student success at two-year institutions. Specifically, the Committee recommends that the Department take actions to improve the comprehensiveness of the graduation rate data by adding other cohorts of students for which data are collected, broaden federal graduation measures by collecting data that could be used to calculate more complete student graduation and transfer rates, and take actions to increase the availability of data on students' transitions in postsecondary education nationally. The Committee also recommends that the Department take steps to improve access to and availability of alternative measures of success, such as making available data on student employment outcomes as gathered in federal gainful employment regulations and providing incentives to improve the availability of state-level earnings data to two-year institutions. Finally, the Committee recommends that the Department encourage institutions to make public data on assessments of student learning.

Introduction

Increasing the number of college graduates in the United States is critical to our nation's economic growth and global competitiveness. Two-year institutions must play a pivotal role in increasing the proportion of American adults with a postsecondary credential. Over the past decade alone, student enrollment at two-year institutions has increased by 26 percent from 5.9 million to 7.5 million undergraduate students.¹ Recognizing the importance of the two-year sector in meeting national goals to increase degree attainment among adults in the United States, President Obama called for five million more community college graduates by the year 2020.² To achieve these ambitious goals, students and families, policymakers, and researchers need more—and better—information about student progression and completion at two-year degree-granting institutions, including community colleges and for-profit colleges.

For over two decades, policymakers and consumers have relied on institutional graduation rates reported annually by colleges and universities to the federal government. These rates are calculated based on methods outlined in federal laws and regulations. Under the Student Right to Know and Campus Security Act of 1990 (SRK) institutions must disclose, or make available, to current and prospective students the rate at which full-time, first-time degree- or certificate-seeking students complete their academic programs. To help institutions comply with this disclosure requirement, the National Center for Education Statistics (NCES) at the U.S. Department of Education created the Graduation Rate Survey (GRS) within the Integrated Postsecondary Education Data System (IPEDS). In IPEDS, institutions report on cohorts of full-time, first-time degree- or certificate-seeking students and the numbers of students in the cohort who complete within 100, 150, and 200 percent of the normal time required.³ In addition, institutions whose mission includes substantial preparation of students for transfer report the number of students from the cohort who transfer to other institutions; institutions that do not include such a mission may voluntarily report transfer-out data.

¹ U.S. Department of Education, National Center for Education Statistics, *Condition of Education 2011*, Table A-8-2. Retrieved from <http://nces.ed.gov/programs/coe/tables/table-hep-2.asp>.

² Remarks by President Obama at the White House Summit on Community Colleges held October 5, 2010. Retrieved from http://www.whitehouse.gov/sites/default/files/uploads/community_college_summit_report.pdf.

³ The IPEDS GRS component collects data on students who complete within 100 and 150 percent of the normal time required. The IPEDS Graduation Rates 200 (GR 200) component collects data on students who complete within 200 percent of the normal time required.

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Using the current measure, approximately 57 percent of full-time, first-time students at four-year institutions completed a bachelor's degree within six years of beginning their studies.⁴ The graduation rates at two-year institutions are much lower, about 37 percent of full-time, first-time students received a degree or certificate within four years of beginning their studies.⁵ These figures are often cited by policymakers to assess the performance of two-year institutions and to determine funding levels for these institutions or to allocate resources within state or local budgets. However, the current federal graduation rate measure is incomplete and does not adequately convey the wide range of student outcomes at two-year institutions.

- **The student cohort used in calculating federal graduation rates excludes a large number of students who typically enroll at two-year institutions.** Limiting the graduation rate cohort to students who begin on a full-time basis excludes the large number of beginning students at two-year institutions who attend on a part-time basis. For example, at public two-year institutions almost 30 percent of students who enrolled for the first time in 2003-04 attended college mostly part-time over the next six years.⁶
- **The period of time for tracking student outcomes fails to account for many students who may take longer to complete their programs.** According to federal graduation rate calculations, a time period of four years is used to determine if a student has successfully completed a two-year associate's degree. This time period is not an accurate reflection of the length of time it typically takes students at two-year institutions to complete their academic programs, particularly for students balancing work, family, and other commitments.
- **There is no information on the academic preparedness of students in the graduation rate cohort.** Many two-year institutions have open admission policies allowing students of varying levels of academic preparation to enroll. As a result, many students are not fully prepared for college level coursework and subsequently need to enroll in developmental or remedial courses in reading, math, and/or writing. Graduation rates for students who need remedial education are much lower than students who do not.⁷ Providing information on the proportion of students in the graduation rate cohort who are not college ready and require remedial coursework would provide important contextual information about federal graduation rates.

⁴ Knapp, L. G., Kelly-Reid, J. E., and Ginder, S.A. (2010). *Enrollment in Postsecondary Institutions, Fall 2008; Graduation Rates, 2002 & 2005 Cohorts; and Financial Statistics, Fiscal Year 2008* (NCES 2010-152). Washington, DC: U.S. Department of Education, National Center for Education Statistics. Retrieved from <http://nces.ed.gov/pubs2010/2010152rev.pdf>.

⁵ Knapp, Kelly-Reid, and Ginder (2010).

⁶ U.S. Department of Education, National Center for Education Statistics, *Beginning Postsecondary Students (BPS:2009)*.

⁷ Bailey, T. (2009). Challenge and Opportunity: Rethinking the Role and Function of Developmental Education in Community College. *New Directions for Community Colleges*, vol. 145, pp. 11-30.

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- **There is no information on students who have not graduated but may still be on the path to a degree.** Students in the graduation rate cohort who may still be enrolled at the institution or who may have transferred to another two-year institution at the conclusion of the tracking period are counted as non-completers even though they may still be working towards completing a degree or certificate program.
- **Data are not collected on other important outcomes that students at two-year institutions achieve.** For many students who enroll in two-year institutions, success may mean many things. Because two-year institutions have multiple missions—providing access to college for all students and a pathway to a four-year degree, while also meeting the workforce needs of employers and providing training to those already employed or looking for employment—multiple measures are required to capture the successes of students in this sector.

To address limitations in federal graduation rate measures, state policymakers and institutions have launched voluntary efforts to collect and disclose more student success data across two-year institutions. The American Association of Community College’s Voluntary Framework of Accountability (VFA) is a collaborative effort among community colleges to design alternative success measures for two-year institutions for use by policymakers and other organizations. By 2012, the effort aims to have institutions measure outcomes related to (1) student progress and persistence; (2) workforce, economic, and community development; and (3) student learning. Some of the proposed measures include assessing student progress in reaching a defined threshold of earned credits, the percentage of graduates who passed licensure examinations, or the wage growth of graduates.⁸

In addition, the Complete College America initiative has developed completion, efficiency, and effectiveness indicators to be used by states to measure student success at all postsecondary institutions. Some of the proposed measures include reporting the progress of students in completing remedial coursework and subsequently completing a college level course in the same subject and the average length of time it takes students to complete a degree.⁹ Similarly, the National Governors Association’s Complete to Compete initiative has made recommendations on common college completion metrics that states should collect and report publicly.¹⁰ Finally, accrediting agencies have also taken steps to increase focus on student outcomes, especially learning outcomes, for institutional accountability.

⁸ Information about the VFA is available at <http://aacc.nche.edu/Resources/aaccprograms/vfa/Pages/default.aspx>.

⁹ Information about Complete College America is available at <http://www.completecollege.org>.

¹⁰ Information about Complete to Compete is available at <http://www.subnet.nga.org/ci/1011>.

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Although federal graduation rates provide important and comparable data across institutional sectors, limitations in the data can be misleading to the general public and deleterious to the two-year sector, where the majority of students enrolled are not full-time, first-time students. Institutions' voluntary initiatives notwithstanding, federal measures of student success need to be improved to more accurately reflect the populations that two-year institutions serve.

The U.S. Department of Education's Committee on Measures of Student Success was authorized by the Higher Education Opportunity Act of 2008 (HEOA) to advise the Secretary of Education in assisting two-year degree-granting institutions of higher education in meeting new federal requirements to disclose graduation and completion rates and to explore whether there are alternative measures for capturing student success at two-year institutions. Specifically the Committee was charged to:

- Develop recommendations for the Secretary of Education regarding the accurate calculation and reporting of completion or graduation rates of entering certificate- or degree-seeking, full-time, undergraduate students by two-year degree-granting institutions of higher education
- Consider and recommend additional or alternative measures of student success that are comparable alternatives to the completion or graduation rates of entering degree-seeking full-time undergraduate students, taking into account the mission and role of two-year degree-granting higher education institutions

Guiding Principles for Making Recommendations

The Committee recognizes that reframing the conversation about measuring student progress and success at two-year institutions presents challenges. Any recommendation would reflect a balance between competing priorities and needs. As a result, the Committee developed guiding principles in considering possible solutions.

Two-year institutions serve a diverse set of students—students seeking to learn new skills and not pursue a degree, students working toward an occupationally focused certificate, students who plan to earn an associate’s degree, and students who plan to earn credits and transfer to a four-year institution. Community colleges also enroll large numbers of students taking non-credit coursework that lead to specific workforce or industry credentials or are offered as contract training for specific employers. Varying student characteristics and motivations for attending two-year institutions require federal measures of student success that take into account the multiple outcomes characteristic to this sector of higher education. Since two-year institutions have many missions, the Committee acknowledges the need for multiple outcomes to measure an institution’s success. In addition to more refined measures of progression and completion, the Committee considered outcomes related to student learning and students’ employment after leaving the institution.

Building and improving upon graduation rate data already reported by institutions, as well as developing new and alternative methods to measuring student success, requires striking a balance between the information needs of students and families, policymakers, and researchers. A student trying to decide which institution to attend needs and evaluates information in a

Guiding Principles

- **Multiple missions:** Two-year institutions have multiple, broad missions that serve diverse student populations.
- **Multiple outcomes:** Given two-year institutions’ broad missions, multiple outcome measures should be used to document student success.
- **Transparency:** Students, families, policymakers, and researchers need more and better information about postsecondary student success.
- **Comparability:** Although the strength of America’s higher education institutions is its diversity, certain data about student success should be disclosed or reported in a way that allows consumers to compare institutions, sectors, and student groups.
- **Costs and benefits:** Increased transparency and consumer information should be weighed against the costs institutions would incur to disclose or report the data.
- **Federal role:** Recommendations should include actions that take advantage of the unique role that the federal government can play.
- **Feasibility:** Recommendations should include actions that can be implemented readily with the Department’s current statutory or regulatory authority.
- **Inclusion:** Student success measures should include more information about populations that have traditionally been underrepresented.
- **Forward thinking:** Recommendations should also include actions that may be challenging to implement but that would be important to inform the national conversations about student learning and success in both the short-term and the long-term.

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different manner than a policymaker who is making funding or policy decisions. Although each group's needs may differ, there are areas where they converge. For example, some measures, such as graduation or transfer rates, are important for students to know their likelihood of graduation or transfer at an institution, just as they are important to policymakers for assessing whether colleges adequately prepare students to complete their programs. For all audiences, having comparable data about student success is important, and there are many ways to compare measures: at a national or regional level, at an institutional or program level, or based on student characteristics.

Measures of student success need to more accurately reflect the comprehensive mission of two-year institutions and the diversity of students that these institutions serve. For example, current graduation rates do not adequately reflect these institutions' multiple missions and diverse populations; thus, new data could be collected and disseminated to address these deficiencies. The Committee also recognizes the importance of building on current voluntary efforts to collect or disclose data from two-year colleges on alternative measures of student success such as student learning or employment outcomes. Because many of these initiatives are collecting data using different metrics and for different student groups, there is a role for the federal government in improving the transparency, quality, and comparability of the data.

Although additional or alternative measures may be important to capture more comprehensive data about student success at two-year institutions, the need for more information must be balanced by an understanding of the potential administrative and financial burdens collecting such data may place on institutions. Alternative measures of success should be beneficial to colleges by enabling them to better convey the outcomes experienced by their students.

Finally, the Committee challenges the Department to implement change where it can under its current statutory and regulatory authority, but also to influence actions and efforts underway, and provide direction on future work that will further inform the conversation around student success.

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Moving Towards a More Complete Picture of Student Success

Recognizing the value in graduation rates currently being reported by institutions to the federal government and that these are the primary source of such data for all institutions in American higher education, the Committee recommends that the Department take actions to improve the comprehensiveness of the graduation rate data collected through IPEDS. Specifically, the Committee recommends that the Department:

- Enhance graduation rate reporting in IPEDS to include information about part-time beginning students, students who are not college ready, and federal financial aid recipients. For each of these student groups, the Department should also explore how these data can be disaggregated by race/ethnicity and gender.
- Broaden student progression and completion measures collected in IPEDS by collecting data that could be used to calculate a more complete graduation and transfer rate.
- Take actions to increase the availability of data on students' postsecondary enrollment across states and work with states to develop common standards for measuring student transfers.
- Provide increased technical assistance to institutions, including clarifying definitions of terms such as "degree-seeking" and "substantial preparation for transfer" to help them meet disclosure and reporting requirements.

Building on efforts to provide more information on what students are learning while in college and students' employment success after college, the Committee recommends that the Department take steps to improve access to and availability of alternative measures of success. Specifically, the Committee recommends that the Department:

- Make available data on student employment outcomes as gathered in federal gainful employment regulations.
- Provide incentives to states and institutions to improve the availability of state-level earnings data to two-year institutions.
- Provide incentives to institutions to encourage the development of assessments of student learning and take actions to encourage sharing of promising practices for measuring student learning.

Some of these recommendations the Department can implement now under its current statutory and regulatory authority to improve student success data for two-year institutions. However, the Committee also recognizes that some recommendations would require statutory or regulatory changes or greater investment in cross-state and cross-agency efforts. We believe that such

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changes are necessary to ensure that institutions have access to and are able to report data that more accurately describe student success at two-year institutions in the long-term. In addition, while the recommendations were crafted to address concerns about the way student success is measured at two-year institutions, the Committee hopes that the recommendations will be considered and implemented by four-year institutions as well.

We believe that our recommendations represent improvements to federal measures of student success that are long overdue. Were the Department to implement these recommendations, we can achieve critical gains in improving data about student success for students and families, institutions, researchers, and policymakers.

Findings and Recommendations

Broaden the Coverage of Student Graduation Data to Reflect the Diverse Student Populations at Two-Year Institutions

Findings

Institutions currently disclose and report through the Graduation Rate Survey (GRS) in IPEDS a graduation rate defined by the Student Right to Know and Campus Security Act of 1990 (SRK). This graduation rate applies only to full-time, first-time degree- or certificate-seeking students who enrolled in the fall and measures student completion of a degree or program over several time periods. The graduation rate measure as currently implemented in IPEDS was developed almost 20 years ago and represented a consensus among institutions, higher education associations, and U.S. Department of Education officials about the importance of having comparable graduation rates across all sectors. As a result, institutions report the data in the same manner, providing a consistent, reliable, and valid measure. These graduation rates were also developed to be simple enough for consumers to understand.

The limitations of the current graduation rate defined by SRK are well-documented.¹¹ The graduation rate measures outcomes only of full-time, first-time degree- or certificate-seeking students, which represent a minority of students enrolled at most two-year institutions. At two-year institutions part-time students typically comprise more than half of all students.¹² Moreover, basing the cohort on students who begin in the fall excludes any beginning student who might enroll at some other point in the year—a particular problem at institutions that enroll students on a continuous basis.

In addition, most two-year institutions have open admission policies allowing students of varying levels of academic preparation to enroll in college. As a result, many students are not fully prepared for college level coursework, and they need developmental or remedial courses in math, reading, and/or writing. In 2007–08, about 42 percent of first-year undergraduates at public two-year colleges reported ever taking a remedial course at some point.¹³ Due to variations in state

¹¹ Cook, B., and Pullaro, N. (2010). *College Graduation Rates: Behind the Numbers*. Washington, DC: American Council on Education.

¹² U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS), Spring 2010, Enrollment component.

¹³ Aud, S., Hussar, W., Kena, G., Bianco, K., Frohlich, L., Kemp, J., and Tahan, K. (2011). *The Condition of Education 2011* (NCES 2011-033). Washington, DC: U.S. Department of Education, National Center for Education Statistics.

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policies on identifying college ready students and requirements for enrolling students in remedial education, the actual percentage of students needing remediation may be higher at two-year institutions. Students who do enroll in remedial education are often enrolled in a sequence of remedial courses that results in the student needing to pass one, two, or even three courses before taking a college level course. Graduation rates for students enrolled in remedial coursework are much lower than graduation rates for students who are not. Research analyzing data from the National Education Longitudinal Study found that less than 25 percent of community college students who took a remedial course completed a degree or certificate within eight years of enrolling.¹⁴ In comparison, about 40 percent of community college students who did not take remedial coursework graduated within eight years. Current graduation rates collected in IPEDS do not have information on the number of students who are not college ready, providing little context on the preparedness of students and how that impacts graduation rates.

Another important cohort of students for which graduation rates are not reported separately to IPEDS is students who received federal student financial aid under Title IV of the HEA. In 2009–10, the federal government awarded about \$29 billion in Pell grants and \$101 billion in loans to students enrolled in postsecondary education.¹⁵ Federal grants and loans are a key policy tool for increasing access to college for students from low income households. Under HEOA, institutions must make available graduation rates for students who received a Pell grant, received a federal loan but no Pell grant, and those who did not receive either a Pell grant or federal loan; however, institutions are not required to report these data to IPEDS. As a result there is not a comprehensive, national source of graduation rates for federal financial aid recipients at an institutional level. Having graduation data for this cohort of students is necessary to answer policy questions about how federal financial aid recipients are progressing through college. However, reporting data for these students may be challenging for some institutions. Further, the Department itself may be a more logical source of such information through internal data systems used to administer federal student financial aid programs; such data systems have thus far been untapped for these important purposes.

Over the last two years NCES has undertaken efforts to improve collection and reporting of graduation rate data. For example, in 2010, a working group of the National Postsecondary Education Cooperative (NPEC) issued several recommendations designed to reduce the confusion surrounding reporting graduation rate data.¹⁶ Specifically, the group recommended

¹⁴ Bailey, T. (2009). Challenge and Opportunity: Rethinking the Role and Function of Developmental Education in Community College. *New Directions for Community Colleges*, vol. 145, pp. 11-30.

¹⁵ U.S. Department of Education, Federal Student Aid. (2010). *Federal Student Aid: Annual Report*. Retrieved from <http://www2.ed.gov/about/reports/annual/2010report/fsa-report.pdf>.

¹⁶ The National Postsecondary Education Cooperative was established by NCES to promote the quality, comparability, and utility of postsecondary data and information that support policy development at the federal, state, and institution levels. The report on suggested improvements to graduation rates is available at <http://nces.ed.gov/pubs2010/2010832.pdf>.

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that NCES clarify instructions and definitions associated with the IPEDS GRS component, and use IPEDS training to share best practices for creating cohorts; identifying and counting students to exclude from the cohort; and identifying completers. Although these actions are positive developments, they have not addressed the limitations of the current graduation rates for two-year colleges, specifically the exclusion of important student groups. The Committee has identified ways that the Department could address these limitations within its statutory and regulatory authority by augmenting existing IPEDS surveys.

Recommendations

The Committee recommends that the Department enhance graduation rate reporting in IPEDS to include information about part-time students, students who are not college ready, and federal financial aid recipients. For each of these student groups, the Department should explore how data can be disaggregated by race/ethnicity and gender.

1. The Department should add a part-time, degree-seeking cohort in IPEDS.

Two-year institutions should report graduation rates for beginning part-time students in IPEDS—a group of students who are currently excluded from federal graduation rates. As a result, the percentage of students included in federal graduation rates would increase significantly. For all institutions, adding part-time, first-time, degree-seeking students to the graduation rate cohort would increase the percentage of degree- or certificate-seeking students included in IPEDS GRS rates from 48.5 percent to 61.5 percent. For public two-year institutions, coverage would increase from the current 34.5 percent to 55.8 percent.¹⁷

It is important to include this group of students in measures of graduation and transfer. However, institutions will need additional guidance on how best to identify part-time students who are degree-seeking, and alternative timeframes for measuring graduation or transfer need to be considered. The Department should direct NCES to convene a panel of technical experts to consider the best methods for adding a part-time cohort to IPEDS. The panel should consider the minimum number of credits that a student must take in order to be included in this cohort. The panel should also consider whether there should be a minimum threshold of part-time student enrollment at which institutions should report graduation data for this cohort of students to reduce reporting burden for institutions that have few part-time students.

To ensure that institutions are tracking comparable cohorts of part-time students who intend to complete a degree or certificate program, the panel should also develop a clear definition of degree-seeking. Since the issue of clarifying degree-seeking is also relevant to the first-

¹⁷ Calculations based on U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS), Spring 2010, Enrollment component.

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time, full-time cohort, the Committee makes a separate recommendation on that issue later in this section.

The panel of technical experts should also consider the appropriate period of time to track graduation outcomes for part-time students. For example, would the 150 percent tracking period defined by SRK be adequate, or should the 200 percent tracking period required in HEOA be more appropriate for tracking part-time students? NCES should use its sample survey data to help experts determine a time-to-degree that would capture graduates at the appropriate timeframes without imposing too large a burden on institutions for tracking several cohorts over many different timeframes.

2. The Department should have institutions identify in their graduation rate cohorts those students who were not college ready.

Students who are not prepared for college level coursework are not identified separately in the graduation rate cohorts reported in IPEDS. While it is important to know which students were not prepared for college, it is difficult to gather and compare such information because institutions do not have common ways to define and address college readiness, and assessments of readiness are still being developed and refined. Moreover, it may difficult for institutions to collect detailed information on students who need remediation and their progress over time. Despite these challenges, data on these students' progression and completion would provide insights into how institutions support students of varying levels of academic preparedness, ultimately better informing K–12 and postsecondary policy conversations at the local, state, and national levels.

The Department should determine a way for institutions to delineate in the graduation rate cohorts reported in IPEDS between students who needed remedial or developmental courses and those who did not. There currently exists some guidance in IPEDS defining remedial coursework. However, given the vast differences across institutions in how students are identified as college ready and the methods for addressing the academic needs of students who are not college ready, additional guidance is necessary to ensure that institutions are reporting comparable data on students not ready for college coursework. The Department should direct NCES to convene a panel of technical experts to address such challenges.

3. The Department should have institutions report graduation rates for students who received federal financial aid.

There are no institution-level data collected on graduation and completion among federal student financial aid recipients across all sectors. The Committee recognizes the challenges institutions may face in reporting such data and encourages the Department to explore using

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the National Student Loan Data System (NSLDS) to calculate graduation rates for federal financial aid recipients. NSLDS collects information about enrollment and completion for student loan recipients; however it does not include information about Pell grant recipients. The Department should explore whether NSLDS could be modified to collect enrollment and completion data on all Title IV aid recipients—including Pell grant recipients. This approach would minimize the amount of new data that an institution would need to report in IPEDS. If NSLDS cannot accommodate this data collection, then the Department should collect, through IPEDS, graduation rates for federal financial aid recipients. The Department should direct NCES to convene a panel of technical experts to determine how best to collect such data.

4. The Department should clarify the definition of a degree-seeking student.

The fluid pattern of student enrollment, students' own uncertainty about their educational goals, and innovations in program requirements for degree and certificates can make identifying a degree-seeking student challenging for institutions. The Department should provide additional guidance on identifying students who intend to complete a degree and therefore should be included in the graduation rate cohort. The Department should direct NCES to convene a panel of technical experts to consider the best methods for identifying a degree-seeking student that can be used by all institutions when reporting graduation rates in IPEDS. Clarifying a degree-seeking student will be especially important for correctly identifying a part-time cohort.

The panel of technical experts should consider the following in its discussions:

- What is a degree-seeking student?
- Which of the following, if any, could be used to better define degree-seeking status than what is currently used in IPEDS?
 - For example, intent could be established based on students' collective course-taking patterns over the entire history of their enrollment. Students could be considered degree-seeking if they ever, during their entire academic history at the reporting institution:
 - Received any type of federal financial aid, regardless of what courses they took at any time; or any state or locally-based financial aid whose requirement for eligibility is that the student be enrolled in a degree, certificate, or transfer-seeking program; or
 - Ever attempted, at any point in their entire academic history, any degree-applicable, transferrable, or remedial math or reading or writing course (not including ESL); or

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- Ever attempted any course that is identified as being in an advanced vocational, occupational, or apprenticeship sequence that leads directly to a degree or certificate; or
- Were identified by the local institution as being clearly enrolled in a program or sequence that leads to a degree, certificate, or transfer to a four-year institution (such as being officially enrolled in or having declared to be in a particular program or major after having received matriculation or advisement services).

The panel should consider how students' in-college behavior may be influenced by an institution's policies and practices if such course-taking patterns are used as an indicator of student goals. In addition, the panel should consider other factors in developing its guidance, since defining what constitutes a degree-seeking student for the purposes of IPEDS may have an impact on students' eligibility for Title IV federal student financial aid.

Improve the Collection of Student Progression and Completion Data

Findings

Statute requires that “a student shall be counted as a completion or graduation if, within 150 percent of the normal time for completion of or graduation from the program, the student has completed or graduated from the program, or enrolled in any program of an eligible institution for which the prior program provides substantial preparation.”¹⁸ For many two-year institutions, preparing students for transfer to a four-year institution is an equally positive outcome as awarding a degree or certificate. However, under current regulations, institutions report graduation rates and transfer-out rates separately.¹⁹ In IPEDS, graduation rates reflect the percentage of the student cohort who completed their programs during the tracking period; transfer-out rates reflect the percentage of the cohort who transferred to another institution without completing their programs.

Given the multiple missions of many two-year institutions both to confer degrees and certificates and to prepare students to transfer to four-year institutions, the current graduation and transfer-out rates reported in IPEDS do not provide a complete picture of student success at these institutions. The current method for reporting graduation rates excludes students who transfer out without having attained a certificate or degree but who were substantially prepared by the

¹⁸ 20 USC 1092(a)(3)

¹⁹ 34 CFR Part 668.45

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institution for transfer to another institution. Similarly, students who transfer to another institution after being awarded a degree or certificate are currently not counted in the transfer-out rate. In addition, students who transfer from a two-year institution to another two-year institution currently may be counted in the transfer-out rate, even though such a lateral transfer may not be considered as high level an outcome as a transfer to a four-year institution.

Furthermore, not all institutions are required to report on students who transfer out. In IPEDS, institutions whose mission includes substantial preparation of students for transfer are required to report a transfer-out rate that measures the percentage of students who transfer separate from the graduation rate. Institutions that do not have substantial preparation for transfer as part of their mission have the option to report such students. There is no clear definition of what constitutes “substantial preparation for transfer,” leaving institutions to decide for themselves whether this is part of their mission.

Transfer-out reporting has been significantly underreported by institutions in part because they have limited access to the necessary data. To be able to determine if a student has transferred, institutions need data on student enrollment at other institutions. Institutions typically use four data sources to help them report on transfers out: (1) state student unit record databases; (2) system student unit record databases; (3) the National Student Clearinghouse; and (4) institutional surveys, exit interviews, and administrative records. However, state postsecondary data systems are uneven at best, and institutional capacity to access or use these and other data sources varies greatly, thus leading to underreporting of transfer-outs.²⁰ Given this inconsistency, the Department should take actions to increase the availability of data on postsecondary student enrollment and success across states.

It is important for two-year institutions to have a broad outcome measure for graduation and transfer, as this combined measure more accurately reflects institutions’ mission to confer degrees and certificates as well as prepare students for transfer. To calculate such a measure, the Department needs to improve the way data on students who complete their programs or who transfer out are reported in IPEDS. The Department should also capture information on other progression outcomes that could be achieved by students at two-year institutions. Given two-year institutions’ broad missions and students’ varying motivations for enrolling, it is important for two-year institutions also to account for students in the graduation rate cohort who were either still enrolled or who transferred to another two-year institution at the end of the tracking period and who may still be on the path to completing their program.

²⁰ Medwick, J. A. (2009). *Transfer-out Reporting on the IPEDS Graduation Rate Survey: A First Look at Trends and Methods*. Tallahassee, FL: Association for Institutional Research and U.S. Department of Education, National Center for Education Statistics.

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Recommendations:

The Committee recommends that the Department broaden student progression and completion measures in IPEDS by collecting data that could be used to calculate a graduation rate that includes an unduplicated count of students who completed their program, transferred, or were substantially prepared for transfer; transfer-out rates that include students who transfer after earning an award; and measures that take into account other transfer outcomes. The Committee also recommends that the Department take actions to increase the availability of data on students' postsecondary enrollment and success across states.

1. The Department should have institutions report in IPEDS an unduplicated count of students in the degree- or certificate-seeking cohort who achieved the following outcomes within 100%, 150%, and 200% of the normal time to completion:
 - a. Earned an award; transferred to a four-year institution without an award; or were substantially prepared for transfer
 - b. Earned an award and did not transfer to a four-year institution
 - c. Earned an award and transferred to a four-year institution
 - d. Did not earn an award and transferred to a four-year institution
 - e. Were substantially prepared for transfer
 - f. Are still enrolled at the institution in the first term immediately following the tracking period or transferred to another two-year institution within the tracking period

The Department should calculate an institutional graduation rate that includes both those students who graduate and those students who subsequently enroll in another institution for which the prior institution provides substantial preparation, in accordance with SRK.²¹ For two-year institutions earning an award and transferring to a four-year institution are both equally desired outcomes. A combined, unduplicated “graduation and transfer rate” would present a more complete picture of successful outcomes for two-year institutions.

The Department should also calculate a transfer-out rate that includes students who transferred to a four-year institution or were substantially prepared for transfer during the tracking period, regardless of whether they earned an award. The Department should direct NCES to convene a panel of technical experts to clarify how an institution identifies students who were substantially prepared for transfer. A standard definition of “substantial

²¹ 20 USC 1092(a)(3)

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preparation” should be developed—including a unit threshold—so that data on this group of students are valid and comparable across institutions and sectors of higher education.

2. The Department should work with Congress to address the statutory prohibition against a federal student unit record system.

An ideal solution for addressing the incompleteness of data on student progression, transfer, and completion is a coordinated, public, and privacy-protected student unit record system that includes all institutions that participate in Title IV federal student financial aid programs (such as private institutions) and that covers student enrollment in all states. Such a system, which has been called for and is supported by key stakeholders in the higher education community, would provide students and families, researchers, and policymakers more accurate and comprehensive data on student progression, transfer, and success than can be accomplished through a system of institutional data collection.²² Such a system may also decrease institutional burden associated with reporting to IPEDS by reducing the amount of time institutional staff spend on tracking cohorts of students over many years.

The creation of such a system by the federal government is currently prohibited by the HEOA. However, efforts at linking state data systems are uneven, and progress is slow. The Department should work with Congress in the next reauthorization of the Higher Education Act to address this statutory prohibition.

3. The Department should provide financial incentives to states to create data systems that link student postsecondary data nationally and to develop common standards for measuring transfer.

Until the statutory prohibition against a federal unit record system is addressed, the Department should utilize current grant programs, such as the State Longitudinal Data Systems Grant Program, to provide funding to states developing data systems that would link student enrollment across sectors and states. Many states have systems in place that can link student data across institutions; however students may transfer to schools in different states. Particularly in metropolitan areas that cover multiple states, the ability to create such linkages would greatly improve institutions’ ability to determine whether a student transferred or not. The data in these systems should be readily available and accessible to institutions needing to ascertain student enrollment.

²² Cunningham, A. F., and Milam, J. (2005). *Feasibility of a Student Unit Record System Within the Integrated Postsecondary Education Data System* (NCES 2005-160). Washington, DC: U.S. Department of Education, National Center for Education Statistics.

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The Department should also work with states and institutions to develop common standards for measuring student transfer from two-year to four-year institutions to ensure comparability of transfer data across state systems.

Improve Technical Guidance Available to Institutions in Meeting Statutory Disclosure Requirements

Findings

Disclosure of graduation rates of entering degree- or certificate-seeking, full-time, undergraduate students by two-year degree-granting institutions is only one of a number of disclosures required by HEOA. Disclosure requirements, which are often different from reporting requirements, are information that institutions are required to make available to students, parents, or other groups.²³ There are about 40 disclosures that postsecondary institutions must comply with under federal law. The disclosures range from providing information on campus crime to ensuring that students have received and understand their borrowing rights. In addition, some disclosure requirements must be provided to students, while others must be made available upon request. Being able to navigate the many layers of requirements can pose challenges to institutions. The Department plays a critical role in helping institutions meet statutory disclosure requirements by providing technical assistance on how they can calculate and disseminate the required data.

The Department has already developed vehicles for providing such technical assistance. For example, the Department recently released technical guidance to two-year institutions on how to disclose graduation rates while protecting students' personally identifiable information. In addition, the Department's Privacy and Technical Assistance Center was established as a "one-stop" resource for education stakeholders to learn about data privacy, confidentiality, and security practices related to student level longitudinal data systems. The Department has also released a template that institutions can use voluntarily to meet a specific disclosure requirement. The Department's net price calculator template, released in 2009, is a template that institutions can use voluntarily to help them comply with the disclosure requirement in the HEOA that institutions have a net price calculator on their websites for full-time, first-time undergraduate students. Promoting the voluntary use of disclosure templates developed by the Department could improve the quality of the data and also decrease institutional burden associated with disclosures.

²³ A summary of disclosure requirements in the HEA (as amended by the HEOA) is available in *Information Required to Be Disclosed Under the Higher Education Act of 1965: Suggestions for Dissemination (Updated)*. (NPEC 2010-831v2). (2009). Washington, DC: National Postsecondary Education Cooperative.

Recommendations:

The Committee recommends that the Department provide increased technical assistance to institutions to help them meet statutory disclosure requirements.

1. The Department should provide additional technical guidance to institutions regarding disclosures and student privacy.

Under the HEOA, institutions must disclose completion or graduation rates disaggregated by the following:

- Gender;
- Race/ethnicity;
- Students who received a Pell grant;
- Students who received a FFEL loan (except for unsubsidized Stafford loans) but did not receive a Pell grant; and
- Students who did not receive a Pell grant or a FFEL loan.

As previously mentioned, the Department has already released technical guidance to two-year institutions on how to disclose such data while protecting student privacy.²⁴ The Department should widely distribute that guidance and develop other materials through its Privacy and Technical Assistance Center as necessary.

2. With input from technical experts and institutional representatives, the Department should continue to develop templates that institutions could voluntarily adopt to decrease institutional burden associated with meeting federal disclosure requirements.

A working group of the National Postsecondary Education Cooperative (NPEC) has already issued a report with guidance to institutions on how to comply with federal higher education disclosure requirements and how to make the required information more accessible to consumers.²⁵ As part of a full complement of technical assistance to institutions, the Department should also consider releasing additional templates that institutions could voluntarily adopt to help institutions meet disclosure requirements.

²⁴ Chen, X., Bersudskaya, V., and Cubarrubia, A. (2011). *Statistical Methods for Protecting Personally Identifiable Information in the Disclosure of Graduation Rates of First-Time, Full-time Degree- or Certificate-Seeking Undergraduate Students by 2-Year Degree-Granting Institutions of Higher Education* (NCES 2012-151). Washington, DC: U.S. Department of Education, National Center for Education Statistics. Retrieved from <http://nces.ed.gov/pubs2012/2012151.pdf>.

²⁵ National Postsecondary Education Cooperative. (2009). *Information Required to Be Disclosed Under the Higher Education Act of 1965: Suggestions for Dissemination* (NPEC 2010-831v2). Retrieved from <http://nces.ed.gov/pubs2010/2010831rev.pdf>.

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Encourage Institutions to Disclose Comparable Data on Employment Outcomes and Provide Incentives for Sharing Promising Practices on Measuring Student Learning

Findings

Given the multiple missions of two-year colleges, federal graduation rates do not provide a comprehensive picture of the many positive outcomes students at two-year colleges are achieving. While there are efforts underway that have focused on alternative means for measuring success, there is not consistency in the way data are gathered and reported by each entity. The current graduation rates and the recommendations in this report also focus almost exclusively on students who are seeking degrees or certificates, but there are large numbers of students who enroll in two-year institutions to gain specific vocational skills. For example, students enroll in credit and non-credit courses to obtain skills or earn career and technical certificates that result in increased earnings or new career opportunities. These students often enroll in a specific program and may be most interested in knowing the success of students in that program.

Gathering information on the outcomes of these students is another important piece of the conversation about the impact of two-year colleges on student success. To effectively measure the employment outcomes of students, two-year institutions would need information on students' employment and wages—data that are not readily accessible or available to institutions. At the state level, earnings data are part of state-specific unemployment insurance (UI) databases that cover employment in one state, and there are privacy concerns about sharing these data. Despite these challenges, there are models of interstate wage and earnings data systems and a federal role in facilitating the sharing of wage data across states. For example, the Department of Labor's Wage Record Interchange System facilitates the sharing of wage data across states to measure the success of participants in state and local workforce training programs.

Recently released federal regulations have also provided a framework for measuring the employment outcomes of students who complete postsecondary programs designed to prepare students for gainful employment in a recognized occupation.²⁶ Programs subject to these new gainful employment regulations are (a) certificate programs at any Title IV institution; and (b) all programs at for-profit institutions, except bachelor's degrees in liberal arts. The measures will be calculated for 55,405 programs at all types of institutions, with the vast majority of programs at public two-year institutions. About 5,600 institutions have one or more programs subject to these regulations.

²⁶ 34 CFR 600, 34 CFR 602, 34 CFR 603, 34 CFR 668, 34 CFR 682, 34 CFR 685, 34 CFR 686, 34 CFR 690, 34 CFR 691.

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The regulations released in June 2011 included two employment measures that will use Social Security earnings information in concert with student loan debt data from the Department of Education: (1) debt to earnings ratio and (2) repayment rates. The wage and debt information gathered through implementation of the gainful employment regulations would provide useful insights into the employment outcomes of program completers at two-year institutions.

While there is a foundation of data related to student employment outcomes, measures of student learning are not as well developed, and data are not as readily available. The challenges are due in part to the complexities and variations in methods for measuring student learning, and colleges are still identifying and developing assessments to measure student learning. However, there are steps that the Department can take to help institutions share promising practices in measuring and disclosing information about student learning.

Recommendations

The Committee recommends that the Department make available data on student employment outcomes gathered in federal gainful employment regulations and provide incentives to improve the availability of wage and earnings data to two-year institutions. The Committee also recommends that the Department provide incentives to institutions for developing assessments of student learning and take actions to encourage sharing of promising practices for measuring student learning.

- 1. The Department should make available to the public data disclosed by institutions resulting from the gainful employment disclosure requirements.**

To better inform students and families, policymakers, and others of the employment outcomes associated with programs intended to prepare students for gainful employment, the Department should make debt and earnings data collected for these regulations readily available through a centralized, easily accessible website. In addition, since the regulations require institutions to disclose employment rates for certificate programs, the Department should also examine ways to use data collected under the gainful employment regulations to provide guidance on how institutions could disclose employment rates for associate's degree programs.

- 2. The Department should take actions that would enable two-year institutions to more readily access data needed to assess employment outcomes.**

To report data on students' employment after college requires data that institutions may not collect or have the ability to obtain from current sources. The Committee recognizes the challenges that institutions face in gathering data on students' employment and earnings from

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multiple state and federal agencies, particularly the limitation of data sharing between agencies and concerns about protecting student privacy. To address these challenges, the Department should:

- a. Provide incentives for states and institutions to develop more robust data systems that allow for collection and dissemination of a wider range of outcome measures for two-year institutions, especially given their workforce development missions;
 - b. Provide increased guidance around student record and wage data matching while addressing requirements of the Family Educational Rights and Privacy Act (FERPA) to help institutions disclose employment rates for associate's degree and certificate programs; and
 - c. Provide incentives through its State Longitudinal Data System grant program to fund systems that make employment data easier to access and use and that increase the capacity for interstate sharing of employment or unemployment insurance wage data.
- 3. The Department should provide financial incentives to institutions to collect, disclose, and report results of student learning assessments, including but not limited to those already being reported to accrediting agencies, state higher education agencies, or voluntary accountability initiatives.**

Institutions have begun to collect data and measure student learning for a variety of entities—states, accreditation agencies, and others, yet there is much work still to be done. Assessments of student learning are often program-specific, and there are no agreed upon measures that are comparable across programs or across institutions. As the measurement of student learning evolves, the Department should provide incentives to institutions to develop comparable measures of student learning and assistance in implementing such assessments. Additionally, the Department should utilize its grant programs to encourage more research on assessments of student learning outcomes.

- 4. The Department should convene representatives of two-year institutions to share promising practices on measuring and disclosing information about alternative measures of student success such as student learning and employment.**

There are many efforts underway at institutions, systems, and other organizations to develop alternative measures of student success. Providing an opportunity for these groups to meet and learn how best to measure such outcomes would further illuminate innovative activities in this sector. The Department should convene representatives of the higher education community to highlight promising practices in the collection and dissemination of data related to student learning and employment outcomes at two-year institutions.

Conclusion

Two-year institutions serve a unique role in America’s higher education landscape. Many do much more than prepare students to earn a postsecondary credential. For many students enrolled at two-year institutions, success may be transferring to a four-year institution or completing a few courses for retraining or career advancement. For the majority of these students, full-time enrollment may not be a viable option. And for some students, the need for remedial coursework may further delay progress toward a degree.

With broad missions and a wide range of stakeholders, two-year institutions have not been served well by current federal measures of student success. For many years policymakers and others have relied on federal graduation rate measures designed for traditional four-year institutions—measures that include only full-time, first-time degree- or certificate-seeking students—to make unfair judgments about the quality of two-year institutions. More importantly, these graduation rates may be misleading to consumers—students and families, researchers, and policymakers who are making critical decisions about investments in higher education based on incomplete data.

The Committee has deliberated for more than a year and identified actionable steps that could be taken to provide better data that will more accurately reflect the progress and outcomes of students at two-year institutions. One immediate action is to refine and update the current methods for calculating federal graduation rates by measuring progress more broadly and adding student subgroups to the rates to better reflect the student populations served by two-year institutions. But improving the current methods for calculating graduation rates will not fix the problem entirely. The postsecondary education data infrastructure at the institutional, state, and national levels must be improved so that the incompleteness of data on student progression, transfer, and completion can be effectively addressed.

In addition to addressing limitations with data infrastructures around student progression and graduation, information will be needed on other student outcomes at two-year institutions. There are some outcomes, such as employment and earnings, where there is a strong base to support data collection and with improvements can be used to make comparisons across institutions. Other outcomes, such as those related to student learning, are not as well developed and need more funding and attention to develop comparable and valid measures.

Implementing the recommendations of the Committee will require sustained focus and attention from policymakers at all levels of government, institutions, and others. Taking the actions outlined by the Committee will vastly improve the quality of postsecondary data and ultimately will provide a more complete picture of student success at two-year institutions.