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ABSTRACT

One measure used in the name of quality assurance and institutional accountability in education is student graduate rate. In the context of the reauthorization of the Higher Education Act it is important to remember that discussion of accountability and graduation rates should be rooted in existing state and federal roles. It is also important to remember that graduation rate measurement as a performance indicator is common to public colleges and universities and the states. The graduation rate is a significant performance indicator, but it is meaningful only when appropriately defined and considered in the context of other relevant data. Points to consider in the development of accountability mechanisms and graduation rate indicators are: (1) maintain appropriate stakeholder roles; (2) recognize the limitations of current graduation rate measures; (3) use graduation rate data in context; and (4) recognize existing mechanisms. (SLD)

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Accountability and Graduation Rates: Seeing the Forest and the Trees

AASCU
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Accountability and Graduation Rates: Seeing the Forest *and* the Trees

The Issue

Over the years, policymakers and higher education leaders have pondered, debated, and employed a wide array of metrics in the name of quality assurance and institutional accountability. One such measure is student graduation rates. The federal government institutionalized this measure in 1990 with the passage of the Student Right to Know (SRTK) Act, making the submission of six-year graduation rates a condition of receiving Title IV aid for four-year institutions. In the ensuing years, most states have adopted this measure, factoring it into performance reporting and budgeting systems.

The coming reauthorization of the Higher Education Act once again finds accountability and graduation rate issues at the forefront, and proposals for federal action in this area are guaranteed to generate considerable discussion and debate. While these deliberations are welcome, they could easily gloss over or entirely miss a number of salient points, including the following:

Discussion of accountability/graduation rate issues should be rooted in existing state/federal roles. The established precedent of a constructive but limited federal role in these areas has been useful, and significant changes in stakeholder roles could be duplicative and counter-productive.

Graduation rate measurement as a performance indicator is common to public colleges and universities and the states, and public policy (especially at the federal level) should recognize this fact. In addition to the SRTK mandate, more than half the states employ their own mechanisms for tracking student persistence and completion, and the public higher education community developed a methodology to address completion and related measures several years ago.

The graduation rate is a significant performance indicator, but is meaningful only when appropriately defined and considered in the context of other relevant data. This measure is most valuable when it reflects the demographic, preparation, and attendance pattern realities faced by colleges and universities. The states are best equipped to measure student progress and make policy adjustments to reflect these realities.

Current Data and Developments

The Graduation Rate Survey (GRS), administered by the National Center for Education Statistics (NCES), is the compliance instrument for the federal SRTK requirement. The GRS measures the percentage of first-time, full-time undergraduate students in a specified cohort that complete a baccalaureate degree at a particular institution within six years (150 percent of standard time-to-degree). The first GRS data collection took place

in 1996-97, and measured the 1990-91 cohort. The most current data available are from the 1998-99 collection (1993-94 cohort), and reveal the following:

There is a strong relationship between institutional sector and graduation rate. Put simply, private, not-for-profit institutions posted average higher graduation rates at all levels of Carnegie classification. [see Figure 1] This result can be explained in large part by the fact that private universities across Carnegie classes are more selective in their admissions than their public counterparts, owing to the access-oriented mission of many public institutions. Accordingly, public colleges and universities enroll a considerably greater percentage of students at higher risk of stopping out/dropping out than their private counterparts. According to the Beginning Postsecondary Students study conducted by NCES, more than one-third (37 percent) of beginning students at public four-year institutions in 1995-96 had at least one attrition risk factor^{*}, compared with just 17.5 percent of beginning students at private four-year institutions.

There is a similarly strong relationship between institutional level and graduation rate. For both public and private four-year institutions, average graduation rate rises at each level of Carnegie classification with only one exception (Baccalaureate I institutions [liberal arts colleges]). [see Figure 1] The same explanatory factors apply within sectors as between them, as graduate/research intensive institutions are more selective and thus less likely to enroll at-risk students.

There appears to be a concentration of lower graduation rates among institutions that serve high proportions of students from historically disadvantaged groups, as well as low-income and first-generation students.

At the same time, states are doing extensive work of their own on this issue. According to a recent survey by the State Higher Education Executive Officers (SHEEO), nearly all states (41) use graduation rate data for state- and/or system-level accountability and performance reporting purposes, and several (7) employ this indicator in performance funding systems. Perhaps most importantly, SHEEO found that more than half the states (27) have developed their own mechanisms to gauge student persistence and completion. [see Figure 2 and Appendix A]

Points to Consider

1. Maintain Appropriate Stakeholder Roles

States, as the central point for funding and policymaking for public colleges and universities, bear ultimate responsibility for employing accountability metrics such as graduation rates. This idea is strongly supported by the SHEEO findings regarding states' use of the data, as well as the number of states that go beyond the federal SRTK mandate. The federal government has a constructive but limited role in this area, one

^{*} Risk factors include: 1) part-time attendance; 2) delayed postsecondary enrollment; 3) financially independent from parents; 4) work full-time while enrolled; 5) have dependents; 6) single parent; and 7) dropped out of high school or completed with GED/alternative credential.

that focuses on collecting and disseminating information and identifying issues for future research and promising policy models. The federal Title II reporting mandate for teacher preparation programs represents a precedent for this approach.

2. Recognize the Limitations of Current Graduation Rate Measures

The six-year graduation rate is well established as an accountability indicator, but is not currently constructed to reflect contemporary student realities, either in state or federal measurement systems. Two issues in particular deserve attention:

- The GRS, as well as most state data systems, limit their student cohort to first-time, full-time students, thus missing part-time students. In fall 2000, fully one-quarter of the undergraduates at AASCU member institutions were part-time students.
- Additionally, the GRS and many state data systems fail to fully account for student transfer activity. As student mobility grows, this limitation will become increasingly evident. SHEEO found, however, that just over one-third of the states (17) are able to track intra-state student transfers, and another 7 states have the capacity to track intra-system transfers. [see Appendix A] This strongly suggests that state- or system-level agencies should be the focal point of discussions on transfer-related issues.

3. Use Graduation Rate Data in Context

To be truly useful, graduation rate data should be viewed in the appropriate context, which means accounting for factors such as institutional mission and admissions policies designed to increase participation in higher education. The federal data cited above boldly underscore this point, illustrating the linkages between institutional sector/type and graduation rate, as well as significant differences within sector and type related to student demographics. This is no small issue, as a strong majority of the 1.7 million additional students expected to enroll at public two- and four-year institutions over the next 15 years will be from historically disadvantaged and/or underrepresented groups. In short, a “one size fits all” view of graduation rates and similar indicators misses a critical point—public institutions are charged by states to serve different populations with different needs, so performance metrics should be geared toward similarly situated institutions. South Carolina’s public higher education performance measurement system serves as an example of how this can be done.

4. Recognize Existing Mechanisms

Policy conversations on topics such as accountability often take place without considering previous experiences or the goals/functions of current practice, owing to changes in policy actors or the passage of time. This tendency can—and should—be avoided with respect to accountability in general and graduation rates in particular. The Graduation Rate Survey has been conducted for more than five years, but has yet to be evaluated with respect to its efficacy. The fact that a majority of the states employ their own mechanisms to measure student progress and completion, and the issues raised above, suggest that the federal approach has limited utility.

Moreover, it is important to note that public higher education, through its presidential associations, proposed a reporting framework addressing graduation rates and a range of other metrics prior to the last Higher Education Act reauthorization. The Joint Commission on Accountability Reporting (JCAR), a collaborative effort of AACC, AASCU, and NASULGC, proposed in 1996 a persistence/completion methodology that accounts for part-time students and alternative attendance patterns. Several states

adopted this methodology, and the U.S. Department of Education approved its use to satisfy SRTK reporting requirements. [see Appendix B]

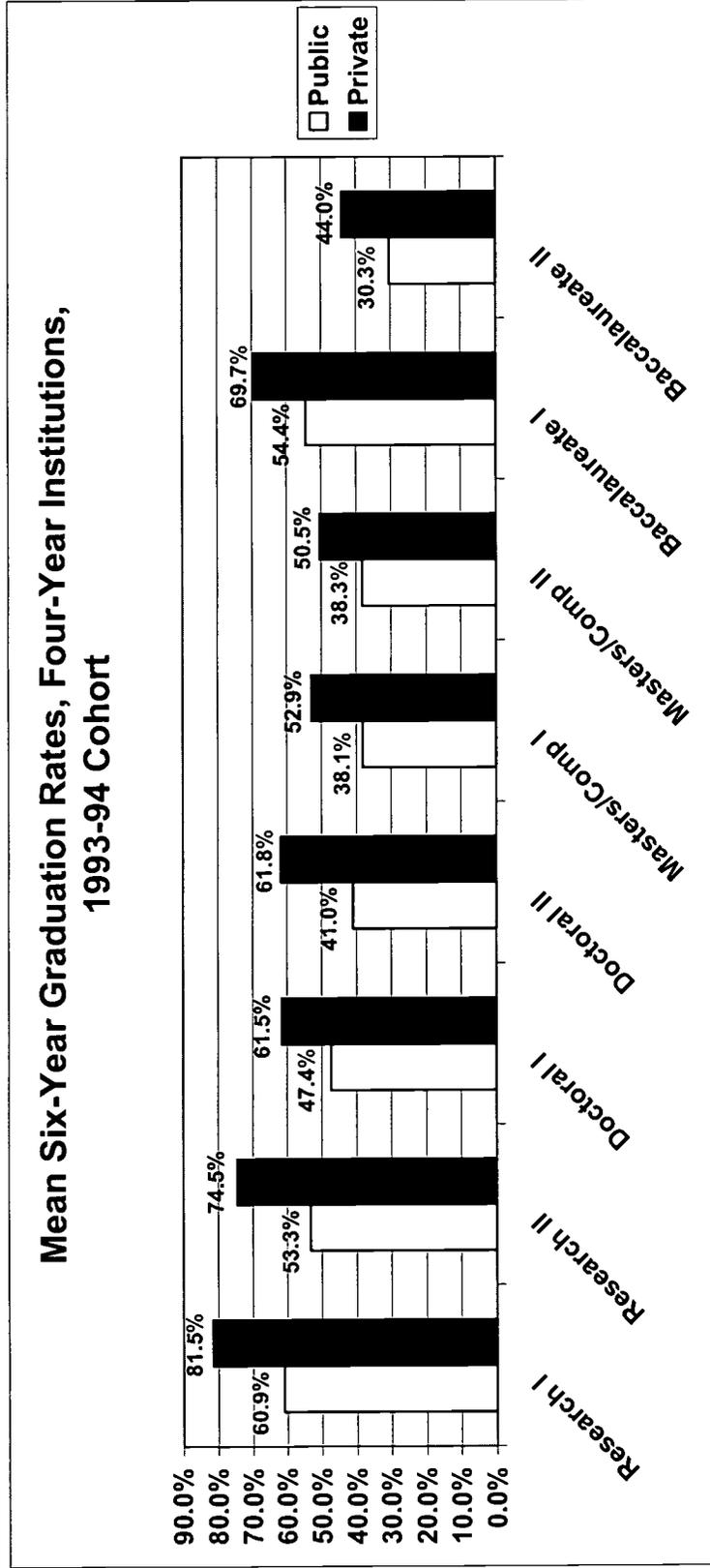
The Bottom Line

Public colleges and universities welcome a constructive dialogue on accountability issues. They are deeply committed to continuous improvement as they seek to serve the growing demand for high quality higher education, and their state and system experiences can vitally inform accountability discussions. In the context of the Higher Education Act, accountability measures such as student graduation rates should be considered with a clear distinction of stakeholder roles, a clear understanding of the shortcomings of this and similar measures, and a recognition of what already has been done and what is currently being done. Above all, policymakers and higher education leaders discussing accountability issues must focus intently on one question—what will make a difference for the nation's students, especially those most at risk of missing out on the promise of higher education opportunity?

NOTE: AASCU gratefully acknowledges the work of the State Higher Education Executive Officers in gathering the state-related data for this brief.

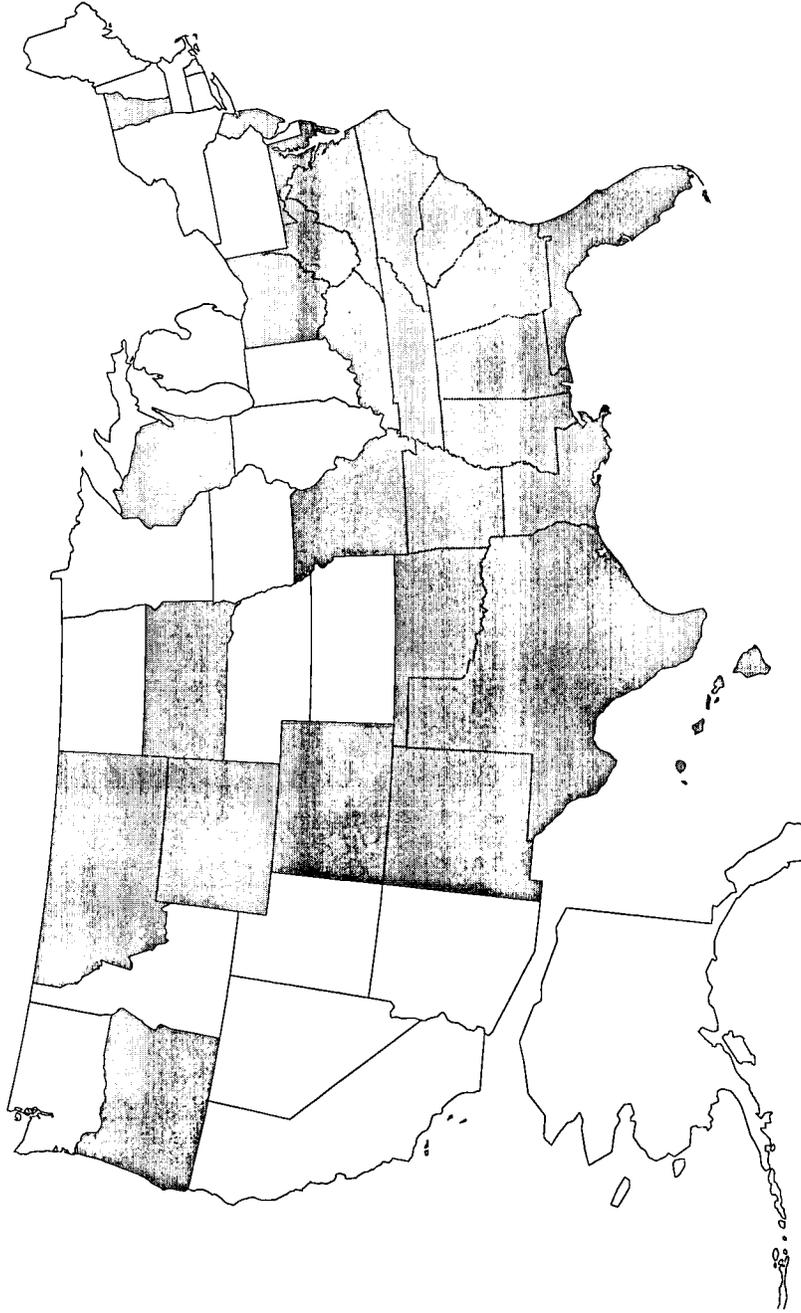
Figure 1.
Mean Six-Year Graduation Rates
Four-Year Institutions, by Control and Carnegie Classification
1993-94 Cohort

	Public	Private
Research I	60.9%	81.5%
Research II	53.3%	74.5%
Doctoral I	47.4%	61.5%
Doctoral II	41.0%	61.8%
Masters/Comp I	38.1%	52.9%
Masters/Comp II	38.3%	50.5%
Baccalaureate I	54.4%	69.7%
Baccalaureate II	30.3%	44.0%



SOURCE: U.S. Department of Education, National Center for Education Statistics Graduation Rate Survey (GRS), 1998-99
 NOTE: Cohort consists of first-time, full-time, degree-seeking students.

State Use of Federal Graduation Rate Survey (GRS) and/or Unit Record Data Systems, 2002



States Using GRS and Unit Record (27)
 States Using GRS Only (23)

Source: State Higher Education Executive Officers (SHEEO) Survey, September 2002

Graduation Rate Data Information for State SHEEO Agencies

Graduation rate data currently gathered by state higher education agency

IPEDS/GRS:

These state agencies gather only the graduation rate data required through IPEDS. Several states agencies also utilize unit record systems to gather other types of student-related data or are in the process of developing or expanding their unit record data systems to allow for graduation rate tracking.

- Alaska – University of Alaska System
- Arizona – Arizona Board of Regents
- California – California Postsecondary Education Commission¹
- Connecticut – Board of Governors for Higher Education
- Delaware – Delaware Higher Education Commission
- Idaho – State Board of Education
- Iowa – Board of Regents, State of Iowa²
- Illinois – Board of Higher Education
- Kansas – Kansas Board of Regents
- Maine – University of Maine System
- Massachusetts – Massachusetts Board of Higher Education
- Minnesota – Minnesota State Colleges and Universities
- Nebraska – Coordinating Commission for Postsecondary Education
- Nevada – University and Community College System of Nevada
- New Hampshire – New Hampshire Postsecondary Education Commission*
- New Hampshire – University System of New Hampshire*
- New York – Board of Regents New York State Education Department
- North Dakota – North Dakota University System
- Pennsylvania – Pennsylvania State System of Higher Education
- Rhode Island – Board of Governors for Higher Education
- Utah – Utah System of Higher Education
- Washington – Higher Education Coordinating Board
- Wyoming – Community College Commission

Unit Record Data:

These state agencies have access to a unit record data system through which they gather graduation rate data. The definitions used will vary, however. Usually, these types of unit record data system allow the state agencies to calculate graduation rates for various time periods (i.e. 3, 4, 5, or 6 years) in a variety of manners including state- or system-wide rates, rates by institution type, or by sector.

- Alabama – Commission on Higher Education
- Arkansas – Arkansas Department of Higher Education
- Colorado – Commission on Higher Education
- Florida – Florida Community College System
- Florida – Florida Colleges & Universities
- Georgia – Board of Regents University System of Georgia
- Hawaii – Board of Regents University of Hawaii
- Kentucky – Council on Postsecondary Education
- Louisiana – Louisiana Board of Regents
- Maryland – Maryland Higher Education Commission
- Mississippi – State Institutions of Higher Learning
- Missouri – Coordinating Board for Higher Education
- Montana – Montana University System
- New Jersey – New Jersey Commission on Higher Education
- New Mexico – Commission on Higher Education
- North Carolina – The University of North Carolina
- Ohio – Ohio Board of Regents
- Oklahoma – State Regents for Higher Education
- Oregon – Oregon University System
- South Carolina – Commission on Higher Education
- South Dakota – Board of Regents

	Tennessee – Tennessee Higher Education Commission Texas – Texas Higher Education Coordinating Board Vermont – Vermont State Colleges Vermont – University of Vermont Virginia – State Council of Higher Education for Virginia West Virginia – West Virginia Higher Education Policy Commission Wisconsin – University of Wisconsin System Wyoming – University of Wyoming
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¹ This information is for CPEC only. There are three systems of public postsecondary education in California that may use graduation rate data for their own purposes.

² The Iowa Board of Regents does not have a unit record system but gathers more extensive information than is required for IPEDS reporting.

Definition of cohort for graduation rate calculation

Includes only those state agencies that gather graduation rate data beyond IPEDS reporting requirements.

Full-time, first-time, degree-seeking:

This is the most common method of defining the cohort although data gathering efforts are not limited to this cohort. Many state agencies with unit record capabilities gather a variety of data for all students (part-time, non-degree-seeking, etc.) who enter their institutions.

- Alabama – Commission on Higher Education
- Arkansas – Arkansas Department of Higher Education
- Colorado – Commission on Higher Education
- Florida – Florida Community College System
- Florida – Florida Colleges & Universities
- Georgia – Board of Regents University System of Georgia
- Hawaii – Board of Regents University of Hawaii
- Kentucky – Council on Postsecondary Education
- Louisiana – Louisiana Board of Regents
- Mississippi – State Institutions of Higher Learning
- Missouri – Coordinating Board for Higher Education
- Montana – Montana University System
- New Jersey – New Jersey Commission on Higher Education
- North Carolina – The University of North Carolina
- Ohio – Ohio Board of Regents
- Oklahoma – State Regents for Higher Education
- Oregon – Oregon University System
- South Carolina – Commission on Higher Education
- Tennessee – Tennessee Higher Education Commission
- Texas – Texas Higher Education Coordinating Board
- Vermont – Vermont State Colleges
- Vermont – University of Vermont
- Virginia – State Council of Higher Education for Virginia
- West Virginia – West Virginia Higher Education Policy Commission
- Wisconsin – University of Wisconsin System
- Wyoming – University of Wyoming

<u>All first-time students (full- and part-time, degree- and non-degree-seeking)</u>	Maryland – Maryland Higher Education Commission
<u>Full-time, first-time students</u>	New Mexico – Commission on Higher Education
<u>Full-time, first-time, baccalaureate-seeking students</u>	South Dakota – Board of Regents

Method of calculating graduation rate	
<i>Includes only those state agencies that gather graduation rate data beyond IPEDS reporting requirements.</i>	
<u>Individual student tracking:</u> Graduation rates reflect the percent of students from the original cohort who have graduated within a designated time period as determined through individual student records. The time period for which these data are monitored will vary by state.	This is used by all state agencies using a unit record system

Ability to track transfer students for graduation rate

Includes only those state agencies that gather graduation rate data beyond IPEDS reporting requirements.

System-wide graduation rate:

These state systems are able to calculate a graduation rate that includes students who graduate from any institution in their system, regardless of whether the student graduates from the institution in which he or she originally enrolled. These states cannot track graduation rates for students who transfer between public systems with the state (e.g. when community colleges and universities belong to different systems).

Florida – Florida Community College System
 Florida – Florida Colleges & Universities
 Iowa – Board of Regents, State of Iowa
 Mississippi – State Institutions of Higher Learning
 Montana – Montana University System
 North Carolina – The University of North Carolina
 South Dakota – Board of Regents
 Tennessee – Tennessee Higher Education Commission

State-wide, public institution graduation rate:

These state agencies are able to calculate a rate that includes all students who graduate from any public institution in the state, regardless of whether the student graduates from the institution in which he or she originally enrolled.

Alabama – Commission on Higher Education
 Arkansas – Arkansas Department of Higher Education
 Colorado – Commission on Higher Education
 Georgia – Board of Regents University System of Georgia
 Hawaii – Board of Regents University of Hawaii
 Louisiana – Louisiana Board of Regents
 Maryland – Maryland Higher Education Commission
 Missouri – Coordinating Board for Higher Education
 New Jersey – New Jersey Commission on Higher Education
 New Mexico – Commission on Higher Education
 Oregon – Oregon University System
 South Carolina – Commission on Higher Education
 Texas – Texas Higher Education Coordinating Board
 Wisconsin – University of Wisconsin System

<p><u>State-wide, public and any private institution graduation rate:</u> These state agencies are able to calculate a rate that includes students who graduate from any public institutions and either any private or a limited number of private institutions, regardless of whether the student graduates from the institution in which he or she originally enrolled.</p>	<p>Ohio – Ohio Board of Regents Oklahoma – State Regents for Higher Education Virginia – State Council of Higher Education for Virginia³</p>
<p><u>System- or state-wide graduation rates calculated only as needed:</u> These state agencies have system- or state- unit record systems and calculate system- or state-wide graduation rates only as needed on an ad hoc basis.</p>	<p>Kentucky – Council on Postsecondary Education Vermont – Vermont State Colleges West Virginia – West Virginia Higher Education Policy Commission</p>

³ Excludes proprietary schools and those that fail to report in a given year.

State agency use of graduation rate data

*These options do not encompass all ways in which state agencies use graduation rate data.
State agencies may be listed under more than one category.*

Accountability/performance reporting:

In these states graduation rate data are used in accountability reports or as a performance indicator. This does not indicate the use of graduation rates for performance funding.

Alabama – Commission on Higher Education
Alaska – University of Alaska System
Arizona – Arizona Board of Regents
Arkansas – Arkansas Department of Higher Education
Colorado – Commission on Higher Education
Connecticut – Board of Governors for Higher Education
Florida – Florida Community College System
Florida – Florida Colleges & Universities
Georgia – Board of Regents University System of Georgia
Hawaii – Board of Regents University of Hawaii
Illinois – Board of Higher Education
Iowa – Board of Regents, State of Iowa
Kansas – Kansas Board of Regents
Kentucky – Council on Postsecondary Education
Louisiana – Louisiana Board of Regents
Maine – University of Maine System
Maryland – Maryland Higher Education Commission
Mississippi – State Institutions of Higher Learning
Missouri – Coordinating Board for Higher Education
Montana – Montana University System
Nebraska – Coordinating Commission for Postsecondary Education
New Jersey – New Jersey Commission on Higher Education
New Hampshire – University System of New Hampshire
New Mexico – Commission on Higher Education
North Carolina – The University of North Carolina
North Dakota – North Dakota University System
Ohio – Ohio Board of Regents
Oklahoma – State Regents for Higher Education
Oregon – Oregon University System
Pennsylvania – Pennsylvania State System of Higher Education
Rhode Island – Board of Governors for Higher Education
South Carolina – Commission on Higher Education
South Dakota – Board of Regents
Tennessee – Tennessee Higher Education Commission
Texas – Texas Higher Education Coordinating Board
Utah – Utah System of Higher Education
Vermont – Vermont State Colleges
Vermont – University of Vermont
Virginia – State Council of Higher Education for Virginia
Washington – Higher Education Coordinating Board
West Virginia – West Virginia Higher Education Policy Commission
Wisconsin – University of Wisconsin System
Wyoming – Community College Commission
Wyoming – University of Wyoming

<p><u>Linked to performance funding:</u> In these states graduation rate data are used in performance funding even if they are one of multiple indicators for this purpose.</p>	<p>Colorado – Commission on Higher Education Missouri – Coordinating Board for Higher Education New Jersey – New Jersey Commission on Higher Education Oklahoma – State Regents for Higher Education Pennsylvania – Pennsylvania State System of Higher Education South Carolina – Commission on Higher Education Tennessee – Tennessee Higher Education Commission</p>
<p><u>Information only:</u> In these states graduation rate data are reported for informational purposes but not used for accountability reporting or performance funding.</p>	<p>Delaware – Delaware Higher Education Commission Idaho – State Board of Education Massachusetts – Massachusetts Board of Higher Education Minnesota – Minnesota State Colleges and Universities Nevada – University and Community College System of Nevada New York – Board of Regents New York State Education Department</p>
<p><u>Graduation rate data maintained and used primarily at the institution level</u></p>	<p>California – California Postsecondary Education Commission New Hampshire – New Hampshire Postsecondary Education Commission</p>



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