

A NATIONAL DIALOGUE:
The Secretary of Education's Commission
on the Future of Higher Education

ISSUE PAPER

*Third in a series of Issue Papers released at the request of Chairman Charles Miller
to inform the work of the Commission*

Accountability/Consumer Information

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Introduction

A major objective for the Commission on the Future of Higher Education is to insure that consumer-friendly information about colleges and universities be easily available to the public with little or no cost. The following issue paper/proposal is designed to produce that outcome through a recommendation to implement a free, comprehensive information system about higher education available from the U.S. Department of Education, in consumer-friendly form.

This comprehensive information system may be used in the simplest form by students or parents or in a complex form by researchers or data providers who can develop any number of consumer-oriented reports. This comprehensive information system will allow weightings to be assigned to specific data about colleges and universities by the public and by policy makers, as well as commercial packagers of data aimed at consumers.

This comprehensive data system will allow all consumers or other analysts to create rankings of colleges and universities in an individual or customized format and allow the unlimited development of college rankings as needed and demanded by the public. The system will be in the form of a convenient search engine, responding to the universal expansion of this information tool, thereby making all data (IPEDS) available to potential users in a consumer-friendly format.

The Need for More and Better Information on Postsecondary Institutions

Students in the United States have an extensive set of postsecondary institutions among which they can choose to enroll. This provides the appearance of a competitive system. However, to make an *informed* choice that promotes institutional competition and efficiency, students need easy access to more reliable information than they presently have. The information to which a student may need access ranges from basic data about the size, location, and programs of a school, to what he should expect to pay to attend a school (which is often different than the "sticker price" that postsecondary institutions announce), to measures of the success of students in finishing a degree in a field of interest at institutions that the student is considering.

At present, the comparative information that is available is produced mostly by commercial firms using techniques that are not transparent. Since first appearing over 20 years ago in the *US News*

& *World Report*, university rankings have spread throughout the world. Some of these ranking systems compare specific academic or professional programs (such as law schools or MBA programs) while others look at institutional performance within a nation; at least two compare postsecondary institutions across nations.

Critics of these ranking systems are particularly concerned that the comparisons often use weighted aggregates of indicators to arrive at a single “score” by which institutions are ranked against one another. By selecting a particular set of indicators and giving each indicator a weight, these rankings are essentially defining institutional quality. The fact that there may be other legitimate indicators or combinations of indicators is usually ignored. And the weights attached to each indicator are often a “trade secret.” As a 2006 report by Usher and Savino points out, there is no agreement across these reports as to what should be included in the rankings and how the indicators should be weighted. In short there is not agreement on what indicates quality and ranking systems bear little if any relationship to one another.¹

As recommended below, the flexibility of the Internet can turn this confusion, which now seems to be a problem, into an *opportunity* to design a flexible ranking system that can respond to the growing diversity of consumer interests and needs for different types of postsecondary education.

The Need to Accommodate Diverse Consumer Preferences

The Institute of Education Sciences through its National Center for Education Statistics (NCES) could design a data retrieval system that allows the expanding and increasingly diverse population of students and families to access easily and flexibly the wealth of postsecondary data collected by the federal government. As described in more detail below, rather than forcing consumers to compare schools on a single arbitrary scale created by a commercial firm, the system would give consumers the ability to weigh aspects of a college’s performance differently, creating a search process that can fit individual needs and interests. The system would allow students and families to consider recommendations crafted by a diverse set of experts in a transparent manner and, indeed, would allow consumers to select and weight their own indicators to derive a customized ranking of institutions - discussed in more detail below.

Any number of excellent consumer shopping sites could serve as models for the revised college search site. While shopping for a postsecondary institution is not exactly the same as shopping for a car, many on-line shopping sites embody extensive flexibility that allows consumers to specify their needs and interests and to compare products that meet criteria set by the consumer. A system that allows the comparison of postsecondary institutions could give consumers the ability to eliminate inappropriate schools, to better identify a wider range of institutions that might meet needs, and to judge the true costs that a student will need to cover. In addition, such information can empower students when negotiating with postsecondary institutions over financial aid packages.

¹ Usher, A., and Savino, M. (2006). *A World of Difference: A Global Survey of University League Tables*. Toronto, ON: Educational Policy Institute.

However, even the best system for comparing postsecondary institutions can be no better than the data in the system. Next, are some problems with existing data and recommendations for ways in which these data can be improved.

Immediate Steps Forward

NCES through its Integrated Postsecondary Education Data System (IPEDS) collects extensive data on the 6800 Title IV postsecondary institutions in the nation. These data available through the College Opportunities On Line (COOL) web site (<http://nces.ed.gov/ipeds/cool/index.asp>). While the site was recently redesigned to have a more consumer-friendly look and feel, it still does not fully meet the needs of students, families, or policy makers seeking information on the comparative performance of postsecondary institutions.

At present, IPEDS allows consumers to compare postsecondary institutions on a number of dimensions, including: size, programs, location, posted “sticker” price, and some admission criteria. But detailed data on institutional performance and consumer cost are lacking.

A fundamental problem is that IPEDS data are limited to full-time, first-time degree- or certificate-seeking students in a particular year (cohort), by race/ethnicity and gender. No data are available on time to degree for individual students. Nor are data available by family income. Students who transfer and graduate from a subsequent institution are not counted in the statistics; students who enroll on a part-time basis are not counted in the statistics; students who start – drop out – restart are not counted in the statistics.

Yet research has shown that almost three-quarters of postsecondary students are “nontraditional,” with characteristics such as part-time attendance and delayed enrollment. In addition, 40 percent of students now enroll in more than one institution at some point during their progress through postsecondary education, including transfer to other institutions as well as co-enrollment.

Thus IPEDS collects and reports information on individual institutions for aggregates of first-time, full-time students—and they are now a minority of students in higher education. How do you measure quality or design accountability systems for institutions that serve an appreciable number of non-traditional students (and that is all but the elite private universities) with data that ignore these students? You can't.

While the best solution to fixing these problems rests in a student-based unit record system, short of such a system, IPEDS must be modified to the extent possible to provide more detailed information. One possibility is that institutions would still submit aggregate data through IPEDS but in much smaller slices. For example, every Title IV institution could be required to calculate and submit the real costs incurred by students to attend the institution and graduation rates for different categories of students in different programs. This would allow consumers to more directly compare schools on variety of dimensions, including the prime considerations of access (cost) and persistence (completion), for similar students. Thus a student could find out from a commercial ranking service that an institution she is considering ranks, say 25th in the country, but that the graduation rate for students of her background is much lower than at another postsecondary institution that ranks 35th. This kind of information would allow the student to make a more informed choice across the two colleges.

Another possibility is that the NCES could better link its existing IPEDS data collection system to other data. Most notably, the extensive institutional data collected via IPEDS should be seamlessly linked to the financial data collected by the Department of Education's office of Financial and Student Aid (FSA). Recently, external websites (e.g., economicdiversity.org) have started to use the FSA data, which provides extensive information on the enrollment and persistence of students who obtain Pell grants or federally subsidized student loans. Incorporation of these data into the COOL website would allow much greater differentiation of institutions and much greater personalization of the information returned to users.

Putting Rankings in the Hands of the Consumer

As noted above, there is considerable disagreement over existing rankings—and one of the most consistent complaints is that there may be other legitimate indicators or combinations of indicators that could be used to judge postsecondary institutions. Indeed, given the increasing diversity of the student population seeking postsecondary education, we believe that not only *may* there be other combinations of indicators, there *certainly* are. Therefore, NCES should take the lead in “democratizing” rankings and putting the power to rank institutions in the hands of the consumer.

Specifically, NCES should allow consumers to create their own combination of indicators or to choose a number of ranking systems created by experts. In the first case, the individual consumer would be able to choose the aspects of institutions she thinks are critical to her success and to even assign weights to them to further refine the search.

In the second approach, consumers would get to choose among a set of ranking systems that have been created by experts, who would explain why they have chosen the criteria and why they have weighted the components the way they have. They could then click on that set of recommendations and compare institutions that meet a set of criteria that are articulated and transparent.

Conclusion

One of the core strengths of the American system of postsecondary education rests in the diversity of choices it presents to students. As with any system of extensive educational choice, this system can increase the match between what consumers want and need from schools and what schools offer. In addition, the competition between postsecondary institutions can act as a force for increased accountability. But these benefits rest on a precondition: that consumers have access to information to make informed choices.

In addition to the availability of data, it is essential to create a transparent system, which allows comparisons or rankings of institutions. Without rankings or ratings, information alone will not create consequences and therefore will not change behavior. Today, the *U.S. News & World Report* rankings serve by default as an accountability system for colleges and universities. Consequences that can modify behavior are an essential element of a productive accountability structure. The proposed search engine would allow for the creation of many types of rankings of institutions and programs for a wide variety of needs.

This set of recommendations has the potential to increase the flow of information to consumers and increase their ability to choose wisely and to hold postsecondary institutions accountable for their performance.