

## **Report: How to Create A New System of Accountability in Higher Education**

[By Hunter B. Martin, NASFAA Staff Reporter](#)

While there is bipartisan agreement that there should be a stronger system of accountability in higher education, there has been disagreement on how to reshape accountability as lawmakers tussle with reauthorizing the Higher Education Act (HEA).

According to a [recent report](#) published by New America, “a new accountability system, albeit imperfect, is desperately needed, not to punish, but to drive system-wide improvement while weeding out the worst performers to protect federal investments in student aid, and by extent, students, families, and taxpayers.”

The importance of accountability in higher education is underscored by the \$1.5 trillion in national student loan debt, the 1,200 colleges that have shut down in the past five years — the majority of which were for-profit institutions — and the fact that two out of five students fail to graduate within six years from either a two- or four-year institution, New America reports.

While lawmakers on either side of the aisle tend to lean one way or the other, the report argues that the best form of accountability in higher education includes both transparency methods and system of standards for rewards or consequences.

There is a distinct difference between accountability in higher education with and without consequences. Accountability without consequences, also known as report-card accountability, places more responsibilities on students and families by making accountability data and information public, but unless individual students choose to leave lower-performing colleges, there are no consequences. Accountability measures that come with consequences involve specific rewards or sanctions when meeting or failing to meet performance thresholds.

“Transparency alone has failed to drive performance improvements,” wrote Spiros Protopsaltis, the author of the report and an associate professor of education policy at George Mason University. “The federal government has a responsibility to address the problems of imperfect information and information asymmetries in the higher education marketplace and to give students, families, policymakers, stakeholders, and the public accurate, relevant, and timely information in a user-friendly manner.”

On a federal level, the report points to poor graduation rates and high levels of student loan defaults at individual institutions as system-wide failures to hold colleges accountable on a performance basis.

This is particularly tricky for federal student aid programs. Protopsaltis writes that a federal accountability system must assess the risk and return on investments for student loans and Pell Grants, the two largest federal aid programs. While Pell Grant recipients represent nearly 90% of undergraduate loan defaulters, looking solely at loan metrics would not capture the 44% of Pell Grant recipients who do not borrow any federal student loans, as well as non-borrowers who received Pell Grants.

A new accountability system could instead use the highly-regarded loan repayment metric to estimate institutional loan repayments rates, completion, and labor market outcomes, he wrote. A

new framework to measure accountability could also reflect the higher risk for students based on higher levels of borrowing.

Currently, accountability in higher education is managed at both a federal and state level. Since federal accountability monitoring is often not enough, at least 29 states have begun to hold institutions more accountable through performance- and outcome-based standards. At the state level, completion and equity are the top metrics used to reflect accountability.

“An effective accountability system should lead to a significant shift in institutional priorities, practices, policies and focus,” Protopsaltis wrote. “It is essential to recognize that there is no perfect accountability system that will get it absolutely right the first time around. But replacing the current status quo of no accountability with a better system, albeit one that requires evaluation and adjustment, will be a step in the right direction.”

*Publication Date: 10/8/2019*