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## FALSE FRONTS?

Behind Higher Education's Voluntary Accountability Systems

By Andrew P. Kelly and Chad Aldeman



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## ABOUT THE AUTHORS

**ANDREW P. KELLY** is a research fellow at the American Enterprise Institute. He can be reached at [andrew.kelly@aei.org](mailto:andrew.kelly@aei.org).

**CHAD ALDEMAN** is a policy analyst at Education Sector. He can be reached at [caldeman@educationsector.org](mailto:caldeman@educationsector.org).

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In the throes of the recent economic downturn, the nation's leaders have repeatedly pointed to America's higher education system as one of the key engines that will drive the country's recovery in the years to come. In his first speech to a joint session of Congress, President Obama lamented America's failure to keep pace with other industrialized nations and challenged the country to regain its mantle as the worldwide leader in postsecondary attainment. While previous reform efforts have focused on increasing access to higher education, increasing postsecondary *attainment* will require higher levels of college retention and completion. Put simply, colleges and universities will have to do a better job of serving the students that they enroll.

President Obama's interest in improving the performance of our higher education system, signaled by his proposed \$2.5 billion College Access and Completion Fund, continues a focus established by former U.S. Secretary of Education Margaret Spellings' Commission on the Future of Higher Education. In its report, the Spellings Commission put colleges and universities on notice: If the United States was to maintain its competitive edge, American institutions of higher education could no longer be "increasingly risk-averse, at times self-satisfied, and unduly expensive."<sup>1</sup> Among the problems identified by the commission, the most glaring was the absence of transparency and a failure to hold schools accountable for how well they serve students. "Compounding all of these difficulties," the report argued, "is a lack of clear, reliable information about the cost and quality of postsecondary institutions, along with a remarkable absence of accountability mechanisms to ensure that colleges succeed in educating students."<sup>2</sup>

The major higher education trade associations have addressed the calls for transparency and accountability by creating two public online databases into which colleges are able to voluntarily submit information on costs and outcomes. The National Association of Independent Colleges and Universities (NAICU) launched its University and College Accountability Network (U-CAN) in September 2007. Just a few months later, the American Association of State Colleges and Universities (AASCU) and the National Association of State Universities and Land-Grant Colleges, (now known as the Association

of Public Land-Grant Universities, or APLU) announced the birth of their Voluntary System of Accountability (VSA). The associations have touted these efforts as a step toward meeting the pressing need for increased accountability, and a number of state systems of higher education have joined in, adopting the VSA model for their own institutions. At the same time, major philanthropic foundations have led an effort to extend the public database concept to community colleges. Increasingly, these voluntary accountability systems are defining the contours of higher education accountability in the 21st century.

But a close examination of these two prominent efforts reveals serious flaws that undermine their utility as engines of accountability. The site for private colleges and universities, U-CAN, is not really new at all; it is essentially a re-packaging of data that are available elsewhere, and it provides almost no new information about costs, student experiences, or learning outcomes to parents and prospective students. In contrast, the VSA, which catalogs public schools, represents a legitimate effort to provide students with important information about how much college costs and the education students receive in return. But the VSA also suffers from numerous shortcomings. Not all institutions participate, particularly those at the top and bottom of the quality scale. The site does not allow for the easy comparison of institutions, despite the fact that the database was created to facilitate consumer choice. And many of the most crucial VSA data elements

are incomplete, non-comparable, or selected in a way that often obscures differences between institutions.

For these efforts and others like them to improve consumer choice and exert meaningful pressure on schools to improve, they need to be more complete, comparison-friendly, and designed to highlight institutional differences. If existing flaws are not resolved, the nation runs the risk of ending up in the worst of all worlds: the appearance of higher education accountability without the reality. As such, policymakers and consumers should not be persuaded that these systems satisfy the need for increased transparency and accountability in higher education until their flaws are addressed.

## Accountability Via Consumer Choice

In developing a system of educational accountability, policymakers can opt for one of two basic strategies: a top-down system of government-mandated standards, assessments, and rewards; or a more diffuse, market-oriented system where choices made by informed consumers help to regulate providers. At the K–12 level, the federal No Child Left Behind Act falls into the first category, aiming to hold schools accountable by mandating regular testing and imposing regulatory sanctions on those schools that do not make the grade. Under such a regulatory regime, schools respond to direct pressure from the government to improve their results.

This heavy-handed model is ill-suited to regulate a sector as diverse as higher education. In contrast to the K–12 system, higher education is blessed with more of an open market. In theory, consumers in this market have the freedom to shop around for the service provider that best suits their needs. But for the market to fully function, consumers must have adequate information about the cost and quality of available providers. Armed with such information, they can “vote with their feet” by rewarding institutions that provide the best service at the most affordable price and punishing those that fall short. Because colleges rely on students to survive, this system of market accountability should provide incentives for schools to meet the needs of consumers.

This is where U-CAN and VSA come in. Both efforts are explicitly designed to solve some of the information

problems that handicap market accountability by encouraging schools to be more transparent about how they perform and how much they cost. But a system that relies on consumer choice to unleash market accountability needs to give consumers the information they want, the way that they want it. And while different people come to college wanting different things, in general all consumers are interested in (a) price, specifically actual out-of-pocket costs, and (b) service, in particular the quality of teaching, expectations for learning and degree attainment, and the likelihood of success in further education and the job market. Consumers also need this information to be provided in a way that facilitates choice, where they can easily compare how institutions differ from one another on important characteristics. Lastly, if market accountability is to compel low-performing schools to improve, it is important that consumers are able to compare quality and costs across the entire population of institutions, not only those that volunteer to become more transparent. As the Spellings Commission pointed out, though, the higher education market is not as information-rich as it needs to be, and prospective consumers are handicapped by institutions’ lack of transparency about costs, quality, and performance. In order to meet the deficiencies identified by the Spellings Commission and offer true accountability, U-CAN and the VSA must improve on what exists already.

By these criteria, U-CAN fails. While its search engine does accommodate institutional comparisons on the basis of student characteristics (e.g., SAT scores), graduation and retention rates, and college costs, it does not obligate institutions to gather or reveal any data that are not already available elsewhere. Indeed, U-CAN once boasted on its Web site that institutions could create a profile within 8–10 hours because no new data collection was required. As such, U-CAN does little to improve transparency and will be hard-pressed to equip consumers to make more informed choices. It is best cast as a pre-emptive attempt to fend off federal or state regulators, not a sincere effort to compel institutions to focus on consumer needs.

The VSA is more promising as a mechanism to improve market accountability, though it too has much room for improvement. Each institution that participates in the VSA creates a “College Portrait,” a standardized Web site which displays previously unavailable data on costs, student engagement, and student learning outcomes (see a sample College Portrait in Figure 1). Member

colleges are obligated to create a “net cost calculator” that prospective students can use to estimate how much college attendance will cost. Participating institutions must also provide information on “student engagement,” a combination of teaching practices, learning experiences, and the degree to which students are connected to the larger academic and community life of the campus. Most engagement data comes from well-established surveys like the National Survey of Student Engagement (NSSE). Colleges must also publish student learning outcomes on one of three standardized examinations, the Collegiate Learning Assessment (CLA), the Collegiate Assessment of Academic Proficiency (CAAP), or the Measure of Academic Proficiency and Progress (MAPP).

Each of these innovations has the potential to provide consumers with important information about costs and quality (“information they want”), and the VSA claims to present the data in a way that facilitates simple comparisons across institutions (“the way that they want it”). But in the case of the VSA, its creators have made conscious decisions about what data to include and how to include it that often serve to inhibit easy comparisons across institutions.

## Missing the Mark on Comparability and Utility

### Comparability

The VSA’s College Portraits do not have any features that facilitate side-by-side comparisons. Users cannot search for schools that share a set of characteristics—admissions selectivity, cost, average time-to-degree—nor can they easily rank schools on any of the criteria that they might want to. Instead, users must navigate to an institution’s portrait by either running a search on the school’s name or by clicking on the school’s state.

The obstacles to real comparability trace back to questions about who “owns” the data, echoing a common refrain in debates about higher education reform. The “Common Questions and Answers” document explaining the launch of the VSA addresses this issue directly:

**Q:** *Is there a central Web site and search engine that can be used to search across the College Portrait pages of all VSA participants?*

**A:** *No. The College Portrait Web pages will be hosted on individual institution Web sites not centralized in one location.*<sup>3</sup>

In other words, designing a college information clearinghouse that made comparisons difficult was not the result of poor Web design, but was deliberate. The VSA’s reticence to facilitate meaningful comparisons applies to researchers as well as consumers: Despite our best efforts, and the fact that the portraits are all publicly available, APLU rejected our request to acquire the student engagement data that are included in the individual portraits. Prospective students and parents, as well as researchers, must download the information separately for each institution. In order to compare institutions, we collected the NSSE scores by hand, one College Portrait at a time.

### Utility

#### Net Cost Estimates

Consumers typically care about choosing the product that meets their needs at the lowest cost. Unfortunately, pricing in higher education is notoriously opaque. Colleges and universities have become increasingly reliant on high-price, high-aid enrollment policies, where few people pay the listed price. Under this system of price discrimination, colleges list a high tuition cost but then cater the price through grants and loans to individual students based on their ability to pay and their academic credentials. For consumers aiming to comparison shop before the admissions phase, the sticker price is often the only financial indicator they have to compare schools. Moreover, colleges often zealously protect their data on differential student aid, making the net cost to the consumer even more difficult to decipher. As a result, consumer understanding of the relationship between college costs and financial aid, and the distinction between sticker prices and net costs is distressingly low, particularly for parents who have little experience with higher education. More importantly, research has found that providing students with information about high sticker prices instead of net costs can actually negatively affect their motivation to prepare for college.<sup>4</sup>

While colleges have been reluctant to make pricing more transparent, they have been willing to ratchet up tuition, prompting policymakers and advocates to call on schools to provide a “net cost calculator,” intended to derive rough estimates of a student’s real cost of attendance. The

Figure 1. Sample College Portrait\*

## Alabama A&M University College Portrait

Alabama A&M University  
4900 Meridian Street Normal, AL 35762  
256-372-5000

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### Student/Family Information

**Student Characteristics**

**Undergraduate Success & Progress Rate**

**Retention Rate for New Freshmen**

**Costs of Attendance and Financial Aid**

**Undergraduate Admissions**

**Degrees and Areas of Study**

**Study at Alabama A&M University**

**Student Housing**

**Campus Safety**

**Future Plans of Bachelor's Degree Recipients**

**Carnegie Classification of Institutional Characteristics**

### Alabama A&M University

**Our Mission:**

Alabama Agricultural and Mechanical University reflects the uniqueness of the traditional land-grant institution which combines professional, vocational and liberal arts pursuits. The University provides baccalaureate and graduate studies that are compatible with the times to all qualified, capable individuals who are interested in further developing their technical, professional, and scholastic skills and competencies. It operates in the three-fold function of teaching, research, and public service, including extension. A center of substance and excellence, Alabama A&M University provides a setting for the emergence of scholars, leaders, thinkers, and other contributors to society. In cooperation with business, industry, governmental agencies, and other private and community-based institutions, Alabama A&M University provides a laboratory where theory is put into practice.

### The Bulldog Community

**What We Offer:**

Alabama A&M University provides a setting for the emergence of scholars, leaders, thinkers, and other contributors to society. The University is committed to: 1. Excellence in education and a scholarly environment in which inquiring and discriminating minds may be nourished. 2. The education of students for effective participation in local, state, regional, national, and international societies. 3. The search for new knowledge through research and its applications. 4. The provision of a comprehensive outreach program designed to meet the changing needs of the larger community. 5. Programs necessary to adequately address the major needs and problems of capable students who have experienced limited access to education. 6. Integration of state-of-the-art technology into all aspects of University functions. Alabama A&M University, in cooperation with businesses, industrial and governmental agencies, and other institutions, provides a laboratory where theory is put into practice in a productive environment.

### Student Experiences/Perceptions

**Experiences at Alabama A&M University**

**Group Learning Experiences**

**Active Learning Experiences**

**Institutional Commitment to Student Success**

**Student Interaction with Faculty and Staff**

**Experiences with Diverse Groups/Ideas**

**Student Satisfaction**

### Student Learning Outcomes

**Assessment at Alabama A&M University**

**Core Learning Outcomes**

**Campus Information**

**Student Affairs**

**AAMU Sports**

**IntraMural Sports**

**University Choir**

**International Student Association**

**Retention & Academic Support**

**Fact Book**

**Financial aid**

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\*Image captured on September 30, 2009.



2008 Higher Education Opportunity Act mandated that all colleges and universities with students receiving federal financial aid must have a “net price calculator” operational on their Web sites by August 2011. The hope is that such calculators will provide consumers with a reasonable prediction of what they might pay at various institutions, empowering them to comparison shop more easily.

While the VSA also requires institutions to provide a net price calculator, the implementation of this data element does not bode well for the efficacy of the HEOA provision. Not surprisingly, institutions have very different notions of a net price calculator. At the end of September 2009, of the 329 institutions that had joined the VSA, 109 had a functioning link to a calculator that factored in the institution’s tuition and fees, the student’s living arrangements, and the family’s ability to pay. The track record for the rest of the VSA members was bleak:

- 68 institutions did not have a functioning link,
- 39 institutions simply linked to generic tuition cost tables,
- Six sent viewers to payment calculators for current students,
- 18 sent students to generic cost calculators that were unable to account for financial aid,
- 14 routed users to an external Web site to calculate a federally created formula called the Expected Family Contribution (EFC),
- 26 merely linked to the school’s financial aid department, and
- 49 had not yet completed any element of their portrait.

To label these efforts as “net cost calculators” is false advertising. Most of the options do not improve upon what is already publicly available, and what is available does little to solve the sticker price problem. The majority of member colleges and universities have avoided including a functioning net price calculator, perhaps in order to protect their prerogative to tailor pricing for individual students. These institutions should be pressed to follow the lead of the members that have implemented the cost calculator faithfully.

## Future Plans of Degree Recipients

In addition to cost, the other key piece of consumer information is a sense of product quality—the price of

a product or service is only informative in reference to the quality of that product. On this count, institutions of higher education are even more difficult to rank and measure. There are various potential measures of quality, ranging from graduation and retention rates to the proportion of students who go on to enroll in graduate school to the labor market success of graduates down the line. Retention and graduation rates are some of the most common and readily available indicators of quality, but state and federal policymakers have increasingly sought to link student outcomes in the labor market—employment, earnings, employer satisfaction—with the colleges that students graduated from.

The VSA attempts to get at one dimension of student outcomes by including data on the “future plans” of bachelor’s degree recipients at participating schools. Like the net cost calculator, the future plans component is strong in its intent but weak in its implementation. Each school must include a pie graph showing what the institution’s graduates plan to do after graduation. This may look like a positive step for transparency, but the key words in this measure are “future” and “plans.” This component should not be seen as an indicator of post-college success, because it does not give the percentage of students able to find jobs or who choose to pursue post-graduate work, but rather the percentage of students who *intend* to. That difference matters. Unfortunately, the VSA does not provide incentives for schools to collect systematic information about actual, post-graduation outcomes.

## Learning Outcomes

Another way to gauge the quality of an institution is to measure how much students actually *learn* while they are there. The Spellings Commission called on policymakers and higher education leaders to develop ways to measure student learning at colleges and universities. Several organizations have created standardized tests, designed to be administered to freshmen and seniors, to gauge the “value added” by the student’s time at the institution. Colleges and universities are generally loath to submit to this kind of standardized testing for fear of how their results might compare to those of their peers.

To the VSA’s credit, in spite of the controversial nature of measuring college learning outcomes, they require members to include measures of student learning on

their College Portraits. In order to show evidence of “improvement in student abilities in critical thinking, analytical reasoning, and written communication,” participating institutions must publish freshman and senior scores on one of three eligible standardized exams—the CLA, CAAP, or MAPP.<sup>5</sup> Of the 69 institutions that had posted results of one of these exams to their portrait by the end of September 2009, 59 chose the CLA and five each the CAAP and MAPP.

Each of the tests is graded on its own curve, and each has different components, testing protocols, and scales. The CLA, for example, gives freshman and senior scores for “performance” and “analytic writing” that start at 400 and technically have no maximum (they usually range from 1,000 to 1,300). Institutions reporting CAAP scores publish freshman and senior marks in “critical thinking” and “writing essay” with scores between 40 and 80. And for institutions that report MAPP scores, those scores range from 100 and 130 in “critical thinking” and “written communication.”

A recent study found that these exams produced “comparable outcomes.” For example, a school scoring in the 95<sup>th</sup> percentile on the CLA will score similarly on the MAPP.<sup>6</sup> This news is encouraging, because it suggests that schools cannot pick the easiest exam or one that does not do a good job of distinguishing between institutions. But, because the College Portraits display assessment results as raw scores rather than percentiles, consumers will have difficulty comparing schools that use different exams. This is similar to knowing one school’s average SAT score and another school’s average ACT score without knowing where those scores rank the schools across all institutions using that test.

Even if comparisons across the three tests were not feasible, it would be helpful to provide users with percentiles, or how schools fared relative to their peers, to facilitate comparisons between institutions using the same test. Consider the CLA, the most common choice as of the end of September 2009. Without percentiles, it’s difficult for users to know how much higher a 1200 is compared to an 1150. It could be that the 1200 places that school in the 90<sup>th</sup> percentile, while the 1150 is in the 35<sup>th</sup>, or the percentiles could be much closer together than the raw scores suggest. Information that conveys relative performance would be useful to consumers who are looking to comparison shop.

## Student Engagement

Consumer choice in higher education is not only a “maximization problem” (earning the highest salary or gaining the most knowledge), but a “matching problem” (finding the school that best fits individual needs). Many consumers are as concerned about the experience that a student has while he or she is at an institution as they are about whether that school makes students more successful in the long run. A sense of student engagement can be an important factor in college choice, and it is related to other outcomes like student achievement and perseverance.

The VSA requires participants to report results from a major survey of student engagement. More often than not, institutions have reported their scores from the National Survey of Student Engagement. NSSE asks a representative sample of freshmen and seniors at participating institutions to respond to an identical set of 80 questions. NSSE tallies the responses and compiles them into five benchmarks—level of academic challenge, active and collaborative learning, student-faculty interaction, enriching educational experiences, and supportive campus environment. There is some controversy over whether NSSE scores are appropriate for making comparisons across institutions.<sup>7</sup> We focus here on the decisions made by the VSA about how to use NSSE, not the shortcomings of NSSE itself.

To that end, there are three key problems with how the VSA has implemented the student engagement component. First, the portraits list engagement scores for senior students but leave freshman scores out of the equation. Since student engagement, as measured by NSSE, should be positively related to retention and perseverance, those students who are still on campus by their senior year are likely to be the most engaged, while less engaged students have already dropped out. This presents a selection bias problem that is likely to tilt engagement scores upward and distort the overall level of engagement for the “average student” on campus.

NSSE’s annual report, which displays aggregated results for the five benchmarks and all 80 questions, shows that seniors score higher on four out of five benchmarks and 16 of the 23 questions featured in the College Portraits.<sup>8</sup> Freshmen were more likely to score higher on questions related to extra-curricular activities, academic advising, and whether they would attend the same institution again,

but they lagged behind on almost every other indicator. Leaving freshman scores out may present a distorted picture of student engagement.

Second, rather than reporting the five benchmark scores, which are summary variables that institutions use to assess their performance relative to their peers, the portraits display responses to a subset of 23 NSSE questions. Picking and choosing individual indicators may omit measures that are important to parents. Indeed, while it is not clear how the VSA chose which indicators to include, they have left out many measures of academic rigor (i.e., how many books were assigned for the average class or how many paper assignments a student completed).

Lastly, the indicators that the portraits do include are often scored such that variation across schools is minimized, making it difficult to distinguish institutions. In the construction of the benchmark scores, NSSE attaches weights to particular responses. For instance, on questions about the frequency of given activities, an answer of “sometimes” receives one-third of the weight that an answer of “very often” receives. This makes sense, as the “sometimes” answer conveys a lower level of engagement than a “very often” answer. In contrast, the VSA has scored many of the included items in a way that attaches equal weight to any answer other than the lowest possible response category (or, in the case of the eight-point time usage scale, the two lowest categories). For instance, for the item that asks how often students felt challenged to work harder to meet expectations, any answer other than “never” would be counted equally, even though the typical response at one school might have been “sometimes,” while at another it might have been “very often.”<sup>9</sup> Here, the actual responses might suggest that the level of academic challenge may be different across the two schools, but these types of differences are obscured on the College Portraits.

## ***The NSSE Scores in Practice***

An examination of the NSSE scores that are available on the College Portraits reveals that these design flaws often serve to minimize differences across schools. Of the 329 VSA schools, 242 had posted results for the 23 selected NSSE indicators by the middle of October.<sup>10</sup> We collected each reported score for each available school and report aggregate statistics in Table 1.

Overall, nine of the 23 indicators have a mean score of 80 percent or higher, and another three have mean scores between 70 and 80 percent. But it is the lack of variation across institutions rather than the high scores that is the problem. Table 1 displays the standard deviation of the responses to each item. This is a way to show how spread out the observations are from each other. High standard deviations indicate a lot of variation, while low standard deviations indicate a lack of variability. Of the 23 indicators, 19 have a standard deviation of 10 percentage points or less, less than one-tenth of the entire scale. Twenty-two out of 23 have a standard deviation less than 15 percentage points. As such, many indicators in the College Portraits cluster in the 85 percent to 95 percent range. This gives the impression that all institutions have similar levels of performance on most measures. Much of this is due to the VSA's decision to collapse many response categories into one affirmative response, where answers like “sometimes” and “very often” mean the same thing. With very little variation, it is more difficult for consumers to compare one school to another.

One way to examine whether this lack of variation in NSSE scores disguises important differences between institutions is to consider how the 23 indicators relate to institutional graduation rates, a measure commonly associated with school quality. We would expect to see a positive relationship between engagement scores and graduation rates. Figure 2 plots an institution's six-year “Student-Right-to-Know” graduation rate (the x-axis) against its NSSE score (the y-axis) for each of the 23 items. The variance of a given NSSE item is shown by the extent to which the dots are spread vertically over the y-axis. If the dots are tightly coupled in a thin horizontal line, there is very little variance; if the dots are spread out from top to bottom, this reveals considerable variance in the responses. In addition, we've included a “best fit” line to gauge the strength of the relationship between the NSSE scores and graduation rates. Since we'd expect a positive relationship between NSSE indicators and graduation rates, this line should slope up from left to right. The steeper the line, the stronger the relationship.

The charts in Figure 2 illustrate how little variation there is on many NSSE indicators and how this lack of variance can obscure any relationship between these measures of student engagement and graduation rates. While there is no objective measure of what constitutes “enough” variation across institutions, it is clear that many of these items show little differentiation between schools with very different characteristics.

**Table 1. Means and Standard Deviations of NSSE Items Included in the VSA**

	Observations	Mean	Standard Deviation
Student Worked With Others Outside of Class	242	92%	5
Student Tutored Other Students	242	57%	9
6+ Hours Per Week: Co-Curricular Activity	242	23%	10
6+ Hours Per Week: Preparation for Class	240	79%	11
Participation: Faculty Research	242	18%	6
Participation: Internship	242	51%	12
Participation: Community Service	242	58%	10
Participation: Study Abroad	242	11%	7
Conducted Presentation	240	92%	16
Institution Committed to Student Success	240	94%	4
Quality of Academic Advising	242	68%	8
Quality of Non-Academic Support	242	61%	8
Student Worked Harder to Fulfill Expectations	242	94%	3
Staff Is Helpful	242	53%	9
Faculty Are Helpful	242	78%	6
Timely Faculty Feedback	242	95%	3
Discussed Topics With Faculty Outside of Class	242	72%	7
Students Often Tried to Understand Other Views	242	63%	8
Institution Increased Understanding of Other Races and Backgrounds	242	84%	6
Students Engaged in Serious Conversations With Peers of Different Race	242	52%	12
Student Would Attend Institution Again	242	81%	6
Overall Student Satisfaction	242	84%	5
Other Students Are Friendly and Helpful	242	81%	5

Take, for instance, the NSSE item that measures how many students report that they prepared for class six or more hours per week (Chart 2D). With the exception of the eight outliers with scores below the 50 percent mark, 87 percent of institutions report answers in the 75 percent to 90 percent range (203 out of 234 eligible schools). Other indicators of academic rigor are even more consistent: On the item that asks whether students have ever had to work harder to meet expectations (Chart 2M), almost no schools fall below 80 percent, and 98 percent of institutions fall between 85 and 100 percent (239 out of 242). Distinguishing between institutions on the basis of their level of commitment to student success (Chart 2J) is equally difficult. Outside of the four to five outliers, the responses are so tightly clustered that they almost form a solid line across the top of the graph. The pattern is similar for the question about faculty feedback (Chart 2P) and conducting class presentations (Chart 2I). Even the three

items that measure student satisfaction (Charts 2U, 2V, and 2W) exhibit surprisingly little variation across schools.

To be fair, some items exhibit more variance than these. The items that the VSA includes in its “group learning experiences” and “active learning experiences” categories (Charts 2A through 2I) generally exhibit more variance, as do a few of the items that measure the quality of interactions with faculty, staff, and student support services. Unsurprisingly, the items about faculty and staff interaction are among the set of questions that the VSA has scored more discriminately, with only the top three categories of the seven-point scale pooled to calculate the score. Hence, they vary more across schools. Meanwhile, the active learning experiences are likely to be proxies for other school characteristics. Many of them measure extra-curricular activities (internships, community service, study



abroad) that may not be as frequent at urban commuter schools as they are at flagship state universities. This is the kind of variation we would expect to see across such a diverse array of institutions. That many of the other items do not vary in a similar fashion suggests that these measures often fail to flesh out important differences between institutions.

Of the NSSE items that do show observable differences between schools, only a subset relate to institutional graduation rates in the expected direction, and few show a strong relationship. The active and group learning items show the clearest relationship to graduation rates. Six of these learning experience indicators exhibit weak to moderate positive relationships with graduation rates, as indicated by the slope of the line, and two of the student satisfaction variables (charts 2U and 2V) exhibit a weak positive relationship. With the exception of these items, however, the relationships between the student engagement items and graduation rates are flat or even slightly negative. School characteristics that may be particularly salient to prospective students—indicators of the quality of academic advising and interaction with faculty and staff—seem unrelated to this basic institutional outcome. For parents hoping to use the VSA's student engagement scores for comparing schools, only a small subset of measures provides informative signals about quality and performance.

## Who Volunteers?

Beyond these design flaws, the concept of making an “accountability” system “voluntary” is problematic in its own right. Put simply, one cannot hold an entire set of institutions accountable for performance if poor performers can opt out of the system. Intuitively, institutions that are among the top colleges and universities in their peer groups are more likely to have incentive to participate. But colleges and universities that lag behind have incentive to remain in the background, protected from the pressure to improve that transparency can create. As such, these efforts are unlikely to help generate market pressure on institutions that choose to opt out.

Has the voluntary nature of the VSA lead to such “creaming,” where the best schools join and those with less-sterling records opt out?

We used the six-year graduation rate collected by the National Center for Education Statistics to compare those

institutions that have joined to those schools that are eligible to join but have not yet done so.<sup>11</sup> The membership of the VSA is in flux, and new institutions join and make their profiles public every month. These findings are limited to those who were participants and non-participants as of the end of September 2009. Also, because graduation rates are a function of institutional practices *and* student characteristics, we account for admissions selectivity using *Barron's* six selectivity ratings from 2009.

The first pattern to note is that the APLU and AASCU have been quite successful in attracting members to the VSA; of the almost 500 schools in our dataset that are identified as members of either the APLU or the AASCU, 329 (about two-thirds of eligible schools) have joined the VSA. We have valid graduation rate data for 321 of the participating institutions and 165 of the eligible non-participants.<sup>12</sup>

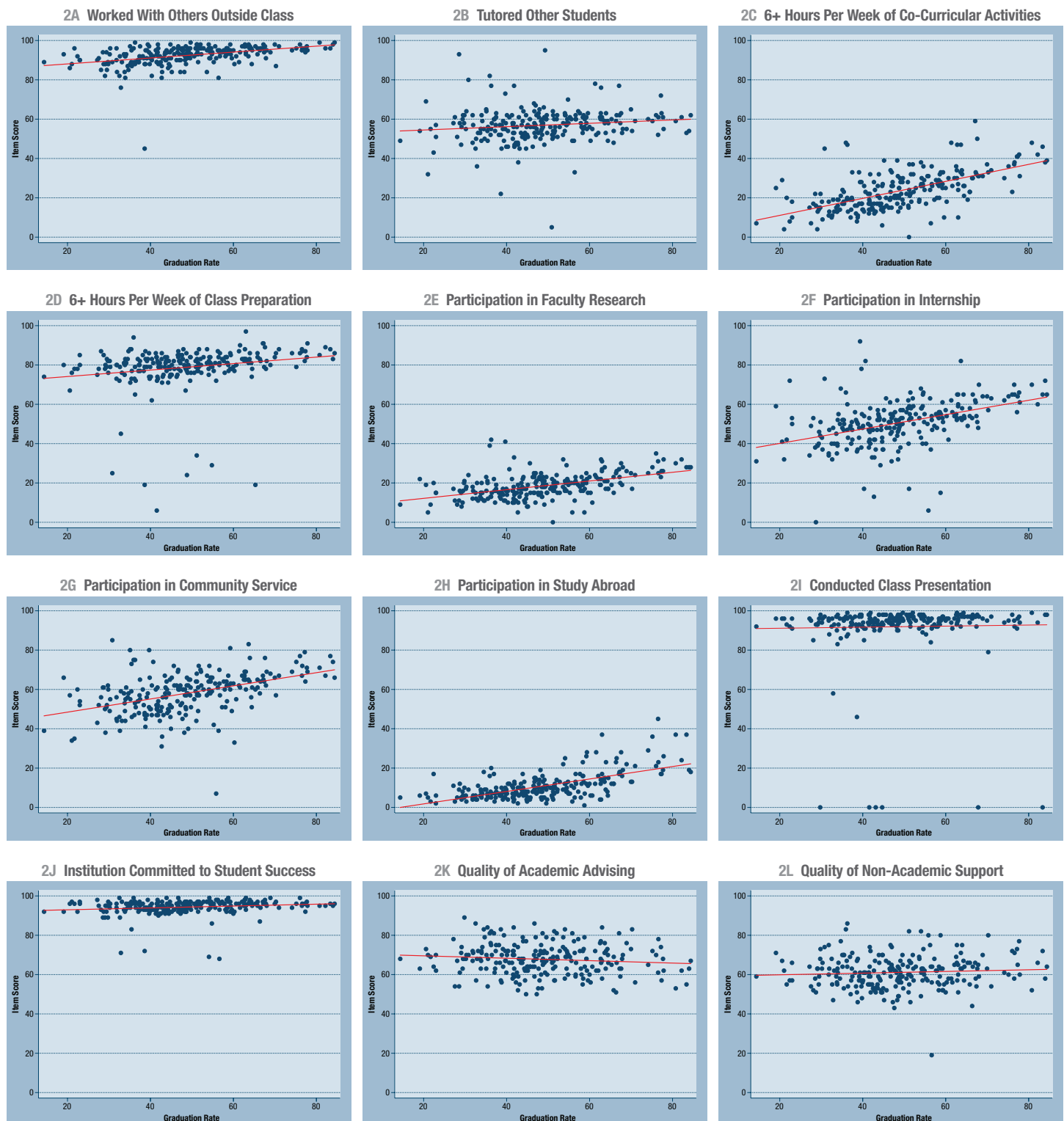
Overall, the results reveal a small gap between joiners and non-joiners, but this pattern varies by selectivity category. Figure 3 depicts the average graduation rates for members and non-members across the selectivity categories and overall. As the overall column suggests, the schools that have chosen to take part in the VSA appear to have graduation rates that are, on average, only slightly higher than those institutions that are eligible to join but have yet to do so (47 percent vs. 45 percent).

Yet, once we disaggregate the data by the six selectivity categories, we see two different institutional participation patterns. For schools in the three lowest tiers of selectivity (non-competitive, less competitive, and competitive), the schools that have joined have slightly higher graduation rates, on average, than eligible non-joiners. The gap is only statistically significant at the competitive level. While these differences are not huge, they do suggest that some under-performing, less selective institutions have not volunteered for the VSA.

At the top two levels of admissions selectivity, the pattern is reversed: VSA members have slightly *lower* graduation rates than the non-members, but the differences are only significant at the most competitive level. It is important to note that there are very few eligible schools at these levels of selectivity: 25 at the highly competitive level (10 non-joiners, 15 joiners) and seven at the most competitive level (five non-joiners, two joiners).

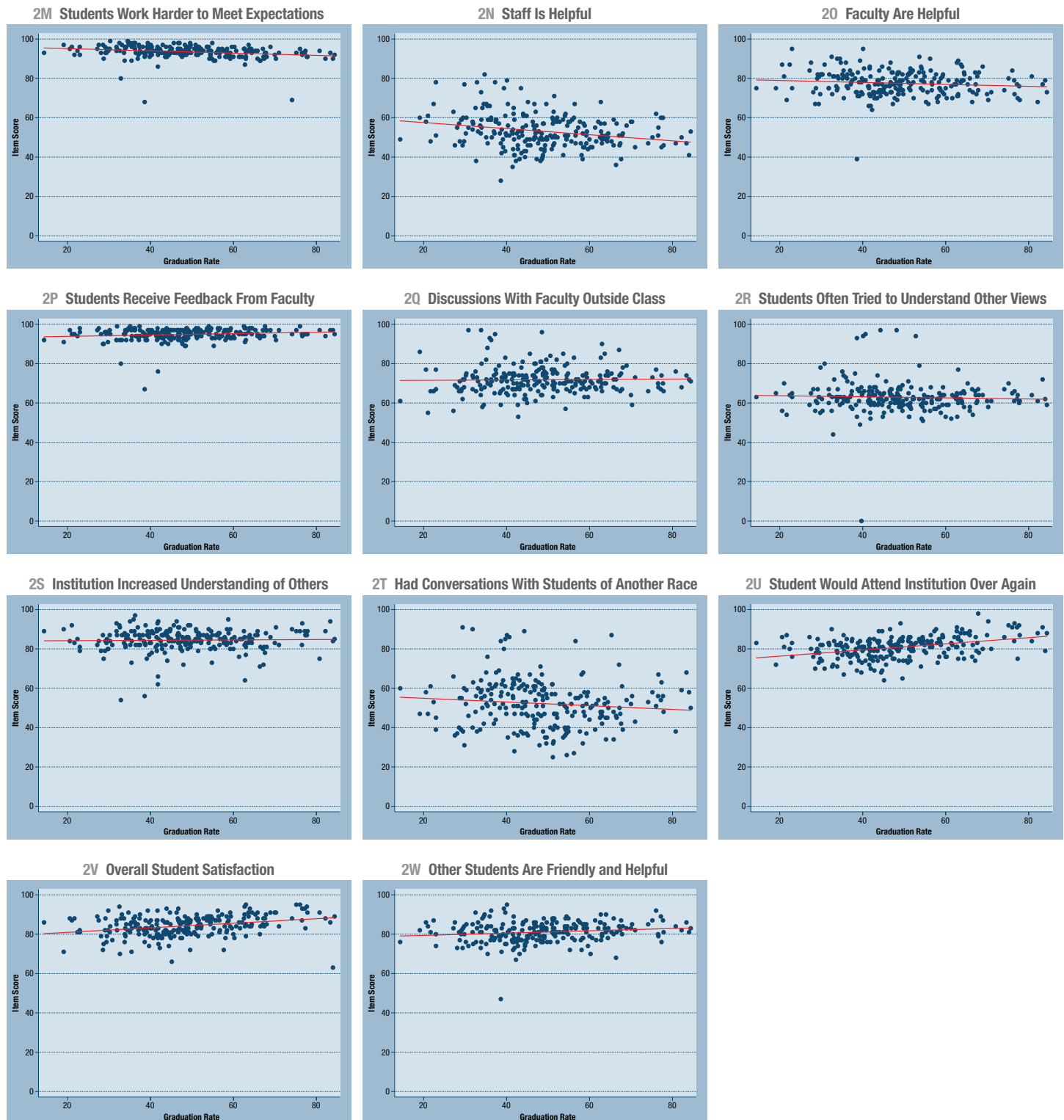
The graduation rate gaps at the higher levels of selectivity are largely explained by the failure of some of the most

**Figure 2. Scores on the 23 NSSE Questions Required for Participation in the VSA Compared to Graduation Rates\***



\*The VSA groups the 23 chosen NSSE questions into six categories: Group Learning Experiences (Charts 2A–2C); Active Learning Experiences (Charts 2D–2I); Institutional Commitment to Student Learning and Success (Charts 2J–2M); Student Interaction with Campus Faculty and Staff (Charts 2N–2Q); Experiences with Diverse Groups of People and Ideas (Charts 2R–2T); and Student Satisfaction (Charts 2U–2W).

**Figure 2.** Scores on the 23 NSSE Questions Required for Participation in the VSA Compared to Graduation Rates (continued)



elite public schools in the country to join the VSA: The top University of California schools (Berkeley, Irvine, San Diego, Santa Barbara), Georgia Tech, and the University of Michigan, are all missing from the VSA roster. At the two highest levels of selectivity, a higher proportion of schools opted out of the VSA than in any of the less selective categories. In short, among the top-tier state universities, there seems to be a conscious decision to avoid the VSA.

It is likely that the leaders of many of these elite state institutions view the VSA with a skeptical eye. After all, these universities are perhaps more concerned with their research productivity, academic reputation, and maintaining their autonomy and academic freedom than they are about measuring the quality of their undergraduate education. Robert Berdahl, the president of the Association of American Universities and a former chancellor of the University of California, Berkeley, expressed such a sentiment in the aftermath of the Spellings Commission:

*The great diversity of missions and types of colleges and universities in our nation . . . and the success of the American system of higher education is due in significant part to*

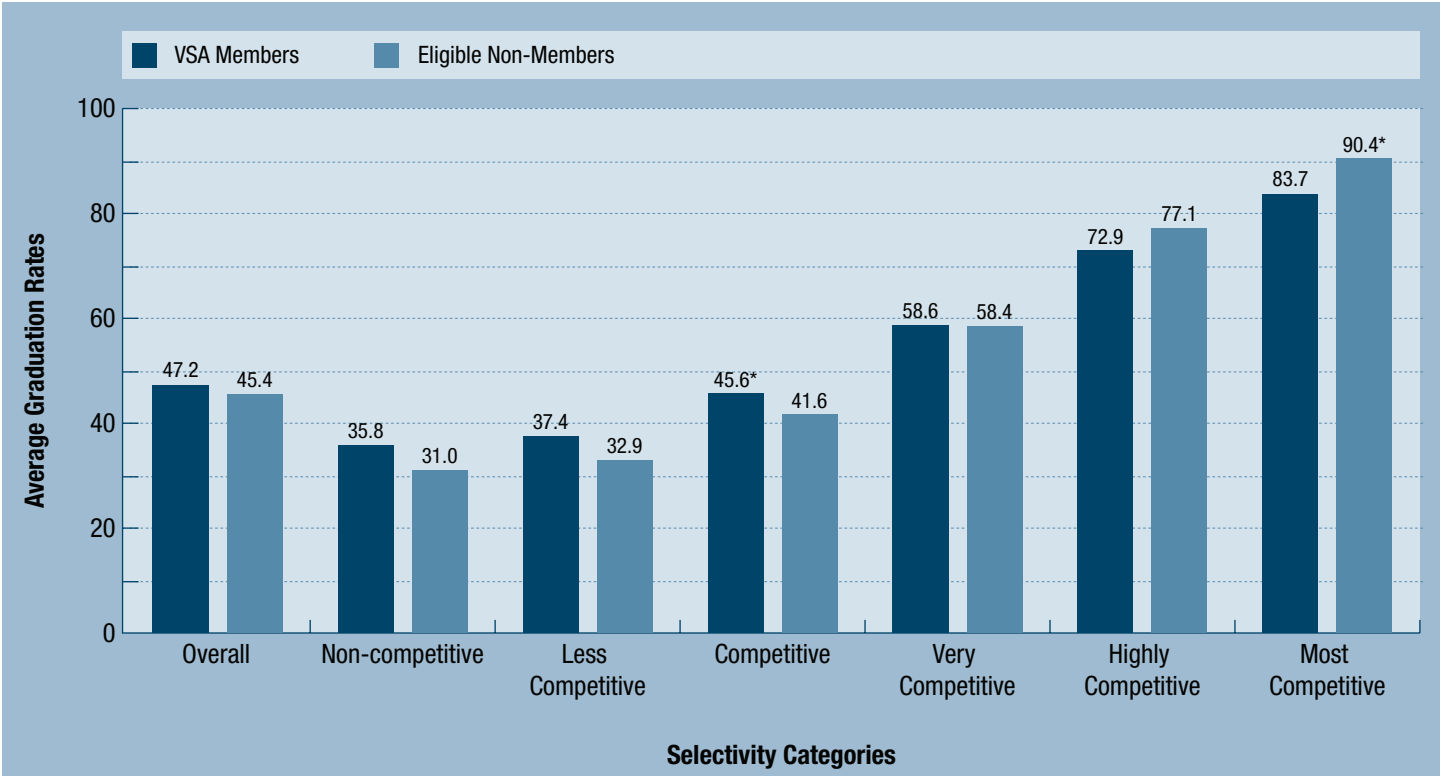
*the principle of academic autonomy. . . .The federal government and accrediting agencies should not impinge upon academic autonomy or be responsible in any way for determining curriculum or setting standards for student learning.*<sup>13</sup>

By this logic, the VSA, with its measurement of learning outcomes and student engagement, constitutes just such an “impingement” upon academic autonomy. As such, the elite state institutions are unlikely to lead the charge on the voluntary accountability effort. At the other end of the selectivity spectrum, some schools with less-sterling records have remained on the sidelines. Even if the VSA were to correct its design flaws, it is unlikely that these non-members will feel the pinch of market accountability.

### Policy Implications

A voluntary system of accountability can serve a number of purposes. First and foremost, it can help to increase transparency and improve consumer information. It may

Figure 3. Comparing Average Graduation Rates for VSA Members to Eligible Non-Members



\*Difference is statistically significant at the .05 level.



also compel institutions that lag behind industry leaders to improve. Crucially, however, it can realistically do so *only among the institutions that join and only if it endows consumers with useful information.*

From the institutions' perspective, it makes more sense to think about such efforts as a firebreak—a gap in the forest that prevents a wildfire from spreading—that is designed to slow the push for a government-mandated framework of transparency, performance measurement, and rewards and sanctions. Though a firebreak can temporarily save a cluster of homes, it does little to resolve the deep-seated problems that led to the fire in the first place. Ensuring that those homes are safe in perpetuity requires a much more comprehensive rethinking of the way the forest is managed and may require sacrifices on the part of those who wish to protect themselves.

Since institutional interests drive the design and implementation of voluntary systems of accountability, these systems are primarily designed to hold back prodding regulators, while consumer interests are likely to be a secondary concern. This is accomplished by highlighting the informational benefits that accrue to consumers and assuring policymakers and other interested parties that the sector is managing itself effectively. At the same time, since the initial pressure for accountability came from *outside* the sector, institutional interests must walk a fine line between providing enough information to appease would-be regulators while ensuring that potential members find the system mild enough to join.

The new voluntary accountability systems in higher education, the VSA and U-CAN, exhibit this tendency to appease would-be regulators while minimizing risks for potential member institutions. The U-CAN's institutional profiles are attractive, but provide no new information; the VSA's College Portraits release new data on student engagement and achievement, but they do so in ways that fail to facilitate consumers' ability to differentiate schools from one another.

The VSA is also state- and system-dependent. Private higher education operates in a national or at least regional market, but public institutions of higher education typically draw the majority of their students from inside the state or even smaller local communities. Students from North Carolina looking to go to one of the 16 University of North Carolina institutions, or to any other system with complete

participation, can view their options in full. Prospective students in states where only a small percentage of institutions participate in the VSA—states like Alaska, Arizona, Hawaii, Massachusetts, New York, Oregon, Tennessee, and Virginia—are out of luck.

This is an important moment for the development of higher education accountability. President Obama has challenged citizens and institutions of higher education to raise completion and attainment rates; Congress is considering how to structure the College Access and Completion Fund; and states like Ohio are implementing performance funding systems. The moment is especially fortuitous for voluntary systems of accountability, which appear to have taken hold as a policy intervention of choice. Before policymakers and foundations move forward, however, they should note two basic lessons that emerge from the new voluntary efforts profiled here.

## 1. Transparency About Costs and Outcomes Must Be *Mandatory*, Not Voluntary

If the higher education market is to exert pressure on poor-performing institutions, consumers must have the necessary information to make informed choices and “vote with their feet.” These voluntary systems *do* seek to increase consumer information, but they do so imperfectly because some schools fail to join. The institutions that opt not to participate cannot be readily compared to their peers, and this handicaps the ability of consumers to explore their options fully.

The few state systems that have actively required their members to join, like the California State and University of North Carolina systems, provide a model for how policymakers can get around the participation problem. Research on college attendance suggests that 72 percent of college students enroll in their home state, while 86 percent enroll in their “home region.”<sup>14</sup> As such, state-level government could help the vast majority of their students by compelling *all* in-state institutions to collect and publish informative and comparable data. This policy change would help to solve, at the state-level anyway, the most fundamental flaw in the current voluntary systems of accountability. Increased transparency should not be a choice for institutions that receive public funds, but a requirement. Nor should schools have control over which basic measures of costs and quality they

are willing to make available to the public. Though social and political pressure to join voluntary systems might succeed in the long run, statutory or regulatory pressure from state legislatures to increase transparency could pay more certain and immediate dividends.

## 2. Collect Data That Clarify Institutional Distinctions, Not Blur Them

In order for such information systems to help create market pressure, the information itself must help consumers make distinctions between institutions with different missions, student bodies, and levels of performance. Even if all schools volunteered to be more transparent, if making comparisons is difficult or confusing, there is little chance that the institutions that do certain things well will be rewarded while those that do not will become less popular.

The key problem is that in walking the fine line between revealing new information and ensuring institutional participation, both the VSA and U-CAN have gone too far in favor of the institutional participation goal. Institutions of higher education are generally reluctant to provide information that can be used in any way, shape, or form, to rank them against their peers. Indeed, part of NSSE's popularity and prominence on college campuses stems from its commitment to exploring intra-institutional (e.g., across students and/or departments), rather than inter-institutional variation. This is where those policymakers looking to develop a system of market accountability need to learn from the popular rankings guides that many in academe detest. The omnipresent *U.S. News* rankings, for instance, make very fine-grained distinctions across institutions that are otherwise quite similar. Is the student experience at Institution X (ranked 40th) that much different than the student experience at Institution Y (ranked 20th)? Whether or not it is, research has shown that higher rankings lead to increases in popularity.<sup>15</sup>

Popular magazine rankings probably go too far in making such fine-grained distinctions, as institutions are probably more similar than their rankings might suggest. But the lesson is clear: Consumers seize on information that allows them to distinguish one college from another, and they flock to schools that appear to promise better experiences and outcomes.

This isn't to say that efforts like the VSA should seek to "rank" schools in any systematic fashion. That can be left up to prospective students and parents, who can weigh certain data points more heavily than others depending on their particular needs. But, in order for these data to be useful in comparing schools in the first place, they must clarify institutional differences, not dilute them.

Since the advent of the mass system of higher education, American colleges and universities have engaged in a vastly imperfect system of "self-regulation" via the accreditation process. As the call for a more stringent form of accountability has become louder, even the institutional interests themselves have acknowledged the need to do more by starting these voluntary systems. Yet, in spite of the fanfare with which they were unveiled, the VSA and U-CAN still constitute a form of "self-regulation," meaning that the institutions themselves have the power to define what they are willing to reveal to the public and to avoid joining altogether.

Higher education leaders have argued that these initiatives are an important step in the effort to increase accountability. They represent a step that is not nearly large enough. Much work remains to get to the destination—meaningful, transparent mechanisms with which to compare institutional performance. Most importantly, this small step should not persuade policymakers that accountability can be increased by harnessing the good intentions of the very institutions that they seek to hold accountable.

## ENDNOTES

- <sup>1</sup> Commission on the Future of Higher Education, *A Test of Leadership: Charting the Future of U.S. Higher Education* (Washington, DC: The Department of Education, September 2006), xii.
- <sup>2</sup> Commission on the Future of Higher Education, x.
- <sup>3</sup> "Voluntary System of Accountability The College Portrait: Common Questions and Answers," February 15, 2007, available online at: <http://www.voluntarysystem.org/docs/faq/Q&A.pdf>.
- <sup>4</sup> Mesmin Destin and Daphna Oyserman, "From Assets to School Outcomes: How Finances Shape Children's Perceived Possibilities and Outcomes," *Psychological Science* vol. 20, no. 4 (2009): 414–418.
- <sup>5</sup> "Voluntary System of Accountability The College Portrait: Information on Learning Outcomes Measures," January 23, 2008, available online at: <http://www.voluntarysystem.org/docs/cp/LearningOutcomesInfo.pdf>.
- <sup>6</sup> Fund for the Improvement of Postsecondary Education, *Test Validity Study*, September 29, 2009. See also: Doug Lederman, "Assessing the Assessments," *Inside Higher Education*, November 5, 2009.
- <sup>7</sup> See Stephen R. Porter, "Do College Student Surveys Have Any Validity?" (paper presented at the 2009 meeting of the Association for the Study of Higher Education (ASHE)) or Mark Schneider, "Assessing NSSE," *Inside Higher Education*, November 24, 2009.
- <sup>8</sup> Available online at: [http://nsse.iub.edu/2009\\_Institutional\\_Report/pdf/NSSE09%20Frequency%20Distributions%20Report%20%28NSSEville%20State%29.pdf](http://nsse.iub.edu/2009_Institutional_Report/pdf/NSSE09%20Frequency%20Distributions%20Report%20%28NSSEville%20State%29.pdf).
- <sup>9</sup> The same goes for questions on a four-point scale running from "very little" to "very much"; the top three responses are given equal weight, though responding "some" clearly indicates a lower level of institutional engagement than a response of "very much." On questions about time allocation, students are given an eight-point scale from zero hours to 30+ hours per week. All answers other than zero and one to five hours are given equal weight. In all, the VSA scored nine out of 23 items in this fashion; 11 out of 23 if you count the questions about hours spent per week preparing for class and in co-curricular activities.
- <sup>10</sup> Schools are not obligated to use NSSE, but can use another student engagement survey instrument. The 242 schools represent those schools that posted NSSE responses. For two indicators, a few schools reported percentages that were higher than 100 percent; these observations were excluded from the calculations.
- <sup>11</sup> In order to mute the impact of year-to-year fluctuations, we computed a weighted average graduation rate over three cohorts of first-time, full-time freshmen (1999, 2000, and 2001; graduation rates for 2005, 2006, and 2007) for each school classified as "primarily bachelor's degree-granting" by NCES. This is an important restriction on the schools that are included in the analysis. For instance, many members of the AASCU are labeled as "primarily associates-degree granting" even though they may also award bachelor's degrees. A handful of these primarily associates schools are members of the VSA. We excluded these schools because it would be unfair to compare schools whose core mission is to award associates degrees with those for whom it is to award bachelor's degrees on the basis of the bachelor's degree graduation rate.
- <sup>12</sup> The small number of schools that are missing from the database were excluded for one of the following reasons: They were outside of the U.S. (University of Puerto Rico, Mayaguez; University of American Samoa); they were too young to have data for the 2001 cohort of students (e.g., University of Washington, Tacoma); or they were not classified as primarily bachelor's degree-granting and above (e.g., Utah Valley State University, CUNY-Medgar Evers College). Finally, a handful of schools, like the North Carolina School of the Arts and SUNY–Empire State, were classified as "special interest" and were not coded for selectivity.
- <sup>13</sup> Robert Berdahl quoted on page 78 in Brent Ruben, Laurie Lewis, and Louise Sandmeyer, *Assessing the Impact of the Spellings Commission: The Message, the Messenger, and the Dynamics of Change in Higher Education* (Washington, DC: National Association of College and University Business Officers, 2008), available online at: [http://www.nacubo.org/documents/business\\_topics/AssessingImpact.pdf](http://www.nacubo.org/documents/business_topics/AssessingImpact.pdf).
- <sup>14</sup> Krista Mattern and Jeff Wyatt, "Student Choice of College: How Far Do Students Go For An Education?" *Journal of College Admission* (Spring 2009): 19–29.
- <sup>15</sup> James Monks and Ronald Ehrenberg, "The Impact of U.S. News & World Report College Rankings on Admissions Outcomes and Pricing Policies at Selective Private Institutions," NBER Working Paper 7227 (Cambridge, MA: National Bureau of Economic Research, 1999).