



The Obama Administration's College Scorecard: A Community College Perspective

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The release of the Obama administration's revised [College Scorecard](#) has key implications for community colleges. Member CEOs will naturally be focused primarily on the more public aspects of the scorecard and its use, but equally important is the accompanying information about institutions that was released. Third parties, including think tanks and policymakers, have already begun to analyze some of these "under the hood" data elements.

AACC's Scorecard analysis is designed to help college leaders better understand the Scorecard, related data, and its implications. The terms "technical data" and "technical definitions" refer to the accompanying data and documents containing data definitions, respectively. In reviewing these materials, it is important to remember the following:

- **The administration has retreated from its effort to rate colleges and tie those ratings to institutional aid eligibility, but the Scorecard is designed to facilitate comparisons and contrasts between institutions. This makes it essential that the data being employed are understood in some detail.**

AACC opposed the college ratings effort (formally known as the Postsecondary Institutional Ratings System, or PIRS) from its initial announcement and is pleased that it has been abandoned. However, the Scorecard fosters institutional comparisons. It singles out various institutions or sets of institutions and such lists may be construed by prospective students to be recommendations.

- **Much of the data that have been provided are not pertinent to community colleges.**

The Scorecard is hampered by significant data constraints. In some places, the Scorecard is populated with IPEDS data and other information that is irrelevant to community colleges and their students. In other areas, data are derived from the National Student Loan Data System (which compiles information about federal aid recipients), which means that large swathes of students (the 55% of all community college students who do not receive federal aid) are not included in the database. AACC will continue to advocate for a national unit record data system that would generate more accurate completion rates and other student outcomes that reflect actual institutional and student behavior, and, in turn, could be used to obtain students' post-college earnings.

- **The Scorecard data are provided at the institutional level, rather than at the program level. For community colleges in particular, this limits the utility of the information.**

Many community college students enroll at that institution because it is accessible, affordable, and relevant—their local community college. Once they have decided that the institution is right for them, they then choose a course of study. It is the field of study that largely determines employability and earnings. In this critical respect, the Scorecard is irrelevant, because the information that it provides is

institutionally based, rather than program-specific. The administration has stated its intent to provide program-specific information as soon as possible.

In this context, a student who uses the Scorecard to search by program may find an institution or several institutions that offer that program, and then misconstrue the Scorecard information to be representative of the program, rather than the institution(s).

It is also critical to note that more than 150 2-year public, degree-granting institutions are omitted from the Scorecard. This “first edition” of the College Scorecard only includes degree-granting institutions that primarily confer degrees, which excludes many community colleges that confer a greater number of certificates and diplomas than associate degrees. The administration also has indicated its intent to address this gap as soon as possible.

Using the Scorecard

The following analysis parallels the sequence of Scorecard topics. The accompanying downloadable database has much more detailed data than are available on the Scorecard, but the vast majority of students will not pursue that information.

Costs

Average Annual Cost

Scorecard definition: The average annual net price for financial aid recipients after aid from the school, state, or government. For public schools, this is only the average cost for in-state students.

- The Scorecard displays each institution’s annual cost, here considered to be its net price. Net price is calculated by subtracting school, state, and federal aid from the cost of attendance as defined under the federal student aid programs. In addition to tuition and fees, cost of attendance includes books and supplies, transportation, personal computer, and living expenses. Net price, rather than the more traditional tuition and fees, has gained significant acceptance. While this approach has clear benefits, it also can mislead some prospective students about what they must pay for tuition and fees in contrast to books and supplies and related costs. Living expenses average almost \$7,800 nationally (Fall 2014, College Board data). For community college students, the Scorecard would be greatly improved if it both defined net price and stated the institution’s published tuition and fees.
- Net price fluctuates significantly, because of differing assumptions used in its calculation. For example, two colleges in one state system each represent the least and most expensive community colleges in the state, partly due to local differences, but also due to colleges using different assumptions about student budgets, which greatly influence net price.
- The Scorecard breaks down cost by family income quintiles, which the Higher Education Act (HEA) requires institutions to report. The Scorecard does not indicate whether the family income categories are for dependent or independent students, which could create confusion.
- The Cost section also has a link to the institution’s Net Price Calculator that is mandated by the HEA.

Financial Aid & Debt

The financial aid and debt section has four items: students paying down their debt, students receiving federal loans, typical total debt, and typical monthly loan payment.

- **Percent of Students Paying Down Their Debt**

Scorecard definition: The share of students who have repaid at least \$1 of the principal balance on their federal loans within 3 years of leaving school.

- This measure, commonly known as a cohort repayment rate, is an alternative to the more familiar cohort default rate (CDR). The U.S. Department of Education (ED) states in accompanying Scorecard documents that the CDR is increasingly viewed as a flawed accountability measure, in part because it is vulnerable to institutional “gaming” or manipulation by placing into deferment and forbearance students at risk of default, to avoid including them in the calculations as delinquent. Furthermore, the cohort repayment rate has emerged as a possible alternative measure. The full policy implications of this change are not clear at this time, but they will be of great importance to community colleges.
- Like the CDR, the repayment rate is calculated within a 3-year time frame and does not apply to institutions with fewer than 30 borrowers (over two cohorts). In the technical data, rates are also available for 1, 5, and 7 years.
- Of note, the repayment rate penalizes institutions whose students may have their repayment postponed for legitimate, allowable reasons such as hardship deferment and forbearance. In addition, students who are actively in repayment, but not retiring their principal, will count against the repayment rate.
- ED also is providing disaggregated repayment data for all borrowers at the institution by completion status; FAFSA family income by dependent and independent status; Pell status; gender; and first-generation college status.

- **Students Receiving Federal Loans**

Scorecard definition: The share of undergraduate students who borrowed federal loans to help pay for college, excluding Parent PLUS loans.

- The Scorecard does not explain that loan usage may be influenced by who applies and is eligible for loans, as well as program cost. Nor does it state that other information, such as repayment rate, is relevant. The Scorecard lacks the important statement concerning community colleges that is included in the technical definition: “Many community colleges are sufficiently low-cost to have low federal loan borrowing rates; and it may be difficult to compare borrowing behaviors for those institutions.”
- Without tuition and fees information provided in the Scorecard, it is difficult to guess at whether students are borrowing to pay for the cost of education or living expenses, as is commonly the case for community college students.

- **Typical Total Debt**

Scorecard definition: The median federal debt of undergraduate borrowers who completed. This figure includes only federal loans; it excludes private student loans and Parent PLUS loans.

- The Scorecard definition specifies that the median total debt is for borrowers who graduate, while the technical definition clearly includes non-completers or those who withdraw. The cumulative amount borrowed is typically higher for completers since they generally stay in college longer than those who withdraw.

- The cumulative total amount borrowed varies greatly not just because of tuition, but because of the program length of the credential pursued. Average debt at an institution that lacks context about the distribution of credentials is of limited utility. It also is important to remember that, at community colleges, programs often have differential costs.
- ED also is providing borrowing data disaggregated by completion status; FAFSA family income by dependent and independent status; Pell recipient status; gender; and first-generation college status. As explained, these data are derived from data that ED has gained access through the National Student Loan Data System (NSLDS), and are not available on the Scorecard itself.
- It also is important to note ED's statement that, "At schools where large numbers of students withdraw before completion, a lower median debt level could simply reflect the lack of time that a typical student spends at the institution. Therefore, the Department of Education recommends using the typical debt level for students who complete."
- **Typical Monthly Loan Payment**

Scorecard Definition: The median monthly loan payment for students who completed, if it were repaid over 10 years at a 6% interest rate.

- The Scorecard definition specifies that this item refers to borrowers who have completed. Again, it is important to recognize that this is a subset of borrowers.

Graduation and Retention

Scorecard Graduation Rate Definition: The graduation rate after 6 years for schools that award predominantly 4-year degrees and after 4 years for all other schools. These rates are only for full-time students enrolled for the first time.

Scorecard Retention Rate Definition: The share of first-time, full-time undergraduates who returned to the institution after their freshman year.

For community colleges, the graduation and retention rate sections of the Scorecard have shortcomings.

- For community colleges, the Scorecard uses the IPEDS graduation rate of 200% of the "normal time" to completion (the term "normal time" is found in the Higher Education Act). This is much preferable to the 150% of normal time graduation rate commonly employed by the government—ED's official, published, graduation rate—but it still understates community college success, primarily because it does not track students for a sufficiently long period of time to capture many graduates. Therefore, college leaders may want to have a more complete explanation of their graduation rate using data from state sources or the National Student Clearinghouse. In the HEA reauthorization process and at other opportunities on the regulatory level, AACC continues to advocate for a 6-year, 300% of normal time graduation rate that includes transfers-out.
- There is a great degree of variation in graduation rates for community colleges that is not correlated in any way to student progression or success. Since the IPEDS graduation rate does not include transfers-out, institutions where students are much likelier to transfer to another college before they complete a degree are likely to be particularly disadvantaged.

- In addition, *all* community colleges are disadvantaged by the exclusion of transfers-out in the IPEDS calculation that is used. For example, the official ED completion rate (using 150% of normal time) for 2-year public institutions increases by 17%, from 21% to 38%, when transfers are included. IPEDS has a transfer rate that is calculated for the total number of students who are known to have transferred out within 150% of normal time to complete. This rate differs from the provision in the HEA requiring that transfers-out be considered completers.
- The national average graduation rate provided along with the institutional graduation rate includes 4-year institutions of higher education, rather than just community colleges. Given their varied missions and student population, community colleges are at a clear disadvantage. The national average graduation rates should be sector-specific so that prospective students can compare graduation rates of a 4-year institution with the average 4-year institution rate and likewise compare the graduation rate of a community college with the average rate for community colleges.
- As part of its Scorecard data release, on its technical website ED is making available additional graduation rate data. As explained, ED has generated these rates by taking data on Title IV (federal student aid) recipients in the National Student Loan Data System (NSLDS) and constructing a variety of completion rates, including part-time students, from that data. While these data may be representative of students overall, as about 70% of all graduating postsecondary students receive federal Pell grants and/or federal loans, that is not true for community college students. Far fewer community college students receive Title IV aid, only 45%, and fewer still borrow (less than 20%). This makes these rates problematic for the community college sector.
- Also on the technical page, and using a methodology similar to the NSLDS completion rates, ED has calculated transfer rates for Title IV-recipients who moved from 2-year to 4-year colleges. This recognizes the role of transfer for community colleges, but at this time the NSLDS-derived rate is not representative of the larger student population.
- The administration is planning to allow institutions to link to the Student Achievement Measure (SAM) framework developed by the major sector-based institutional associations. AACC was involved in the development of SAM, and it is designed to allow data from the Community College Voluntary Framework of Accountability (VFA) to be incorporated. In the coming months, this may be a means for community colleges to better display their performance.

Earnings After School

- **Percentage Earning Above High School Grad**

Scorecard definition: The share of former students earning more than \$25,000, approximately the average earnings of a high school graduate aged 25–34, 6 years after they first enroll. The data are institution-wide.

- The scorecard definition uses former students, without specifying whether they are completers or not, so the assumption is that all undergraduate students are included. Here, too, it is important to remember that only federal student aid recipients are counted.
- There is wide variation in the economic returns linked to different postsecondary programs—within an institution as well as between them. (Associate degree holders often earn more than those with a baccalaureate degree.) Without knowing the nature of programs and credentials

at a given institution, a prospective student would still find it difficult to ascertain whether students' earnings at one institution are better than those at another institution.

- **Salary After Attending**

Scorecard definition: The median earnings of former students who received federal financial aid, at 10 years after entering the school. There is a national average of earnings, against which the average earnings is compared.

- Prospective students and many others are unlikely to appreciate that the earnings being provided are only for former federal student aid recipients. Indeed, given the limited availability of earnings data, analysts cannot derive reliable conclusions and institutional comparisons also are hampered. Federal aid recipients may represent 10% at one institution and 90% at another.
- In general, there is a salary bonus for completers. However, the earnings here are provided for both completers and those who withdrew. Therefore, the ratio of completers to non-completers may explain salary differences between different institutions.
- No explanation is provided that earnings 10 years after entering school means different things depending on how quickly students attain their credentials or how long they remain enrolled prior to leaving the institution. Attendance intensity (i.e., attending full-time versus part-time) plays a role in how long it takes to graduate. Institutions with a high proportion of full-time students are more likely to have a higher proportion of students completing on or close to on-time than institutions with a high proportion of part-time students. Institutions in the former group will have a higher proportion of students who have been in the workforce longer than those in the latter category.
- The earnings information is based on individual W-2 forms and not on tax returns, which avoids the distortions caused when married individuals file jointly.
- More robust data are provided in the accompanying database, including earnings information for years 6 and 10 and for certain groups of students based on family income and gender.

Student Body

Undergraduate students

- This represents the number of degree/certificate-seeking undergraduates enrolled in the fall as reported to IPEDS. Remember: Unlike 4-year institutions, where most students enroll in the fall, community colleges generally enroll students year-round. Therefore, the fall enrollment number usually understates that number of students at a community college.

Percent Full-time and Part-time

- Includes the degree/certificate-seeking undergraduates enrolled part- and full-time in the fall term, as calculated from IPEDS data.

Socio-Economic Diversity

Scorecard definition: Percent of undergraduate students receiving federal need-based (in this case, Pell grant) aid.

- The Scorecard definition does not have the technical definition's caution that: "This is an important measure of the access a school provides to low-income students. However, it may not capture all low-income students. Students who are undocumented immigrants or foreign nationals are not eligible to receive Pell Grants, and some low-income students may not have completed the FAFSA to receive federal aid, but those students may have similar financial circumstances to Pell recipients, or may be just on the other side of Pell eligibility, creating a cliff effect."
- Another omission in the Scorecard definition is that "in some states (such as California), state financial aid may be sufficient to cover costs at community colleges, in particular; so those students may not seek or receive a Pell Grant."
- Students must complete the FAFSA to be eligible for Pell grants, and about 40% of community college credit students do not do this.

Race/Ethnicity

Scorecard definition: The specific race/ethnicity categories (including those for foreign students pursuing postsecondary education in the U.S.) are either required (1997) and/or approved (2007) by the Office of Management and Budget (2007).

- Instead of being elucidating, this Scorecard definition is confusing. The technical definition actually provides the race/ethnicity categories, which the Scorecard does not. These are: white, black, Hispanic, Asian, American Indian/Alaska Native, Native Hawaiian/Pacific Islander, two or more races, non-resident aliens, and race unknown.
- The Scorecard definition also fails to mention that the IPEDS data is self-reported.
- The Scorecard definition also omits the explanation that this information "includes the total enrollment of undergraduate, degree-seeking students, based on fall enrollment." All the other definitions of undergraduates include degree- *and* certificate-seeking students, so it is confusing as to why this definition is limited to degree-seeking students.

The SAT/ACT Scores and Academic Programs sections are omitted from this analysis. The SAT/ACT Scores section does not apply to community colleges and other institutions that do not require test scores. The Academic Programs section lists the most popular programs, defined as the five largest programs, and all the available programs.

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