Maximizing Student Success

A Student-Driven Platform for Higher Education Accountability

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Students take on significant risks pursuing college, but right now they do not have sufficient recourse if that investment is not met with basic quality standards from institutions. Current models to ensure accountability in higher education focus largely on institutional and taxpayer risk, key elements of an effective system, but fall short on directly addressing student risk and perspectives. To create this Student-Driven Platform for Higher Ed Accountability, Young Invincibles spoke to students around the country about their perspectives and priorities for higher education. We asked them about their aspirations for college and workforce, their expectations of themselves, their colleges, and their government, and how public policy can regulate the system to minimize risk and maximize student success.

Students see themselves as sharing responsibility with their colleges and universities, as well as with the government entities that fund and regulate their institutions. They trust and expect institutions to meet a minimum level of legitimacy and quality. They also expect the government to protect their interests as they work towards their degree, an increasingly necessary qualification to compete in the workforce and realize financial security. Students also believe that institutions play a critical role in driving socio-economic mobility and closing equity gaps, and want the government to push schools to better serve this role.

Students support assessing institutions based on student success, by measuring completion, service to low-income students and students of color, and manageability of debt. They support policies that incentivize institutions to perform well on these measures and that penalize those that consistently perform worse.

A STUDENT-DRIVEN PLATFORM FOR ACCOUNTABILITY POLICY

Students support a variety of accountability policies, but we summarize three big ideas below:

Risk-sharing: Charge institutions 5% fee for delinquent loans, partially reimbursing borrowers. The Department of Education will identify all Direct Loans students used to attend individual institutions. The delinquent loans, defined as loans without a payment in at least ninety days, would be aggregated and be the base of the the 5% risk-sharing fee charged to institutions. Half of this fee will be returned to students directly in the form of deductions from their existing loan balances. Given the roughly $44 billion in aggregated debt that is more than ninety days delinquent,[1] this would result in a total of $2.2 billion in fees that the federal government could collect annually.

Enforce "success" threshold of 33 percent of students at all Title IV institutions. Every year, institutions will be required to ensure that a third of their students either continue to pursue their degree, transfer to another accredited institution, or earn a degree. Institutions that do not meet this threshold will pay a one

U.S. Department of Education, Office of Federal Student Aid, "Direct Loan Portfolio by Delinquency Status", accessed April 2018, https://studentaid.ed.gov/sa/about/data-center/student/portfolio.

percent of their total Title IV receipts for each percentage point below the 33 percent threshold. This rule currently applies to new institutions to participate in Title IV programs.

Bonus grant program to incentivize institutions to enroll low-income or otherwise disadvantaged students. The Department of Education should grant cash rewards to institutions that enroll and successfully serve low-income students. The formula should incorporate the number, percent, and growth of low-income or otherwise disadvantaged students who enroll and earn a degree at an institution. The grant program could be funded through the risk-sharing fees and by fees imposed on institutions with success rates below 33 percent described above.

To read the full report visit here.