Reauthorizing the Higher Education Act: Opportunities to Improve Student Success

Additional Submitted Testimony from Lashawn Richburg-Hayes, MDRC, to the Senate Committee on Health, Education, Labor, and Pensions

August 19, 2015

MDRC is pleased to have this opportunity to provide additional information for the consideration of Chairman Alexander, Ranking Member Murray, and members of the Committee on ways research can be used to improve the academic success of low-income college students.

MDRC — a nonprofit, nonpartisan research organization based in New York City and Oakland, California — was founded more than 40 years ago to build reliable evidence on the effectiveness of programs for the disadvantaged and to help policymakers and practitioners use that evidence to improve policies and programs. MDRC is known for conducting large-scale evaluations and demonstration projects to test the impacts and cost-effectiveness of education and social programs. Many MDRC studies use a random assignment research design, the most rigorous method for evaluating such programs, which is able to determine the value an intervention adds to the status quo. This method, analogous to the one used in medical clinical trials, produces the most reliable evidence that a program works. As a result, it is the primary method to be accepted without reservations by the U.S. Department of Education's What Works Clearinghouse (WWC).

The goal of this additional testimony is to reiterate the second recommendation in the testimony of Dr. Lashawn Richburg-Hayes to "encourage innovation paired with research, especially rigorous evaluation." The testimony of Senators and witnesses at the August 5, 2015 hearing provided a number of promising ideas that are operationally feasible and whose outcomes seem encouraging, but that have not yet been subjected to rigorous evaluation based on WWC standards. In addition, other evaluated programs that were mentioned produced small effects at best on outcomes identified by the Institute of Education Sciences (IES) as key markers of collegiate progress. In a time of limited resources, building reliable evidence before making major investments is essential to the long-term goal of increasing college completion.

This additional testimony is intended to emphasize the importance of building into the reauthorization of the Higher Education Act incentives for innovation, coupled with requirements for rigorous evaluation through randomized experiments whenever feasible. This testimony identifies opportunities in two areas — financial aid and student support services — and offers caution in the area of performance funding for higher education.

A summary of our recommendations follows:

1. **Test variations of enrollment intensity tied to Pell Grant receipt before altering the policy.** The Department of Education can test Pell Grant funding to cover the summer term of the academic year. Offering Pell Grant aid to students during the summer would

offer an opportunity to test whether aid during short summer or winter terms (that is, those less than 12 weeks in duration) helps students make stronger progress toward degree completion. Such tests could evaluate tying the reintroduction of summer Pell awards to some of the other strategies (for example, incremental aid disbursements) that could help control program costs and make the program more sustainable. Tests (some taking as little time as a semester to gain pertinent information) could be designed to evaluate the effectiveness of using the Pell Grant as an incentive to enroll for 15 credits per semester, offering the Pell Grant for reaching particular milestones, and the relative effectiveness of changes to the Pell Grant versus alternative funding for students on the verge of dropping out due to tuition and fees.

2. **Include student support services as an IES grant priority and advertise this priority clearly through the Federal Register and other means before competitions open.** Congress can capitalize on the IES annual grant opportunity to provide more information in areas of interest to policymakers, the Department of Education, and other stakeholders. One way to implement this is to identify specific competitions to focus proposal submissions in a desired area. Announcing the priority broadly would allow colleges and researchers to prepare models and find partners.

3. **Continue to use First in the World (FITW) to encourage innovation and research in student support services.** The federal government has made notable strides in valuing evidence through the Investing in Innovation (i3) program and FITW. Both grant opportunities support programs while requiring strong evaluation that will benefit policymakers and practitioners. In addition, both use a tiered strategy of financial incentives, providing the most funding to expand proven strategies to a large scale and lesser amounts to support innovation and a learning agenda. This year's FITW competition included "Improving Student Support Services" as an absolute priority in the validation grant category, further directing attention to areas where the research base is thin. Future competitions could foster additional innovation and research on support services.

4. **Consider the unintended consequences of implementing performance funding in higher education in the absence of standardized metrics of institutional effectiveness.** While performance funding *could* provide incentives for an increase in institutional effectiveness, it could also lead institutions to select students who are more likely to graduate, to lower their institutional standards to achieve desired outcomes, or both. While there are strong critiques to be made of all funding schemes, it is likely that the development of standard metrics should precede the implementation of a performance-funding alternative.

Financial Aid Reforms

Limited financial resources and the related need to work for pay may be major barriers to academic success for many low-income college students. Financial aid can help alleviate these barriers,[1] but significant challenges remain for many students.[2] MDRC believes that innovations

to financial aid disbursement can contribute to improving academic outcomes. A number of financial aid reforms studied by MDRC as well as others were mentioned during the hearing:[3]

- Using the Pell Grant as an incentive to enroll for 15 credits per term
- Concern about the unintended consequences of tightening financial aid requirements by, for example, requiring 15 credits
- Using incentive-based grants to align student behavior with desired outcomes
- Offering Pell Grants for reaching particular milestones
- Simplifying the Free Application for Federal Student Aid (FAFSA)
- Implementing year-round Pell Grants
- Experimenting with when and how students get aid
- Providing a one-time micro-grant to students on the verge of dropping out due to tuition and fees (as in the Panther Grant program at the Georgia State University)
- Offering more financial aid
- Providing loan forgiveness as an incentive to graduate

A common theme of all of these ideas is changing the incentive structure of the Pell Grant or other forms of financial aid to motivate a change in student behavior that will result in sustained enrollment and eventual completion. Items on this list could be viewed as providing multiple ways to accomplish the same end (for example, a 15-credit requirement for Pell Grants, year-round Pell Grants, one-time micro-grants, and Pell Grants for milestones could be various ways to encourage students to attempt a larger number of credits). Some ideas involve ways to use existing aid more intentionally to motivate behavior (for example, experimenting with how and when students get aid or employing an incentive-based aid design in existing institutional grant models or in implementing loan forgiveness).

There are also many other alternatives with potential to achieve the desired outcomes. For example, a public service campaign such as Hawaii's "15 to Finish" could improve the proportion of students attempting 15 credits.[4] Creating student schedules with 15 credits being the default could have a similar effect.

Since it is unclear which approaches are most effective, studies can be designed to look at the efficacy of these alternatives and to explore any unintended consequences before an extensive policy change is made. One idea is to recruit colleges to volunteer to be randomly assigned to various policy alternatives. School-based randomized controlled trials have been employed in K-12 education in many instances, and several organizations have the ability to administer such a design. A similar idea would be to use the experimental sites — authorized by Congress under section 487A(b) of the Higher Education Act of 1965, as amended — to recruit colleges and evaluate the interventions through randomized trials.

Student Support Services

Several of the Senators and witnesses highlighted student support services — such as academic advising, student success centers, and technology-based support service — as promising strategies to improve student success. There is some research on the impact of these types of interventions, but few interventions have produced clear evidence that they are

beneficial, and more could be done to encourage the building of knowledge regarding effective practices in this area.

Some studies of academic advising have been done, although there is still much to learn about effective practices. Academic advising is intended to help students address such topics as choosing which classes to take, balancing school with other responsibilities, interacting with professors, and staying on track to graduate on time. MDRC conducted an experimental evaluation of an enhanced academic advising program and found that the program modestly increased students' persistence and the number of credits students earned in the short term.[5] The City University of New York's Accelerated Study in Associate Programs (ASAP) also provided intensive advising to students, sustained over three years, and produced dramatic impacts, but it was combined with multiple other program components, so the impact of the advising component alone is not known. A recent experimental evaluation of an individually tailored student coaching program provided by InsideTrack is an important exception. The evaluation found positive effects on persistence at least one year after the coaching had ended.[6]

One MDRC evaluation found that a student success course had modest, short-term impacts on credits earned and students' academic standing, while another found positive effects on students' self-management, self-awareness, and engagement in college, but few overall effects on students' academic achievement.[7] Student success programs are popular, but vary across colleges. They may be an effective way to help students, but the evidence is still thin.

The potential of technology-based support services — often called Integrated Planning and Advising Services (IPAS) — to improve student outcomes is still largely untested. IPAS software typically provides students with advising and degree planning and uses predictive analytics and early alerts. Little rigorous research, however, has been conducted to date on the impact of these technology-based solutions.[8] The Bill and Melinda Gates Foundation is supporting the development of IPAS software in partnership with various colleges, which will add information to the field.[9] MDRC is also conducting a random assignment study of a web-based, personalized advising tool, which aims to help students create counselor-approved academic plans.[10]

Some Cautions to Consider About Performance Funding in Higher Education

The potential of performance funding for higher education institutions was an important focus of the August 5 hearing. While MDRC acknowledges that rigorous evaluation in this area is unlikely, it seems important to carefully consider the possible unintended consequences of such policies. *Most importantly, performance funding is likely to punish many effective institutions and reward many ineffective institutions, potentially undermining its intentions.*

There are at least three broad ways for colleges to improve institutional outcomes (for example, graduation rates):
(1) Improve institutional effectiveness
(2) Select students who are more likely to graduate
(3) Lower institutional standards to achieve desired outcomes

The main goal of performance funding should be to provide incentives for the first strategy while avoiding the other two. The typical solution suggested to protect against colleges using the second strategy is to use input-adjusted outcomes (where outcomes are adjusted to account for differences in student demographics), and the typical solution suggested to protect against the third is to rely on accreditors. While these solutions may mitigate concerns, they will not eliminate them, and it is unclear whether they will diminish them significantly.

Two major obstacles to comparing colleges' relative effectiveness are: (1) institutions serve different types of students, and (2) generally, there are not standardized outcomes in higher education. As discussed during the hearing, there are ways to mitigate (although not eliminate) concerns about the first obstacle. For example, institutions could receive bonus points for serving low-income students whose likelihood of succeeding is, on average, lower than their higher-income counterparts.[11] Making adjustments like this may make cross-institutional comparisons fairer, but such approaches will not result in apples-to-apples comparisons. For example, the low-income students attending open-access four-year colleges are not the same as the low-income students attending elite four-year colleges. Making such adjustments based on measured characteristics will only partially address the fact that institutions serve different types of students with different propensities to succeed.

The even bigger challenge is that proposed outcomes for performance funding are not standardized, making cross-institutional comparisons ambiguous at best, and meaningless at worst. For example, consider a common performance-funding outcome like degree completion. Little is known about how much variation exists across institutions in the difficulty of earning a degree. One reason for this is that we cannot disentangle *difficulty of earning a degree* from *institutional effectiveness*. To make the point clear, even if College X and College Y both serve students who look identical upon their entrance, comparing their graduation rates does *not* enable one to know whether (a) one college is more effective than the other or (b) one college simply has higher standards than the other.

While it may be impossible to quantify how much variation in *difficulty of earning a degree* there is in higher education, research in K-12 education can provide some guidance. An analogous situation has been carefully examined in K-12 schools, where states are required to report the percentages of students achieving proficiency in reading and mathematics on statewide exams. Importantly, each state administers a unique state exam with unique content and a unique proficiency cut score (much as each college can be thought of as having its own unique requirements to graduate, and its own unique stringency to meet those graduation requirements).

Because the state exams are different, one might wonder whether there is utility in making cross-state comparisons in proficiency rates on these state exams, in order to determine which states have the highest-achieving students. The U.S. Department of Education commissioned a paper to examine this issue taking advantage of the National Assessment of Educational Progress (NAEP), a national standardized exam that allows for valid cross-state comparisons.[12] The general conclusion of the study is that: *"The observed heterogeneity in states' reported percent proficient can be largely attributed to differences in the stringency of their standards."*[13]

In other words, the study found that if you compare the percentage proficient in one state with the percentage proficient in another state using an outcome that is not standardized across states, differences largely have to do with the stringency of standards. Simply put: It may be invalid to use nonstandardized outcomes, like college graduation rates, to make cross-institutional comparisons.

Below is a plot of the data from that U.S. Department of Education-commissioned paper. On the x-axis is each state in the United States. The y-axis shows the percentage of fourth-graders meeting proficiency standards using their state's math test (the leftmost bar, in gray) and the NAEP (the rightmost bar, in black). Although each state's test is designed to measure mathematics achievement, the tests are different and the proficiency definitions are different. NAEP also measures mathematics achievement, but unlike the state exams, all students in the country take the same test using the same definition of proficiency. There is almost no relationship between the percentage proficient on NAEP and the percentage proficient using the state test. Massachusetts exemplifies the problem: Looking at the NAEP scores, Massachusetts has the highest-achieving fourth-graders in the country. However, because Massachusetts' state test is extremely difficult, the state ranks fourth from the bottom on the percentage of students passing their own statewide exam. If K-12 education implemented performance funding based on the percentage proficient on state exams, Massachusetts — the state with the highest-achieving students — would be penalized.
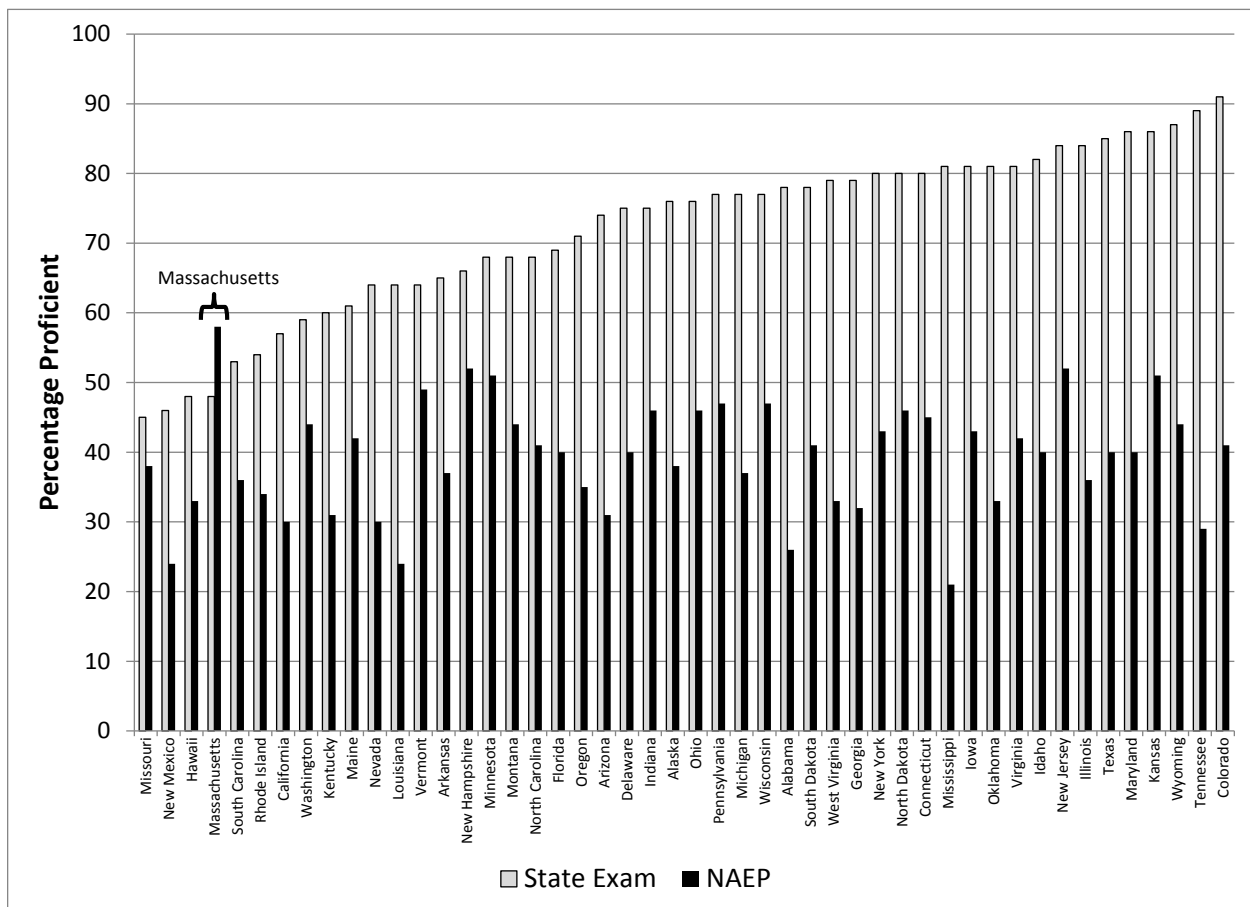
This example illustrates that rewarding or punishing colleges based on their *relative effectiveness* is going to be problematic. Performance funding could penalize those operating in the desired direction while rewarding others who may not merit the resources, as no standard exists to adequately measure relative performance.

Recommendations

1. **Test variations of enrollment intensity tied to Pell Grant receipt before altering the policy.** The Department of Education can test Pell Grant funding to cover the summer term of the academic year. Offering Pell Grant aid to students during the summer would offer an opportunity to test whether aid during short summer or winter terms (that is, those less than 12 weeks in duration) helps students make stronger progress toward degree completion. Such tests could evaluate tying the reintroduction of summer Pell awards to some of the other strategies (for example, incremental aid disbursements) that could help control program costs and make the program more sustainable. In addition, tests (some taking as little time as a semester to gain pertinent information) could be designed to evaluate the effectiveness of using the Pell Grant as an incentive to enroll in 15 credits, offering the Pell Grant for reaching particular milestones, and the relative effectiveness of changes to the Pell Grant versus alternative funding for students on the verge of dropping out due to tuition and fees.

2. **Include student support services as an IES grant priority and advertise this priority clearly through the Federal Register and other means before competitions open.** Congress can capitalize on the IES annual grant opportunity to provide more information in areas of interest to policymakers, the Department of Education, and other stakeholders. One way to implement this is to identify specific competitions to focus proposal submissions in a desired area. Announcing the priority broadly would allow colleges and researchers to prepare models and find partners.

3. **Continue to use First in the World (FITW) to encourage innovation and research in student support services.** The federal government has made notable strides in valuing evidence through the Investing in Innovation (i3) program and FITW. Both grant opportunities support programs while requiring strong evaluation that will benefit policymakers and practitioners. In addition, each uses a tiered strategy of financial incentives, providing the most funding to expand proven strategies to a larger scale and lesser amounts to support innovation and a learning agenda. This year's FITW competition included "Improving Student Support Services" as an absolute priority in the validation grant category, further directing attention to areas where the research base is thin. Future competitions could foster additional innovation and research on support services.

4. **Consider the unintended consequences of implementing performance funding in higher education in the absence of standardized metrics of institutional effectiveness.** While performance funding *could* provide incentives for an increase in institutional effectiveness, it could also lead institutions to select students who are more likely to graduate, to lower their institutional standards to achieve desired outcomes, or

both. A large challenge in performance funding is the meaningfulness of outcomes like degree completion as a measure of schools' relative effectiveness (even if those outcomes are adjusted for the proportion of low-income students served, for example). Little is known about how much variation exists across institutions in the difficulty of earning a degree because administrators and researchers cannot disentangle the difficulty of earning a degree from institutional effectiveness. As a result, there is no meaningful way to define effectiveness. While there are strong critiques to be made of all funding schemes, it is likely that the development of standard metrics should precede the implementation of a performance-funding alternative.

---

[1] See Benjamin L. Castleman and Bridget Terry Long, "Looking Beyond Enrollment: The Causal Effect of Need-Based Grants on College Access, Persistence, and Graduation," NBER Working Paper No. 19306 (Cambridge, MA: National Bureau of Economic Research, 2013); and Susan Dynarski and Judith Scott-Clayton, "Financial Aid Policy: Lessons from Research," *The Future of Children* 23, 1 (2013): 67-91.

[2] See Lisa Matus-Grossman and Susan Gooden, *Opening Doors: Students' Perspectives on Juggling Work, Family, and College* (New York: MDRC, 2002); and Marilyn Gittell and Jennifer Holdaway, with Laura McKenna, *Why Good Students Leave CUNY* (New York: The Howard Samuels Sate Management and Policy Center, Graduate School and University Center, City University of New York, 1996).

[3] Nine studies demonstrate that incentive-based grants — an innovation on traditional financial aid — result in a larger proportion of students meeting academic benchmarks, a greater number of credits earned, and modest effects on grade point average in the first year. See Lashawn Richburg-Hayes, "Incentivizing Success: Lessons from Experimenting with Incentive-Based Grants," pages 101-126 in Andrew Kelly and Sara Goldrick-Rab (eds.), *Reinventing Financial Aid* (Cambridge, MA: Harvard Education Press, 2014). A randomized controlled trial of Aid Like A Paycheck — an intervention to reallocate lump-sum aid into small bimonthly or monthly increments — is currently under way. See Michelle Ware, Evan Weissman, and Drew McDermott, *Aid Like A Paycheck: Incremental Aid to Promote Student Success* (New York, NY: MDRC, 2013).

[4] See www.15tofinish.com. The impact of the public service campaign has not been determined experimentally, but descriptive trend data suggests positive increases in enrollment in 15 credits at both two-year and four-year colleges.

[5] Susan Scrivener and Michael J. Weiss, *More Guidance, Better Results? Three-Year Effects of an Enhanced Student Services Program at Two Community Colleges* (New York: MDRC, 2009).

[6] Eric P. Bettinger and Rachel B. Baker, "The Effects of Student Coaching: An Evaluation of a Randomized Experiment in Student Advising," *Educational Evaluation and Policy Analysis* 36, 1 (2013): 3-19.

[7] Sue Scrivener, Colleen Sommo, and Herbert Collado, *Getting Back on Track: Effects of a Community College Program for Probationary Students* (New York: MDRC, 2009); Elizabeth Zachry Rutschow, Dan Cullinan, and Rashida Welbeck, Keeping Students On Course: An Impact Study of a Student Success Course at Guilford Technical Community College (New York: MDRC, 2012).

[8] Hoori S. Kalamkarian and Melinda Mechur Karp, *Student Attitudes Toward Technology-Mediated Advising Systems* (New York: Community College Research Center, 2015).

[9] See http://postsecondary.gatesfoundation.org/areas-of-focus/personalized-learning/technology/.

[10] See http://www.mdrc.org/project/community-college-career%E2%80%93california#overview.

[11] A number of states already have such adjustments. See http://hcmstrategists.com/drivingoutcomes/wp-content/themes/hcm/pdf/Driving%20Outcomes.pdf.

[12] See National Center for Education Statistics, *Mapping 2005 State Proficiency Standards onto the NAEP Scales (NCES 2007-482)*, U.S. Department of Education, (Washington, DC: National Center for Education Statistics, 2007). http://nces.ed.gov/nationsreportcard/pdf/studies/2007482.pdf.

[13] Chart is derived by MDRC based on numbers from http://nces.ed.gov/nationsreportcard/studies/statemapping/2007_naep_state_table.asp.