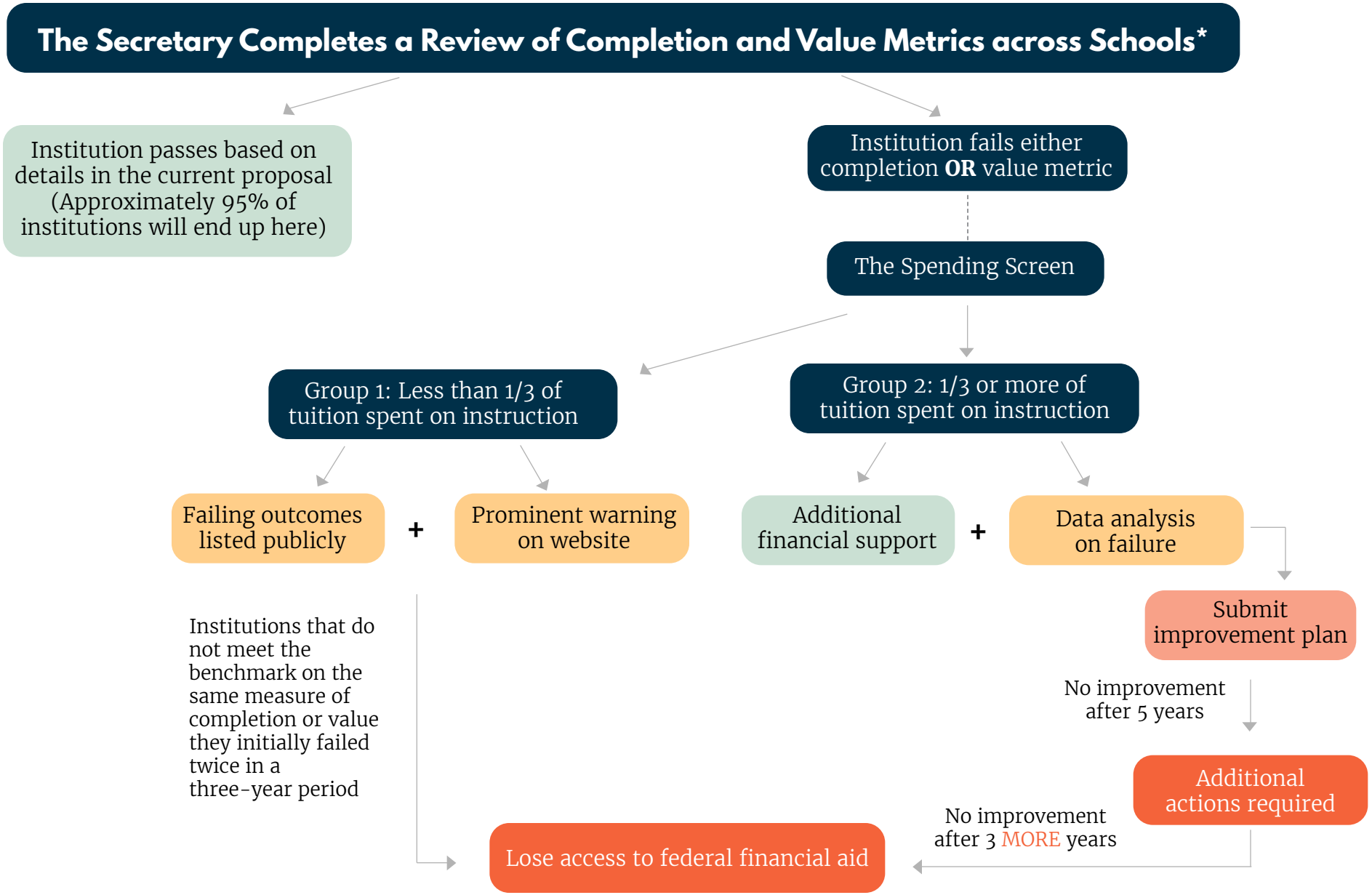
THIRD WAY

# Proposed Accountability Framework by Senator Chris Murphy (D-CT)




*The completion metric is defined as any degree-granting institutions with average graduation or transfer rates below 20% for two out of three consecutive years or certificate-granting institutions with average completion rates of below 67%, while the value metric could take a variety of forms, including a debt-to-earnings ratio, a price-to-earnings metric, or a strong repayment rate that measures not just whether students default but whether they can actually repay their loans.

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# Case Study of Proposed Accountability Framework

## Institution Passes

Sample University graduates 45% of students and provides value

SU passes! (No further inquiry into SU, SU is free and clear)

## Group 1

Sample University graduates 10% of students and fails the completion metric

The Spending Screen

SU spends less than 1/3 of every tuition dollar on instruction

SU's failing outcomes posted on FAFSA forms and College Scorecard

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SU puts a prominent warning on its website and application forms

SU fails the metric twice more over 3 years and loses federal financial aid

## Group 2

Sample University graduates 10% of students and fails the completion metric

The Spending Screen

SU spends 2/3 of every tuition dollar on instruction

SU gets additional financial support to implement an improvement plan

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SU does data analysis on failure

SU submits a federal improvement plan

SU makes no improvement after 5 years additional action is required

After 3 MORE years, SU makes improvements and keeps federal funding