

# WEBINAR: COLLEGE SCORECARD “REMIXED” FOR FLORIDA

## FLORIDA COLLEGE ACCESS NETWORK

FRIDAY, APRIL 12

### FACILITATOR:

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[WWW.FLORIDACOLLEGEACCESS.ORG](http://WWW.FLORIDACOLLEGEACCESS.ORG)

# “Housekeeping”



Audio is accessible through phone or computer

Ask questions using questions function -- not chat

**Presentation slides will be made available on [floridacollegeaccess.org](http://floridacollegeaccess.org)**

# ABOUT THE FLORIDA COLLEGE ACCESS NETWORK



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# About the Florida College Access Network



## OUR VISION

At least 60% of Florida residents will hold a high-quality degree or credential by the year 2025 – “Goal 2025”

## OUR MISSION

To create and strengthen a statewide network that catalyzes and supports communities to improve college and career readiness, access, and completion for all students



# Why research is important to Florida CAN



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## RESEARCH & KNOWLEDGE DEVELOPMENT

Access to current trends, data and analysis

Improve capacity of communities and higher education

Non partisan-research

Inform resource and program development

Support local leadership, build and strengthen network

# Overview of Today's Webinar



Why is there a need for college cost and affordability data?

How (and why) the federal government stepped in

Overview of the college scorecard website/tool

Limitations and controversies of the college scorecard

The “Florida CAN” College Scorecard

Trends and observations of Florida College Scorecard data

Comments and questions

# WHY IS THERE A NEED FOR BETTER COLLEGE COSTS AND AFFORDABILITY DATA?



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# Why is there a need for better college costs and affordability data?



Borrowing for higher education used to be rare...

**\$1,000,000,000,000+**

Floridians owe about \$46.5 billion of this debt

In Florida, 51% of students graduate with an average \$23,054 of debt

Amount received in student loans by full-time freshmen:

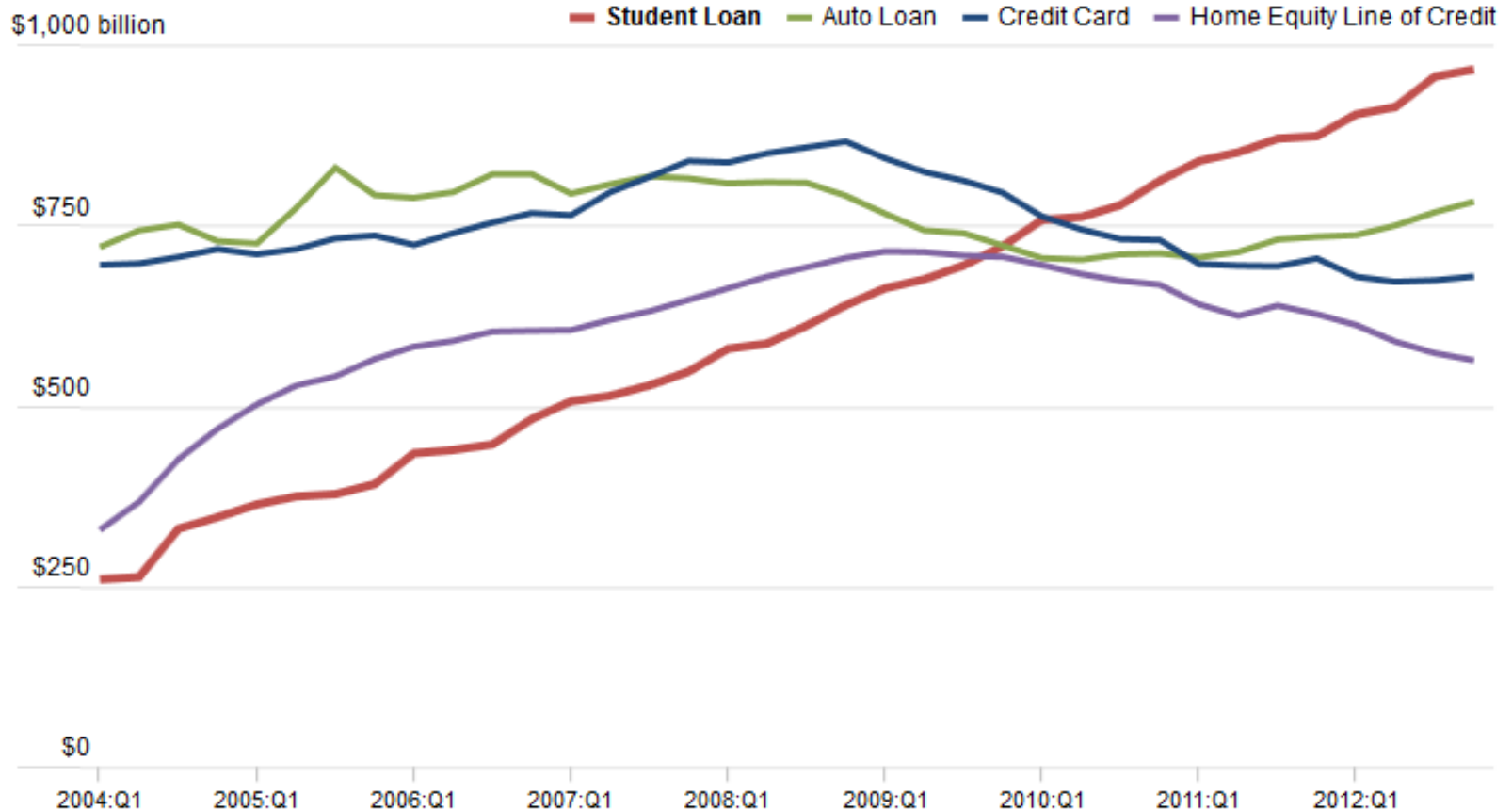
\$3,161 (\$1,520 in 2007-07)

# Why is there a need for better college costs and affordability data?



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## Non-Mortgage Debt Balances



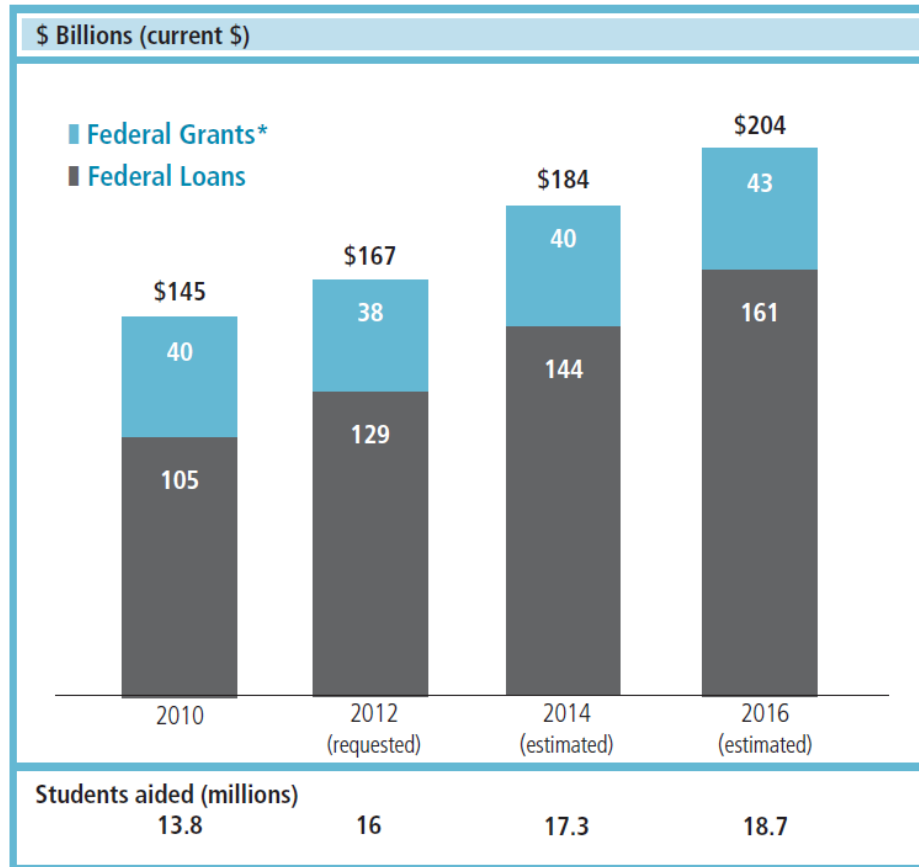
Source: FRBNY Consumer Credit Panel/Equifax

# Student Debt Trends



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**EXHIBIT 3:** Federal student aid disbursed to students:  
FY 2010–16 (Estimated)



FAFSAs processed by Florida applicants in 2006-07 aid cycle:  
684,027

2012-13 aid cycle:  
1.34 million

\*Primarily Pell Grants

SOURCE: Department of Education, Budget Summary "Aid Available to Students" FY 2010, 2011 and 2012, and FSA Team Analysis

# College debt is more prevalent for low-income students



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## Median Debt Levels of 2007-08 BA Degree Recipients

Median Debt	Less than \$30,000	\$30,000 to \$59,999	\$60,000 to \$89,999	\$90,000 to \$119,999	\$120k or Higher	Independent Students
Public Four-Year	\$16,500	\$17,400	\$17,000	\$16,300	\$14,500	\$20,000
Private Nonprofit Four-Year	\$21,000	\$23,100	\$21,100	\$22,000	\$18,000	\$24,600
For-Profit	\$30,500	\$24,600	\$34,600	\$28,000	\$34,300	\$32,700

Percentage with Debt	Less than \$30,000	\$30,000 to \$59,999	\$60,000 to \$89,999	\$90,000 to \$119,999	\$120k or Higher	Independent Students
Public Four-Year	68%	69%	61%	52%	40%	68%
Private Nonprofit Four-Year	84%	83%	75%	68%	52%	74%
For-Profit	99%	99%	99%	99%*	99%*	95%

# Why is there a need for better college costs and affordability data?



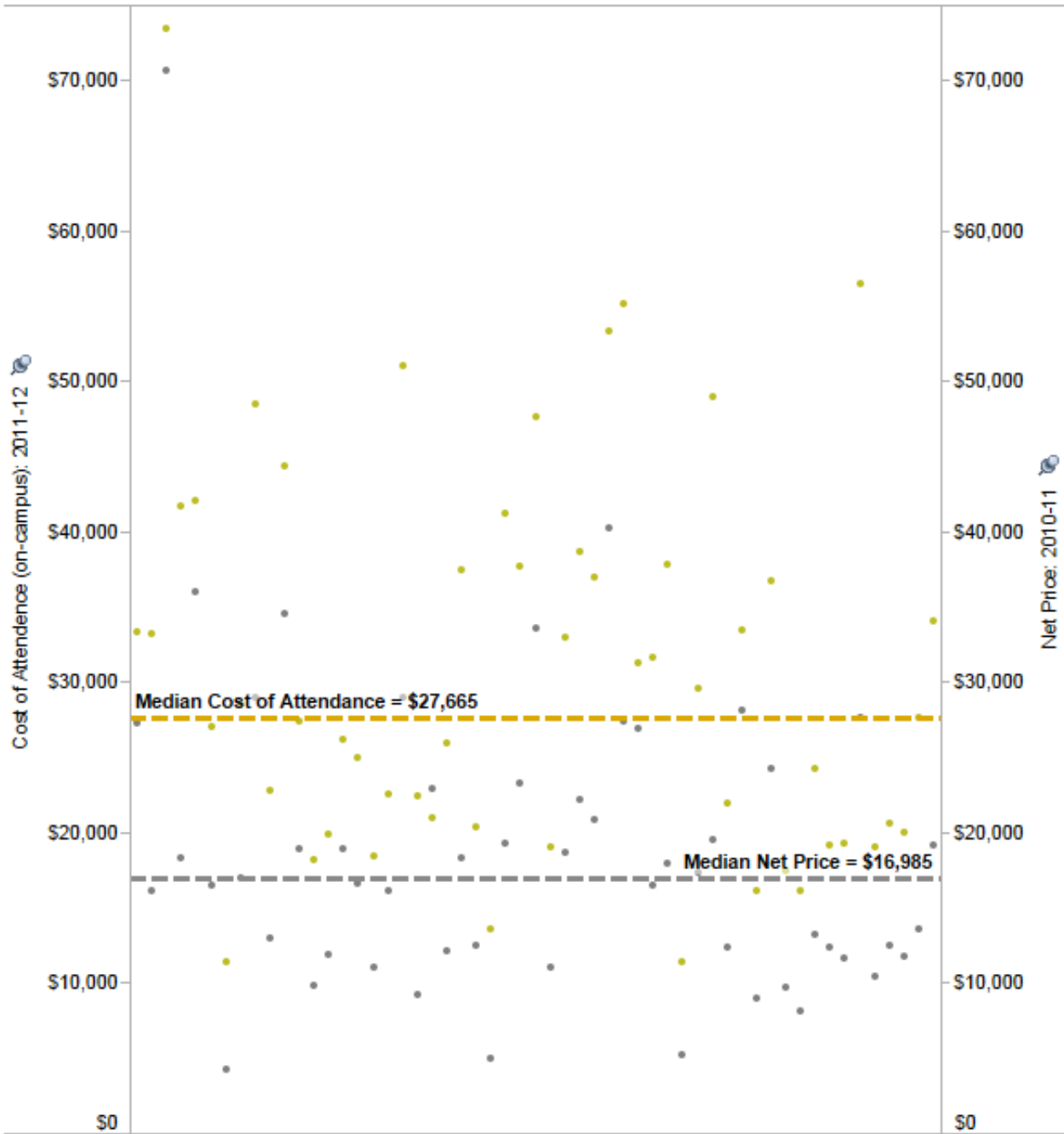
## **Families are increasingly showing a sensitivity to college prices.**

A recent survey from Inside Higher Ed and Gallup shows 68% parents restrict college choices for their children based on “sticker price”

Another survey by Art & Science Group and College Board found that 54% of potential students judge a college’s expense by the sticker price along without considering aid that could be offered

Yet another survey, released last month by the Center for Public Issues in Education at the University of Florida showed the majority of Floridians do not believe that most people can afford to pay for a college education, even though 88% of parents said they believed their child would go to college

# Cost of Attendance vs. Net Price



**HOW THE FEDERAL GOVERNMENT HAS TAKEN INITIATIVE TO  
PROVIDE BETTER COLLEGE AFFORDABILITY AND COST DATA TO  
STUDENTS**



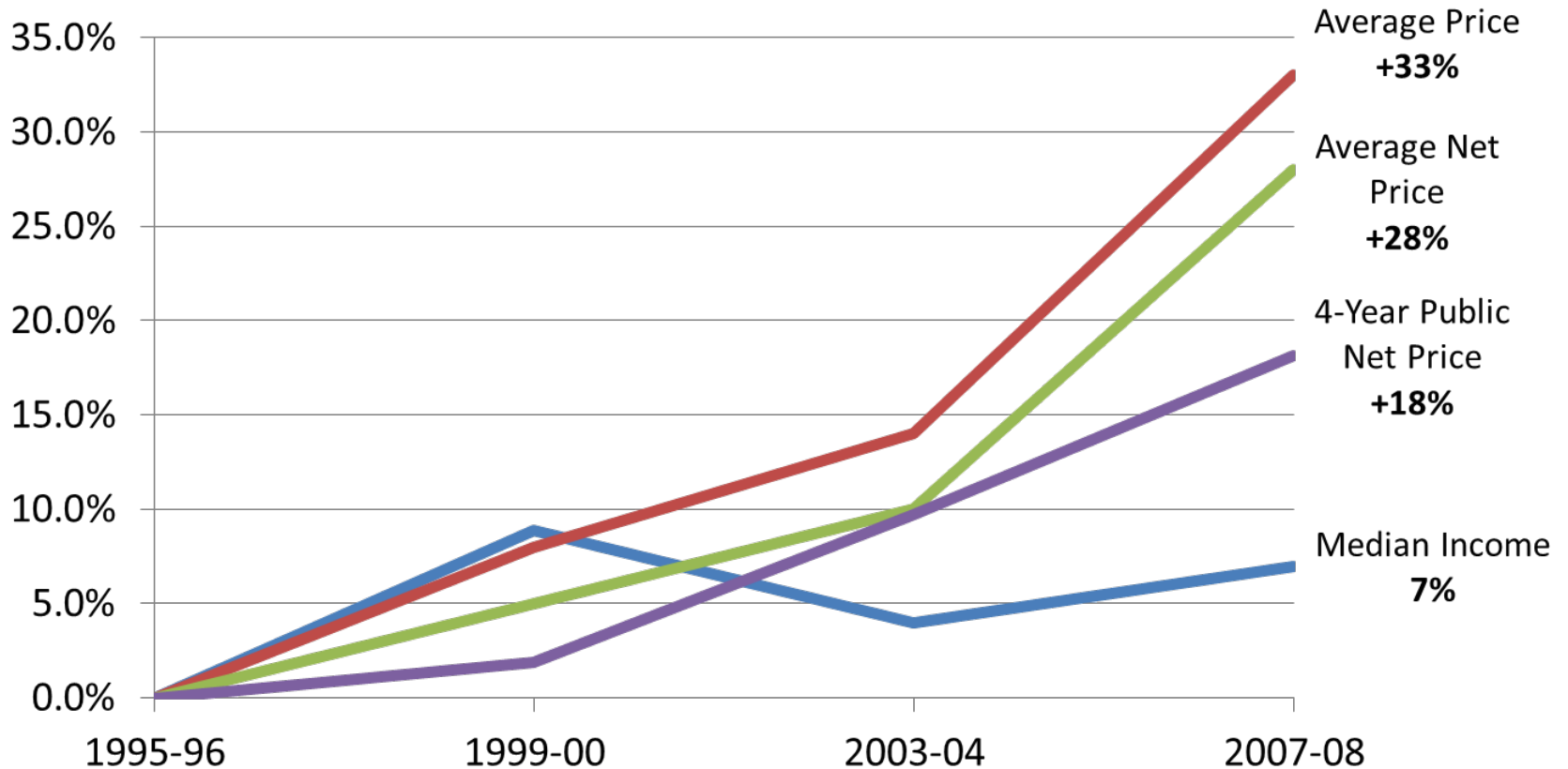
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# Tuition and fee growth is outpacing income



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## Changes in Cost and Income: 1995-96 to 2007-08

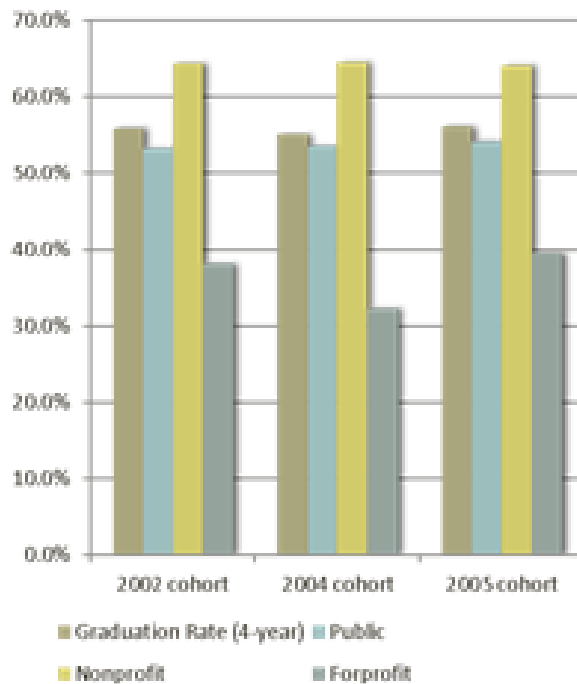




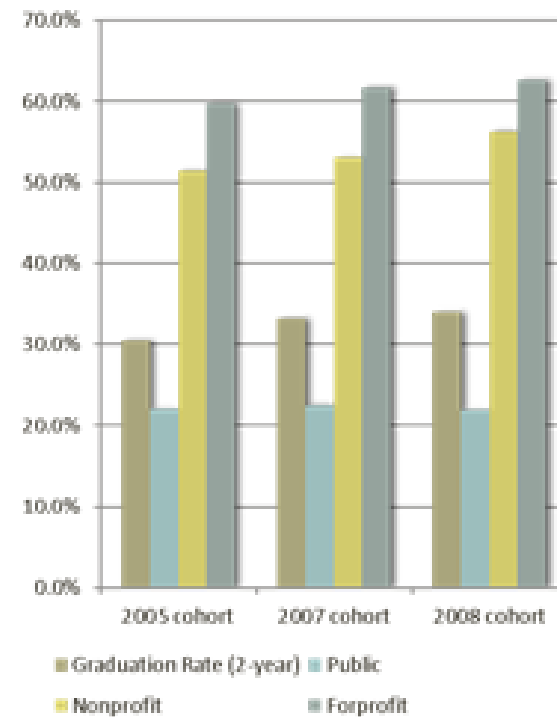
# Graduation Rates: 2008-2011



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4-Year Institutions



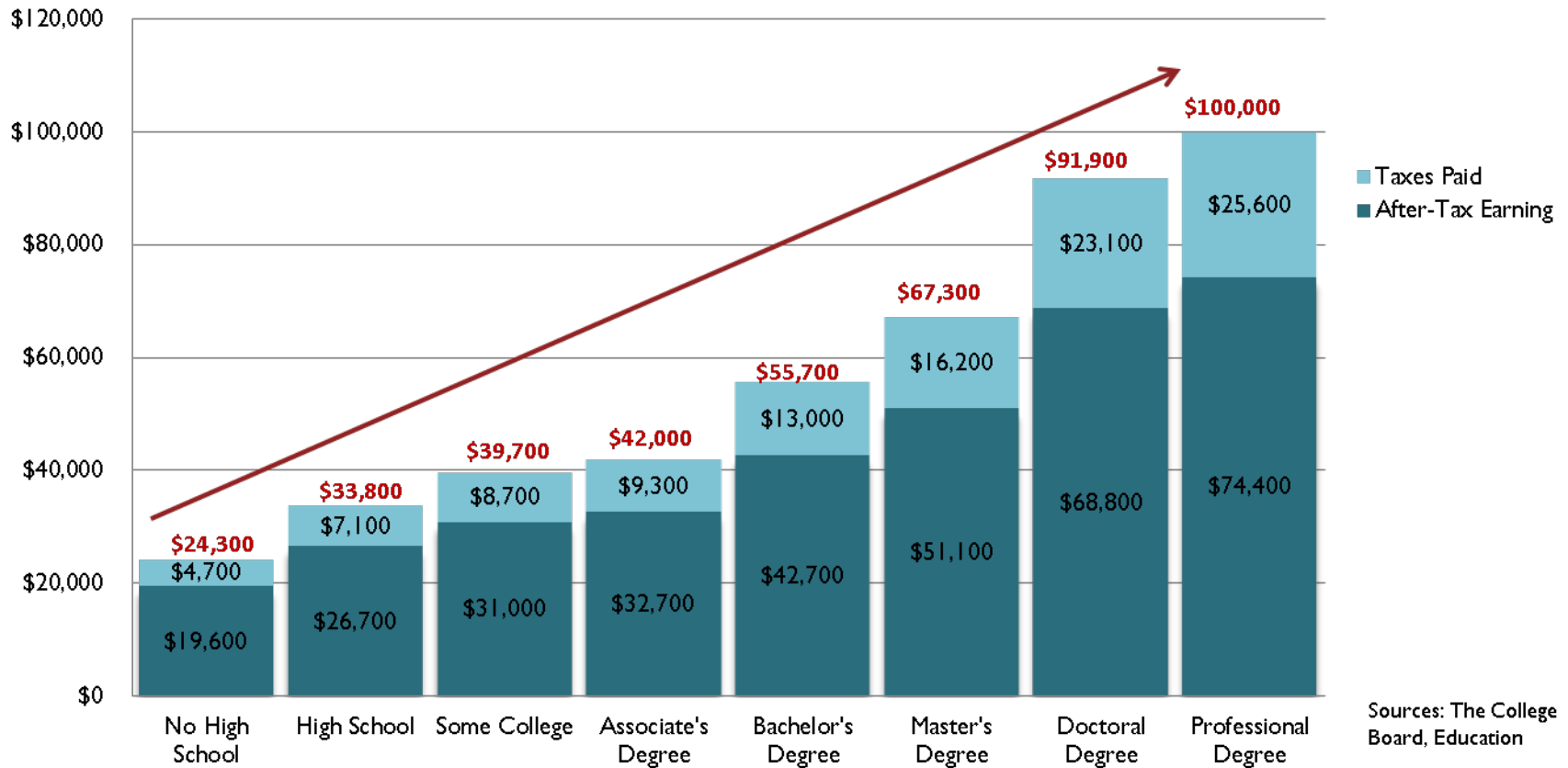
2-Year Institutions

# Higher education is an imperative



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## Earnings & Tax Payments by Educational Attainment

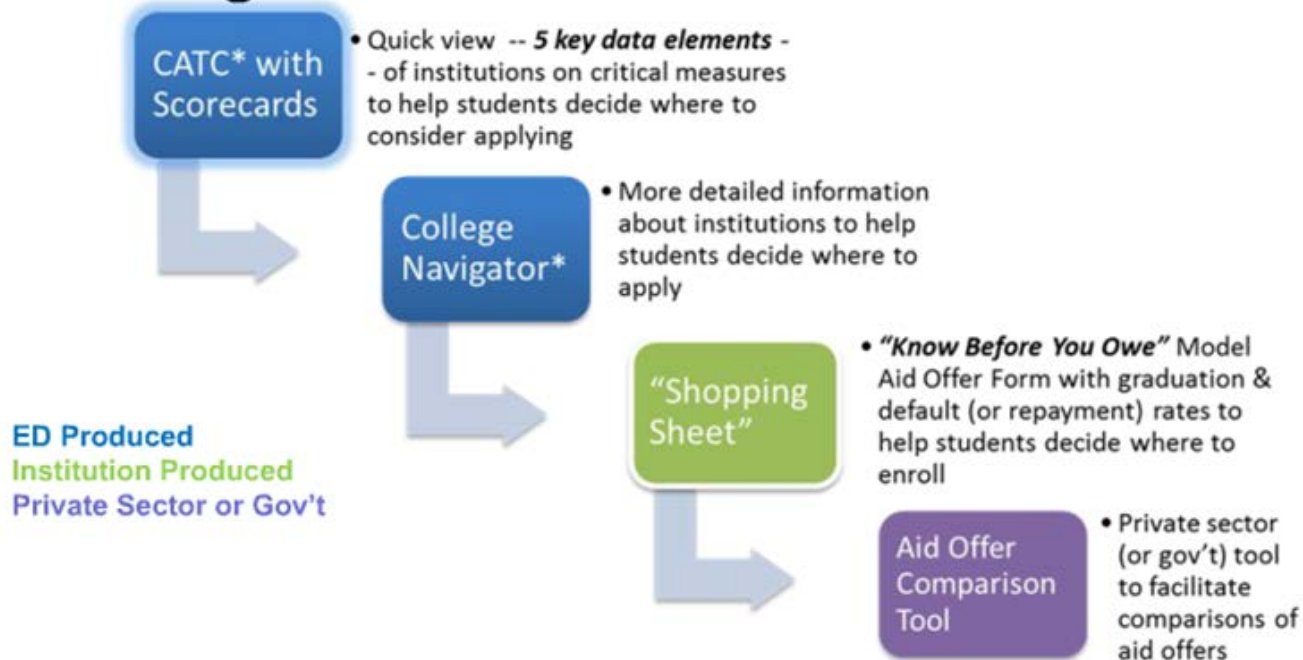


# White House initiative on Improving Transparency & Accountability



President Obama tasked his administration with providing students and families new tools and relevant information to help them make sound financial decisions in pursuing their higher education goals

## College Choice: Consumer Information Tools



# Net Price Calculator



## **Stage of choice process: identifying where to apply**

Net price calculators are available on a college's or university's website and allow prospective students to enter information about themselves to find out what students like them paid to attend the institution in the previous year, after taking grants and scholarship aid into account

While the College Scorecard reflects the average net price, while the Net Price Calculator allows users to get a more accurate reflection (estimates) of what cost to expect if attending a particular institution based on their characteristics

This is a good tool to use in the search process to find out what you might expect to pay before applying to a college

All schools are required to have one, but...

## **Stage of choice process: identifying where to apply**

ED's College Search Tool providing a wealth of information on institutions, ranging from:

General information

Admissions requirements

Tuition & fees, financial aid awarded, average net price

Programs & majors offered

Retention & graduation rates

Campus security

Cohort default rate

Over 200,000 visits and approx. 1.5 million page views each month

# Financial Aid Shopping Sheet



## **Stage of choice process: choosing where to enroll**

Standardized, clear, and concise format for providing prospective students their personalized financial aid offer

Designed to help prospective students and their families better understand the costs of college before making the final decision on where to enroll

Identifies the type and amount of aid qualified for and allows for easy comparison of aid packages offered by different institutions

## **Stage of choice process: choosing where to enroll**

Electronic delivery of Shopping Sheet offers capability for students to download their aid offer information in machine-readable format (xml) and then upload it into another tool

Allows for development of comparison tools by the private sector or government to further help prospective students and their families make an informed decision on where to enroll

## **Stage of choice process: identifying where to apply**

Designed to help prospective students and their families as they begin to evaluate options for their investment in higher education

Provides key measures of college affordability and value to help prospective students identify institutions best suited to their goals, finances, and needs

Released February 13, 2013

“Through tax credits, grants and better loans, we’ve made college more affordable for millions of students and families over the last few years. But taxpayers can’t keep on subsidizing higher and higher and higher costs for higher education. Colleges must do their part to keep costs down, and it’s our job to make sure that they do. ... My Administration will release a new College Scorecard that parents and students can use to compare schools based on a simple criteria: where you can get the most bang for your educational buck.”



# More about the College Scorecard



Designed by ED and the Consumer Financial Protection Bureau (CFPB) as part of the “Know Before You Owe” campaign, initially designed for degree-granting institutions

Draft was posted for public comment on the White House website early in 2012

Comparison group development included suggestions from an IPEDS Technical Review Panel (held June 2012) on how to define institutional comparison groups for consumer information purposes

# College Scorecard Measures



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Measure	Source	Detail
Costs	IPEDS	Average net price for undergraduates (as defined by HEOA) for AY 2010-11.
Graduation Rate	IPEDS	Graduation rate for first-time, full-time degree or certificate-seeking undergraduates (as defined by SRK). The transfer out rate (if applicable) and the percent of entering students that are first-time, full-time is also displayed.
Loan Default Rate	NSLDS	Three-year cohort default rate, calculated as percentage of borrowers who entered repayment on Federal student loans in FY09 and defaulted before the end of FY11.
Median Borrowing	NSLDS	Median amount of Federal student loans borrowed by students for their undergraduate study. Estimated monthly repayment amount is also displayed.
Employment	--	ED does not have this information and encourages students to ask the institution about employment outcomes.

## About Loan Default Rates...



A 3-year cohort default rate is the percentage of a school's borrowers who enter repayment on federal loans during a particular fiscal year, October 1 to September 30, and default prior to the end of the second fiscal year.

Rates were first announced August 2012

National average: 13.4%, Florida: 16.2%

Loan default rates show “what happens to borrowers,” but other inferences are often associated

**The federal government uses default rates as a proxy for a colleges “quality,” since default rates measure in part the likelihood a borrower will find employment after (possibly) graduating**

# About Loan Default Rates...



## **What happens to institutions with high default rates...**

If a school's three most recent official cohort default rates are 25% or greater for the two-year calculation, or 30% or greater for both the three year calculation, the institution will lose Direct Loan and Pell Grant program eligibility for the remainder of the fiscal year and the following two fiscal years

## **What happens to students when they default...**

Students are in default after not making a payment on a federal loan for 270 days and do not make special arrangements with their lender to get a deferment or forbearance

Student loans are generally not dischargeable through bankruptcy

Loan default will appear on credit history for up to 7 years

# Research on loan default rates



Non-White students are most likely to default on student loans, with African-American students being at greatest risk

Students who attend less than two year, for-profit or community colleges have higher default rates than peers at four-year or more selective institutions

As age increases, so does likelihood of default

The greater number of dependents, the increased likelihood of default

Generally, the higher the families income, the lower the risk for default

Academic preparation is strongly linked to loan default

Completing a postsecondary degree is the single greatest predictor for not defaulting

# College Scorecard Measures



Institutions are compared to “similar institutions” on each of the measures, defined as the predominant undergraduate award granted:

Primarily bachelor’s degree-granting

Primarily associate’s degree-granting

Primarily certificate granting

To be updated annually

Future developments:

Explore providing a Scorecard for all institutions

Further explore available data sources for employment outcomes

# OVERVIEW THE COLLEGE SCORECARD WEBSITE/TOOL



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# LIMITATIONS AND CONTROVERSIES OF COLLEGE SCORECARD



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# The problem with “affordability” and “cost”



These terms are relative, ambiguous and ultimately depend on the individual

Affordability is a combination of the price students pay and the returns they experience over time – “it’s like the temperature”



The complexity of college pricing and aid system contributes to widespread misconceptions

# The problem with “affordability” and “cost”



## Measuring Up Report (2008): “F”

*“poor and working-class families must devote 24% of their income, even after aid, to pay for costs at public four-year colleges”*

*“Financial aid to low-income students is low, for every dollar in Pell Grant aid to students, the state spends only 21 cents”*

## U.S. Chamber of Commerce (2012): “B/A”

*“Florida receives a good grade in this area for four-year institutions, with a cost per completion of \$46,071, Florida’s two-year institutions fare even better with a cost per completion of \$38,146”*

# What people like about the College Scorecard



It's well intended... “consumer” (student) focused

It's simple

It can't be easily “gamed”

It's intuitive

It's a “one-stop shop”

It's designed well

It's a start

# Limitations and Controversies of the College Scorecard



Offerings pertain to undergraduate education only

Lack of student and institutional characteristics

Lack of customization

Old data

Comparison groups are national, not within-state

Unintended consequences (?)

Additional student outcomes

Metrics are confusing or misleading

Some feel federal government shouldn't be involved

“FSU tops College Scorecard”

Employment outcomes data / Doesn't include continuing education

Reinforces “colleges and universities ought to act like businesses” instead of sites of education

Net price can vary significantly from year to year

# Limitations and Controversies of the College Scorecard



The U.S. Department of Education is open to your feedback!

If you have questions or comments,  
submit them to [collegescorecard@ed.gov](mailto:collegescorecard@ed.gov)

# THE “FLORIDA CAN” COLLEGE SCORECARD



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# TRENDS AND OBSERVATIONS OF FLORIDA DATA

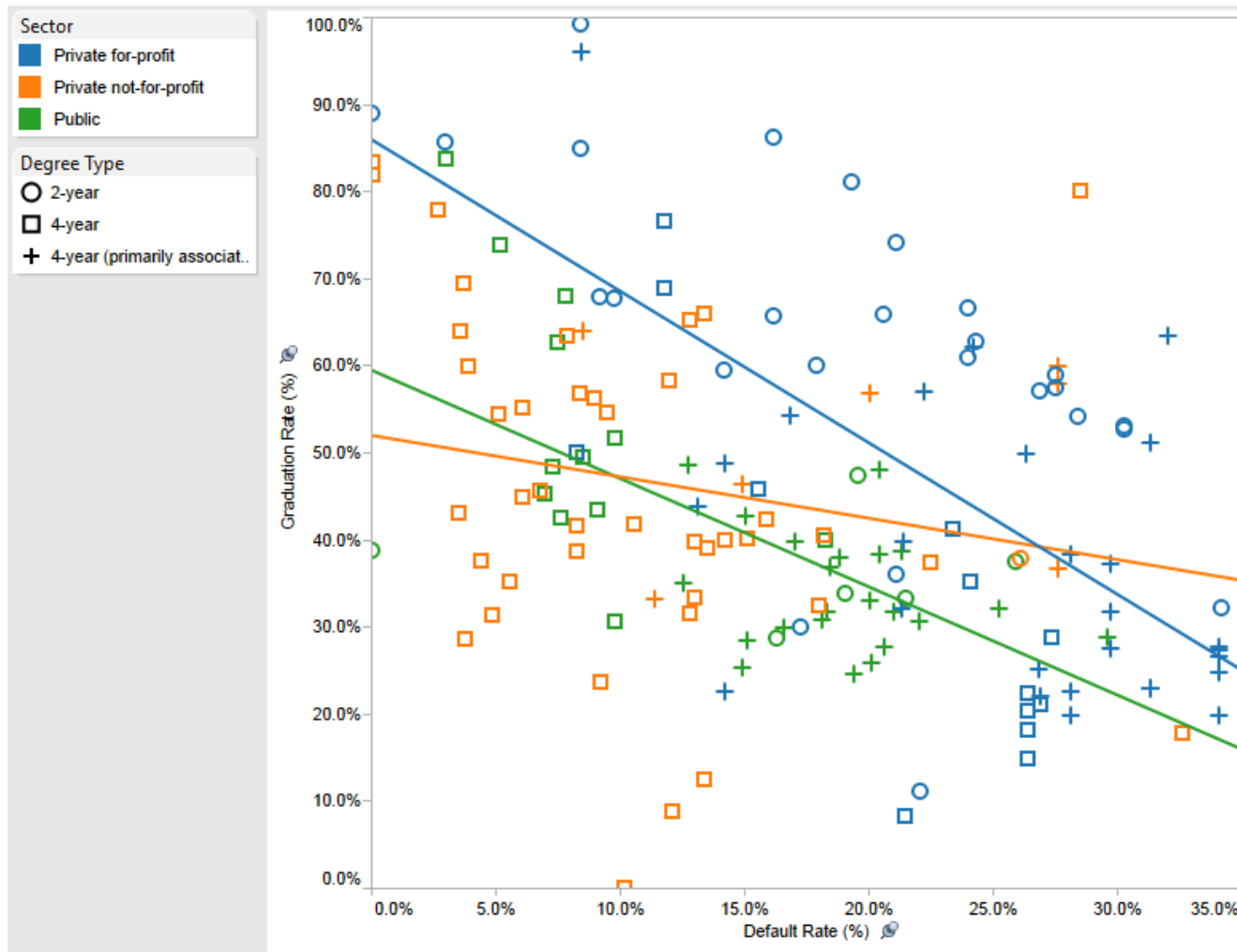


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# Trends and observations from Florida institutions



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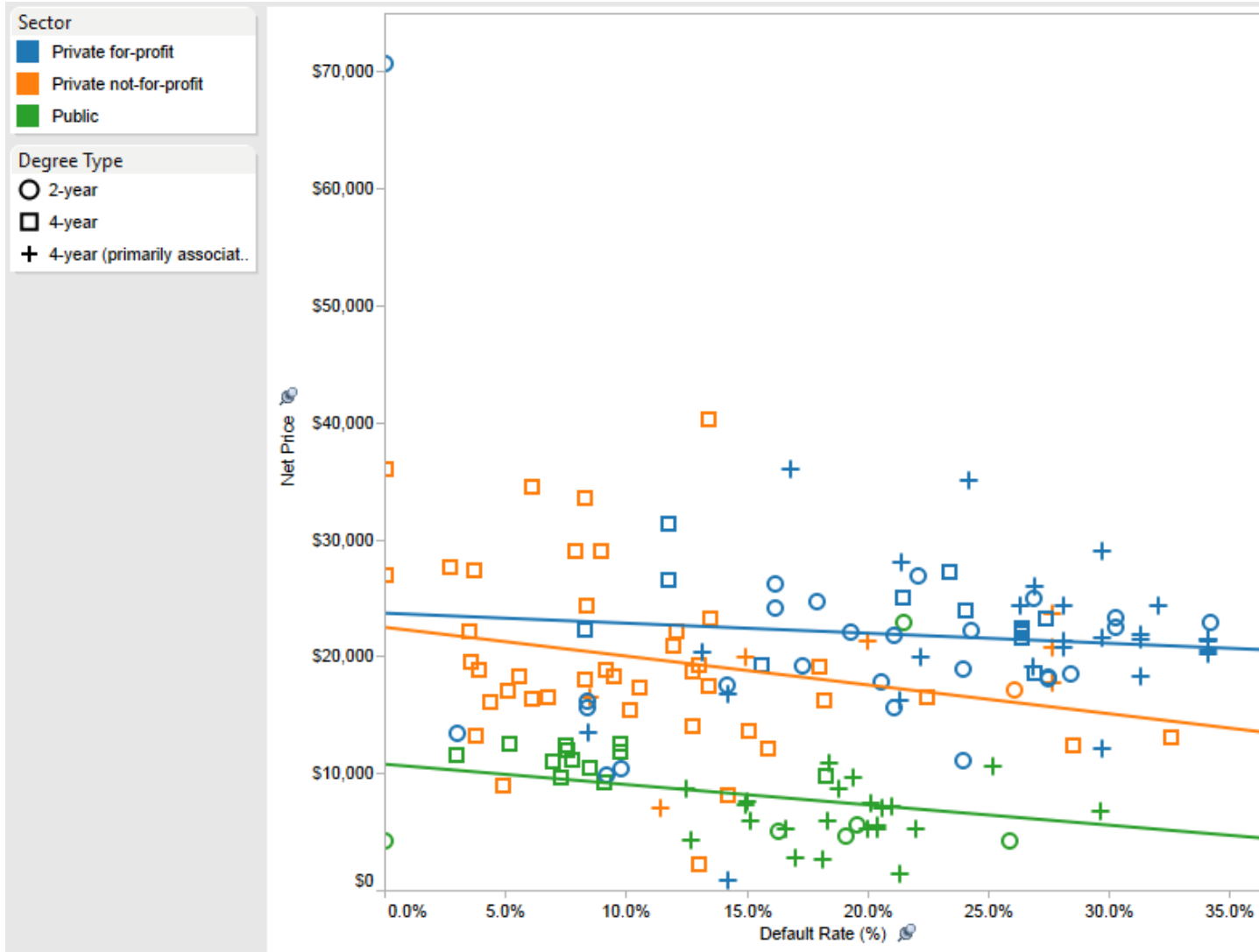




# Trends and observations from Florida institutions



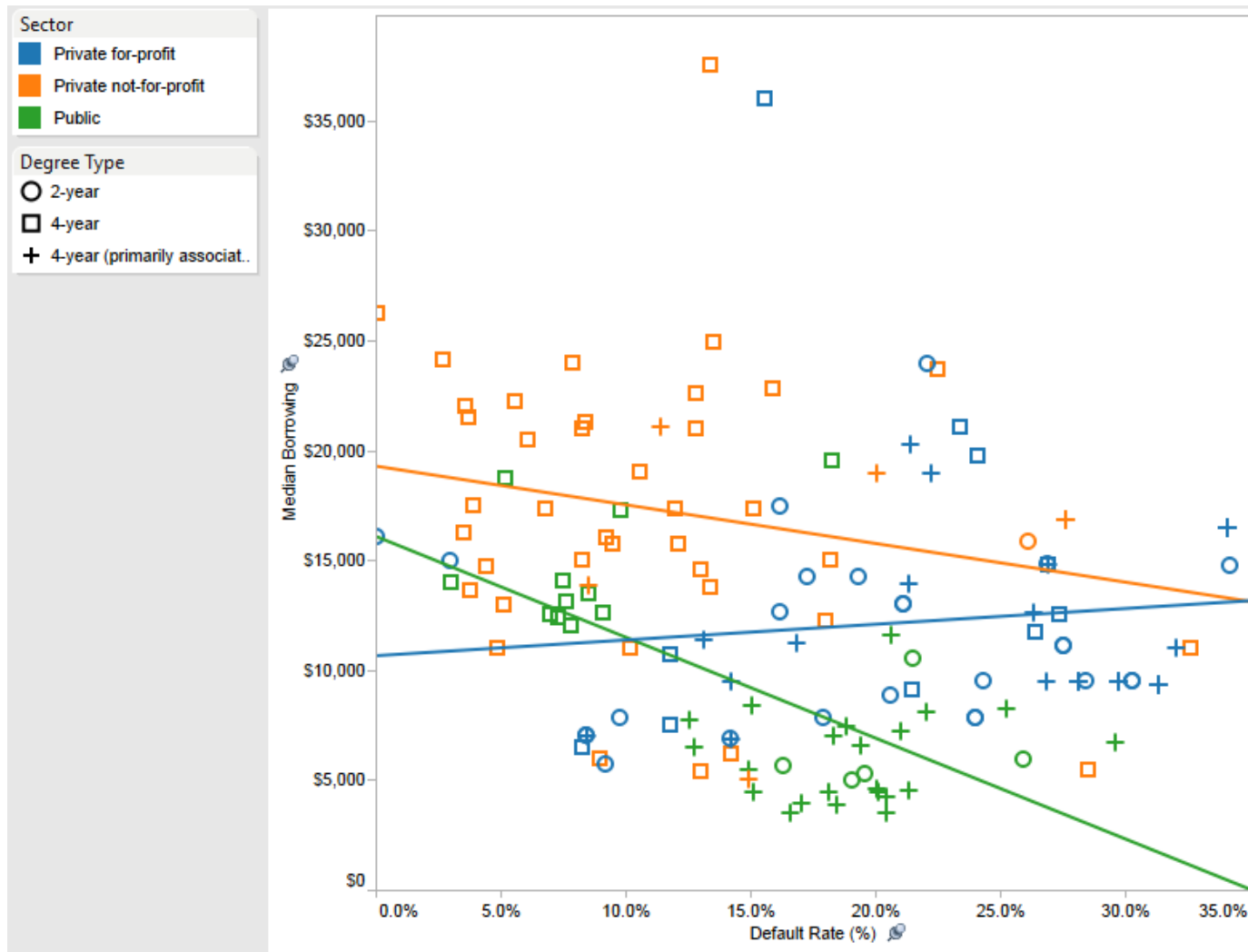
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# Trends and observations from Florida institutions



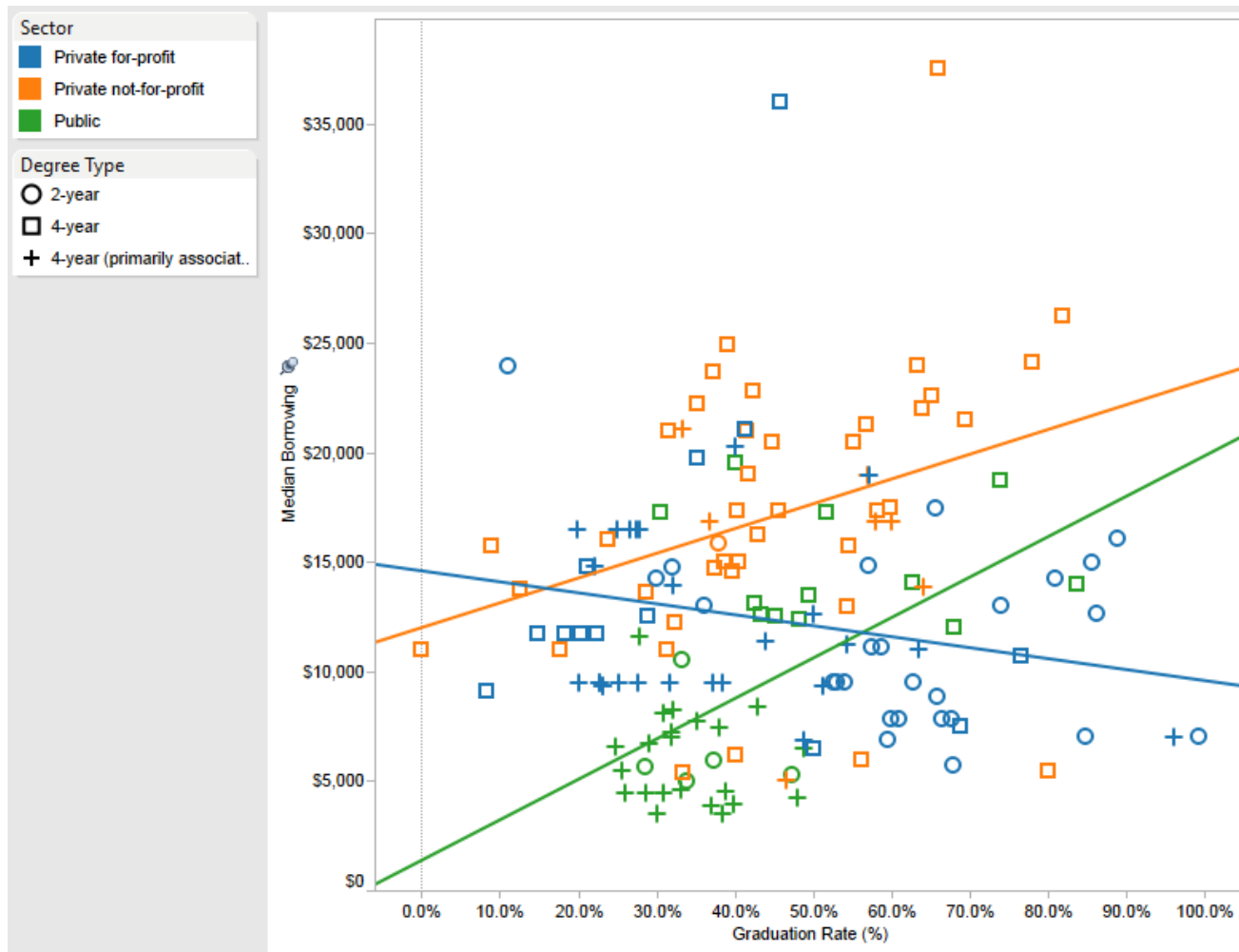
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# Trends and observations from Florida institutions



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# More about economic benefits of earning a degree in Florida



## Resources for students and families:

[Smart College Choices](#)

[Florida Talent Net](#)

Department of Economic Opportunity: [Employment Projections](#)

[Economic Security Report](#) (coming 2013-14)

# Economic benefits of earning a degree



## **More about the Economic Security Report of Employment and Earning Outcomes...**

Report will include employment, earnings, continued education and receipt of public assistance by graduates of a degree or certificate program for each public institution in the state

Preview of broad-scale data coming this summer

Final report expected to debut December 2013

Earnings of graduates of a degree or certificate program by at least the following: \$25k and below, \$25-45k and \$45k and above

## CLOSING COMMENTS

# QUESTIONS FROM WEBINAR PARTICIPANTS

## SUBMIT QUESTIONS USING QUESTION FEATURE ON WEBINAR APPLICATION

### FACILITATOR:

**Troy Miller**

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## Additional resources



1. [Georgetown University Center on Education and the Workforce](#)
2. [Washington Monthly College Rankings](#)
3. [Smart College Choices](#)
4. [Florida Education and Training Placement Information Program \(FEPTIP\)](#)
5. [California Student Success Scorecard](#)
6. [College-Insight.org](#)



**OUR WORK IS POSSIBLE THANKS TO THE GENEROUS  
CONTRIBUTIONS OF THE FOLLOWING FUNDERS:**



Lumina Foundation  
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Helios Education  
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Florida Department of  
Education



University of South  
Florida

# FLORIDA COLLEGE ACCESS NETWORK RESEARCH & DATA

YOU WILL FIND A RECORDING OF THIS WEBINAR AT:

**WWW.FLORIDACOLLEGEACCESS.ORG**

The screenshot displays the Florida C.A.N. website. At the top left is the logo for Florida C.A.N. with the tagline "research • communication • advocacy • support". To the right is a "GOAL 2025" badge. A navigation menu includes links for Home, About Us, Goal 2025, Research & Data, Media Room, Florida Initiatives, The Network, and Contact Us. The main content area features a large graphic with the heading "OUR GOAL" and the text: "TO INCREASE THE PERCENTAGE OF FLORIDA RESIDENTS WITH A HIGH-QUALITY DEGREE OR CREDENTIAL FROM 37% TO 60% BY THE YEAR 2025". To the right of this graphic is the text "JOIN THE MOVEMENT TODAY" with a subtext: "Click here to get information, tools and resources to make a difference in your community." Below this is the "The Florida C.A.N. Mission" section, which states: "To create and strengthen a statewide network that catalyzes and supports communities to improve college and career preparation, access, and completion for all students." and "Florida College Access Network empowers communities to work constructively alongside our schools and builds partnerships with universities, colleges, schools, community organizations, businesses, parents, and students." Social media icons for YouTube, Twitter, Facebook, and LinkedIn are located at the bottom right of the page.

THANK YOU FOR PARTICIPATING!



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