Policies to Improve Postsecondary Value

Request for Proposals

Overview

As access to higher education has increased over the past half-century, so has interest in long-term student outcomes like completion, employment, and earnings. The erosion of confidence in the value of higher education among students, alumni, policymakers, and the public has driven further scrutiny on whether and how postsecondary education pays off. A decade ago, a clear majority of Americans surveyed by the Wall Street Journal stated that college was “worth the cost” because it led to better jobs and higher incomes. Last year, just 42% of respondents to the same question affirmed that college was worth it, compared with 56% who felt that mounting student debt and graduates’ limited job skills outweighed any benefits.[1] And while more recent polling shows a recovery in perceptions of value, a significant majority of voters (64%) believe that ensuring higher education provides a good return on investment is either a “top” or “major” priority for the 2024 election.[2]

Changes in public opinion around higher education are often exacerbated by concerns about rising costs.[3] Particularly at public colleges, the student share of overall college costs has increased substantially over time, largely fueled by volatility in state education appropriations. Student tuition now comprises over half of total revenues in 21 states.[4] As a result, individuals are shouldering a growing share of those costs as debt. The average undergraduate loan borrower takes out more than $30,000 to complete a bachelor’s degree.[5] And although degree-holders generally repay any loans they receive, more than seven million borrowers are still in default.[6] Black students especially face challenges in affording their loan debt; one in five

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[1] Doug Lederman, “Majority of Americans Lack Confidence in Value of 4-Year Degree,” Inside Higher Ed, April 3, 2023, https://www.insidehighered.com/news/2023/04/03/majority-americans-lack-confidence-value-four-year-degree.

[2] Ben Cecil, “Voters Want Less Talk and More Action on Higher Ed Value — Third Way,” May 14, 2024, https://www.thirdway.org/report/voters-want-less-talk-and-more-action-on-higher-ed-value.

[3] Jennifer Ma and Matea Pender, “Trends in College Pricing and Student Aid 2022,” Trends in Higher Education (CollegeBoard, 2022), https://research.collegeboard.org/media/pdf/trends-in-college-pricing-student-aid-2022.pdf.

[4] Jessica Duren, “For Only the Second Time, State Funding to Public Colleges Exceeds per-Student Funding Levels Seen Prior to the Great Recession,” SHEEO, May 8, 2024, https://sheeo.org/shef_fy23/.

[5] “Table 331.95: Percentage of undergraduate degree/certificate completers who ever received loans and average cumulative amount borrowed, by degree level, selected student characteristics, and institution control: Selected academic years, 1999-2000 through 2019-20,” U.S. Department of Education, National Center for Education Statistics, https://nces.ed.gov/programs/digest/d23/tables/dt23_331.95.asp.

[6] “Federal Student Aid Posts New Quarterly Reports to FSA Data Center,” Federal Student Aid Knowledge Center, December 20, 2023, https://fsapartners.ed.gov/knowledge-center/library/electronic-announcements/2023-12-20/federal-student-aid-posts-new-quarterly-reports-fsa-data-center.

Black bachelor's degree graduates defaults on a student loan within 12 years of entering school.[7]

The costs (both actual and perceived) grow even higher for the thousands of students who enroll in a postsecondary program but do not obtain a degree or credential. Three out of five students do not finish a degree within six years of entry.[8] Black and Hispanic students graduate at rates 22 and 9 percentage points lower than their white peers.[9] Nearly one in four students who do not complete an associate or bachelor's degree will default on their student loans within 12 years of entering school.[10] Average earnings for this group barely surpass those with only a high school credential.[11]

To be clear, factors outside of a college's control, such as inadequate academic opportunities during K-12 education and inequitable government funding levels for higher education, reduce a student's likelihood of success in college. And labor market discrimination lowers the wages some graduates can expect. However, far too many students face uneven returns from higher education. These uneven returns, magnified by rising prices and debt levels, credentials with limited value, and low completion rates, necessitate a systemic response.

Even so, higher education remains one of the surest paths to economic opportunity and long-term fulfillment. Earning a college credential is associated with higher employment rates and wages, better health, and strong civic participation, among other benefits.[12] The average graduate experiences considerable benefits from a college degree, making it a strong investment for many students.

Taxpayers currently invest well over $100 billion yearly at both the state and federal level to subsidize tuition revenue and general operations and have a direct interest in funding equitable student outcomes and long-term economic growth. As a result, policymakers are increasingly interested in facilitating improvements to student outcomes at colleges and universities by supporting institutions to enhance their academic and nonacademic offerings and ensuring that

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[7] Judith Scott-Clayton, "The Looming Student Loan Default Crisis Is Worse Than We Thought," Brookings, January 11, 2018, https://www.brookings.edu/articles/the-looming-student-loan-default-crisis-is-worse-than-we-thought/.

[8] "Measuring 'Traditional' and 'Non-Traditional' Student Success in IPEDS: Data Insights from the IPEDS Outcome Measures (OM) Survey Component," NCES Blog, May 12, 2022, https://nces.ed.gov/blogs/nces/post/measuring-traditional-and-non-traditional-student-success-in-ipeds-data-insights-from-the-ipeds-outcome-measures-om-survey-component.

[9] Scott-Clayton, "The Looming Student Loan Default Crisis Is Worse than We Thought."

[10] Ibid.

[11] National Center for Education Statistics, "Annual Earnings by Educational Attainment," Condition of Education (U.S. Department of Education, Institute of Education Sciences, 2024), https://nces.ed.gov/programs/coe/indicator/cba/annual-earnings.

[12] See, for example, Anthony P. Carnevale et al., "The Monetary Value of Economic and Racial Justice in Postsecondary Education: Quantifying the Potential for Public Good" (Georgetown University Center of Education and the Workforce, May 2021), https://www.postsecondaryvalue.org/wp-content/uploads/2021/05/PVC-GUCEW-FINAL.pdf and "The College Payoff: Education, Occupations, Lifetime Earnings" (Georgetown University Center of Education and the Workforce, n.d.), https://cew.georgetown.edu/cew-reports/the-college-payoff/.

they provide an accessible, affordable, and quality education that leads to high-quality employment and earnings outcomes.

However, supporting schools in their efforts to ensure high-quality outcomes and holding schools accountable for when they don't is complicated, and potential unintended consequences abound. A fundamental challenge is that the existing quality assurance system is fractured and largely ineffective. State governments, tasked by Congress with authorizing all higher education institutions within their borders, vary in the standards and requirements to which they hold institutions. Their enforcement is similarly uneven. In an attempt to improve student outcomes, many states have developed funding formulas for public institutions that tie financial resources to state priorities like completion, workforce development, and post-graduate earnings. Depending on how formulas are structured, however, they may risk taking away resources that colleges need to improve, undermining their intended goals.

At the federal level, the U.S. Department of Education enforces requirements to ensure the integrity of an institution in managing federal financial aid dollars. However, these rules generally do not address student success. Federal law does end federal financial aid access to institutions whose students default at extreme rates, but the pandemic payment pause and a new loan repayment plan may render even this low standard obsolete. For over a decade, the Department has worked to implement regulations requiring career programs and for-profit colleges to ensure their graduates can afford their student loans. Programs that fail to meet this standard would lose access to federal financial aid. Some have proposed applying a similar framework to more colleges or programs.

Colleges' heavy reliance on federal aid for tuition revenue means that losing access could force a school to close. Understandably, policymakers and regulators hesitate to take this path as few want to close a local institution. These challenges grow even more acute if a college that has been underfunded and serves the highest-need students comes under scrutiny. Rather than not acting at all, policymakers at the state and federal levels need a broader set of tools to help institutions improve outcomes, and a more nuanced set of financial and non-financial incentives that encourage performance.

The national higher education field has developed multiple frameworks for potential metrics, thresholds, and consequences by which different oversight entities could hold institutions accountable for student outcomes. Few proposals, however, provide sufficient detail about how federal, state, or institutional policies can properly coordinate, fund, design, support, and oversee improvement in student outcomes, and ideally do so as a coherent system. Nor does the existing set of policy proposals adequately account for tradeoffs between higher standards and unintended consequences for underrepresented student populations and the institutions that serve them.

This request for proposals seeks recommendations for policy approaches and solutions that begin with student success in mind. How can we best ensure postsecondary education leads to meaningful careers with the accompanying compensation and benefits required for economic stability and upward mobility? How can we create these equitable pathways to opportunity, ensuring access and completion for all who invest themselves and their futures in postsecondary education?

It is time for the higher education field to develop a more precise set of ideas about how to provide the resources, capacity, and incentives to adequately support continuous and meaningful improvement in student outcomes. Arnold Ventures, the Gates Foundation, the Joyce Foundation, and Strada Education Foundation are partnering to support policy development and analysis to fill these critical gaps in higher education policy.

Research Agenda

Through conversations with higher education policy experts and institutional leaders, we have identified three priority policy areas needing additional analysis and idea generation. First, a strong and growing body of evidence has validated institution-level practices that can dramatically increase degree completion rates. Yet there are few ideas about how policymakers can help more colleges scale these practices and what level of improvement they should expect in return. Second, the higher education policy field broadly recognizes a need for higher student success standards and that poorly implemented quality assurance rules could particularly harm underrepresented student populations attending under-resourced institutions. The field needs more specificity on where these unintended consequences are most likely to arise and how they might be navigated. Finally, few have explored the role of governance structures, particularly institutional boards and state agencies overseeing public institutions, in encouraging stronger student outcomes.

We aim to fill these gaps by supporting the development of concrete, actionable policy solutions in the critical areas of institutional improvement, accountability, and governance. By concentrating on policy development and analysis, we aim to provide policymakers and other stakeholders with better tools and ideas for moving toward policy action and ultimately driving student success.

Category 1: Institutional Improvement and Support

Over the past decade, research on student success has identified a range of practices that increase the likelihood of college completion. The most well-known is the ASAP program, a set of comprehensive student supports that substantially increases students' graduation rates and that multiple randomized control trials have validated.[13] Strong evidence has also supported

[13] "Evaluating Replications of CUNY's Accelerated Study in Associate Programs (ASAP)," MDRC, January 24, 2024, https://www.mdrc.org/work/projects/evaluating-replications-cunys-accelerated-study-associate-programs-asap.

more standalone interventions, including changes to remedial education, intensive student advising, and simplified course pathways to degrees.[14]

However, there remains a major gap connecting this research with policy, and in particular, how policymakers can use funding, technical assistance, guidance, and other tools to promote wider adoption of proven practices. While there is no single definition of student success, we broadly seek policies that will increase completion, loan repayment rates, and earnings. We invite applications that aim to answer the following policy research questions:

- Which policy mechanisms could effectively promote and support institutional improvement? And which organizations or entities (both public and non-public) should oversee the implementation and compliance of these policies?
- What lessons or best practices from sectors such as K-12 education, healthcare, and others can be effectively adapted to enhance institutional improvement strategies in higher education?
- How should policymakers determine the amount and duration of funding needed to support high-quality teaching, learning, and student success at institutions of different types serving students from various backgrounds? What requirements around permissible uses and expected improvement should they specify?
- How should policymakers consider incentives for affordable institutions with strong outcomes to expand access to low-income and underrepresented students?

Category 2: Accountability in Diverse Institutional Contexts

Higher education policy experts identify a general need for stronger mechanisms to improve student outcomes, recognizing that effective policies must account for different institutional missions and avoid unintended consequences where severe penalties dissuade colleges from serving underrepresented students. Identifying specific proposals that balance these competing demands has proven elusive. We seek applications for approaches that would implement equitable standards for student academic, economic, and career outcomes while avoiding "one-size-fits-all" approaches that lead to negative consequences for under-resourced institutions. Proposals should go beyond general frameworks and develop precise answers to one or more of the following questions:

- What types of graduated mechanisms are most appropriate to drive institutional improvement, short of the most severe consequences that currently exist (e.g., loss of Title IV eligibility)? How might these mechanisms need to vary by sector, institutional practices or resources, or the presence of comparable alternatives available to students?
- How should policies account for factors outside colleges' control, such as local labor market outcomes or greater needs associated with their enrolled student body?

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[14] Elisabeth A. Barnett and Elizabeth M. Kopko, "What Really Works in Student Success?," Community College Research Center, June 23, 2020, https://ccrc.tc.columbia.edu/publications/really-works-student-success.html.

Category 3: Governance and Structural Dynamics

Finally, higher education governance structures, such as boards of directors or state coordinating/governing bodies, have remained relatively understudied as a potential lever for improving student success. Governance bodies can wield substantial influence over policy decisions, resource allocation, and strategic directions that directly impact student success. For instance, boards can prioritize investments in academic programs or student services critical to student achievement. Answering the following questions could help identify policy opportunities for boards and state coordinating/governing bodies to encourage and support student success:

- How can the different layers of governing bodies in higher education play a more prominent and complementary role in supporting institutional improvement and holding institutional leaders accountable for outcomes, and what role does policy need to play? Are there examples of promising practices?
- How does the governance structure, particularly within public institutions, impact educational and financial outcomes for students? For example, how does the authority to set tuition rates influence net price and student loan debt? Similarly, does more formal board accountability for student outcomes lead to improved results?

Process and Timeline

Grant Size

Grants will range from $10,000 to $100,000, based on project scope and inclusive of all associated costs and indirect expenses (10% for higher education institutions and 15% for other organizations). The grants will range in length from six to 12 months, and project proposals should be executable within this timeframe.

Proposal Submission Requirements

Proposals are due by **11:59 PM on Friday, July 26**. Proposals should be concise, extending no more than five pages (excluding team member biographies).

We are strongly interested in proposals that directly address the specified research questions, although high-quality proposals adjacent to these topics may also be considered. Applicants are encouraged to develop clear, actionable policy ideas rather than abstract or general principles. The primary output of funded projects should be a written product, such as a policy paper or data analysis with a supporting narrative. Proposals should address the following items:

1. **Research Question(s):** Which of the above research question(s) does your project aim to answer, and why have you prioritized its exploration?
2. **Objective(s):** What are the main objectives of your project? Clearly outline what you aim to achieve or discover through your research.
3. **Methodology:** What methodology will you use to conduct your research? Include details on data sources, analytical techniques, and any tools or software that will be used.

4. **Context:** Given the current political and policy landscape, how do you envision your project advancing the higher education policy field?
5. **Timeline and Project Plan:** Provide a brief timeline, with start and end dates, of envisioned activities and deliverables for your project.
6. **Budget:** Estimate an overall proposed funding amount (maximum $100,000), along with a brief discussion of anticipated primary expense line items and any anticipated subcontractors that will participate in the project. Please indicate the applicant's tax status in this section.
7. **Project Team Member Biographies:** Briefly describe each project team member's role and responsibilities and how their background and expertise will contribute to the project. (These do not count against the page limit.)

Participation and Eligibility

Given the many stakeholders involved in improving student outcomes and the complexities described here, those responding to this request for proposals are encouraged to substantively engage the expertise and voice of a variety of policymakers, students, postsecondary researchers, and higher education leaders. This grant opportunity is open to various applicant types, including federal and state policy experts, institutional or system leaders, higher education membership associations, academic researchers, and organizations broadly supporting student success. We would also welcome respondents from sectors and fields beyond higher education (e.g., K-12 education, health) who may have analogous recommendations around ensuring institutional accountability while supporting improvement to share. We welcome projects that will help expand the field through creative partnerships, including those with institutions, the inclusion of diverse perspectives, or the inclusion of early-career individuals.

Proposal Review and Selection

Proposals submitted in response to the RFP will be reviewed by Arnold Ventures, the Gates Foundation, Joyce Foundation, and Strada Education Foundation. Applicants can expect to receive an initial response in August. Applicants selected for further consideration will be invited to submit a full proposal expanding on the information outlined in their initial proposal, which can include greater detail about the proposed project design, a more detailed budget, and/or organizational financial information. Selected projects will generally be funded by a single funder, and each funder will follow its own process and procedures regarding the selection and approval of grants, as well as its terms and conditions, including any reporting requirements.

Use of Personal Data

The funders may use your personal data in accordance with each funder's privacy policy, which can be accessed at:

Arnold Ventures Privacy Policy

Strada Education Foundation Privacy Policy

Gates Foundation Privacy Policy

Submission Details

All proposals should be submitted at http://postsecondaryvaluerfp.org.

Contact

For questions about this RFP process, please contact Kelly McManus (kmcmanus@arnoldventures.org), Mary Nguyen Barry (mary.barry@gatesfoundation.org), Emily Goldman (egoldman@joycefdn.org), or Claire Viall (claire.viall@stradaeducation.org).