PROPOSAL AT A GLANCE

THE EDUCATION TRUST’S PROPOSAL FOR MINIMUM INSTITUTION OF HIGHER EDUCATION PERFORMANCE STANDARDS

Raise the Floor Above the Current Bottom 5 Percent

Minimum Standards for Low-Income Student Access and Degree Completion

- Pell, full-time freshman enrollment: **17 percent**
- Six-year, full-time freshman graduation rate: **15 percent**
- Student loan repayment rate (optional interim proxy three-year cohort default rate: **28 percent**)

Time Frame for Improvement

- Fair notice of new minimum performance standards (at least one year)
- Opportunity to appeal designation for those institutions that may be the only option within a certain geographic area or that overwhelmingly serve non-first-time, full-time students but perform better with those students than with first-time, full-time students
- Federal monetary and technical assistance for institutions below graduation and loan repayment standards

Low-access colleges have **three** years to improve, succeeding if the average Pell enrollment rate over the next three years equals or exceeds 17 percent.

Low-graduation colleges have **four** years to improve, with two additional years if they are on track to graduate at least 15 percent of students by the end of six years, succeeding if the average graduation rate during this time frame equals or exceeds 15 percent.

Low-loan repayment colleges will also have time to improve. A specific time frame is to be determined upon availability of data, but should be, at a minimum, at least **three** years.

Sanctions for No Improvement

Low-access “**Engines of Inequality**” will be subject to losing institutional grant and tax benefits, including tax-exempt bonds to nonprofits and the charitable interest deduction to both the institution and affiliated foundations.

Low-graduation “**College Dropout Factories**” and low-loan repayment “**Diploma Mills**” will be subject to losing institutional grant and tax benefits as well as all eligibility to receive federal student aid, including grant, loan, and tax aid.

A Rolling Benchmark

As institutions evolve and improve over time, a new 5 percent standard will be updated every three to six years to encourage continuous improvement.