



B Impact Assessment Standards for Higher Education

Overview:

B Lab is creating an addendum to the B Impact Assessment with targeted questions to measure for-profit postsecondary providers' unique impact—for instance, *who* they serve, *how* they serve them and *what* the outcomes are produced for the students. This will allow the B Impact Assessment to provide more catered insights, aspirational best practices, and accurate benchmarking for postsecondary institutions, previously unavailable at this level of specificity and detail within the assessment.

The B Impact Assessment (BIA) provides a credible, comprehensive, transparent, and independent standard of social and environmental performance that allows businesses to assess their impact. It is implemented through a free, confidential, easy-to-use online platform available at bimpactassessment.net.

The B Impact Assessment can also allow for-profit education providers to voluntarily differentiate themselves by pursuing B Corp Certification, fulfill public reporting requirements as benefit corporations, and get GIIRS Rated. This will be the third addenda added to the B Impact Assessment, following those designed for the finance and building sectors.

Scope:

The Higher Education addendum to the BIA will be applied to all registrants for the B Impact Assessment that are post-secondary higher education institutions. While B Corp certification is available exclusively to for profit entities, the addendum as well as the assessment is also available to non-profit institutions interested in benchmarking and managing their performance to best-in-class indicators.

Both US and Global (Non-US) versions of the higher education addendum have been developed to reflect differences in outcomes and data availability.

Content and Scoring:

The Higher Education addendum is organized into:

- (1) Educational Models and Engagement: Measures the company's ability to deliver long term sustained educational services and its engagement with the higher education and broader community to advance higher education and benefit their communities.

- (2) Recruiting, Marketing, and Transparency: Measures the policies, practices, and results of the institution's recruiting practices to ensure accurate information and consumer protection
- (3) Student Outcomes: Measures the positive outcomes for its enrollees, particularly traditionally underrepresented groups, including their ability to progress to completion and achieve economic independence
- (4) Student Experience: Measures the institution delivers a positive student experience, including quality instruction and faculty and supportive and accessible student services, and external career and service opportunities

The assessment also includes an unweighted "Disclosure Questionnaire" to promote transparency about any negative or controversial issues related to the institution.

Educational Models and Engagement

(8 questions, 6 points)

- Awards offered
- Primary award offered
- Number of credentials and degrees awarded
- Federal funding
- Revenue diversification
- Spending prioritization
- Community engagement
- Engagement with other higher education institutions

Recruiting, Marketing, Transparency

(6 questions, 5 points)

- Marketing and recruiting policies
- Contacting prospective students
- Managing marketing expectations
- Availability and accessibility of information
- Acknowledgment of critical information
- Counseling during enrollment process

Student Outcomes and Value

(24 questions, 45 points)

- Mission to serve special interest populations
- Student populations
- Traditional Students and Special Interest Student Populations
- Measuring student learning
- Managing student educational goals
- Remediation services
- Successful remediation
- Managing retention rates
- Retention Rate

- Managing completion rates
- Program completion with 100%
- Program completion with 150%
- Percentage student population by race group (US only)
- Completion rates by race group (US only)
- Timely degree completion
- Criteria for program decisions
- Employment, additional schooling rates
- Tracking employment records
- Graduate earnings
- Graduate earning benchmarking
- Net price
- On track to repay loans (US) / Default Rate (Non-US)
- Rate of students withdrawn with debt
- Average debt burden

Student Experience

(6 questions, 4 points)

- Faculty achievement targets
- Policies to maintain quality of instruction
- Student services, such as counseling/advising
- Civic engagement opportunities
- Career services
- Managing student satisfaction

Disclosure Questionnaire

(2 questions, Unweighted)

- Accreditation status changes
- Recruitment investigation

Total: 46 questions

Student outcomes comprise the most material portion of the addendum, highlighting the significance of whether the institution produces positive results for its students. Scoring of the addendum is structured to match that of the traditional Customer Products Impact Business Model of the B Impact Assessment, in which 30 points of the student outcomes section are available for not just serving students well, but serving students that are traditionally underrepresented in the higher education system.

Points earned for specific student outcomes have been developed by industry benchmarks, in which credit is earned incrementally for being above the bottom quartile of performance in any particular metric, with full credit earned for being in the top decile of performance.

Development:

Development of the Higher Education addendum commenced in 2014 and is overseen by B Lab's Standards Advisory Council, an independent body of experts responsible for overseeing the B Impact Assessment and determining eligibility requirements for B Corp Certification. B Lab and the Standards Advisory Council commissioned an independent multi-stakeholder working group comprised of industry experts in order to advise on the content and weighting of the addendum over the course of 2014 and 2015. The Higher Education Standards Working Group (HESWG) consists of:

- **Marcia Ballinger**, Loraine County Community College
- **Deb Bushway**, Capella University
- **John Hayek**, University of Texas
- **Ben Miller**, New America Foundation
- **Stephen Porter**, North Carolina State University
- **Ralph Wolff**, Formerly of Western Assoc. of Schools and Colleges
- **Denise Dezolt**, Laureate International Universities
- **David Bergeron**, Center for American Progress
- **Terrell Halaska**, HCM Strategists
- **Bart Houlahan**, B Lab

In addition to the expertise contributed by the Higher Education Standards Working Group, drafts of the addendum were alpha (May/June 2015) and beta tested (June/July 2015) to receive feedback from a variety of both non-profit and for-profit institutions, and will undergo a public comment period (August/September 2015) to ensure all stakeholders are represented in their opportunity to contribute to the standards. The results of those tests were presented to the working group, and a final draft of the addendum was presented to the Standards Advisory Council for approval.

The development of the Higher Education addendum was supported with a grant from the Lumina Foundation.

Approval:

The Higher Education addendum was approved by the Developed Markets and Emerging Markets Standards Advisory Councils on September 16th 2015.

The Standards Advisory Council will also review all companies earning less than 15 points on the addendum prior to certification. Eligibility for B Corp Certification is at the sole discretion of the Standards Advisory Council and B Lab's Board of Directors. The Standards Advisory Council's decision could be:

- (1) Certification is approved.
- (2) Certification is approved, with incremental transparency on B Corp public profile.
- (3) Certification is approved, with remediation.
- (4) Certification is denied.

A company may appeal the decision of the Standards Advisory Council to B Lab's Board of Directors, which require a 2/3 vote to overturn the Standards Advisory Council decision. Judgments by the Board of Directors are final.