

# Report and Suggestions from IPEDS Technical Review Panel #13

## Sector Reclassification

**PROPOSAL SUMMARY:** Currently there are ten sector classifications in the IPEDS system - nine based on level and control and one for administrative (central and system offices) units. Control categories are public, private not-for-profit, and private for-profit. Level categories are 4-year and higher (4-year), 2-but-less-than-4-year (2-year), and less-than-2-year. As the nature of postsecondary education has changed, institutional comparisons within sector have become blurred. IPEDS plans to add a new institutional category variable to provide a different way of clustering schools for analytical purposes.

The National Center for Education Statistics (NCES) developed the IPEDS sector classifications to allow for analytical comparisons of postsecondary education institutions. The universe of postsecondary education institutions is divided into nine sector categories based on level (the highest degree awarded or the length of the longest program) and control (public, private for profit, or private not-for-profit). The resulting level categories are 4-year and higher (4-year), 2-but-less-than-4-year (2-year), and less-than-2-year. Crossing by control and level results in 9 institutional sectors. An additional category is provided for administrative reporting units.

### **Background:**

The National Center for Education Statistics (NCES) developed the IPEDS sector classifications to allow for analytical comparisons of postsecondary education institutions. The universe of postsecondary education institutions is divided into nine sector categories based on level (the highest degree awarded or the length of the longest program) and control (public, private for profit, or private not-for-profit). The resulting level categories are 4-year and higher (4-year), 2-but-less-than-4-year (2-year), and less-than-2-year. Crossing by control and level results in 9 institutional sectors. An additional category is provided for administrative reporting units.

The nature of postsecondary education has changed over time and the institutional comparisons have become blurred. Because IPEDS looks at an institution's highest level of offering to determine the institution's sector classification, issues have arisen as schools begin to offer some degree programs that are at a higher level than the majority of the programs they offer. For example, if an institution begins to offer one or more bachelor's degree programs, but still offers the majority of its degrees at the associate's level, its sector classification changes from a 2-year institution to a 4-year institution under the current system.

Concerns have been raised with the sector classifications, both in terms of analytical needs of data users and implications for schools when legislation provides for using sector as a factor in comparing institutions for college affordability indices, graduation rates, student financial aid, etc.

## **Proposal:**

The Technical Review Panel agreed that the current sector classification should be retained as a variable in the IPEDS data system for comparability of trend data. However, it also suggested that a new variable for institutional category be added to allow for comparisons of more homogeneous institutions. After much discussion and after reviewing the current sector classification system along with other classification systems, the panel agreed that a new institutional category should be defined based on degree-granting (or not) and by concentration of degrees by level. Using the new structure, schools would be classified according to six new categories as follows under the institutional classification proposed:

- Degree-granting
  - Baccalaureate or above
    - 1 - Graduate with no bachelor's degree offered
    - 2 - Primarily baccalaureate or above
    - 3 - Other baccalaureate granting
  - 4 - Associate's degrees and certificates
- Non-degree-granting
  - 5 - Certificates above the baccalaureate
  - 6 - Sub-baccalaureate certificates

Note: Category 1 includes, for example, schools that offer master's or first-professional degrees (but no bachelor's degrees). Category 3 institutions offer primarily associate's degrees (or certificates) but also have bachelor's degree programs.

## **Actions Taken**

Based on the discussion and suggestions made by the TRP, NCES calculated an "Institutional Category" for each institution in the 2004-05 IPEDS universe. This new derived variable is available for use in the Peer Analysis System; it can be found under Frequently used/Derived variables: 2004, Institutions.

## **Comments:**

We encourage interested parties to send any comments or concerns about this proposal to [Samuel F. Barbett](#) by January 20, 2006. Please include the following in the email subject line: IPEDS New Institutional Category Variable - Proposal Comments.