Best vs All: Equity and Accuracy of Standardized Test Score Reporting

Sampath Kannan¹, Mingzi Niu², Aaron Roth¹, Rakesh Vohra¹

¹University of Pennsylvania ²Rice University

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- Standardized tests are essential to college admission
- College score-reporting policies:
 - **O** "Report Max" (superscoring): applicants can choose which scores to submit
 - (2) "Report All": applicants must submit all test scores
- A source of unfairness: only some applicants can take the test multiple times
 - The retest rates in the ACT vary across groups
 - Hispanic students 34% vs White and Asian students 49%
 - Parents without a bachelor's degree 36% vs Parents with a bachelor's degree 62%
 - Both policies give highly resourced applicants more discretion over reported scores

- What happens under different score-reporting policies?
 - Students: test-taking decisions given their groups, ability types and score records
 - College: admission decisions given the reported scores
- I How do these two reporting policies compare in terms of equity and accuracy?
 - Equity: group gap in false positive rates & group gap in false negative rates
 - Accuracy: college's expected payoff for screening purpose

"Report All" is superior to "Report Max" both in equity and in screening accuracy

- Under "Report All", there exist equilibria where a student's admission probability is independent of the group membership, conditional on the ability type
 - First-score equilibrium: the admission outcome is determined by the first score
 - False positive rates and false negative rates are identical across groups
 - Outcome equivalent to enforcing a "one-test" policy
 - The unique nontrivial equilibrium outcome when students take the test at most twice

Disparities between the two policies grow with the test score inaccuracy and the inequity in access to the test

► Players: a college & students

Actions

- Student: whether or not to take the test again
- College: whether or not to admit the student

The Model: Information Structure

Student

- Two ability types: $t \in \{H, L\}$ the prior that a student is of type H is p
- Two group categories: $c \in \{1,2\}$
 - Category 1 can only take the test once
 - Category 2 can take the test up to k times $(k \ge 2)$
 - The proportion of category 1 students is ϕ
- A sequence of test scores received thus far $s^n \in \{A, B\}^n$
 - The test generates a binary score $s \in \{A, B\}$
 - Test accuracy $Pr(s = A | t = H) = Pr(s = B | t = L) = \alpha \in (0.5, 1)$



No group discrimination on the surface

- Ability type p and test accuracy α are category-independent
- The college is blind to group categories
- Yet, among all students, only Category 2 students can make testing decisions adaptively after observing their previous test scores

Strategies

- Category 2 students: whether or not to retake the test given (t, s^n)
- College: whether or not to accept the student given the reported scores

Payoffs

- Student: 1 for being admitted, 0 for being rejected
- College: 1 for admitting a type H student, -1 for admitting a type L

Non-Trivial Equilibrium Outcomes

Trivial equilibrium outcomes: all students get admission/rejection



First-score equilibrium: A ⇒ admission, a score record beginning in B ⇒ rejection
The unique nontrivial equilibrium outcome if p ∈ (1 − α, 0.5) and k = 2

Equity: Category Gap in False Positive and False Negative Rates

Gap between categories (conditional on type) is lower under "Report All"

Compared to the nontrivial equilibrium under "Report Max"

► First-score equilibrium under "Report All"

FN	(1, H)	(2, <i>H</i>)	FP	(1, L)	(2, <i>L</i>)
Max	$1 - \alpha$	$(1-lpha)^2$	Max	1 - lpha	$1 - \alpha^2$
All	1 - lpha	1 - lpha	All	1 - lpha	1 - lpha

- "Report All" achieves parity across categories, whereas "Report Max" always favors the advantaged (Category 2) students
- ► Non-First-Score Equilibrium under "Report All"
 - Inequity across categories remains but it is reduced compared to "Report Max"

The college's expected payoff is higher under "Report All"

$$U_C^{nfs} \ge U_C^{fs} > U_C^{max}$$

- We study two score-reporting policies, "Report Max" and "Report All", in an environment where students have unequal access to retaking a standardized test
- ▶ The paper characterizes the set of equilibrium outcomes under both policies
 - Under "Report All", there exists first-score equilibrium outcome in which a student's admission probability is category independent, conditional on the ability type
- Comparing the sets of non-trivial equilibrium outcomes under these two policies, we find that "Report All" yields lower inequity across categories and higher screening payoff for the college