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United States Department of Education
Lyndon Baines Johnson (LBJ)
Department of Education Building
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Washington, DC 20202

To Whom It May Concern:

The higher education community has anxiously awaited the release of more specific information about the Postsecondary Institution Ratings System (PIRS) since President Obama announced the proposal in August 2013. The goals articulated by the President – enhanced access to accurate, timely and actionable consumer information and strengthened institutional accountability for the receipt of public funds – are laudable ideals that we strongly support. Our concerns with PIRS, therefore, are not with the purposes motivating the effort, but instead with the feasibility of the approach and the serious danger of unintended consequences.

In view of the Administration's stated goal of implementing PIRS by the start of the 2015-2016 academic year, we had hoped that the framework unveiled in December 2014 would provide a concrete and sufficiently specific presentation of the Department's proposed approach to allow institutions to evaluate the plan's strengths and weaknesses and to assess its likely impact. Unfortunately, the document released on December 19th is so incomplete, tentative, and amorphous, that it is impossible to offer the type of critique that this undertaking would otherwise require

One central issue in the PIRS discussion that is not clarified by the draft is the difficulty of developing a system that will serve the two distinct purposes articulated by the President and reiterated by the Department equally well – consumer information and accountability. There is a fundamental distinction between these two objectives. Consumer information needs to be accurate, timely, actionable, and easily accessible to help individuals make a decision about which institution to attend. Accountability, on the other hand, requires making normative judgments about the purposes of higher education. Neither goal is well served by the production of a federal ratings system. However, we believe that we can collectively make progress in the areas of consumer disclosure and accountability without developing a federal rating system.

With respect to consumer information, there are at least four federal consumer information tools currently available – College Navigator, the White House College Scorecard, the Financial Aid Shopping Sheet, and the College Affordability and Transparency Center. It is not clear how the proposed PIRS initiative will relate to, or differ from, the information available at these sites. We welcome a discussion with you on

how to merge and simplify these tools to best serve students and families, including an analysis of the additional information consumers want and need, the feasibility of obtaining that information and the most effective ways to disseminate it.

Providing information useful to consumers is very different from establishing accountability measures for institutions participating in the Title IV programs. Developing an institutional ratings system requires someone – in this case a federal agency - to make value judgments about institutions of postsecondary education. In other words, what are institutions to be held accountable for doing, or not doing? The answer to this question – based entirely on values assigned by federal officials and irrespective of the institution’s stated mission – will determine how colleges fare under the ratings system. While the Department’s document makes clear that it will (at least initially) focus on three broad areas – access, affordability and outcomes - it does not specify whether separate ratings will be issued for each area or whether these three components will somehow be combined into a single score. If the Department decides to issue a single rating, it will be necessary to assign weights to each variable and the weighting decision will have an outsize role in determining how institutions fare. Furthermore, any weighting scheme developed by the Department will inevitably conflict with students’ and parents’ personal preferences, thus confusing rather than informing the intended beneficiaries of the ratings system. To enable interested parties to understand the Department’s plans and to assess their efficacy, the Department should specify exactly how it plans to proceed on this central issue before it rates schools.

A second concern is that once the variables have been determined, prioritized and defined, the data must be assembled. In its December summary document, the Department identified eleven specific data elements in three categories (access, affordability and outcomes) that it might use in constructing this system. Of these, only one (percentage of Pell grant recipients enrolled) is highly accurate, widely understood, and currently available. The other metrics are either inaccurate (such as transfer rates), incomplete (such as completion rates), or completely untested (such as “EFC Gap” – an idea even the Department acknowledges is “confusing”). While the Department indicates that it may be willing to allow institutions to submit alternative sources of information that would be more accurate, such as the Student Achievement Measure (SAM), there are apparently no plans to do so before the initial ratings are published this summer. The inclusion of any data that the Department knows is inaccurate in a first round of ratings is a serious disservice to institutions and thwarts the goal of providing consumers with accurate and meaningful information.

A third concern deals with the peer groups within which institutions will be compared. When the president announced this plan, the Department made clear that “these ratings will compare colleges with similar missions.” The consumer information value of rating institutions against their peers is minimal, and ignores how the overwhelming majority of students approach higher education. For example, community college students do not choose their schools based on comparative national reputations (or the “invented” reputations that a federal ratings system would impose), but rather among locally available options. Similarly, the tuition price advantage leads many four-year students to attend in-state public schools. Grouping institutions according to governance structure—public,

private and independent not-for-profit, and for-profit and thus the level of public subsidy provided—significantly complicates any price comparisons. Finally, the ratings plan as outlined in the framework does not take into consideration colleges’ specific missions, program offerings, or other characteristics that are often the determining factors in a student’s choice of institution.

The comparison of institutions with similar institutions may have some merit as an accountability tool. However, this is a very difficult process to make work well, and the Department’s plan is unacceptably limited on the issue of peer groups. The agency does note that, at a minimum, it will use two categories: two-year schools and four-year schools. Such a breakdown means, for example, comparing a small liberal arts college with a large public research university. In the case of two-year colleges, it requires that a small rural community college be compared with a suburban for-profit campus and a huge urban community college. Obviously, these are very different types of institutions. Ironically, the system described in the December plan would provide far less specificity than the Department typically uses in presenting aggregated institutional information that it releases to the public. Which schools any individual institution is compared against will determine how well any college fares in the proposed ratings system. Given the clear promise to compare “colleges with similar missions” the Department’s failure to provide more detail on this point is a major gap.

We strongly urge the Department to offer more detail about its plans well before publishing any ratings. Specifically, we request that the Department make publicly available and open for comment the formula it plans to use to rate institutions and any weights that will be applied; announce the precise types and sources of information to be included; and offer detailed information about the peer groups that will serve as the basis for institutional comparisons. Furthermore, any ratings produced under this system should be shared with the institutions before they are made public, and a process for appealing inaccuracies must be provided. This is standard practice for the department in other areas, such as determinations of cohort default rates and the net price watch lists, and is a practical safeguard against erroneous, and potentially harmful, outcomes.

A far better use of resources would be to abandon this plan and instead focus on other ways to achieve the central purposes of PIRS – better consumer information and stronger accountability. With regard to the former, we stand ready to work with the Department to consolidate and rationalize the complex and confusing cacophony of disclosures already in place. Such an effort should include an investigation of information that students and families want and need to facilitate postsecondary education planning and whether or not such information is currently available. We believe that this task is both urgently needed and feasible.

With respect to accountability, we encourage the Department to capitalize on tools available under current law. As an example, we would like to work with the Department to identify policies and strategies that use the TRIAD (accreditation, eligibility, and state authorization) to focus attention on institutions of marginal quality and to raise the bar on program integrity, rather than making highly-generalized, relative judgments about every college in the United States.

Sincerely,



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President

MCB/ldw

On behalf of:

American Association of Colleges for Teacher Education
American Association of Community Colleges
American Association of State Colleges and Universities
American College Personnel Association
American Council on Education
American Dental Education Association
American Indian Higher Education Consortium
Association of American Colleges and Universities
Association of American Universities
Association of Catholic Colleges and Universities
Association of Community College Trustees
Association of Governing Boards
Association of Jesuit Colleges and Universities
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