

February 17, 2015

The Honorable Arne Duncan
Secretary of Education
U.S. Department of Education
400 Maryland Avenue, SW
Washington, DC 20202

Dear Secretary Duncan,

The undersigned organizations write as part of the Postsecondary Data (PostsecData) Collaborative to provide feedback on key portions of the Department of Education's college ratings framework. The PostsecData Collaborative is a coalition of organizations that advocates for the use of high-quality postsecondary data to inform policymaking, institutional improvement, and consumer choice—all to promote student success. Our group includes participants from a large swath of the higher education community, including experts and organizations that represent students, states, researchers, advocates, institutions and systems of higher education, and the business community. Through the Collaborative, we seek consensus among our diverse set of organizations on key postsecondary data issues, particularly those that impact students. This letter explains points of consensus supported by the organizations listed.

We have been encouraged by the Department's efforts to solicit feedback throughout the process of developing the ratings system and hope these comments will inform the next phase of the ratings development. Together as members of the PostsecData Collaborative, we urge the Department to:

1. **Apply data differently to meet distinct purposes:** We urge the Department to consider accountability, consumer information, and institutional benchmarking separately and either narrow the scope of the ratings to develop one tool to address one purpose or apply different rating system designs tailored to each purpose.
2. **Disaggregate measures of student success and access by race/ethnicity:** We recommend that the rating system include the following measures of success and access for underrepresented minority students:
 - a. SUCCESS: Graduation rates, disaggregated by race/ethnicity
 - b. ACCESS: Percent of students enrolled from each racial/ethnic group
3. **Measure cumulative student debt and the share of students borrowing:** We encourage the Department to incorporate measures of cumulative student loan debt, disaggregated by completion status and program level, into the rating system.
4. **Incorporate labor market outcomes:** We support the Department's efforts to incorporate labor market outcomes into the rating system in a thoughtful way that protects against unintended consequences.

This letter reflects significant consensus on several critical elements of the ratings among a diverse set of organizations within the higher education community. As such, we hope the Department will weigh these recommendations heavily when further designing and implementing the rating system. Many of our organizations also will submit their own detailed comments to inform other aspects of the college ratings system.

Apply data differently to meet distinct purposes

The Department of Education has been clear that “the college ratings system has multiple related purposes.”¹ The system is intended to inform institutional improvement, consumer choice, policymaking, and accountability. We agree that each of these purposes is important and requires high-quality data. However, we urge the Department to consider accountability, consumer information, and institutional benchmarking separately and either narrow the scope of the ratings to develop one system to address one purpose or design different rating systems that use common data while being tailored to each purpose. Data are powerful tools for informing stakeholder decisions but are not likely to be used if they are not presented in actionable formats tailored to specific stakeholder needs. High-quality public reporting presents information in a way that is easy for stakeholders to find, access, and understand.

While common and consistent data sources and data systems should contribute to all of the distinct purposes noted by the framework, one rating system design cannot adequately meet all of them simultaneously. Rather, an accountability-focused mechanism requires different design decisions than a consumer-oriented tool (like an improved College Scorecard or College Navigator), which requires different decisions than an institutional or system benchmarking instrument. Consider the following examples for how the mechanics of the system should vary depending on purpose:

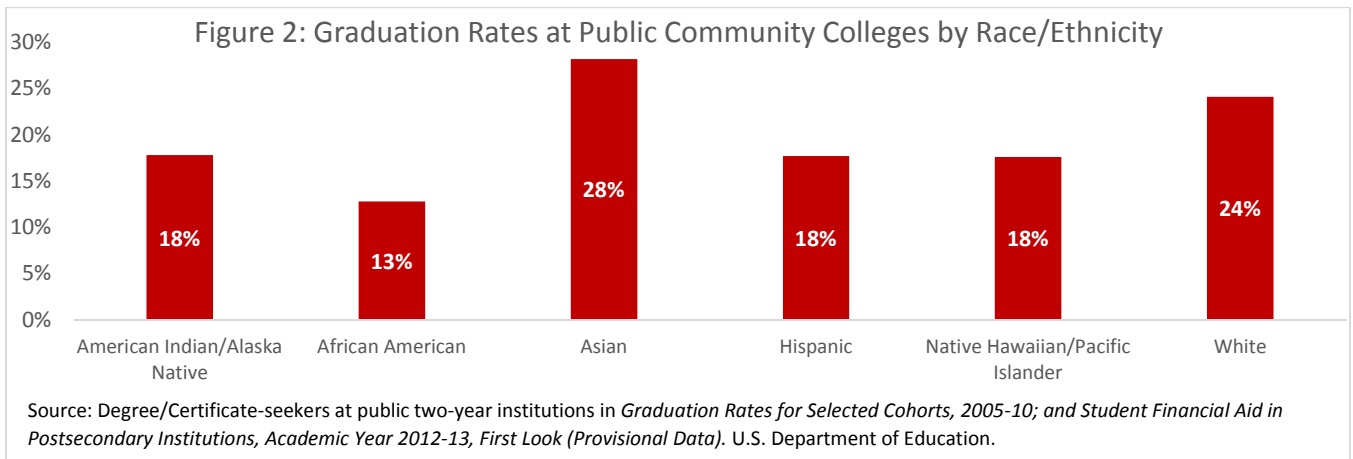
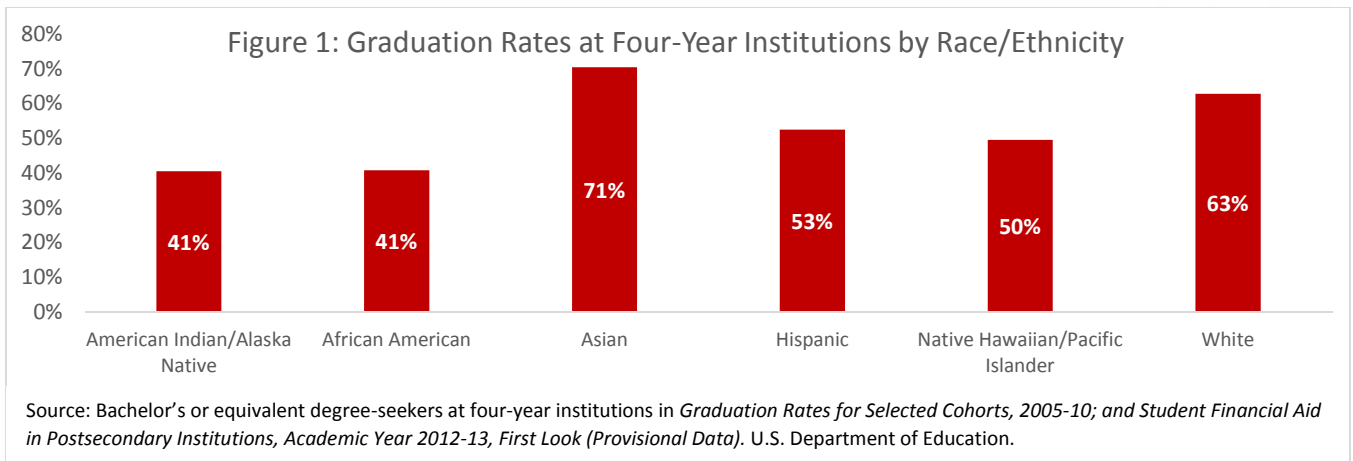
- The ratings framework suggests adjusting outcomes based on student and institutional characteristics. While debates continue about the appropriateness of such adjustments in an accountability or institutional improvement system, such adjustments should never be made in a consumer information system. Students need access to clear, unvarnished information, and adjusted outcomes would serve only to confuse at best and mislead at worst.
- To measure institutional affordability in a federal accountability system, it may make sense to account for variation in state investment in higher education. However, the funding factors (state, federal, and institutional) that influence price are less important for students and families, who simply need to know how much *they* will have to pay.
- Institutions or systems may find it useful to compare themselves with similar institutions or systems that share common characteristics. However, some of those institutional characteristics (e.g. sector, Carnegie classification, funding source, etc.) may be less important for students who may care more about location, price, and the chance of admission, all depending on their individual circumstances. Ratings should provide students with the flexibility to search using criteria like geography and majors offered, but an accountability system should not be weighted using such characteristics.
- Students may want consumer information about income levels of graduates and seek distinctions between low, mid, high, and very high paying careers. On the other hand, an accountability system may take a more targeted approach to incorporating wage data and only flag the programs or institutions with particularly poor labor market outcomes.
- The framework proposes calculating measures such as graduation and transfer rates for federally-aided students using the National Student Loan Data System (NSLDS). These data could be even more limiting than existing IPEDS data and possibly confusing if presented to students in a

¹ *A New System of College Ratings – Invitation to Comment*. U.S. Department of Education. 19 December 2014. Retrieved from: <http://www2.ed.gov/documents/college-affordability/framework-invitation-comment.pdf>

consumer information system because they represent only 57 percent of all college students and only 44 percent of community college students.² However, these data may be useful if the Department wanted to develop accountability mechanisms specifically for federal aid dollars.

Disaggregate measures of student success and access by race/ethnicity

As organizations committed to high-quality postsecondary opportunities for all students, we strongly recommend that the Department incorporate measures of success and access for underrepresented minority students into the rating system(s). The Department’s proposed framework suggests graduation rates for Pell Grant recipients and several measures of socioeconomic diversity, both of which are essential for promoting college opportunities for low-income students. However, omitting similar measures for racial/ethnic minorities overlooks critical populations that remain underserved by our postsecondary system. Graduation rates for white and Asian students still outpace those of African-American, Hispanic, American Indian, and Native Hawaiian/Pacific Islander students (Figures 1 and 2).



² IHEP analysis of NPSAS:12 data using PowerStats.

Because these substantial gaps remain—and vary by institution³—incorporating disaggregated data into a rating system is essential. We recommend that the rating system include the following measures of success and access for underrepresented minority students:

- **SUCCESS:** Graduation rates, disaggregated by race/ethnicity – The rating system should measure and evaluate graduation rates for underrepresented minority students and/or graduation rate gaps between students of color and their classmates.
- **ACCESS:** Percent of students enrolled from each racial/ethnic group – Institutions with strong outcomes for underrepresented minority students should be especially acknowledged if they also enroll large shares of underrepresented minorities.

Data for these measures already are collected and readily available in the Integrated Postsecondary Education Data System (IPEDS). These measures could be incorporated into the ratings in similar ways as the percent Pell and Pell graduation rate measures proposed in the Department’s framework, or in ways that explicitly measure gaps between student groups. While we recommend including disaggregated results for these measures in the rating system, we do *not* suggest adjusting expected outcomes by race/ethnicity. Adjusted outcomes set different expectations for different students, which could reinforce existing attainment gaps and perpetuate stereotypes.

One of the most successful aspects of the No Child Left Behind Act of 2001 was its requirement to disaggregate data by race/ethnicity, economic disadvantage, disability, limited English proficiency, migrant status, and gender, and to provide this information to the public. Disaggregation by subgroups made it possible to have greater transparency and more accurate measures of academic performance in K-12 education than ever before. Similarly, the college rating system would benefit from the addition of data disaggregated by race and ethnicity.

Measure cumulative student debt and the share of students borrowing

With debt levels and public concern about student debt on the rise, students, policymakers, and institutions need clear information about how borrowing varies by institution. We are concerned by the framework’s suggestion that the ratings not incorporate debt as a measure of affordability and urge the Department to reconsider. Cumulative student debt accumulated at an individual institution and the percent of students borrowing at that institution, reported separately for completers and non-completers for each undergraduate program level (certificates, associate’s degrees, bachelor’s degrees), provide key information on college affordability. These data on borrowing would act as an essential supplement to net price data because debt measures affordability across the student’s entire time at an institution, rather than just in the first year. Also, debt metrics show *how* students are paying their college costs with a focus on financing that will continue for years into students’ lives after college. Aggregate debt at repayment for all borrowers should not be used, as it conflates time enrolled with debt incurred and can make colleges with low completion rates appear affordable simply because students drop out after relatively short periods of borrowing. Rather, debt data must be disaggregated by completion status to accurately reflect borrowing trends.

³ Joseph Yeado. *Intentionally Successful: Improving Minority Student College Graduation Rates*. The Education Trust. July 2013. Retrieved from: http://www.edtrust.org/sites/edtrust.org/files/Intentionally_Successful.pdf.

The Department has mandated the additional data elements necessary to calculate cumulative federal student loan debt at graduation through the National Student Loan Data System (NSLDS). We recommend using these data and continuing to evaluate them to ensure accurate and timely institutional reporting of student completion status and program level. To promote data quality, data can be cross-referenced with the best currently available data reported via the Common Data Set (CDS) surveys and the National Postsecondary Student Aid Study (NPSAS), as well as annual loan volume as reported through the Common Origination and Disbursement (COD) system and posted on the Federal Student Aid Data Center. In addition, we recommend collecting data on private, state, and institutional loans to students from colleges through the Integrated Postsecondary Education Data System (IPEDS), unless and until such loans are included in NSLDS or another equivalent data system.

Incorporate data on labor market outcomes

We support the Department's efforts to incorporate data on labor market outcomes into the ratings, given that career preparation is one of higher education's multiple purposes. At a time when the vast majority (86 percent) of college freshmen cite being "able to get a better job" as a very important reason for their decision to go to college,⁴ the Department should move forward with efforts to measure salient labor market outcomes in contextualized ways. Exhaustive evaluations of college quality would measure student learning and graduates' societal contributions as well as employment and earnings. However, we recognize the challenges associated with these other post-collegiate outcome measures, especially in a ratings context.

Earnings and employment are more quantifiable outcomes, especially using administrative data systems. The framework rightfully identifies several challenges, such as the need to avoid valuing financially lucrative careers over those that advance the social good, but also proposes a solution to this challenge by setting a minimum earnings standard. We agree that to inform decision-making for students, families, policymakers, and institutions, labor market data should be calculated and contextualized appropriately. For example, earnings and employment should be reported separately for completers and non-completers and students who re-enroll in college should be omitted from the calculations. With these considerations in mind, we recommend incorporating labor market data into the ratings to serve at least two purposes:

- **CONSUMER INFORMATION:** The ratings should inform students of the post-collegiate employment and earnings outcomes associated with particular institutions or programs of study. Labor market data can be especially useful in educating students about their job and earnings prospects as they search for colleges, make borrowing decisions, and choose programs of study.
- **ACCOUNTABILITY FOR "SUBSTANTIAL EMPLOYMENT":** The ratings should identify programs or institutions that do not lead to labor market success, demonstrated by earnings below a bare minimum threshold, such as a multiplier of the federal poverty level or annualized minimum wage earnings. While students may seek more detailed information on employment outcomes, accountability standards for workforce outcomes may need to be limited to the poorest performers.

⁴ Eagan, Kevin, et. al. (2014). *The American Freshman: National Norms Fall 2014*. Los Angeles: Higher Education Research Institute, UCLA. Retrieved from: <http://heri.ucla.edu/monographs/TheAmericanFreshman2014.pdf>

Seek better data, but do not delay action now

As representatives of the higher education community, we support the Department's efforts to produce and provide better information about colleges and universities. Better data can and should be used to inform consumers, support institutional improvement, and drive policy and accountability decisions. In fact, many of our organizations have supported specific data improvements, such as [changes](#) to the IPEDS Outcome Measures specifications.

However, desires for higher quality data should not delay action now. Rather, the college rating efforts should advance with existing data, while also serving as an impetus for stronger data systems that will allow robust assessments of postsecondary institutions and systems. Many of our organizations submitted letters previously and still feel that those letters provide important recommendations taking into account the existing work and needs of our unique constituencies. This letter focuses on where all of our interests overlap and where we see the greatest need for improvement. We are encouraged by your efforts to think creatively about data sources and put postsecondary data to good use. We hope we can serve as a reliable resource for you as the Department continues these endeavors.

If you have any questions or would like additional information about the Postsecondary Data Collaborative, please contact Mamie Voight, director of policy research at the Institute for Higher Education Policy (mvoight@ihep.org, 202-587-4967). Thank you for your leadership and commitment to college access, success, and affordability.

Sincerely,

Postsecondary Data Collaborative, on behalf of:

Center for Law and Social Policy (CLASP)

Data Quality Campaign (DQC)

Georgetown Center on Education and the Workforce

Institute for Higher Education Policy (IHEP)

New America

State Higher Education Executive Officers (SHEEO)

The Institute for College Access and Success (TICAS)

Western Interstate Commission for Higher Education (WICHE)

Young Invincibles

cc: Hon. Ted Mitchell, Under Secretary of Education

Hon. Jamiene Studley, Deputy Under Secretary of Education