February 17, 2015

U.S. Department of Education
Attention: National Center for Education Statistics
1990 K Street NW, 8th Floor
Washington, DC 20006

Re: For Public Feedback: A College Ratings Framework

Dear Sir or Madam:

Thank you for the opportunity to provide feedback on the College Ratings Framework as published on December 19, 2014. As a non-profit research and advocacy organization working toward expanding economic opportunity for young adults, we applaud the Department of Education's (hereafter "the Department") work to make institutions of higher learning more accountable to students and families, better able to improve, and more transparent for taxpayers.

We understand and appreciate the difficulty of achieving an ambitious project such as the one that the Department lays out in its framework. Systems within higher education are extremely complex, often to the detriment of students and families. How the Department will assign value to its activities and outcomes speaks to our values and priorities as a nation. We hope that our comments are beneficial to your work and will result in a usable system that benefits students and families, with an emphasis on students from underrepresented communities.

Young Invincibles recommends that the Department:

1. Develop a long-term strategy to overhaul how we collect and use education data
2. Enact the suggested ratings categories of minimum and maximum standards
3. Use institutional groupings to encourage enrollment and success of disadvantaged and underrepresented minority students rather than adjust ratings by expected outcomes of student demographics
4. Protect student data privacy
5. Incorporate metrics that focus on communities least likely to enroll and complete college

6. Incorporate best practices and principles of information design for the website and tool

As a non-partisan, non-profit research advocacy organization working to expand economic opportunity for young people, Young Invincibles is in a unique position to comment on the proposed ratings framework. We've amplified student priorities and perspectives at the Department's convenings, open forums, and previous requests for comments on the ratings system. We have also surveyed the student voice and submitted responses to the Administration to better quantify how complexity and lack of information leads to gaps in students' understanding of higher education systems, particularly federal financial aid.

Young Invincibles is an active member of and contributor to the Postsecondary Data Collaborative, a community of postsecondary data experts. Our work with the Collaborative has included conducting an in-depth literature review on cognitive information processing, gleaning principles of information provision and decision-making, as well as holding focus groups around the country to test current tools for usability and interface design. This comment contains portions of our research thus far, and we hope that our recommendations inform the design of the consumer-facing tool. As researchers and organizers, we are grateful for the opportunity to help inform the systems' form and function.

1. **Develop a long-term strategy to overhaul how we collect and use education data**

Throughout the proposed framework the Department recognizes the lack of current data to fully build the ratings system as outlined. We agree. The ratings system as proposed will fall short of its laudable aspirations because existing data are insufficient to satisfy the metrics outlined in the framework. For the Department to accomplish its goals, it must fundamentally overhaul its postsecondary data infrastructure.

For instance, information from the National Student Loan Database System, a consistently cited source of data in the framework, only contains information on student loan borrowers. According to an estimate by the Institute of Higher Education Policy,

this accounts for only 57 percent of students.[1] It is also unclear how the Department will capture employment and earnings data, especially from students who do not borrow to attend school. These labor outcomes are also likely impossible to measure under the student unit record ban,[2] which the Department must specifically work with Congress to lift if they intend to wholly deliver on its promises with their ratings system.

As the Department is of course aware, IPEDS, the other primary source of data for the ratings system, is submitted by institutions already aggregated. The Department therefore cannot use IPEDS for many of the metrics it has expressed an interest in, such as completion rates by selected demographics, transfer activities, and information about non-full time and non-first time students. These are all metrics that Young Invincibles believes must be in a ratings system.

The Department also recently acknowledged that the Pell graduation rate, a metric that YI supports and that the Department has proposed incorporating, cannot be gleaned from NSLDS.[3] The Department must find a way to capture Pell graduation rate, because it is one of the best ways for consumers and researchers alike to determine whether institutions are successfully supporting low- and middle-income students.

Therefore, we urge the Department to commit to follow through on their proposed ratings system with the proposed metrics above. To do so, we recognize that the Department must take a long-term approach to find solutions, some of which must be legislative, to its current lack of data. This calls for a comprehensive strategy, working with Congress and, more than likely, laying a foundation beyond this Administration, to fundamentally overhaul the way we collect and use postsecondary data. Department officials must work with Congress to incorporate new data collection and provision

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[1] IHEP analysis of NPSAS:12 data using PowerStats

[2] McCann and Laitinen, *College Blackout: How the Education Lobby Fought to Keep Students in the Dark* (Washington DC: New America Foundation, 2014), 3, accessed February 10, 2015, http://newamerica.net/sites/newamerica.net/files/policydocs/CollegeBlackoutFINAL.pdf.

[3] Carrie Warrick, "The Elusive Pell Grant Recipient Graduation Rates" (Washington, DC: National College Access Network, 2015), accessed February 10, 2015, http://www.collegeaccess.org/BlogItem?dg=30cb87831a18419bad2f3d6ed7e0ce0b.

mechanisms. Young Invincibles has crafted a framework for this overhaul, should the law eventually allow it, below.

The ratings system is an opportunity to call attention to the need for a new paradigm of data collection and use. While many details remain to be carved out, a new data system could look as follows:

- Replace IPEDS institutional reporting with an automatic reporting system at the student unit level. This system would report data on student demographics, area of study, part-time status, and other information that every institution currently tracks but does not disclose. Instead of burdening institutions with reporting requirements like aggregating and calculating observations, institutions could automatically transmit information to the Department from secure terminals. Information like Pell and loan status would not yet be incorporated at this stage.

- The Department could link incoming student data from institutions with loan information via NSLDS and labor outcomes from the Internal Revenue Service or Social Security Administration, with personal identifiable information such as social security number as the joining field. The resulting database would be a student unit record system with the ability to answer our most pressing questions around equity, access, affordability, success, and outcomes, but without the federal government tracking students directly.

- The Department would house the database with strict protocols keeping the three sources of data (institutions, NSLDS, and employment) separate. The database would then truly inform the three objectives as laid out in the proposed framework: provide information to consumers, bolster institutional accountability, and help institutions improve.

2. **Enact the suggested ratings categories of minimum and maximum standards**

In Young Invincibles' previous comments, we requested that the Department outline a minimum and maximum threshold to identify institutions serving students the best and worst. We agree with the Department's proposal to categorize institutions into three groups: high performing, low performing, and a middle category. This makes sense

both for both institutional accountability and consumer information. We believe that consumers will understand categorical thresholds and that institutions will strive to improve how they serve students based on these categories. As such, we agree with this proposed framework and recommend that the Department implement ratings categories using minimum and maximum standards.

3. **Use institutional groupings to encourage enrollment and success of disadvantaged and underrepresented minority students rather than adjust ratings by expected outcomes of student demographics**

Young Invincibles, together with the Postsecondary Data Collaborative, recommend that the Department disaggregate measures of student success and access for underrepresented minorities. Because substantial gaps remain in enrollment and graduation rates --- and vary by institution[4]—incorporating disaggregated data into a rating system is essential to improve these outcomes.

We see value in students and families' ability to search and compare institutions that might reflect the student demographics that they are interested in. As the framework itself acknowledges: "Students want to know and compare institutions based on whether they will be able to complete their degree, find work, or go on to pursue graduate education; whether they will be able to repay the financial obligations they assumed to pursue their education; and whether they are likely to be able to earn a living and support their families." This is exactly what we hear from our conversations with students and young people. For many students, whether they believe an institution will successfully serve them depends on whether the institution successfully serves students like them.

To that aim, we recommend that the rating system include the following measures of success and access for underrepresented minority students:

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[4] Joseph Yeado. *Intentionally Successful: Improving Minority Student College Graduation Rates*. The Education Trust. July 2013. Retrieved from: http://edtrust.org/wp-content/uploads/2013/10/Intentionally_Successful.pdf.

- **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.

- **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.

However, we must emphasize that the Department should *not* rate institutions based on the characteristics of the students they serve and their expected outcomes, particularly via socioeconomic and racial breakdowns. This would result in perverse incentives and a free pass for institutions that do not properly serve students from underrepresented communities.

Young Invincibles previously criticized the consulting firm the Parthenon Group's analysis of the Department's proposed gainful employment rule. In their analysis, The Parthenon Group claimed student characteristics, not institutional performance, drive educational outcomes. Our response criticized this analysis because enrolling low-income and minority students does not free institutions from accountability. Our viewpoint on this stands, and is relevant here.[5]

4. **Protect student data privacy**

We are encouraged by and agree with the Department's emphasis on protecting student privacy. Contrary to impressions of young people over sharing private information on social media platforms, surveys demonstrate students are concerned about the abuse and misuse of information about them.[6] In our direct work with young adults, Young Invincibles has heard stories and concerns about civil liberties and privacy. Other than personal health records, data and information about an individual's education and employment can be some of the most sensitive details of one's life.

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[5] Young Invincibles, *Faulty Foundation: Parthenon's Analysis of GE Rule Structurally Unsound*, (Washington DC: Young Invincibles, 2015), http://younginvincibles.org/wp-content/uploads/2014/09/2014.04.14-Faulty-Foundations-Brief-Final.pdf.
[6] Drew Desilver, "Young Americans and privacy: 'It's complicated,'" Pew Research Center, June 20, 2013, http://www.pewresearch.org/fact-tank/2013/06/20/young-americans-and-privacy-its-complicated/.

However, we have also seen a general consensus from students that they feel as if they need more information in the right format to help them make better-informed decisions when choosing a school. We propose that the Department strive to balance these concerns, ensuring that students have the information that they need without compromising privacy.

We are currently developing a comprehensive position on student data privacy, drawing from statistical best practices inside and outside the education community as well as surveys and focus groups from our student partners. At this time we feel that there are many current protections and laws, such as those codified by FERPA, and those regulating the use of census data,[7] that the government can turn to for guidance as the Department works to protect student privacy.

5. **Incorporate metrics that focus on communities least likely to enroll and complete college**

We applaud the Department's suggested metrics and their emphasis on access, affordability, and outcomes, in general. However, in order to achieve the amount of postsecondary degrees necessary for a competitive future economy,[8] we recommend that the Department develop a ratings system that will be useful to communities least likely to enroll and complete college.[9]

We also applaud the Department for considering labor market outcomes in the ratings system. Students and families are very concerned with the return on their investment in higher education. 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.[10] Similarly, Gallup found that the most important factor in choosing a college or

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[7] "IPUMS Frequently Asked Questions," accessed January 23, 2014, https://usa.ipums.org/usa-action/faq#ques25.

[8] Anthony Carnevale, Nicole Smith, and Jeff Strohl, *Recovery: Job Growth and Education Requirements Through 2020*, (Washington, DC: Georgetown Center for Education and the Workforce, 2013), accessed May 27, 2014, https://cew.georgetown.edu/wp-content/uploads/2014/11/Recovery2020.FR_.Web_.pdf.

[9] Rory O'Sullivan, Konrad Mugglestone, and Tom Allison, C*losing the Race Gap: AlleviatingYoung African American Unemployment Through Education*, (Washington, DC: Young Invincibles, June 2014), 7-8, https://d3n8a8pro7vhmx.cloudfront.net/yicare/pages/141/attachments/original/1403804069/Closing_the_Race_Gap_Ntnl_6.25.14.pdf?1403804069.

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

university was the percentage of graduates who were able to get a good job.[11] Young Invincibles also conducted our own focus groups conducted and found similar results: employment prospects were very important to respondents, as was graduates' ability to repay their student debt.[12]

However, we are again urge the Department to begin to solve the fundamental problem of lack of data for key metrics, including those listed here. Metrics like net-price by quintile, EFC gap, and first-generation college status are all examples of metrics the Department is considering for its rating system. However, none can be currently calculated for students via NSLDS. As it stands, the system would omit significant amounts of students and their outcomes.

We are also concerned that the system would lack sufficient data about transfer students. A full understanding of transfers between institutions and completion rates disaggregated by race and ethnicity could be possible with reforms to IPEDS, but even this would fall short of truly capturing a students' progress through multiple institutions, largely because the way IPEDS captures only first-time, full-time students.

With little change of capturing the aforementioned metrics, we again urge the Department to take a long-term approach to solve gaps in data, such as the student unit record system as outlined above. The ratings system must take the full spectrum of consumer and accountability needs into account. While we recognize that the student unit record ban is a roadblock to these aims, [13] the need for the Department's commitment to working on lifting the ban is now more important than ever.

6. **Incorporate best practices and principles of information design for the website and tool**

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[11] Valerie Calderon and Preety Sidhu, "Americans Say Graduates' Job Status Key to College Choice, March 30, 2014, http://www.gallup.com/poll/163268/americans-say-graduates-jobs-status-key-college-choice.aspx.

[12] Young Invincibles, "Will College Be Worth It?" December 12, 2013, http://younginvincibles.org/will-college-be-worth-it/.

[13] McCann and Laitinen, *College Blackout: How the Education Lobby Fought to Keep Students in the Dark* (Washington DC: New America Foundation, 2014), accessed February 10, 2015, http://newamerica.net/sites/newamerica.net/files/policydocs/CollegeBlackoutFINAL.pdf.

We are also encouraged by the Department's commitment to incorporating consumer feedback about the design of the college ratings website and transparency tools. Even in an ideal situation, with all the metrics and data about student characteristics, institutional performance, and post-collegiate outcomes, this project will still fall short if students and families do not take advantage of these resources.

Young Invincibles is in a unique position to contribute in this area. Rooted in a comprehensive literature review of academic studies, reports, and experiments on cognitive information processing, Young Invincibles has been exploring best practices and principles of good design that lead to desired use and outcomes. In addition to the literature review, Young Invincibles has conducted over a dozen focus groups, with more scheduled, testing the awareness and use of current college search tools, identifying models of website and mobile app design inside and outside of the education sphere, and gleaning valuable lessons from the student experience navigating online interfaces and tools.

We preview some of these initial findings below:

- The website and tools should present information in a parsimonious manner. Information processing is difficult for people when they are overloaded with information. More is not always better.

- Information should be unambiguous; otherwise people are prone to give the information little weight in their decision-making.

- The characteristics of the options presented should be "alienable", or similar, so that individuals can make direct comparisons between them.

- Numbers should be presented in a way that is straightforward to interpret. Certain numbers, like percentage interest rates, are more difficult for people to process than the same figures expressed in dollar terms.

- The information should be directly relevant to what individuals perceive as salient factors in their decision-making process. In our focus groups, we've seen information about programs of study, student demographics, and expected outcomes as key drivers of their decisions.

- Special attention should be paid to the context in which the information is presented, as even subtle contextual factors can have a large impact on information take-up. In one study researchers manipulated conditions to determine an impact on loan uptake. To provide just one example, the researchers placed a "suggestive" phone call to a subset of borrowers asking them whether or not they intended to take out a cash loan in the following months. The mere suggestion of taking out a loan increased the loan uptake for this subset of consumers by a statistically significant margin.[14]

As student-friendly as the design may be, it will do no good unless students and their families are seeking out the information that the system contains. This is particularly true for low-income and less-educated populations. The Department therefore must take steps to ensure that all students and families, particularly those from underrepresented backgrounds, are not only engaged in active information search, but that the relevant information is easily accessible to them.

Notably the literature has shown time and time again that low-income and less-educated populations have a considerably more difficult time with information search and processing than do their better-off peers. For instance, low-income populations consult fewer sources and spend less time searching for information. Lower-income populations also more often make financial decisions against their best interest.

These facts must not be misconstrued to "blame the victim" and create lower expectations for these groups. Low incomes are often correlated with lower education, disenfranchisement from financial and public institutions, and a more tumultuous household life, making navigating financial and higher education systems more difficult. These facts call for special efforts from the Department to tailor the rating system specifically to the needs of these populations. One potential strategy is to include targeted counseling of how to best benefit from the system's resources. The Department must ensure that the ratings system is a tool for promoting equal access to affordable, quality postsecondary education.

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[14] Bertrand, Karlan, Mullainathan, Shafir, Zinman, *What's Psychology Worth? A field experiment in the Consumer Credit Market*, (New Haven, CT: Yale University, 2005), 20, http://www.econ.yale.edu/growth_pdf/cdp918.pdf.

Additional Recommendations by the Postsecondary Data Collaborative

In addition our individual comments, Young Invincibles is proud to be a collaborator and contributor to the comments submitted by the Postsecondary Data Collaborative. These comments represent consensus among higher education data experts and we believe reflect the best interests of students, institutions, and government entities. To summarize, those comments recommended that the ratings system: (1) apply data differently to meet distinct purposes; (2) disaggregate measures of student success and access by race/ethnicity; (3) measure cumulative student debt and the share of students borrowing; and (4) incorporate labor market outcomes.

Thank you for the opportunity to comment on the Department's proposed rating system. We hope that that the Department finds our input valuable and we look forward to continuing to work with you all. For more information, please contact Tom Allison, Policy and Research Manager for Young Invincibles, at tom.allison@younginvincibles.org.