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

(submitted via email: collegefeedback@ed.gov)

Dear Secretary Duncan:

Thank you for providing this opportunity to comment on the Department of Education's college ratings framework, released publicly on December 19, 2015. The Institute for College Access & Success (TICAS) is a nonpartisan, nonprofit research and policy organization based in Oakland, California. Our mission is to improve both educational opportunity and outcomes so that more underrepresented students complete meaningful postsecondary credentials without incurring burdensome debt.

We appreciate the Department's openness to feedback in developing the ratings system, and these comments build upon the detailed recommendations TICAS submitted last year. We agree strongly that students and families need better information about costs and outcomes when making college choices. The proposed framework includes a number of elements that help to achieve that goal, including rating institutions across a small number of broad categories to avoid false precision (e.g., high, low, middle), incorporating key metrics like net price, enrollment of Pell Grant recipients and first-generation students, and a commitment to transparency and privacy regarding the underlying data. However, we also have serious concerns, most significantly the lack of debt as a measure of affordability, the conflation of a ratings system designed for consumers and a system designed for policymakers, and the potential harm in adjusting the ratings based on student or institutional characteristics. These and other concerns are detailed in the comment below, and are echoed in joint comments signed by TICAS, the Institute for Higher Education Policy (IHEP) and seven other organizations.

Major Concerns with the Proposed Ratings Framework

The ratings system must measure cumulative student debt and the share of students borrowing. As more students borrow, and borrow more, public concern about student debt continues to rise. It is surprising and highly problematic that the proposed ratings framework does not include student debt as a measure of affordability. Data on borrowing provide important information not conveyed by net price alone. Borrowing rates and amounts are not merely a reflection of the family resources of a college's student body. There is significant variation among institutions, including among those with similar costs and low-income enrollment, as shown by the examples in the table below.

Variation in Cumulative Debt Within Institutional Types							
College type	**College name**	**Tuition and fees**	**Total cost of attendance (on campus)**	**% low income**	**% of graduates with debt**	**Average debt of graduates**	**Bachelor's degree recipients**
Large Publics (California)	California State University-Sacramento	$6,620	$23,746	51%	**42%**	**$4,551**	5,514
	Humboldt State University	$7,135	$23,391	50%	**78%**	**$22,262**	1,505
Large Publics (Michigan)	Ferris State University	$10,354	$22,094	40%	**81%**	**$37,325**	2,364
	Wayne State University	$10,190	$22,265	42%	**60%**	**$23,136**	2,657
Small, High-Tuition Non-Profits (California)	Harvey Mudd College	$44,442	$60,613	13%	**58%**	**$28,255**	189
	California Institute of Technology	$39,588	$56,382	10%	**40%**	**$15,010**	256
Mid-Sized, High-Tuition Non-Profits (Texas)	Rice University	$37,292	$52,242	18%	**30%**	**$17,856**	964
	Trinity University	$32,868	$46,274	15%	**44%**	**$38,540**	572

Source: Calculations by TICAS on data for 2012-13 from the U.S. Department of Education and Peterson's. Cumulative debt data copyright 2014 Peterson's, a Nelnet company.
Note: Figures for "tuition and fees" and "cost of attendance" are for in-district/in-state students for public colleges. Figures for "% low income" reflect the share of 12-month undergraduate enrollment receiving Pell Grants (as reported by colleges on the Department's FISAP form).

The framework document expresses concern that including student debt data in the college ratings may discourage colleges from enrolling low-income students. However, such concerns are based on presumptions that colleges' costs and practices have no bearing on student debt, and that student debt data are unimportant for students to consider when choosing a college. We disagree with both presumptions. Student debt impacts a student's life for years, and it is paramount that students and families be able to compare colleges on this important point. Window stickers providing comparison information for car purchases have not stopped consumers from buying cars with high gas mileage, nor have they stopped car makers from producing them, but it has ensured that consumers can compare cars and make more informed decisions. College students deserve to know how much debt they may be expected to take on to attend any given college.

As outlined in our previous comments, the ratings should specifically include the share of undergraduates borrowing federal student loans in a given year, as well as the share with cumulative federal debt and the average cumulative federal debt per borrower at graduation. The Department could immediately begin collecting data on total debt, including private loans, in IPEDS. Until those data are available, cumulative debt data are available on College InSight for colleges that report them via the Peterson's Common Data Set (CDS) survey. For institutions that do not voluntarily report debt data, the Department could use the most recent sector average (e.g., the average for four-year for-profit colleges) available via the National Postsecondary Student Aid Study (NPSAS) until institution-level data become available, and indicate that the school does not currently report this key information. Going forward, the ratings should use data on cumulative federal student loan debt at graduation through the National

Student Loan Data System (NSLDS) when they become available. Once available, the cumulative debt data should be expanded to include total debt (including both federal and private loans) for undergraduate completers.

Note that it is important that cumulative debt upon entering repayment not be used because it combines data for completers and non-completers. Using debt on entering repayment makes colleges with high dropout rates look like a good deal, because students who left the school after borrowing for only a semester or two bring the median debt level down.

A single ratings system cannot meet the needs of both consumers and policymakers. These two very different audiences have distinct goals that do not always overlap and, in some cases, may conflict. The ratings systems need to be separate: one designed to help students and families make informed decisions about where to go to college, and a different one designed to help policymakers increase college accountability. For example, accounting for a public college's state funding per student might be an important consideration for policymakers' interpretation of net price data, but the student needs to know the actual net price regardless of the underlying factors. Additionally, as discussed below, separate systems for consumers and for policymakers will allow the Department to protect students and families from unknowingly using input-adjusted metrics as an indicator of a college's actual performance.

"Input adjustments" will mislead prospective students and could excuse or protect low-performing institutions. Adjustments based on student or institutional characteristics should never be used in ratings for consumers, and they warrant great caution before use in funding formulas or other accountability mechanisms. Input adjustments distort what a prospective student should expect if he or she attends that institution, can effectively set different standards and expectations for different students and schools, and may reinforce current disparities in student outcomes. Consider a student interested in a school where just one in five students graduates. She does not need to know that this school performs better than expected given its demographics or selectivity level. She needs to know that *only 20 percent of students graduate*. It's misleading and harmful to present information that distorts consumer expectations by giving a school a high score for something because others are even worse. Imagine if health departments adjusted public restaurant ratings in this manner (e.g., adjusting for the significant rat population on a restaurant's block, the presence of rats in the kitchen is lower than expected so the restaurant receives a high rating for customer health).

Even in the context of accountability, many experts have highlighted serious weaknesses and holes in currently available data that significantly undermine the ability to design input-adjusted metrics that are robust, meaningful and fair. This was made especially clear in a policy paper presented at a Civil Rights Project briefing last fall. Anne Marie Nuñez from the University of Texas-San Antonio found significant volatility in results depending on which variables she chose, and, due to the lack of better data, could not even attempt to properly account for potentially important variables like academic preparedness. Input-adjusted metrics have no place in consumer information, and in other contexts are, at best, a complex undertaking that without better data can result in significant unintended consequences.

Other Important Recommendations for Improving the Framework

Below are additional recommendations for improving the college ratings framework.

Incorporate the ability to compare colleges by degree level, selectivity, and location. Students should be able to filter the universe of institutions in ways that align with common selection processes: what degree do I want to attain, what are my odds of getting in, and how far away am I interested in going. As noted in our previous comments, additional filters could be considered, but *in no case* should comparison groups be defined by characteristics that bear little resemblance to how a prospective student is likely to consider colleges (e.g., sector or Carnegie classification). Additionally, national context should always be provided so that a student will know if there is a significant gap between the schools in their filter and schools overall.

Do not award colleges a single aggregate rating. The framework invites feedback on the possibility of awarding colleges a single ratings. We strongly recommend against this because a single rating can obscure significant differences in performance across key metrics. Rating colleges in more than one area can still allow for the incorporation of multiple metrics in each area, but it is essential that users can always quickly and easily access the underlying data to make their own determinations about which elements are the most important to them.

Start with primarily bachelor's-degree-granting institutions. There is no doubt that students need and deserve better information about costs and outcomes at all types of colleges, and that there is room for improvement at all types of colleges. However, while no data are perfect, the limitations of currently available data are far more pronounced at institutions serving a less traditional student population. After the initial ratings system has been developed and refined, the Department will be better positioned to determine how best to expand it to all colleges as well as how it might be revised for accountability purposes.

Include non-degree-granting schools. By including only degree-granting institutions, the ratings exclude about 2,500 non-degree-granting schools. For students considering an undergraduate certificate program in a given field, the choices often include both degree- and non-degree-granting schools. At the point in which ratings cover both two-year and four-year institutions, they should cover non-degree-granting institutions as well.

Include the Student Default Risk Index (SDRI). While we appreciate the potential inclusion of cohort default rates (CDRs) and/or a repayment rate as outcomes measures in the ratings, we recommend using the *Student Default Risk Index*, which is the three-year CDR multiplied by the school's borrowing rate. By incorporating the share of students who borrow loans into the measure, the SDRI more accurately conveys a student's risk of default at a given school than the CDR alone. For instance, at a school with a 10 percent borrowing rate and a 20 percent CDR, a student's chance of defaulting is only 2 percent. The Department already has the data to calculate an SDRI for each school. The borrowing rate data are currently reported via the Student Financial Aid component of IPEDS, and CDRs are calculated by the Department. Note that in comments submitted last year, the American Association of Community Colleges (AACC) and the National Association of College Admissions Counselors (NACAC) joined TICAS in recommending the use of the SDRI as an outcomes measure in college ratings.

Include graduation rates for Pell Grant recipients. Graduation rates for Pell Grant recipients will help students and families understand which colleges not only enroll substantial numbers of Pell Grant recipients, but also graduate them. The only colleges where this reporting requirement would constitute additional burden are those that are not already calculating and disclosing the data, and as such are not complying with federal law. Until other sources are available, these data should be collected in IPEDS so they are comparable to existing graduation rates for students of all economic backgrounds.

Do not include net price by income or enrollment by family income beyond the first or second income quintiles. As discussed in the framework, the limitations of available income data are significant because they are self-reported on the FAFSA, which is only completed by a non-representative portion of college students. These limitations are especially pronounced beyond the first and second income quintiles because students from families with higher incomes are significantly less likely to complete the FAFSA. As a result, metrics by income quintile may be reliably incorporated into the ratings for the first and perhaps second income quintile, but not beyond that.

Do not include the "EFC gap" measure. The "EFC gap" measure as described in the framework is confusing and overly complex when much simpler affordability metrics suffice.

What the Framework Gets Right

As stated at the beginning of these comments, we appreciate the Department's solicitation of feedback, much of which has been reflected in the framework. In particular, we are pleased that the ratings will:

- *Group institutions by predominant credential awarded.*[1] This is a key difference between institutions and should be the default comparison group for ratings.
- *Rate institutions as high, middle, or low.* As stated in the framework, this is an important feature to avoid creating a sense of false precision.
- *Include net price as a measure of affordability.* Net price is a key measure of affordability and should absolutely be included in the ratings.
- *Include enrollment of both Pell Grant recipients and first generation college students as measures of access.*
- *Recognize that performance over time may be useful supplementary information but should not affect ratings*. Indicating longer term trends in performance on a metric (up or down) with an arrow or similar marker may be helpful in some cases, but performance over time should never factor into how a college is rated. Consumers need to know what attending a given institution may mean for them given current performance.
- *Use rolling averages of metrics.* This is an appropriate safeguard against anomalous variability from one year to another and helps to protect student privacy when data points may represent a small group of students in a given year.
- *Recognize existing federal information tools***.** As discussed in the framework, existing tools created by the Department like College Navigator and the College Scorecard overlap with and could compete for attention with a separate college ratings tool. We recommend that the ratings build off of the existing College Scorecard tool, but not fully eliminate or replace it.
- *Commit to consumer testing, student privacy, and data transparency.* We commend continued efforts by the Department to reach out to all stakeholders, and for committing to consumer testing, safeguarding student data, and releasing underlying data used to construct the ratings.

Thank you again for providing this opportunity to comment. Please feel free to contact me at jthompson@ticas.org or 202-223-6060 if you have questions or would like further details.

[1] Note that the example on the top of page five of the framework ("30 percent certificate programs, 30 percent associate degree programs, and 40 percent baccalaureate degree programs") is incorrectly labeled a predominantly four-year instiution. We presume this was a mistake. As stated at the bottom of page four, institutions such as this that primarily award associate degrees and/or certficates should be considered predominantly two-year institutions.

Sincerely,

Jessica L. Thompson

cc: Ted Mitchell, Under Secretary of Education
Jamienne Studley, Deputy Under Secretary of Education