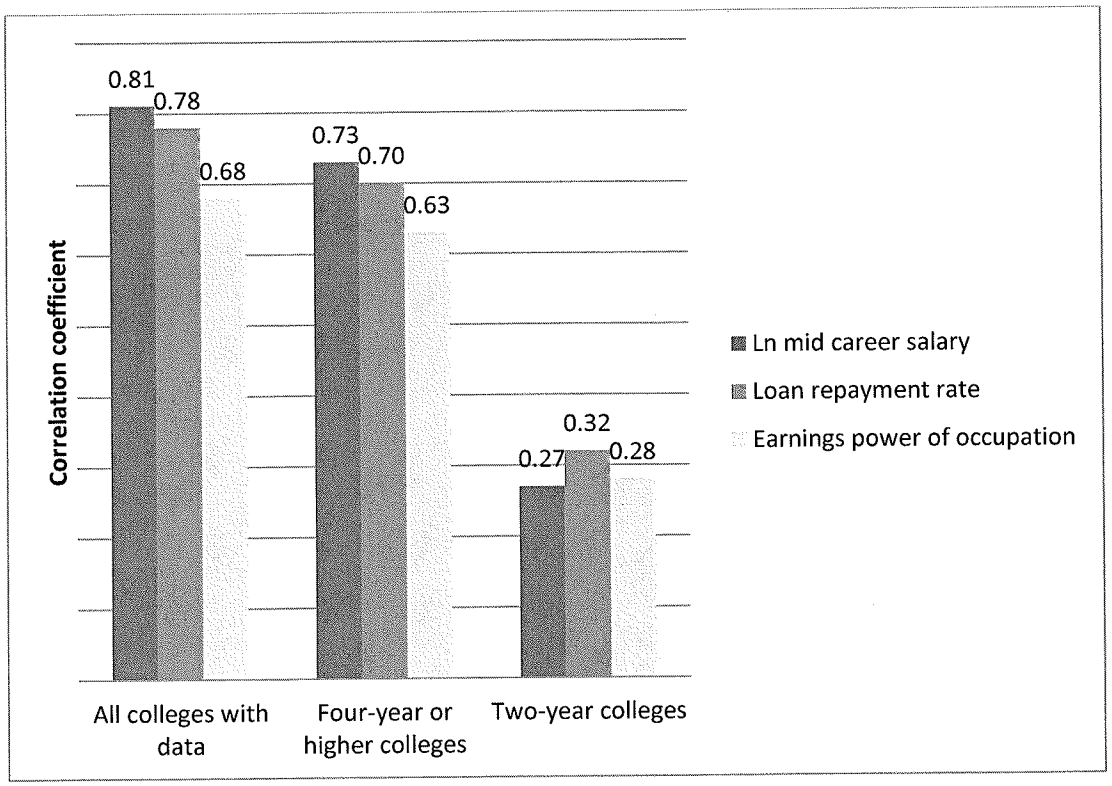
occupations in which alumni work (0.68). Other characteristics, such as the percentage of students receiving Pell Grants, also correlate highly with these outcomes, though not as highly as student test scores. In all cases, however, the relationship between these measures and test scores is much closer for four-year colleges than for two-year colleges.

Figure 3-The correlation between student test scores and economic outcomes post-attendance



In addition to test scores, other demographic differences distinguish the ten colleges with highest and lowest earning alumni. The top-scoring schools—such as Cal Tech, MIT, Harvey Mudd, and Washington University in St. Louis, the University of Chicago, Harvard, and Princeton—have very low percentages of students receiving need-based financial aid under the Pell Grant program (13 percent), whereas most students in the bottom-scoring schools receive such aid (66 percent). The racial-ethnic composition is also much different. Blacks and Hispanics comprise just 5 and 6 percent of the student population in top-ten scoring schools, respectively, versus 69 and 12 percent in the bottom-ten scoring schools. Likewise, men comprise a higher percentage of students in the top scoring schools (53 percent) than in the bottom scoring schools (40 percent).

Institutional characteristics

Aside from student test scores, colleges have very different missions and specializations. Some focus entirely on training lawyers or doctors, while others specialize in cosmetology or religious vocations. Of course, schools also differ widely in the level of education they offer too. The Carnegie Classification

organizes the diverse array of postsecondary institutions into similar categories, based on characteristics like degree award levels given, research orientation, and private or public status.[33]

With $103,000 in average earnings, graduates from schools of engineering earn more than any other Carnegie institutional type, according to Payscale data. Research universities with very high research activity are next, with average earnings of $89,000, followed by liberal arts and sciences colleges ($83,000). Graduates from these schools also tend to have low default rates on student loans and work in high-paying occupations.

Not surprisingly, graduates from associate's degree granting colleges generally earn lower salaries, but bachelor's degree graduates from the lowest-rated doctoral and research universities earn slightly lower salaries ($64,500) than associate's degree holders from private two-year colleges ($65,000).

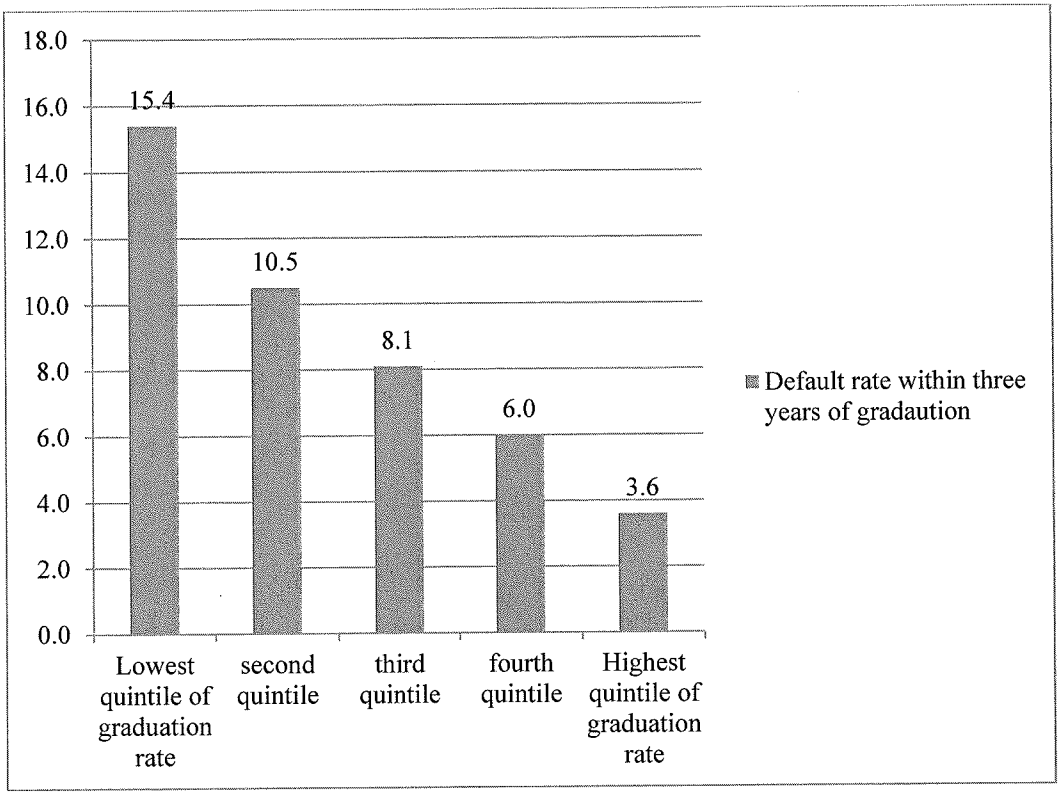
Graduation Rates

Since workers with a college degree earn more and are employed at higher rates than those without a degree, a school's graduation rate should relate closely to attendees' economic outcomes.

Across all postsecondary institutions, college graduation rates are highly correlated with the three outcome variables considered in this report (0.82 for default rates, 0.75 for salaries, and 0.52 for occupational earnings). This suggests that a higher probability of degree completion is not the only benefit derived from attending a school with a high graduation rate.

Indeed, default rates for federal student loans average 15.4 percent for primarily bachelor's degree or higher-granting schools in the bottom quintile of graduation rates, but average just 3.6 percent for institutions in the top quintile (Figure 4). For primarily two-year colleges, the gap is not as large: 19.3 percent average default rates for the bottom quintile on graduation rates, compared to 16.0 for the top quintile.

Figure 4- Average default rates on student loans within first three years by quintile of graduation rate, for primarily four-year or higher granting institutions.

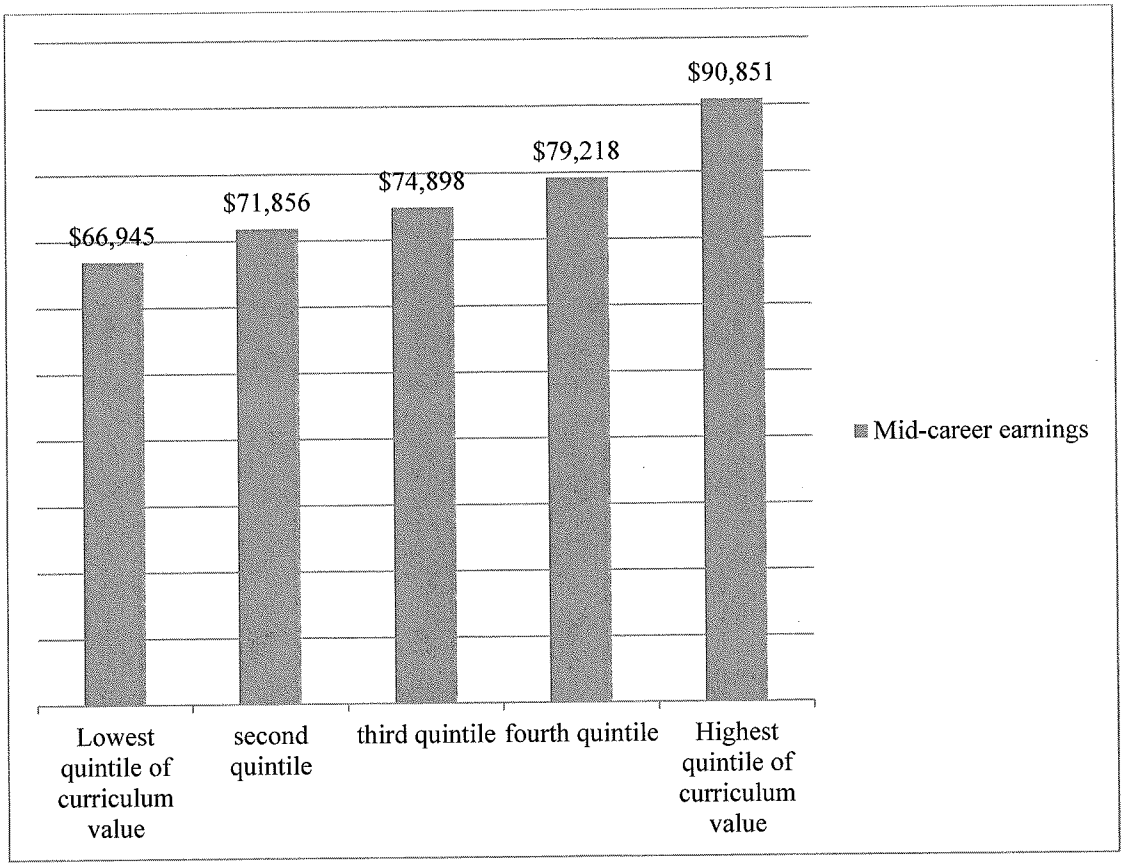


Curriculum Value and Value of Alumni Skills

A school's mix of course offerings and majors—its curriculum—also shapes the potential earnings of tis graduates. For example, degree holders in STEM fields typically earn more than their counterparts in others majors, because they possess more valuable skills.[34] Even within a given major, course offerings and specialized skills offered by specific teachers can make a large difference in earnings. For example, job vacancy advertisements reveal that certain computer science skills (e.g., Ruby on Rails, Android, iOS) are far more valuable than others (e.g., PERL or more general skills like data mining and helpdesk support).[35] Hence, both the mix of completions by field of study and the actual skills acquired by those who attend a college affect economic outcomes.

Graduates from four-year colleges in the top quintile of curriculum value earn $91,000 a year on average, $24,000 more than those in the bottom quintile (Figure 5). Schools with the highest curriculum value include the Colorado School of Mines, the Rose-Hulman Institute of Technology, the Missouri University of Science and Technology, Polytechnic Institute of New York University, Worcester Polytechnic Institute, the Stevens Institute of Technology, and Rensselaer Polytechnic Institute. Better known science and engineering colleges like Cal Tech, Georgia Tech, MIT, and Carnegie Mellon also rank near the top.

Figure 5- Mid-career earnings by quintile of curriculum value, for primarily four-year or higher granting institutions



There is considerable overlap between curriculum value and the value of alumni skills. Yet curriculum value, in itself, contains no information on the quality of what is learned and gives equal value to, for example, an electrical engineering program in a community college and one at a top research university. The value of alumni skills, however, represents the market value of specific qualifications that alumni list on their resumes, which likely vary across institutions even within the same field of study.

Alumni from Cal Tech list the highest value skills on their LinkedIn profiles (Table 2). The most valuable skills listed by Cal Tech alumni include algorithm development, machine learning, Python, C++, and business startup. They are closely followed by Harvey Mudd and MIT. Babson College, which is in the top ten, focuses on business rather than science. Its course offerings teach many quantitative skills, however, and 84 percent of its graduates are prepared for careers that require high levels of knowledge in at least one STEM domain. Many graduates from the Air Force Academy are prepared for high-paying engineering jobs in the military and at large defense contractors.

The skills of graduates from art and design schools—like the Fashion Institute of Technology—and criminal justice colleges—like John Jay—generally garner lower salaries, at least when advertised by employers. This helps explain why graduates from four-year colleges in the bottom of the alumni skills rankings earn $67,000 per year compared to $120,000 for graduates from colleges whose alumni possess the most valuable skills.

Table 2. Colleges whose alumni have the most and least valuable skills listed on LinkedIn, of primarily four-year or higher granting institutions

	Value of alumni skills	Curriculum value	Median mid-career salary	Metropolitan area
Four-year or more colleges whose alumni possess most valuable skills				
California Institute of Technology	$90,762	$78,593	$126,200	Los Angeles-Long Beach-Anaheim, CA
Harvey Mudd College	$90,362	$75,698	$133,800	Los Angeles-Long Beach-Anaheim, CA
Massachusetts Institute of Technology	$87,995	$73,541	$128,800	Boston-Cambridge-Newton, MA-NH
Polytechnic Institute of New York University	$86,655	$78,757	$110,400	New York-Newark-Jersey City, NY-NJ-PA
Carnegie Mellon University	$84,654	$68,717	$111,700	Pittsburgh, PA
Babson College	$84,127	$60,105	$117,400	Boston-Cambridge-Newton, MA-NH
Stevens Institute of Technology	$83,579	$75,871	$118,700	New York-Newark-Jersey City, NY-NJ-PA
Rensselaer Polytechnic Institute	$83,471	$75,665	$110,100	Albany-Schenectady-Troy, NY
United States Air Force Academy	$82,914	$68,678	$118,400	Colorado Springs, CO
Stanford University	$82,771	$68,897	$126,400	San Jose-Sunnyvale-Santa Clara, CA
Four-year or more colleges whose alumni possess least valuable skills				
Nazareth College	$59,560	$51,665	$54,600	Rochester, NY
CUNY John Jay College of Criminal Justice	$59,388	$52,805	$70,300	New York-Newark-Jersey City, NY-NJ-PA
SUNY at Purchase College	$59,150	$44,350	$76,700	New York-Newark-Jersey City, NY-NJ-PA
Fashion Institute of Technology	$59,129	$49,463	$87,300	New York-Newark-Jersey City, NY-NJ-PA
Touro College	$59,038	$55,866	$85,700	New York-Newark-Jersey City, NY-NJ-PA
Stevenson University	$58,841	$53,893	$76,000	Baltimore-Columbia-Towson, MD
University of Maine at Farmington	$58,669	$57,086	$49,100	Farmington, ME
Columbia College-Chicago	$58,456	$42,392	$63,100	Chicago-Naperville-Elgin, IL-IN-WI
School of the Art Institute of Chicago	$57,461	$41,030	$59,000	Chicago-Naperville-Elgin, IL-IN-WI
Johnson & Wales University-Providence	$55,463	$45,811	$68,500	Providence-Warwick, RI-MA
Mean of highest scoring schools on alumni skills	$85,729	$72,452	$120,190	
Mean of lowest scoring schools on alumni skills	$58,515	$49,436	$69,030	

Brookings analysis of data from LinkedIn, Burning Glass, Payscale, the Census Bureau's 2013 American Community Survey (via IPUMS), and IPEDS

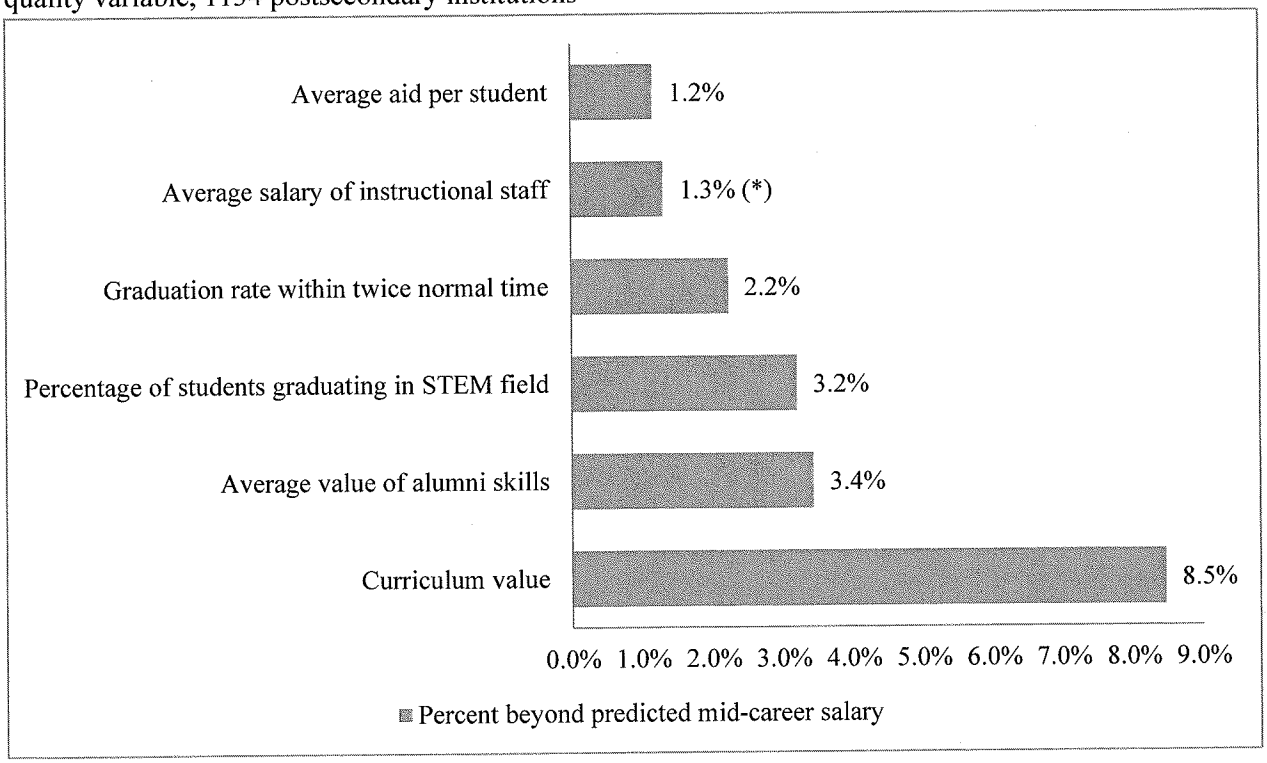
3. Graduates of colleges with high *value added* enjoy much more economic success than their characteristics at time of admission would suggest

In best-practice teacher evaluations at the K-12 level, teachers are not rated lower or higher based entirely on their students' test scores. Administrators recognize that students from less advantaged households are unlikely to consistently score higher than students from privileged households, even within the same classroom. An analogous idea in higher-education is that colleges should not be credited (or punished) for recruiting students whose skills were nourished (or neglected) over the course of 18 years by parents and previous educators. What matters more is the value that schools contribute to success. This is the approach used here.

The first step is to see how measurable aspects of quality relate to alumni outcomes for students with similar characteristics at similar types of colleges.

Starting with earnings, five of the six quality metrics predict significantly higher mid-career salaries across colleges. Curriculum value is the most powerful predictor (Figure 6). Graduates from a college with curriculum values at least one standard deviation above the mean earn 8.5 percent higher salaries than other graduates, holding other factors constant. The value of alumni skills and the STEM share of graduates add 3.4 percent and 3.2 percent, respectively, to earnings. A higher graduation rate and more college aid per student also predict higher earnings.

Figure 6— Percent increase in mid-career salary (above predicted) for one standard deviation increase in quality variable, 1134 postsecondary institutions



Note: * indicates variable is not statistically significant

Colleges that emphasize a strong STEM education and STEM skills are among the top performers on value-added with respect to earnings. Among primarily four-year colleges, MIT, Cal Tech, Stanford, and Harvey Mudd are at or near the top on value-added. Less selective technology-focused schools also make the top ten. Graduates from the Rose-Hulman Institute of Technology in the Terre Haute, Indiana metropolitan area work in leading advanced industrial companies like Eli Lilly, Rolls Royce, and Caterpillar. At SUNY Maritime, graduates often possess valuable skills related to engineering and transportation logistics and work for organizations like the U.S. Navy or international trade and shipping companies. Missouri University of Science and Technology graduates many students into the defense and aerospace industry. Expected salaries are just $68,000, but actual salaries are $98,000. For these schools, observed quality measures—like curriculum value—explain almost all of the value added.

Yet other unmeasured factors explain a larger fraction of value-added for four liberal arts colleges and a business school on the list of top performers—Colgate, Carleton, Washington and Lee, Manhattan College, and Babson. These unmeasured characteristics amount to an "X factor" but might include things like administration or teaching quality, student ambition, or alumni networks. Whatever the reason, Colgate, Carleton, and Manhattan place many graduates into top international companies like IBM, Google, JP Morgan, and Wells Fargo. Babson teaches valuable quantitative skills used in business careers, and lands graduates into a diverse group of companies mostly around the Boston area.

Table 3. Four-year or higher colleges with the highest value-added with respect to mid-career earnings

	Value added	Predicted	Actual	Metropolitan area
Massachusetts Institute of Technology	45%	$81,790	$128,801	Boston-Cambridge-Newton, MA-NH
Rose-Hulman Institute of Technology	43%	$74,523	$114,100	Terre Haute, IN
Colgate University	43%	$82,751	$126,600	Syracuse, NY
California Institute of Technology	42%	$82,971	$126,200	Los Angeles-Long Beach-Anaheim, CA
Carleton College	42%	$77,688	$117,699	Faribault-Northfield, MN
Washington and Lee University	41%	$82,788	$124,300	Lexington, VA
Stanford University	38%	$86,370	$126,400	San Jose-Sunnyvale-Santa Clara, CA
Babson College	37%	$80,724	$117,400	Boston-Cambridge-Newton, MA-NH
SUNY Maritime College	37%	$83,875	$121,699	New York-Newark-Jersey City, NY-NJ-PA
Missouri University of Science and Technology	37%	$67,751	$98,100	Rolla, MO
Harvey Mudd College	37%	$92,433	$133,800	Los Angeles-Long Beach-Anaheim, CA
Manhattan College	36%	$77,190	$110,800	New York-Newark-Jersey City, NY-NJ-PA
Clarkson University	35%	$77,870	$110,700	Ogdensburg-Massena, NY
Harvard University	35%	$83,441	$118,200	Boston-Cambridge-Newton, MA-NH
Georgia Institute of Technology-Main Campus	35%	$79,028	$111,700	Atlanta-Sandy Springs-Roswell, GA
Virginia Military Institute	34%	$81,538	$115,000	Lexington, VA
Rice University	34%	$85,417	$119,900	Houston-The Woodlands-Sugar Land, TX
Tufts University	33%	$89,113	$123,601	Boston-Cambridge-Newton, MA-NH

Worcester Polytechnic Institute	32%	$79,912	$110,500	Worcester, MA-CT
Duke University	32%	$78,321	$108,000	Durham-Chapel Hill, NC
Average of all four-year and higher colleges	6%	$72,116	$77,849	

Value added in this calculation is the difference between actual and predicted earnings in log values. Average is weighted by enrollment. A zero value-added measure means the school's students earn the average for students like them at similar types of colleges.

For two-year colleges, both actual and predicted salaries tend to be lower, as does the value-added contribution with respect to salaries. The most outstanding colleges on this measure include NHTI-Concord's Community College, Northcentral Technical College, Lee College, Indian Hills Community College, and Texas State Technical College, all of which either have high value curricula or alumni with high-value skills listed on their resumes. NHTI (New Hampshire Technical Institute), near Boston, scores at the top on value added for two-year colleges. Its alumni post high-value skills on their resumes (in the 96th percentile of all two-year colleges), likely imparted from the college's high-value curricula (in the 86th percentile). Alumni land jobs at the region's hospitals, banks, and tech companies. In the Houston metropolitan area, Lee College's high-skilled graduates often work in the oil industry or as technicians in various advanced industries that are prominent in the region. At San Diego City College, graduates go on to work for organizations like the Navy, the school district, and even advanced industrial companies like Qualcomm and Scripps Health. (An important limitation here is that Payscale reports salary data for only a small fraction of the nation's two-year or lower postsecondary institutions.)

Table 4. Two-year or lower colleges with the highest value-added with respect to mid-career earnings

	Value added	Predicted	Actual	Metropolitan area
NHTI-Concord's Community College	19%	$56,970	$68,700	Concord, NH
Pearl River Community College	18%	$51,780	$62,000	Picayune, MS
Pueblo Community College	17%	$51,653	$61,100	Pueblo, CO
Northcentral Technical College	15%	$49,803	$57,800	Wausau, WI
Lee College	15%	$59,568	$69,000	Houston-The Woodlands-Sugar Land, TX
Caldwell Community College and Technical Institute	12%	$51,733	$58,500	Hickory-Lenoir-Morganton, NC
Fayetteville Technical Community College	11%	$48,878	$54,700	Fayetteville, NC
Bakersfield College	11%	$60,277	$67,200	Bakersfield, CA
San Diego City College	10%	$63,856	$70,900	San Diego-Carlsbad, CA
Mott Community College	10%	$52,244	$58,000	Flint, MI
Indian Hills Community College	10%	$52,378	$57,900	Ottumwa, IA
Prince George's Community College	10%	$57,727	$63,800	Washington-Arlington-Alexandria, DC-VA-MD-WV
Massachusetts Bay Community College	10%	$56,762	$62,600	Boston-Cambridge-Newton, MA-NH
Minnesota State Community and Technical College	9%	$54,657	$59,900	Fergus Falls, MN
Lorain County Community College	8%	$53,923	$58,700	Cleveland-Elyria, OH
Renton Technical College	8%	$58,854	$64,000	Seattle-Tacoma-Bellevue, WA
Texas State Technical College-Waco	8%	$59,798	$65,000	Waco, TX
Allegany College of Maryland	7%	$54,134	$58,300	Cumberland, MD-WV
Arapahoe Community College	7%	$54,839	$59,000	Denver-Aurora-Lakewood, CO
Gwinnett Technical College	7%	$50,480	$54,300	Atlanta-Sandy Springs-Roswell, GA

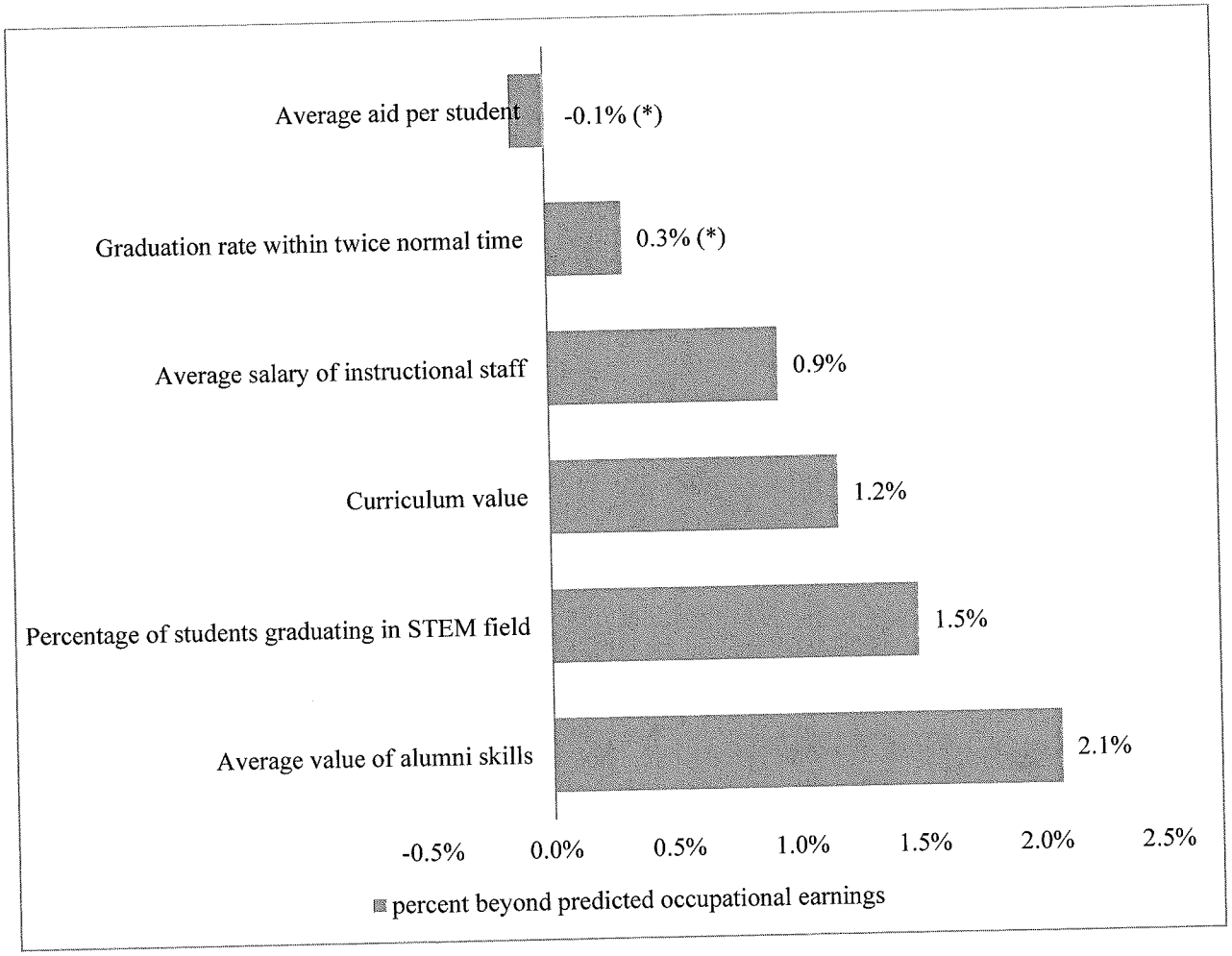
Average of all two-year or lower colleges	-6%	$58,181	$54,637

Value added in this calculation is the difference between actual and predicted earnings in log values. Average is weighted by enrollment. A zero value-added measure means the school's students earn the average for students like them at similar types of colleges.

Another way to assess a college's value added is to examine the kinds of occupations that its graduates enter and the average pay for those occupations. These data (from LinkedIn) are more widely available than those for mid-career salary (from Payscale).

On this score, alumni skills and the share of graduates majoring in STEM fields predict a college's value-added more strongly than its curriculum value, though all three quality factors relate closely to occupational earnings power. Graduates from colleges with higher-paid teachers also tend to enter higher-paying careers (Figure 6).

Figure 6--Percent increase in occupational earnings power beyond predicted for one standard deviation in quality variable



Note: * indicates variable is not statistically significant

Among four-year colleges, Rose-Hulman is the top-performer on value added with respect to occupational earnings power, followed by Harvey Mudd. A number of other colleges enter the top ten that

are not typically at the top of popular rankings (Table 6). These include Worcester Polytechnic Institute, the Milwaukee School of Engineering, the Wentworth Institute of Technology, the Lawrence Technological University, Rensselaer Polytechnic, and the Colorado School of Mines.

Among primarily two-year colleges, the Charles R Drew University of Medicine and Science generates the highest value added with respect to occupational earnings power. In fact, it would rank fourth among all colleges and universities. It is a historically black college with a strong health science curriculum, with associate's degree programs in fields like health information technology and radiology. Its alumni possess skills that rank at the top of similar institutions. The Palmer College of Chiropractic and the Concord Career College in Memphis also provide a mostly healthcare-focused curriculum that leads to high paying careers for alumni.

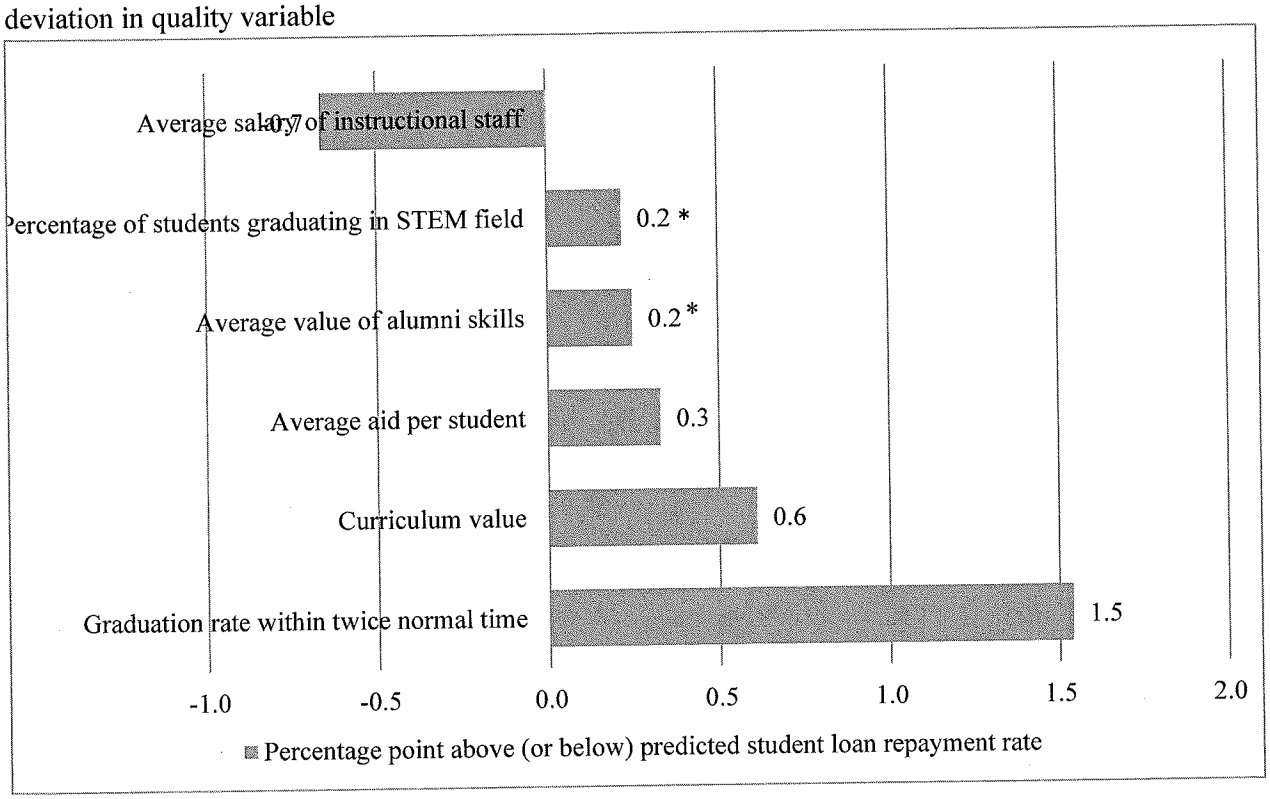
Table 5. Colleges with the highest value-added with respect to occupational earnings power, by type of college

	Value added	Predicted occupational earnings power	Actual occupational earnings power	Metropolitan area
Four-year colleges with highest value added with respect to occupational earnings power				
Rose-Hulman Institute of Technology	0.19	$65,414	$78,992	Terre Haute, IN
Harvey Mudd College	0.19	$65,761	$79,179	Los Angeles-Long Beach-Anaheim, CA
Worcester Polytechnic Institute	0.18	$64,504	$77,593	Worcester, MA-CT
Milwaukee School of Engineering	0.17	$64,412	$76,015	Milwaukee-Waukesha-West Allis, WI
Wentworth Institute of Technology	0.16	$63,831	$74,733	Boston-Cambridge-Newton, MA-NH
Lawrence Technological University	0.16	$64,161	$75,074	Detroit-Warren-Dearborn, MI
Rensselaer Polytechnic Institute	0.15	$66,046	$76,968	Albany-Schenectady-Troy, NY
Colorado School of Mines	0.15	$67,094	$78,155	Denver-Aurora-Lakewood, CO
Missouri University of Science and Technology	0.15	$66,701	$77,497	Rolla, MO
Newschool of Architecture and Design	0.15	$65,686	$75,984	San Diego-Carlsbad, CA
Two-year colleges with highest value added with respect to occupational earnings power				
Charles R Drew University of Medicine and Science	17%	$61,003	$72,025	Los Angeles-Long Beach-Anaheim, CA
Palmer College of Chiropractic-Davenport	16%	$65,121	$76,576	Davenport-Moline-Rock Island, IA-IL
Concorde Career College-Memphis	14%	$61,919	$71,343	Memphis, TN-MS-AR
Brookline College-Phoenix	13%	$61,483	$70,234	Phoenix-Mesa-Scottsdale, AZ
San Joaquin Valley College-Visalia	12%	$63,153	$71,082	Visalia-Porterville, CA
Concorde Career College-Portland	11%	$63,980	$71,443	Portland-Vancouver-Hillsboro, OR-WA
Vermont Technical College	9%	$64,051	$70,312	Claremont-Lebanon, NH-VT
Madisonville Community College	8%	$61,092	$65,863	Madisonville, KY
NHTI-Concord's Community College	7%	$60,881	$65,432	Concord, NH
Stratford University	6%	$61,869	$66,005	Washington-Arlington-Alexandria, DC-VA-MD-WV
Average for all four-year or higher colleges	1%	$63,438	$64,351	
Average of all two-year or lower colleges	-1%	$61,491	$60,772	

A third value-added metric considers the probability of federal student loan repayment within the first three years of graduation. Unlike the other two measures, this measure focuses on the very early stages of graduates' careers and considers—in a sense—how student debt burdens interact with earnings. Recent graduates at the highest risk of default are those with low salaries and a high debt burden. This measure is the least related to the other two, as the correlation coefficient is just 0.30 with value-added with respect to mid-career salary, and 0.24 with value-added with respect to occupational earnings power.

Colleges with the highest value-added with respect to repayment (meaning default rates are less than predicted) tend to graduate students at high rates, offer high-value curricula, and, importantly, award generous levels of financial support. These factors, but not incidentally average tuition or net price, predict higher or lower default rates across institutions (Figure 7).

Figure 7--Percentage point increase or decrease in loan repayment rate beyond predicted for one standard deviation in quality variable



(Note: * indicates variable is not statistically significant)

The list of top performers on value-added with respect to student loan default offers a number of surprises, and is distinct from the top performer list on other value-added variables. This suggests that colleges help reduce student loan default rates in a variety of ways, not only by enhancing earnings potential.

Three of the top four-year colleges on value-added with respect to loan repayment score very highly on curriculum value: The Southern Californian Institute of Technology and Embry-Riddle Aeronautical University-Daytona Beach. Others, such as BYU-Idaho, John Brown University, Cedarville, Franciscan University, and Harding have high graduation rates. For Trident University International in Los Angeles

and Union Institute and University in the Cincinnati area, alumni graduate with highly valuable skills. Other colleges in the top 50 include the Rochester Institute of Technology, Oberlin College, Case Western, Babson, Notre Dame, and the University of Kentucky.

The top scoring two-year colleges with respect to value-added are Sandhills Community College in Pinehurst, North Carolina and Hutchinson Community College in Kansas. Both score rather low on quality measures predictive of success, which means their strong performance is more attributable to unmeasured factors (such things as highly motivated students or great teaching or administrative staff). The American Career College-Los Angeles and Columbia Southern University in Alabama provide a strong mix of high-value majors, which may explain their students' relatively high loan repayment rates.

Table 6. Colleges with the highest value-added with respect to loan repayment, by type of college

	Value added	Predicted loan repayment	Actual loan repayment	Metropolitan area
Four-year colleges with highest value added with respect to loan repayment				
Southern California Institute of Technology	9.6	77.6	87.2	Los Angeles-Long Beach-Anaheim, CA
Brigham Young University-Idaho	9.5	87.9	97.4	Rexburg, ID
John Brown University	7.8	88.3	96.0	Fayetteville-Springdale-Rogers, AR-MO
Trident University International	7.0	89.4	96.4	Los Angeles-Long Beach-Anaheim, CA
Union Institute & University	6.8	86.9	93.8	Cincinnati, OH-KY-IN
Belhaven University	6.8	86.8	93.6	Jackson, MS
Cedarville University	6.5	91.8	98.3	Dayton, OH
Franciscan University of Steubenville	6.5	90.4	96.9	Weirton-Steubenville, WV-OH
Harding University	6.5	88.4	94.9	Searcy, AR
Embry-Riddle Aeronautical University-Daytona Beach	6.4	87.7	94.1	Deltona-Daytona Beach-Ormond Beach, FL
Two-year colleges with highest value added with respect to loan repayment				
Sandhills Community College	11.6	80.1	91.7	Pinehurst-Southern Pines, NC
Hutchinson Community College	10.6	82.4	93.0	Hutchinson, KS
Heald College-Fresno	10.4	79.4	89.8	Fresno, CA
American Career College-Los Angeles	9.2	80.6	89.7	Los Angeles-Long Beach-Anaheim, CA
City Colleges of Chicago-Richard J Daley College	8.7	82.2	90.9	Chicago-Naperville-Elgin, IL-IN-WI
Columbia Southern University	8.1	85.3	93.4	Daphne-Fairhope-Foley, AL
Gwinnett Technical College	7.9	80.2	88.1	Atlanta-Sandy Springs-Roswell, GA
Robert Morris University Illinois	7.5	86.0	93.5	Chicago-Naperville-Elgin, IL-IN-WI
Linn State Technical College	7.2	81.5	88.7	Jefferson City, MO
Wayne Community College	7.1	81.6	88.6	Goldsboro, NC
Average for all four-year or higher colleges	0.5	91.1	91.6	
Average of all two-year or lower colleges	-1.2	80.8	79.5	

*Heald College reported the same default information across all of its campuses, so the exact rate at each campus is not available. Its Fresno campus had the highest expected default rate, so it ranks the highest on value-added. The owners of Heald College have recently been forced to sell the institution Averages are weighted by number of students with loans.

4. Compared to popular rankings, value-added measures more accurately predict student economic performance for students with similar characteristics

The value-added metrics described above provide a new framework to think about a college's quality as distinct from its ability to attract top students. The biggest limitation of this approach, however, is that there are many student characteristics for which this analysis cannot account, but which may influence students' eventual economic outcomes. For example, student grades, aspects of writing ability, leadership, and other less obvious traits may still correlate with college quality, even after controlling for student characteristics reported through IPEDS. A preferable approach would be to use richer student-level data and estimate school value-added using unmeasured aspects of college quality, as is done in teacher-value added models.[36]

While these results may fail to meet an ideal standard for social science research, they can be compared favorably to existing college rankings in two ways.

First, the value-added measures developed in this report are more widely available. The number of colleges for which value-added data are calculated here is double or triple the number of colleges with data from the *Forbes*, *Money*, and *U.S. News* rankings. An even broader and only slightly less robust measure of value-added with respect to default rates will be made available for 3,726 colleges. Moreover, some of the key quality factors—like curriculum value and STEM orientation of graduates—are available for nearly all of the 7,378 colleges in the United States.

Second, the method used here yields more accurate measures of how schools affect student economic outcomes, given the characteristics of students. Imagine a simple model in which mid-career salaries are predicted based only on the ranking of colleges on their students' test scores. Using only the popular rankings, those test scores explain most of the variation across schools. The *Money* rankings predict extra earnings significantly above zero (on the order of .03 percent for each change in rank), but a higher *US News* or *Forbes* ranking is not significantly related to salaries, suggesting much of the explanatory power of these rankings comes only as a result of student characteristics—not school quality (Figure 8). By contrast, the Brookings value added measure for salaries explains most of the variation and predicts a much larger increase in salaries for every change in rank. Indeed, the effect is over three times larger than the effect from a change in the Money rank. In short, the Brookings value-added metrics are much better at predicting variation in student outcomes across colleges with similar student test scores.

A more sophisticated version of this analysis includes all of the variables for student and institutional characteristics used in the main analysis here, but replaces all the quality variables (such as curriculum value, graduation rate, etc) with a ranking based on value-added or one of the popular college ranking publications. The results are essentially the same as described above.

The Brookings measure of value-added is much better at predicting salaries (Figure 8), student loan default rates (Figure 9), and occupational earnings power (where the Brookings value-added predicts an effect four times larger than the next best alternative ranking). Likewise, when all rankings are included in the same predictive model, the Brookings value-added rankings possess much more explanatory power than the other rankings, for each of the three outcomes.[37]

Figure 8. Predicted effect of change in moving up in rank (closer to top rank of 1) in each of the four ranking systems on mid-career salary of graduates

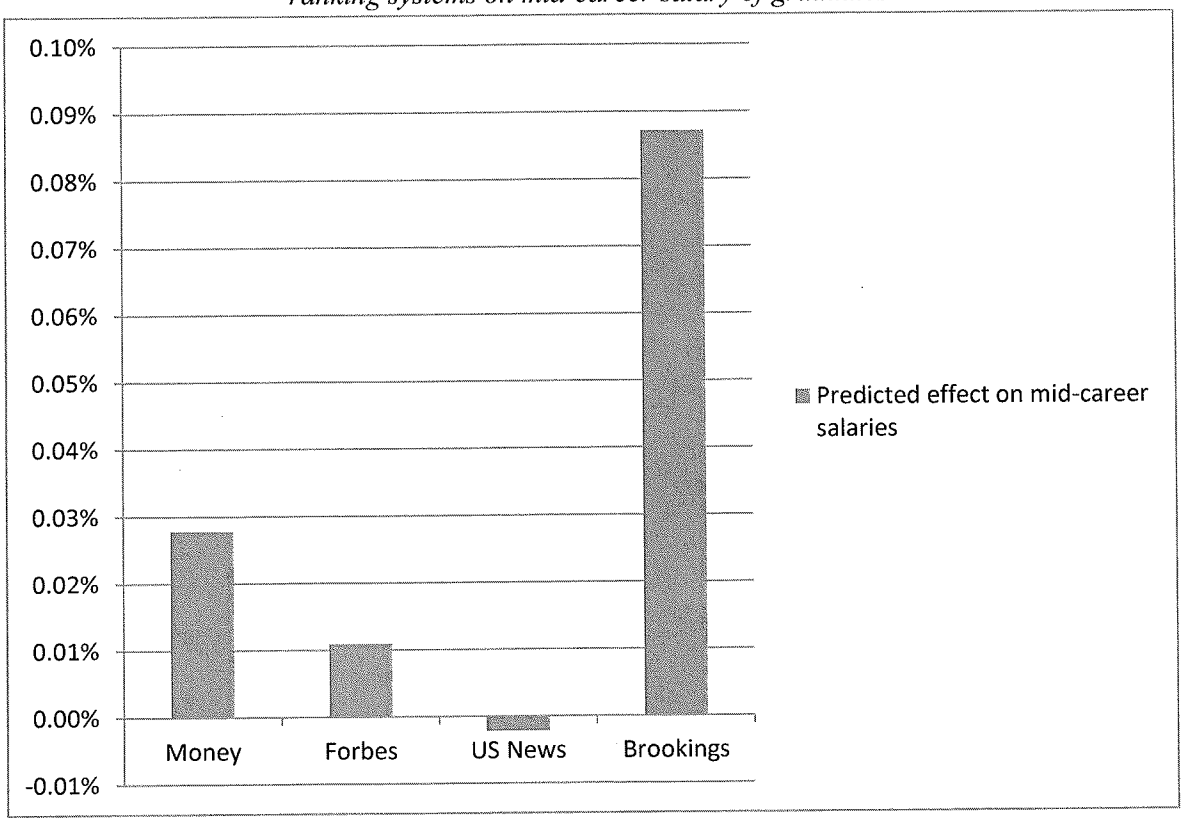
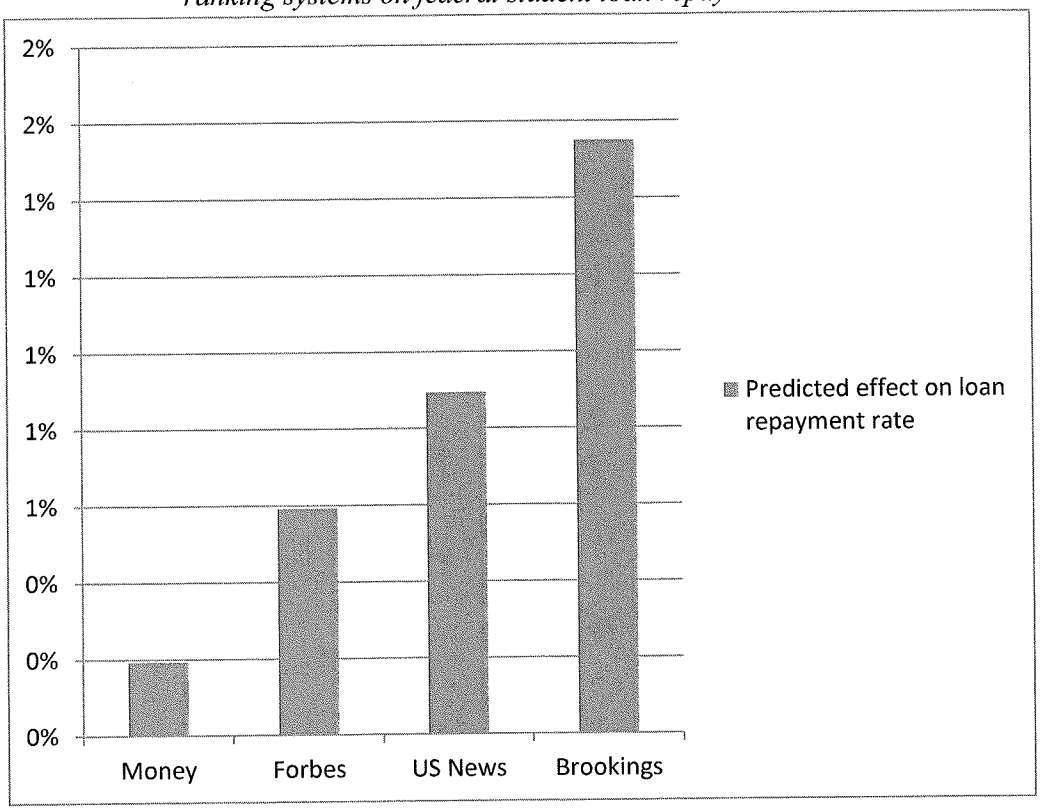


Figure 9. Predicted effect of change in moving up in rank (closer to top rank of 1) in each of the four ranking systems on federal student loan repayment rates



The fact that the Brookings value-added measures are better at predicting graduate economic outcomes does not imply that they are more closely tied to student characteristics like test scores. Both the *US News* and *Forbes* rankings relate very closely to test scores, with correlations of 0.87 and 0.80. The *Money* rankings, which use some value-added concepts, have a lower correlation with test scores of 0.56. The Brookings value-added measures are even less tied to test scores, with correlations ranging from 0.56 to 0.22, depending on the measure. In this sense, the value-added approach creates some distance between student characteristics and college quality. While top-scoring students tend to go to high-value-added schools, the two concepts are not identical.

5. Conclusion

Higher education is enormously important to individual and collective prosperity. Yet escalating costs have created an urgent need for more and better information about what often amounts to a huge investment in time and money on the part of students, families, and taxpayers.

In this context, this report makes a few contributions toward filling that information gap, while it hopefully sparks further research on college performance. For example, this method could be improved with better measures of student characteristics at the school level. Likewise, more accurate results may be achievable if the data used here were replaced with student level data containing more precise measures of both economic outcomes and characteristics at the time of admission.

First, the analysis demonstrates that there are more data of higher quality on colleges than many people might think. They exist in several different places, so that with considerable effort, researchers can cobble the data together and present them in ways that are clear and useful to the public.

Second, it identifies a few factors that colleges can influence that seem to meaningfully affect alumni economic outcomes. These include completion rates, the specific skills learned by alumni, the value and STEM relevance of their curricula, the salaries of their teachers, and the aid they give to their students. While college leaders may not fully control all these factors, most can enhance performance in these areas in ways that can benefit alumni economically, and make positive contributions to the broader economy.

Third, the analysis demonstrates how one can measure the contribution that colleges make to graduates' economic outcomes, above and beyond what their backgrounds (i.e., test scores and other characteristics at the time of admission) would suggest. The college economic value-added metrics developed here have important limitations. But these measures are available for a world of community colleges and non-selective colleges that conventional rankings fail to explore. And they more accurately predict economic outcomes than those popular rankings, calling into question whether or not the latter measure anything useful beyond student competence at the time of admission.

What can be done to increase college quality?

All of the precise mechanisms that make higher-quality schools better at graduating their students have not been identified, but there are a number of replicable programmatic features that distinguish colleges from one another. College administrators acting at the institutional level, or in conjunction with public, private, and civic-sector partners, can implement many of these features.

One clear finding is that colleges that succeed in helping more of their students graduate produce better economic outcomes for alumni. Financial aid, alone or in combination with social and academic support, advisement, and the accommodation of extra-academic student obligations have proven effective in enhancing graduation from community and four-year colleges.[38] One program with these features at six City University of New York (CUNY) community colleges lifted 3-year graduation rates from an associate's degree program from an estimated 20 to 25 percent to 55 percent, while serving mostly low-income Hispanic and black students, many with developmental education needs.[39]

Unfortunately, there is little evidence to suggest that other student support policies—including remediation—have much effect on student outcomes and graduation alone, though the evidence is inconsistent and mixed.[40]

This analysis also shows that a college's curriculum, in terms of its mix of majors and even the specific skills its instructors teach, can be hugely relevant to graduate success. This does not mean that liberal arts programs or those that train students for generally lower-paying fields are not valuable to individuals and society. There will always be a need for students to be trained across a broad range of disciplines, whose practical value lies beyond commercial profit alone. Yet students should be fully informed as to the realistic labor market potential for various majors before committing so much of their time and money to pursuing one. Indeed, in a 2014 survey of incoming students at baccalaureate institutions, 86 percent of respondents said that being able to get a "better job" was "very important" in their decision to go to

college, and 67 percent agreed with the statement, "The chief benefit of a college education is that it increases one's earning power."[41]

In the context of workforce development strategy, a number of state and local policy options are available to enhance curriculum value at colleges, which would lead to higher wages, tax revenues, and economic growth for regional economies. Florida, for example, has begun to reward public colleges for graduating more students in high-demand majors.[42] Governors of Pennsylvania and North Carolina are looking to increase funding for STEM education at regional community colleges.[43] An alternative or complementary approach would focus efforts on improving high school and earlier levels of STEM education, so students are more likely to choose and complete majors in high-paying fields. A recent Brookings report discusses a number of the relevant policy options to boost workforce readiness in STEM-oriented "advanced industries," and also points to an important role for private-sector organizations in partnering with local colleges.[44]

How should value added-measures like these be used?

The data and approaches developed in this report offer a starting point for more informed decision-making on behalf of interested stake-holders. Yet, they should not replace the more detailed judgments needed to make final decisions, on issues such as where to attend college or how much public funding should be allocated to university.

Start with parents and potential students. The data available on the Brookings website can be used to compare schools along a number of dimensions that are relevant to the likely future earnings of graduates. If admitted to two equally selective (or non-selective schools), the value-added could offer a useful nudge in one direction, even as cost, location, the availability of specific degree programs, and other factors would need to be considered.

College administrators and trustees could use these data to evaluate their institution's broad strengths and weaknesses, so as to target further investigation and inquiry in to how to best serve their students. In some cases, the poor results may be due entirely to an institutional legacy or mission that is valid but largely incommensurate with the graduation of many high-earning alumni. Other schools may find there is more they can do without sacrificing their core mission.

Public officials could use these data to broadly observe which schools are failing to deliver and which are out-performing their peers. It would be a mistake to allocate public resources (or even private donations) based entirely on econometric results such as these, but these data can provide initial guidance into which schools bear further scrutiny and may lead to targeted support and new investments to failing schools so they can better serve the public. Likewise, high-performing colleges may offer important lessons as to what institutional-specific programs and initiatives can be replicated elsewhere.

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[1] Mai Seki, "Heterogeneous Returns to U.S. College Selectivity and the Value of Graduate Degree Attainment" (2013); Mark Hoekstra, "The Effect of Attending the Flagship State University on Earnings: A Discontinuity-Based Approach," *Review of Economics and Statistics* 91 (4) (2009): 717–724; Dan A. Black and Jeffrey A. Smith, "Estimating the Returns to College Quality with Multiple Proxies for Quality" *Journal of Labor*

Economics 24 (3) (2006): 701–728; Mark Long, "College Quality and Early Adult Outcomes." *Economics of Education Review* 27(5) (2008): 588–602; Mark Long, "Changes in the Returns to Education and College Quality. *Economics of Education Review* 29(3) (2009): 338–347; Donna Linderman, "Significant Increases in Associate Degree Graduation Rates: Accelerated Study in Associate Programs (ASAP)" (New York: City University of New York, 2012), available at http://cuny.edu/academics/programs/notable/asap/about/evaluation/ASAP-Key-Eval-Prog-Overview-0901712.pdf.

[2] Brad Hershbein and Melissa Kearney, "Major Decisions: What Graduates Earn Over Their Lifetimes," (Washington: Hamilton Project, 2014).

[3]Jaison R. Abel, Richard Deitz, and Yaqin Su, "Are Recent College Graduates Finding Good Jobs?" Federal Reserve Bank of New York: *Current Issues in Economic and Finance* 20 (1); Jonathan Rothwell, "Still Searching: Job Vacancies and STEM Skills" (Washington: Brookings Institution, 2014).

[4] Richard Vedder, Christopher Denhart, and Jonathan Robe, "Why are Recent College Graduates Underemployed? University Enrollments and Labor Market Realities" (Washington: Center for college Affordability and Productivity: 2013).

[5] Christopher Avery and Sarah Turner, "Student Loans: Do College Students Borrow Too Much—Or Not Enough?" *The Journal of Economic Perspectives* 26 (1) (2012): 165-192; Hershbein and Kearney, "Major Decisions."

[6] Among 2014 ACT test takers—about 57 percent of all graduating high school students—just 26 percent scored high enough on the ACT exams to be considered ready for college in all four core subjects (English, Reading, Math, and Science). Readiness is defined as having at least a 50 percent probability of earning a B in a college course or a 75 percent probability of earning at least a C grade. Readiness in math and science was particularly low compared to English and reading. ACT, "The Condition of College and Career Readiness 2014," available at http://www.act.org/research/policymakers/cccr14/readiness.html. Likewise, despite massive labor market demand for computer science knowledge, high school preparation for success in that field is also extremely limited. Only 1 percent of Advanced Placement exam test takes—just 22,273 students—took an AP Computer Science exam in high school in 2013, and of those, only 11,040 scored a 4 or 5, which indicates that the test takers is well qualified to receive college credit. See The College Board, 10th Annual AP Report to the Nation, available at http://apreport.collegeboard.org/

[7] Scott A. Ginder and Janice E. Kelly-Reid, "Enrollment in Postsecondary Institutions, Fall 2012; Financial Statistics, Fiscal Year 2012; Graduation Rates, Selected Cohorts, 2004-09; and Employees in Postsecondary Institutions, Fall 2012" (Washington: U.S. Department of Education, 2013).

[8] Sarah R. Cohodes and Joshua S. Goodman, "Merit Aid, College Quality, and College Completion: Massachusetts' Adams Scholarship as an In-Kind Subsidy," *American Economic Journal: Applied Economics* 6 (4) (2014): 251–285; William Bowen, Matthew Chingos, and Michael McPherson, *Crossing the Finish Line: Completing College at America's Public Universities* (Princeton, N.J.: Princeton University Press, 2009).

[9] Caroline Hoxby and Christopher Avery. "The Missing "One-Offs": The Hidden Supply of High-Achieving, Low-Income Student" *Brookings Papers on Economic Activity* (2013).

[10] Mai Seki, "Heterogeneous Returns to U.S. College Selectivity and the Value of Graduate Degree Attainment" (2013); Mark Hoekstra, "The Effect of Attending the Flagship State University on Earnings: A Discontinuity-Based Approach," *Review of Economics and Statistics* 91 (4) (2009): 717–724; Dan A. Black and Jeffrey A. Smith, "Estimating the Returns to College Quality with Multiple Proxies for Quality" *Journal of Labor Economics* 24 (3) (2006): 701–728; Mark Long, "College Quality and Early Adult Outcomes," *Economics of Education Review* 27(5) (2008): 588–602; Mark Long, "Changes in the Returns to Education and College Quality," *Economics of Education Review* 29 (3) (2009): 338–347.

[11] Stacy Berg Dale and Alan B. Krueger, "Estimating the Payoff to Attending a More Selective College: an Application of Selection on Observables and Unobservables," *The Quarterly Journal of Economics*, 117(4) (2002): 1491–1527; Stacy B. Dale and Alan B. Krueger. 2014. "Estimating the Effects of College Characteristics over the Career Using Administrative Earnings Data." *Journal of Human Resources* 49 (2): (2014): 323-358.

[12] Ibid.

[13] David J. Deming, Noam Yuchtman, Amira Abulafi, Claudia Goldin, Lawrence F. Katz, "The Value of Postsecondary Credentials in the Labor Market: An Experimental Study," (Cambridge: National Bureau of Economic Analysis Working Paper 20528: 2014).

[14] Peter Arcidiacono, "Ability Sorting and the Returns to College Major," *Journal of Econometrics* 121 (1-2) (2004): 343-375; Hershbein and Kearney, "Major Decisions."

[15] One experiment finds that providing better information about graduation rates and costs causes high-achieving low-income students to increase their enrollment at selective colleges, where they will be expected to do better. Caroline Hoxby and Sarah Turner, "Informing Students about Their College Options: A Proposal for Broadening the Expanding College Opportunities Project" (Washington: Hamilton Project, 2013).

[16] Lauren Chapman and Larry Ludlow, "Can Downsizing College Class Sizes Augment Student Outcomes?: An Investigation of the Effects of Class Size on Student Learning" The Journal of General Education, 59 (2) (2010): 101-123; Moreover, many large classes at public research universities have regular breakout sections with smaller classes led by graduate teaching assistants, so it's not clear how one would measure class size accurately.

[17] *Los Angeles Times*, "Students lose out in university numbers game," Editorial, December 22, 2014.

[18] In this framework, it makes no difference if "quality" is observed or not in calculating value added. In practice, however, it is important because predictions of student outcomes based on student and college characteristics will not be accurate if quality is ignored. To implement this, student outcomes are first estimated with quality included. That insures the relationship between student characteristics and outcomes is calibrated appropriately. Then, predicted outcomes are calculated as if quality was unknown and each school was exactly average on each measure of quality. The difference between the alumni's actual outcome and this predicted outcome represents value added, which is itself composed of the measured and unmeasured aspects of quality.

[19] As it happens, the Payscale-reported median earnings of graduates is higher than the average metropolitan area salary for occupations that typically require a high school diploma for every school, but a fare more sophisticated analysis would be required to calculate the comparable non-attendee wage group.

[20] Jesse M. Cunha and Trey Miller, "Measuring Value-Added in Higher Education: Possibilities and Limitations in the Use of Administrative Data," *Economics of Education Review* (42) (2014): 64-77.

[21] Robert Kelchen and Douglas N. Harris, "Can "Value Added" Methods Improve the Measurement of College Performance? Empirical Analyses and Policy Implications" (Washington: HCM Strategists, 2012).

[22] For a small number of colleges (39), Payscale either reports data for both two-year and four-year graduates separately or only one group when the other degree award is more commonly granted at the college. These observations were dropped because for some schools, it would have resulted in two different earnings measures and for others it would have assigned earnings to an unrepresentative group of alumni.

[23] The econometric models were also estimated using all alumni, whether or not they earned a higher degree after graduation. The results were broadly similar, but the model with all alumni earnings was less precisely estimated, which is why we chose the more restrictive measure of earnings.

[24] U.S. Department of Education, Three-year Official Cohort Default Rates for Schools, available at http://www2.ed.gov/offices/OSFAP/defaultmanagement/cdr.html

[25] Military occupations are not covered in the BLS OES survey, so data from the 2013 American Community Survey was used instead, based on microdata made available from IPUMS.

[26] The military academies provide tuition and living expenses to all students. Unfortunately, this means that no information is publicly available as to the income of entering students, meaning value-added measures could not be provided. However, many of the quality measures are available for these colleges.

[27] Overall, the LinkedIn profiles are biased in that they are more likely to reflect higher-earning majors. To determine this, earnings by 2-digit CIP code major were calculated from 2012 ACS for bachelor's degree earners in the labor force aged 25 to 64. Then these salary values were imputed to each institution based on the mix of majors represented on LinkedIn and the actual mix of majors available on IPEDS. The average LinkedIn profile holder is in a field that earns, on average, 8 percent more per year. Since the ratio varies by college, this variable is used to control for the college's social media bias when predicting outcomes. The appendix shows which majors are most and least represented on LinkedIn relative to recent graduates.

[28] Payscale has a sample size of 1.4 million U.S. degree holders, at time of writing, and they report an average sample size per school of 325 profiles.[28] That total number is about 1.5 percent of the U.S. population with an associate's degree or higher, based on U.S. Census Bureau data. This sample size is slightly larger than the Census Bureau's American Community Survey (ACS), but unlike that survey, theirs is not a random sample, since only those who visit the website and want a salary report enter their information

[29] The real correlations might be even higher but many of the field-of-study categories could not be precisely matched.

[30] Correlation coefficients have a value between 0 and 1, with values closer to 1 indicating a stronger relationship between two variables. At a value of 1, a correlation coefficient between two variables indicates that an increase in one variable will be accompanied by an increase of the same magnitude in the other. A negative correlation coefficient indicates an inverse relationship between two variables.

[31] Lemieux, Thomas, "The 'Mincer Equation' Thirty Years After Schooling, Experience, and Earnings" in *Jacob Mincer A Pioneer of Modern Labor Economics, ed* Shoshana Grossbard Chapter 11 (Springer US, 2006).

[32] OECD, *OECD Skills Outlook 2013: First Results from the Survey of Adult Skills,* OECD Publishing, 2013. Available at *http://dx.doi.org/10.1787/9789264204256-en;* Peter Arcidiacono, "Ability Sorting and the Returns to College Major," *Journal of Econometrics* 121 (1-2) (2004): 343-375; Eric A. Hanushek, Guido Schwerdt, Simon Wiederhold, Ludger Woessmann," Returns to Skills around the World: Evidence from PIAAC " forthcoming in European Economic Review (2014); Hanushek, Eric A.. Gregory K. Ingram and Daphne A. Kenyon, "Is Location Fate? Distrubutional Aspects of Schooling," in *Education, Land, and Location,* (Cambridge, MA: Lincoln Institute of Land Policy, 2014).

[33] Carnegie Classification, available at http://classifications.carnegiefoundation.org/ (Accessed December 2014). The website will soon be moved to Indiana University's Center of Postsecondary Research.

[34] Tiffany Julian, "Work-Life Earnings by Field of Degree and Occupation for People With a Bachelor's Degree: 2011," American Community Survey Briefs (Census Bureau, 2012); Economics and Statistics Administration, "STEM: Good Jobs Now and for the Future" (U.S. Department of Commerce, 2011); Anthony P. Carnevale, Nicole Smith, and Michelle Melton, "STEM: Science, Engineering, Technology, and Mathematics," (Washington: Georgetown University Center for Education and the Workforce, 2011); Todd Gabe, "Knowledge and Earnings," *Journal of Regional Science* 49 (3) (2009): 439-457; Paolo Buonanno and Dario Pozzoli, "Early Labor Market Returns to College Subject," Labour 23 (4) (2009): 559–588 ; Jin Hwa Jung and Kang-Shik Choi, "Technological Change and Returns to Education: The Implications for the S&E Labor Market *Global Economic Review* 38 (2) (2009): 161-184; Arcidiacono, "Ability Sorting and the Returns to College Major." Jonathan Rothwell, "Still Searching: Job Vacancies and STEM Skills" (Washington: Brookings Institution, 2014).

[35] Analysis of unpublished data from Rothwell, "Still Searching."

[36] Raj Chetty, John Friedman, Jonah Rockoff, "Measuring the Impacts of Teachers I: Evaluating Bias in Teacher Value-Added Estimates," *American Economic Review* (104) (2014): 2593–2632; Raj Chetty, John Friedman, Jonah Rockoff, "Measuring the Impact of Teachers II: Teacher Value-Added and Student Outcomes in Adulthood," *American Economic Review* (104) (2014): 2633–2679.

[37] When all four rankings are included in the same model, the Brookings value-added measure dominates. The Brookings value-added measure is highly significant in all outcomes. Forbes is insignificant in all three, US News is significant only in predicting default rates (and has a much smaller effect than the value-added measure), and Money is insignificant in predicting default rates. For the two outcomes in which Money does offer significant predictive power, a one unit change in the Money rank is only one seventh to one thirteenth the size of a one unit change in the Brookings rank.

[38] Susan Scrivener and Michael J. Weiss, "Two-Year Results from an Evaluation of Accelerated Study in Associate Programs (ASAP) for Developmental Education Students," MRDC (2013); Lisa Barrow, Lashawn Richburg-Hayes, Cecilia Elena Rouse, and Thomas Brock "Paying for Performance: The Education Impacts of a Community College Scholarship Program for Low-income Adults" (2010); Kenneth I. Maton and others, "Enhancing the Number of African Americans Who Pursue STEM PhDs: Meyerhoff Scholarship Program Outcomes, Processes, and Individual Predictors" *Journal of Women Minorities in Science and Engineering,* 15 (1) (2009): 15–37; *Kathy Stolle-McAllister, Mariano R Sto. Domingo, and Amy Carrillo, "The Meyerhoff Way: How the Meyerhoff Scholarship Program Helps Black Students Succeed in the Sciences," Journal of Science Education and Technology 20 (1) (2011): 5-16;* Becky Wai-Ling Packard, "Effective Outreach, Recruitment, and Mentoring into STEM Pathways: Strengthening Partnerships with Community Colleges," Prepared for National Academy of Science meeting "Realizing the Potential of Community Colleges for STEM Attainment" (2011); Thomas Kane, "Evaluating the Impact of the D.C. Tuition Assistance Grant Program" NBER Working Paper 9703 (2004); Thomas J. Kane, "A Quasi-Experimental Estimate of the Impact of Financial Aid on College-Going," Working Paper 9703 (2003); Susan Dynarski, "Hope for Whom? Financial Aid for the Middle Class and Its Impact on College Attendance," *National*

Tax Journal 53:3 (2000): 629- 661; Susan Dynarski and Judith Scott-Clayton, "Financial Aid Policy: Lessons from Research," *Future of Children* 22(1) (2013): 67-91.

[39] Donna Linderman, "Significant Increases in Associate Degree Graduation Rates: Accelerated Study in Associate Programs (ASAP)" (New York: City University of New York, 2012), available at http://cuny.edu/academics/programs/notable/asap/about/evaluation/ASAP-Key-Eval-Prog-Overview-0901712.pdf.

[40] Eric P. Bettinger and Bridget Terry Long "Addressing the Needs of Underprepared Students in Higher Education: Does College Remediation Work?" *Journal of Human Resources* 44 (3) (2009): 736-771; Eric P. Bettinger, Angela Boatman and Bridget Terry Long, "Student Supports: Developmental Education and Other Academic Programs," The Future of Children 23 (1) (2013): 93-115.

[41] Kevin Eagan and others, "The American Freshman: National Norms 2014." (Los Angeles: Cooperative Institutional Research Program at the Higher Education Research Institution at UCLA, 2015).

[42] State University System of Florida, Board of Governors, Performance Based Funding Model, available at http://www.flbog.edu/about/budget/performance_funding.php (June 2014).

[43] State of North Carolina, http://www.governor.state.nc.us/newsroom/press-releases/20140410/governor-pat-mccrory-proposes-higher-investment-high-demand; Pennsylvania Higher Education Assistance Agency, Pennsylvania Targeted Industry Program, available at http://www.pheaa.org/funding-opportunities/pa-tip/ (June 2014)

[44] Mark Muro and others, "America's Advanced Industries: What They Are, Where They Are, and Why They Matter" (Washington: Brookings Institution, 2015).

Appendix

This section describes in more detail the methods used to generate the statistics and analytic findings discussed in the report. It is organized as follows:

- *List of STEM majors*
- *LinkedIn data and assessing bias*
- *Constructing the value-added metrics*
- *Explaining value-added empirically*
- *Discussion of models strengths and weaknesses*
- *Empirical comparison with popular rankings*

1. *List of STEM majors*

Appendix Table 1 provides a list of the 2-digit CIP codes with majors deemed STEM by this study. 6-digit detail is available upon request.

Appendix Table 1. Number of Majors classified as STEM by 2-digit CIP Family

2-digit CIP	CIP Family Title	Number of majors deemed STEM	Number of majors in CIP Family
51	Health Professions and Related Programs	233	235
26	Biological and Biomedical Sciences	85	85
15	Engineering Technologies and Engineering-Related Fields	63	63
1	Agriculture, Agriculture Operations, and Related Sciences	61	61
14	Engineering	53	53
40	Physical Sciences	39	40
11	Computer and Information Sciences and Support Services	30	30
3	Natural Resources and Conservation	22	22
10	Communications Technologies/Technicians and Support Services	15	15
27	Mathematics and Statistics	14	16
30	Multi/Interdisciplinary Studies	12	32
4	Architecture and Related Services	11	11
41	Science Technologies/Technicians	8	9

2. *LinkedIn data and assessing bias*

To quantify the value of alumni skills that LinkedIn profile holders list on their resumes (or profiles) by institution, this study matches those skills to data obtained from Burning Glass, a labor market intelligence company. As described in previous Brookings research using the same database, Burning Glass has made available job openings level data for every vacancy posted online during 2013.[1] Of the 20 million vacancies, 3 million (or 15 percent) list salary data, as well as various skill requirements. If a salary range is offered, the minimum and maximum are divided by two to calculate a mean salary.

There are 8,735 distinct skills in the database, with an average number of job openings of 3,361 per skill. Skills are quantified by computing the average salary for each skill. For example, if 100 ads listed the programming language "Java" with 50 offering a salary of $100,000 and 50 offering a salary of $50,000, Java would get an average value of $75,000. The actual un-weighted mean salary for all skills is $67,443.

There are 1113 unique skills in the LinkedIn database, among the top 25 most common skills for each school. 381 could be matched exactly without changing spelling. The rest were matched by making minor adjustments to the spelling or applying the closest matching concept, if available. Some skills could not be matched because they were too broad or ambiguous.

Since LinkedIn has not been used by many social scientists, it is unclear how well data derived from it accurately measure college graduate outcomes. As of the time of writing in late 2014, LinkedIn has 99 million U.S. user profiles. If there are no duplicates, this suggests that 31 percent of the U.S. population has a LinkedIn profile. That is not entirely implausible since users as young as 14-years old are officially eligible to have an account, according to the LinkedIn user agreement. Previous research estimates that 80 percent of IT professionals have LinkedIn profiles.[2] Likewise, a Pew Survey from 2013 found that 22 percent of internet users report using LinkedIn.[3]

As described in the methods section, we made an attempt to calculate the bias from using LinkedIn as a source by taking advantage of the fact that both LinkedIn and IPEDS report the number of graduates by major for schools. Below (in Appendix Table 2) is a list of 2-digit major categories sorted by the largest proportional bias in terms of over-representation on LinkedIn. The blue collar trade majors were relatively under-represented.

Appendix Table 2. Over/under Representation of People by Field of Study in LinkedIn Compared to Recent Cohort of College Graduates

Major	Linked Share/IPEDS Share	Linked Share - IPEDS Share	IPEDS Share of Graduates, 2012-2013	Linked In Share of Profiles
Area, Ethnic, Cultural, Gender, and Group Studies	3.9	0.7%	0.2%	0.9%
Communication, Journalism, and Related Programs	2.4	4.3%	3.0%	7.3%
Philosophy and Religious Studies	2.3	0.2%	0.1%	0.3%
Engineering	2.2	5.3%	4.4%	9.7%
Architecture and Related Services	1.8	0.3%	0.3%	0.6%
Physical Sciences	1.8	0.8%	1.0%	1.8%
Computer and Information Sciences and Support Services	1.7	2.7%	3.7%	6.4%
Business, Management, Marketing, and Related Support Services	1.6	13.5%	21.1%	34.5%
Social Sciences	1.6	3.8%	6.0%	9.8%
History	1.6	0.4%	0.7%	1.1%
Parks, Recreation, Leisure, and Fitness Studies	1.4	0.6%	1.4%	2.1%
Transportation and Materials Moving	1.4	0.0%	0.1%	0.1%
English Language and Literature/Letters	1.3	0.6%	1.9%	2.6%
Mathematics and Statistics	1.3	0.1%	0.2%	0.3%
Natural Resources and Conservation	1.2	0.0%	0.2%	0.3%

Visual and Performing Arts	1.2	0.7%	3.9%	4.7%
Foreign Languages, Literatures, and Linguistics	1.1	0.0%	0.0%	0.0%
Multi/Interdisciplinary Studies	1.0	0.1%	2.4%	2.5%
Psychology	0.9	-0.5%	4.7%	4.2%
Library Science	0.9	0.0%	0.1%	0.1%
Legal Professions and Studies	0.7	-0.4%	1.3%	0.9%
Public Administration and Social Service Professions	0.5	-0.7%	1.4%	0.6%
Agriculture, Agriculture Operations, and Related Sciences	0.5	-0.2%	0.5%	0.2%
Theology and Religious Vocations	0.4	-0.2%	0.3%	0.2%
Communications Technologies/Technicians and Support Services	0.4	-0.1%	0.1%	0.0%
Family and Consumer Sciences/Human Sciences	0.4	0.0%	0.1%	0.0%
Education	0.3	-6.0%	9.1%	3.1%
Biological and Biomedical Sciences	0.3	-0.2%	0.3%	0.1%
Liberal Arts and Sciences, General Studies and Humanities	0.3	-8.7%	11.7%	3.0%
Engineering Technologies and Engineering-Related Fields	0.2	-0.8%	1.0%	0.3%
Homeland Security, Law Enforcement, Firefighting and Related Protective Services	0.2	-1.8%	2.3%	0.5%
Personal and Culinary Services	0.2	-0.7%	0.9%	0.1%
Science Technologies/Technicians	0.1	0.0%	0.0%	0.0%
Health Professions and Related Programs	0.1	-12.7%	14.4%	1.7%
Mechanic and Repair Technologies/Technicians	0.0	-0.9%	1.0%	0.0%
Precision Production	0.0	-0.1%	0.1%	0.0%
Construction Trades	0.0	-0.1%	0.1%	0.0%

To quantify this value at the school level, the average earnings of US residents in the labor force with bachelor's degrees aged 25-64 by 2-digit field of study. These average earnings were imputed to school 2-digit CIP fields for the LinkedIn distribution and IPEDS distribution. The former divided by the latter yields a measure of bias used in the analysis on value-added below.

3. Constructing the value-added metrics

As discussed in the introduction to this report, colleges differ significantly in terms of the earnings potential of their students. So-called "selective" colleges intentionally admit only or mostly students they believe will be successful along social dimensions that include earnings power like entrepreneurial success or leadership. Standardized test scores are one criterion these schools use to identify such students, but these scores are not available for most community colleges and even some four-year colleges.

To preserve the predictive value of student test scores, we impute estimated test scores to missing observations based on the following model. Test scores are predicted based on the average amount of aid per student from the Pell Grant program (which is only available to low income students), the percentage of students receiving no financial aid; the racial and foreign-born demographics of the student body (since schools with more Asian-Americans and foreign-born students tend to have higher test scores); the female share of students, the student faculty ratio, the school's retention rate (students admitted into less selective schools have less incentive to stay), the percentage of students from in-state (since out-of-state or country movement suggests the school is more desirable), whether the school's modal degree is less than a four-

year degree, a four-year degree, or a graduate degree; the average age of students—since the most selective schools cater to young people who went straight from high school to college; the Carnegie basic classification (re-aggregated to fewer categories); whether the institution was private; and the average level of student aid, since more selective schools can afford to provide more aid with the expectations that alumni donations will at least partially offset the increase in costs. The profit or non-profit status of the institution was not significant and so not considered in the final analysis. Very few for-profit colleges require test scores.

The results of this regression are shown below (Appendix Table 3). Colleges with smaller class sizes attract higher scoring students, who are more likely to stay (as indicated by the retention rate) rather than transfer. Colleges with higher percentages of students in-state have lower test scores. Colleges with a higher percentage of older or lower income students—eligible for Pell Grants—have lower predicted scores. Colleges with higher Asian and foreign-born student shares have higher predicted scores. Schools that give out more aid per student have higher predicted scores. Overall, these variables explain roughly 83 percent of the variation across schools that use test score data in admissions.

Appendix Table 3. Regression of standardized math scores on student and school data

	Average standardized math score of admitted students
Participates in Reserve Office's Training Corps	0.0634**
	(0.0293)
Accepts high school credit via Advanced Placement	-0.540***
	(0.131)
Gives credit based on prior learning or experience	-0.134***
	(0.0278)
Student faculty ratio	-0.0101**
	(0.00430)
Retention rate	0.0220***
	(0.00159)
Percent of undergraduates not receiving any aid	0.00521***
	(0.00104)
Ln of Pell grant aid per student	-0.550***
	(0.0480)
White student share of enrollment	0.623***
	(0.120)
Black student share of enrollment	-0.186
	(0.128)
Foreign-born student share of enrollment	1.970***
	(0.308)
Asian student share of enrollment	2.006***
	(0.356)
Percent of freshman from in-state	-0.271***
	(0.0677)
Average age of enrolled students	-0.00302
	(0.00518)
Female share of students	-0.698***
	(0.113)
Four-year college	0.476***

	(0.0944)
Mostly graduate-degree granting college	0.508***
	(0.118)
Ln of average student aid	0.335***
	(0.0417)
Private college	-0.0233
	(0.0504)
Carnegie classification as Associate's	-0.275*
	(0.155)
Carnegie classification as Associate's under Four-year college	-0.0638
	(0.197)
Carnegie classification as four-year but primarily Associate's granting	-0.606***
	(0.209)
Carnegie classification as doctoral granting	-0.312***
	(0.0686)
Carnegie classification as master's college	-0.393***
	(0.0456)
Carnegie classification as baccalaureate college	-0.432***
	(0.0518)
Carnegie classification as theological college	-0.580***
	(0.105)
Carnegie classification as professional college	-0.267**
	(0.105)
Carnegie classification as arts college	-0.747***
	(0.113)
Carnegie classification as non-accredited	-0.172
	(0.195)
Constant	-0.169
	(0.603)
Observations	1,050
Adjusted R-squared	0.835

Standard errors in parentheses, *** p<0.01, ** p<0.05, * p<0.1

This test score model explains over three-quarters of the variation in test scores for the 689 schools that had data for all fields. The "impute" command was used in STATA to calculate the predicted scores of colleges with missing test score data.

With test score data and other metrics, we then modelled student outcomes with respect to Payscale and federal student loan default rates. The model takes the following form:

$$1.\ Y_{c,r} = \alpha + \beta_1 S_{c,r} + \beta_2 C_{c,r} + \beta_3 P_r + \beta_4 Q_{c,r} + \mu_c$$

Student outcomes (Y) for a given college, c, in a given region, r, measured as in terms of earnings or default rates, are a function of the college's average student characteristics (S), which are measured in terms of demographics, test scores, and eligibility for federal need-based aid (the Pell grant specifically), and characteristics of the college (C), measured by modal level of degree granted, online status, Carnegie classification, and average aid given to students. P refers to location specific variables. We include a

metropolitan-specific price index, which is determined by the overall level of labor productivity and value of amenities in the area.[4] State fixed effects are included in this term as well.

The price index term is meant to capture the fact that employment opportunities will vary across regional labor markets and students graduating from community colleges and even universities in "hotter" labor markets will find it easier to land higher-paying jobs, conditional on ability. Labor market opportunity is proxied through regional price parities, which are taken from the Bureau of Economic Analysis and are available for every metropolitan area as well as non-metropolitan areas of states. We assigned the average non-metropolitan state price index to schools that did not exist in a metropolitan area and we assigned the state metropolitan price index to schools that were in metropolitan areas but did not have BEA data.

The final term (Q) is meant to capture school quality measures unrelated to student characteristics, such as the value of skills taught, the relevance of the curriculum or mix of majors to market demand, the STEM orientation of the mix of majors, faculty salary, the graduation rate, and student aid.

The error from equation one can be thought of in the following way:

$$2. Y - \tilde{Y} = u_c$$

Here $\tilde{Y}$ is the predicted outcome (say earnings of attendees) from the model and Y is the actual outcome.[5] We assume that μ is uncorrelated with Q. Our main analysis tests the null hypothesis that Q is equal to zero. If the null hypothesis is rejected, we can conclude that Q contributes to the schools value-added with respect to student earnings.

Yet, we also want to calculate the school's actual value added directly and in a way that allows Q to affect the measure. u_c has zero correlation with Q by assumption, so this would not work as a measure of value-added. One approach to calculating value added would be to re-estimate equation one with Q omitted. In this way, Q would be correlated with the error term (or value added metric). In practice, this presents a problem that makes it unworkable. Q is also highly correlated with S, C, and P. Indeed, omitting Q not only lowers the model's fit but increases the size of the coefficients $\beta_1, \beta_2,$ and β_3. This suggests that excluding Q biases those other variables and hence biases the error term from such an exercise, obscuring the true relationship between Q and value-added. This will be discussed in more detail below.

For that reason, we want to calculate a new residual, ϵ, that is purged of student characteristics predictive of future earnings but contains school-level quality measures, in so far are they matter. To do this, we take the coefficients from equation one and recalculate Y, except we replace actual values of Q with mean values of Q or $\bar{Q}$. In effect, we calculate the following formula:

$$3. \bar{Y}_{c,r} = \alpha + \beta_1 S_{c,r} + \beta_2 C_{c,r} + \beta_3 P_r + \beta_4 \bar{Q} + \epsilon_c$$

In this case, $\bar{Q}$ is the mean for each of these quality measures, and the residual, ϵ, is related to μ in the following way:

$$4. \epsilon - \mu = Q - \bar{Q}$$

$$\epsilon = (Q - \bar{Q}) + \mu$$

Because everything else is held constant, this is the same as the following:

$$5.\ \epsilon = (\bar{Y} - \tilde{Y}) + \mu$$

In words, equation three states that the residual, ϵ or unexplained student earnings, equals the difference between observed school quality measures and mean school quality measures plus any unmeasured aspects of value, captured in μ. This is our measure of value added.

To elaborate, it takes the unexplained variation from our "best" regression μ and adds to it the difference between actual school quality and mean school quality. Equation 4 makes explicit that this is equal to adding the residual from equation one to the difference in predicted outcomes from the two equations. Stated otherwise, the extra earnings generated from the school's curriculum, teaching staff, and student support programs, in so far as they have any average effect, can be added to the unexplained earnings to get the school's value added to student earnings.

In practice, the calculation of ϵ is rather simple. We estimate equation one to get the coefficients, but replace Q with mean $\bar{Q}$ values, which allows us to calculate $\bar{Y}$. ϵ is just the difference between actual Y and $\bar{Y}$, and we derive it separately for future earnings and default rates using two different regressions.

4. Explaining value-added empirically

Drawing on this framework, we next investigate the determinants of value added, focusing on four core predictive measures that we regard as partly under the control of colleges: curriculum value, value of alumni skills, STEM orientation of degree programs, aid to students, faculty salaries, and graduation rates. That is we estimate equation one. The results are summarized in Appendix Table 4, where the first pools all colleges and the second disaggregates by mode level of degree granted.

In the case of Payscale earnings, all of the main explanatory variables (which are standardized to have a standard deviation of one to facilitate comparison) are significant in the expected direction. That is the curriculum value, skills, graduation rate, teacher salaries, and STEM orientation of the school all predict greater value-added, which can be thought of as earnings that are not attributable to observable student characteristics, school type, and the school's regional location.

These results provide clear evidence that factors that are at least somewhat under the control of colleges are consistently associated with higher student salaries after graduation, even controlling for student test scores, income, and institutional characteristics. The models explain roughly 83 percent of the variation across the 1148 colleges with data.

Model 2 analyzes occupational earnings power of alumni with LinkedIn profiles. All the quality variables expect student aid and the graduation rate are significant, with the latter being marginally insignificant. It is worth pointing out that the LinkedIn skills have a very strong relationship with LinkedIn occupations. Here, the assumption, that skills are acquired mostly through college may break down the most clearly. Some of the skills listed by LinkedIn are likely to be acquired on-the-job, which should increase the correlation between the two measures.

Models 3 and 4 analyze default rates first in the most fully specified model and then in one which drops alumni skills, the LinkedIn bias variable, and faculty salary, because those variables are not observed for many colleges. Both models, especially the first, maintain very high adjusted R-squares of 0.81 and 0.62.

The results models from 3 are in accord with the previous findings in that the graduation rate, curriculum value, and student aid levels all predict lower default rates. Model 4, only the graduation rate and student aid levels are significant, but if the STEM share is also excluded, curriculum value remains significant in the expected direction. Alumni skills are omitted.

Curriculum value and the graduation rate are the two most robust across quality predictors across these outcomes. Curriculum value is more powerful in explaining salary and earning power, but the graduation rate is more powerful in explaining the probability of default. The STEM share of graduates, student aid, and alumni skills are significant in two out of three outcomes. Faculty salaries are significant in a useful direction in only one model. Faculty salaries actually predict higher default rates, perhaps because they signal high non-tuition expenses like housing. Surprisingly, however, colleges located in more expensive locations tend to have lower default rates.

These results were generated treating each institution as equally important in the analysis. Another approach may give more weight to larger institutions and weigh the coefficients by student enrollment. This was rejected as a first choice because large public universities or community colleges would determine much of the outcomes, without, perhaps providing as useful information about small colleges. Still, the results are available upon request and are broadly similar. One notable difference is that alumni skills becomes significant in predicting default rates, while curriculum value becomes insignificant.

Appendix Table 4. Regression of quality, student, and school characteristics on alumni economic outcomes

	Ln mid career earnings	occupational earnings power	default rate	default rate
	1	3	2	4
Local price index 2012	0.00261***	-0.000192*	-0.0707***	-0.0918***
	(0.000481)	(0.000103)	(0.0139)	(0.0149)
Modal degree is one year	0.00938	-0.00295	-0.604	-1.417***
	(0.0217)	(0.00326)	(0.488)	(0.503)
Modal degree is post-bachelor's	-0.00370	0.00284	-0.788	-0.746
	(0.0174)	(0.00428)	(0.569)	(0.703)
"Online" in name of college		0.0221	4.387	0.607
		(0.0187)	(3.479)	(2.581)
LinkedIn salary bias	0.00171	0.00865***	0.887**	
	(0.0150)	(0.00264)	(0.386)	
Percent of students enrolled part-time	0.0967***	-0.00360	0.0355	-1.846***
	(0.0329)	(0.00624)	(0.868)	(0.572)
Percent of freshman from same state	-0.0698***	-0.00584	-2.417***	0.0170
	(0.0212)	(0.00410)	(0.561)	(0.527)
Foreign-born student share of enrollment	-0.116	0.102***	0.0949	3.180
	(0.0883)	(0.0162)	(2.376)	(2.275)
Asian student share of enrollment	0.263***	0.0238	-8.211***	-3.282
	(0.0876)	(0.0169)	(2.277)	(2.215)
White student share of enrollment	-0.00895	-0.00548	-4.489***	-5.135***
	(0.0262)	(0.00497)	(0.685)	(0.549)
Average age of students	-0.0123***	0.000947***	0.0584	0.172***
	(0.00174)	(0.000327)	(0.0450)	(0.0320)
Female share of students	-0.158***	-0.0700***	-7.057***	-4.480***
	(0.0399)	(0.00783)	(1.050)	(0.631)
Percent of students receiving no aid	0.000609***	0.000188***	4.86e-05	-0.000439
	(0.000233)	(4.94e-05)	(0.00673)	(0.00646)
Ln Pell Grant aid per student	-0.0475***	0.0112***	2.247***	1.252***
	(0.0130)	(0.00252)	(0.354)	(0.290)
Imputed standardized math scores (standardized)	0.00675	0.0104***	-1.009***	-1.501***
	(0.0108)	(0.00221)	(0.300)	(0.246)
Ln of average student aid (standardized)	0.0117**	-0.00138	-0.329**	-0.379**
	(0.00543)	(0.00118)	(0.160)	(0.155)

Average salary of instructional staff (standardized)	0.0131	0.00935***	0.662***	
	(0.00905)	(0.00173)	(0.237)	
Ln average value of alumni skills (standardized)	0.0343***	0.0207***	-0.249	
	(0.00616)	(0.00122)	(0.164)	
Percentage of students graduating in STEM field (standardized)	0.0320***	0.0149***	-0.220	-0.0332
	(0.00848)	(0.00155)	(0.213)	(0.155)
Ln curriculum value (standardized)	0.0846***	0.0117***	-0.610**	-0.201
	(0.0119)	(0.00219)	(0.299)	(0.202)
Graduation rate within twice normal time (standardized)	0.0223**	0.00309*	-1.543***	-1.390***
	(0.00984)	(0.00169)	(0.229)	(0.158)
Constant	11.56***	11.10***	11.53**	14.59***
	(0.155)	(0.0356)	(4.824)	(4.647)
F-statistic on state fixed effects	2.28	2.95	4.72	3.38
F-statistic on student effects	18.09	28.06	37.2	60.08
F-statistic on graduate shares by degree level	0.97	4.89	4.68	8.76
F-statistic on Carnegie classifications	2.9	5.92	3.29	5.29
Observations	1,134	1,828	1,748	3,726
Adjusted R-squared	0.832	0.759	0.812	0.616

Standard errors in parentheses, *** p<0.01, ** p<0.05, * p<0.1. All regressions include control variables for the basic Carnegie classification categories, state fixed effects, and for the percentage of graduates from each degree level. F-statistics shown above. In column 4, curriculum value is significant if the STEM share is omitted.

Appendix Table 5. Regression of student and school characteristics on alumni economic outcomes, omitting observable quality measures

	Ln mid career earnings	occupational earnings power	default rate	default rate
	1	3	2	4
Local price index 2012	0.00193***	-0.000375***	-0.0668***	-0.0964***
	(0.000512)	(0.000121)	(0.0141)	(0.0146)
Modal degree is one year	0.00900	-0.00321	-0.767	-0.488
	(0.0220)	(0.00366)	(0.468)	(0.421)
Modal degree is post-bachelor's	0.00808	0.0106**	-0.492	-0.0946
	(0.0187)	(0.00504)	(0.580)	(0.671)
"Online" in name of college	0.0417	0.00456	5.104**	1.318
	(0.106)	(0.0163)	(2.139)	(1.736)
LinkedIn salary bias	-0.0257	0.00154	1.233***	
	(0.0157)	(0.00297)	(0.378)	
Percent of students enrolled part-time	0.0866**	-0.00115	1.305	-0.369
	(0.0342)	(0.00660)	(0.795)	(0.517)
Percent of freshman from same state	-0.0501**	-0.00618	-1.710***	0.762
	(0.0217)	(0.00451)	(0.543)	(0.495)
Foreign-born student share of enrollment	0.0452	0.155***	1.693	2.454
	(0.0931)	(0.0186)	(2.383)	(2.194)
Asian student share of enrollment	0.345***	0.0605***	-7.966***	-7.608***
	(0.0944)	(0.0197)	(2.302)	(2.044)
White student share of enrollment	-0.0606**	-0.0135**	-4.262***	-5.080***
	(0.0278)	(0.00554)	(0.667)	(0.520)
Average age of students	-0.0116***	0.00123***	0.0912**	0.184***
	(0.00180)	(0.000354)	(0.0428)	(0.0304)
Female share of students	-0.365***	-0.137***	-7.599***	-5.940***
	(0.0353)	(0.00738)	(0.864)	(0.514)
Percent of students receiving no aid	5.48e-05	0.000144***	0.00881	0.0104*
	(0.000220)	(5.12e-05)	(0.00602)	(0.00553)
Ln Pell Grant aid per student	-0.0393***	0.0120***	2.123***	1.624***
	(0.0135)	(0.00270)	(0.337)	(0.267)
Imputed standardized math scores (standardized)	0.0569***	0.0199***	-2.115***	-2.063***
	(0.00923)	(0.00204)	(0.246)	(0.196)
Constant	11.95***	11.06***	3.365	9.171**

	(0.162)	(0.0410)	(4.763)	(4.049)
F-statistic on state fixed effects	1.99	2.14	5.79	4.5
F-statistic on student effects	70.7	105.78	81.92	125.26
F-statistic on graduate shares by degree level	1.45	9.95	5.73	12.54
F-statistic on Carnegie classifications	3.02	4.47	3.8	6.56
Observations	1,168	1,958	1,863	4,357
Adjusted R-squared	0.799	0.648	0.792	0.584

Standard errors in parentheses, *** p<0.01, ** p<0.05, * p<0.1. All regressions include control variables for the basic Carnegie classification categories, state fixed effects, and for the percentage of graduates from each degree level. F-statistics shown above. In column 4, curriculum value is significant if the STEM share is omitted.

5. Discussion of models strengths and weaknesses

As discussed in the main body of the report, the value-added calculations here outperform standard rankings of colleges along two very important dimensions: They are more widely available and thereby not limited to only a small percentage of colleges, and they are more accurate, in that they are less biased by student and college selection and yet more predictive of actual economic success post-graduation. By combining many different databases and controlling for a long list of significant variables, the analysis attempts to mitigate selection bias and isolate aspects of student success that are under the college's control.

Still, if those are this method's strengths, it has a number of weaknesses.

For one, the results are still burdened by the fact that students and colleges select students based, in part, on earnings potential, since the latter is correlated with things observable to the admissions committee like GPA, recommendation letters, and test scores. The quality measured used in this report are all highly correlated with student test scores, with values in the .44 to .48 range for alumni skills, STEM share of graduates, and curriculum value, and even higher correlations with aid, graduation rates, and teacher salaries. They are also likely correlated with unobserved aspects of student ability, motivation, and ambition to earn a higher salary. Even with these correlations, it is somewhat reassuring that the economics literature consistently finds that the selectivity of a school predicts better student outcomes, across a variety of methods.[6]

Another potential weakness of the approach used here is that it requires that the quality measures are valid. This assumption is partly confirmed by the regression analysis itself, but the limitations of that analysis cannot rule out the possibility of omitted variables bias (or selection on un-observables). The LinkedIn alumni skills measure is particularly vulnerable to selection on un-observables, given that the skills could have been acquired outside of the college education. This bias may be partly mitigated by the fact that only the 25 most common skills for each college are used (because that is what LinkedIn publishes), which suggests that the school is playing an important role in at least preparing students to acquire these skills.

How to treat observable quality in the value-added calculation

Another issue is whether or not Q variables should be omitted entirely when calculating value-added. We believe this would not work, as argued above. Specifically, omitting Q would exaggerate the effects of student characteristics within the model. This can be seen in comparing the results of Appendix Table 4 to those of Appendix Table 5, which omits observable quality measures.

The F-test for the student variables (percent of freshman from in state, average age, percent women, percent no aid, average Pell grant size per student, test scores and racial-ethnic percentages) is dramatically higher when Q variables are omitted (71) compared to when they are included (18). For model 1, the coefficient on test scores is 0.06 when Q are omitted but just 0.01 when Q are included. Indeed, across the four models, the F-statistics is 2 to 4 times higher in the models omitting Q.

Since Q and student characteristics are correlated, omitting Q diminishes the correlation between Q and any final value-added metric. Appendix Table 6 shows the correlations between the alternative value-added metrics and student characteristics (the top two rows) and Q variables. The value-added measure derived from omitting Q entirely has almost no correlation with either student characteristics or measurable quality variables. By contrast, the value-added measure derived from ϵ above (where Q is included only to calculate coefficients, but omitted when calculating the error based on those coefficients) is highly correlated with the quality measures and has some correlation with test scores and student characteristics. This strikes us as more accurate, since observable

measures of quality—like the graduation rate—should be correlated with value-added (indeed, we show they are in Appendix Table 4). It is also more realistic. It would be very strange if the most selective schools like Harvard and Swarthmore were unable to recruit and retain good teachers or otherwise did not provide any value-added.

Appendix Table 6. Correlations between value-added calculations under different methods and student and quality measures

	Value-added omits Q entirely		Value-added assigns average Q	
	Salary	Repayment rate	Salary	Repayment rate
Ln of Pell aid per student	-0.02	-0.06	-0.30	-0.16
Imputed test scores	0.02	0.05	0.54	0.38
Ln of average student aid	0.07	0.04	0.43	0.36
Average salary of instructional staff	0.09	0.02	0.44	0.16
Ln of alumni skills	0.16	0.06	0.57	0.27
Percentage of students graduating in STEM field	0.17	0.05	0.29	0.03
Ln curriculum value	0.18	0.10	0.60	0.25
Graduation rate	0.03	0.12	0.48	0.45

Another reason to prefer the value-added calculations of ϵ, to an alternative that omits Q entirely, is that the former better predicts student outcomes. To test this, we ran regressions of salary on the two value-added measures. (ϵ) is large and significant, but the alternative (which omits Q) is negative and insignificant.

Others may have preferred a model that included Q, but calculated value added with respect to only unobservable quality. This would be μ from equation one, and it would understate value-added by a large amount, because it would not allow any of the measured quality variables to contribute. We do plan on making μ available to the public because we think it provides an interesting interpretation: We consider it the unmeasured aspects of value-added, such as teacher or administrative excellence. It is small for schools like MIT, whose value added is largely explained by alumni skills and the curriculum, but high for some liberal arts colleges who graduates earn high salaries despite majoring in less lucrative fields.

6. Empirical comparison with popular rankings

Appendix Tables 6 and 7 show the results of regressing various rankings on the two majors outcomes (earnings and default rates), while controlling for student and school characteristics. The results from these regressions are shown in Figures 9 and 10 of the report.

These regressions repeat the analysis summarized in equation one (above) but replace the quality (Q) variables with one summary measure of quality: the popular rankings from Money, Forbes, or US News, or the value-added measure produced for this report. Rankings are structured such that the highest value added score ranks the school number one. It is expected, therefore, that rankings would be negatively correlated with earnings and positively correlated with default rates, which is born out in the analysis.

Money and Forbes make their rankings available by school in a fairly accessible way, which facilitated comparisons.[7] US News, however, distinguishes national universities, from liberal arts colleges, regional universities, and regional colleges. The regional group is deemed to be of lower rank, so instead of misattributing high quality to those schools, they were simply omitted from the analysis. To

avoid comparing different schools, these regressions include only the 196 colleges with rankings across all three major sources for the salary regressions and the 212 colleges that meet those criteria with default rate data.

Finally, as mentioned above, the value-added coverage with respect to default rates can be expanded from 1828 to over 4095 by dropping teacher salaries, alumni skills, and the LinkedIn bias variable. That drops the adjusted-R squared of the model, but the resulting value-added metric still dramatically outperforms the popular rankings. The coefficient on the broadest value-added metric is 0.013 and highly significant (t-stat equals 25). Moreover, when included in the same regression as the three popular rankings, only the broad value-added measure is significant and highly so. In short, even a weaker version of the main value-added metrics shown here dominates the popular rankings. This is an advantage of the value-added method. So long as one has an outcome measure available, it is likely to yield more accurate results than a process that attempts to weight quality inputs in the absence of outcome information.

Appendix Table 6. Regression of rank, student, and school characteristics on ln of mid-career earnings

	Ln mid-career earnings			
	1	2	3	4
Money rank	-0.000278***			
	(5.46e-05)			
Forbes rank		-0.000109		
		(0.000105)		
US News rank			2.21e-05	
			(0.000392)	
Value-added rank				-0.000872***
				(3.35e-05)
Local price index 2012	0.000219	0.000188	0.000167	0.00197***
	(0.00108)	(0.00118)	(0.00121)	(0.000466)
Modal degree is post-bachelor's	0.0175	0.00471	0.00486	-0.00902
	(0.0254)	(0.0278)	(0.0279)	(0.0108)
LinkedIn salary bias	0.0122	0.0204	0.0200	0.00650
	(0.0388)	(0.0425)	(0.0427)	(0.0166)
Percent of students enrolled part-time	-0.112	-0.129	-0.122	0.0696
	(0.164)	(0.181)	(0.181)	(0.0708)
Percent of freshman from same state	-0.0699	-0.0136	-0.0201	-0.0604***
	(0.0512)	(0.0554)	(0.0570)	(0.0216)
Average age of students	0.0106	0.0163	0.0131	-0.00854**
	(0.00970)	(0.0110)	(0.0111)	(0.00423)
Female share of students	-0.568***	-0.679***	-0.662***	-0.258***
	(0.0723)	(0.0781)	(0.0793)	(0.0337)
Percent of students receiving no aid	-0.000464	9.89e-05	0.000109	0.000633***
	(0.000488)	(0.000521)	(0.000527)	(0.000204)
Ln Pell Grant aid per student	-0.0608*	-0.0644*	-0.0709*	-0.0641***
	(0.0332)	(0.0369)	(0.0366)	(0.0142)
Foreign-born student share of enrollment	-0.0380	0.0648	0.0651	-0.0867
	(0.168)	(0.183)	(0.185)	(0.0716)

Asian student share of enrollment	0.463***	0.607***	0.602***	0.274***
	(0.171)	(0.185)	(0.186)	(0.0733)
White student share of enrollment	-0.00280	0.00717	-0.00237	-0.0457
	(0.0890)	(0.0980)	(0.0988)	(0.0381)
Imputed standardized math scores (standardized)	0.0480**	0.0697***	0.0809***	0.0134
	(0.0200)	(0.0231)	(0.0261)	(0.00853)
Constant	11.80***	11.70***	11.70***	12.02***
	(0.351)	(0.361)	(0.390)	(0.140)
Observations	196	196	196	196
Adjusted R-squared	0.774	0.728	0.726	0.959

Standard errors in parentheses. *** p<0.01, ** p<0.05, * p<0.1. All regressions include controls for Carnegie classification and percentage of graduates by award type.

Appendix Table 7. Regression of rank, student, and school characteristics on default rate on student loans within three years

	default rate			
	1	2	3	4
Money rank	0.00193**			
	(0.000914)			
Forbes rank		0.00593***		
		(0.00162)		
US News rank			0.00894	
			(0.00623)	
Value-added rank				0.0155***
				(0.000468)
Local price index 2012	0.0139	0.0146	0.00987	-0.0738***
	(0.0195)	(0.0189)	(0.0199)	(0.00710)
Modal degree is post-bachelor's	0.0907	0.166	0.181	-0.859***
	(0.480)	(0.463)	(0.482)	(0.165)
LinkedIn salary bias	0.177	0.231	0.234	0.970***
	(0.703)	(0.681)	(0.709)	(0.239)
Percent of students enrolled part-time	-3.357	-2.913	-3.595	-0.913
	(3.059)	(2.968)	(3.087)	(1.037)
Percent of freshman from same state	-1.145	-1.552*	-1.613*	-2.775***
	(0.897)	(0.863)	(0.911)	(0.304)
Average age of students	0.118	-0.0602	0.0388	0.0451
	(0.182)	(0.181)	(0.188)	(0.0614)
Female share of students	-4.399***	-2.905**	-3.358**	-9.045***
	(1.330)	(1.275)	(1.333)	(0.466)
Percent of students receiving no aid	0.0245***	0.0200**	0.0210**	0.00201
	(0.00881)	(0.00819)	(0.00862)	(0.00290)
Ln Pell Grant aid per student	1.146*	0.711	1.056*	2.344***
	(0.586)	(0.581)	(0.595)	(0.201)
Foreign-born student share of enrollment	0.0794	-0.387	-1.139	-0.510
	(3.065)	(2.953)	(3.089)	(1.029)
Asian student share of enrollment	-9.049***	-10.03***	-9.559***	-8.966***
	(3.100)	(2.978)	(3.109)	(1.039)

White student share of enrollment	-5.594***	-6.448***	-6.122***	-5.704***
	(1.548)	(1.509)	(1.576)	(0.522)
Imputed standardized math scores (standardized)	-1.617***	-1.244***	-1.487***	-1.113***
	(0.349)	(0.361)	(0.411)	(0.115)
Constant	4.757	8.817	6.529	2.974
	(5.951)	(5.837)	(6.048)	(2.010)
Observations	212	212	212	212
Adjusted R-squared	0.736	0.752	0.732	0.970

Standard errors in parentheses. *** p<0.01, ** p<0.05, * p<0.1. All regressions include controls for Carnegie classification and percentage of graduates by award type.

[1] Jonathan Rothwell, "Still Searching: Job Vacancies and STEM Skills," (Washington: Brookings Institution, 2014).

[2] Prasanna Tambe, "Big Data Investment, Skills, and Firm Value," Management Science 60 (6) (2014): 1452-1469.

[3] Social Networking Fact Sheet, Pew Research, Internet Project, http://www.pewinternet.org/fact-sheets/social-networking-fact-sheet/.

[4] Edward L. Glaeser and Joshua D. Gottlieb "The Wealth of Cities: Agglomeration Economies and Spatial Equilibrium in the United States," Journal of Economic Literature (2009) 47 (4): 983-1028.

[5] We assume the error term is college specific but does not have a regional component, given our regional control for prices, which is meant to capture, broadly, how the regional economy affects earnings.

[6] Stacy B. Dale and Alan B. Krueger. 2014. "Estimating the Effects of College Characteristics over the Career Using Administrative Earnings Data." *Journal of Human Resources* 49 (2): (2014): 323-358; Mai Seki, "Heterogeneous Returns to U.S. College Selectivity and the Value of Graduate Degree Attainment" (2013); Mark Hoekstra, "The Effect of Attending the Flagship State University on Earnings: A Discontinuity-Based Approach," *Review of Economics and Statistics* 91 (4) (2009): 717–724; Dan A. Black and Jeffrey A. Smith, "Estimating the Returns to College Quality with Multiple Proxies for Quality" *Journal of Labor Economics* 24 (3) (2006): 701–728; Mark Long, "College Quality and Early Adult Outcomes," *Economics of Education Review* 27(5) (2008): 588–602; Mark Long, "Changes in the Returns to Education and College Quality," *Economics of Education Review* 29 (3) (2009): 338–347.

[7] The one problem is that these sources, including Payscale, do not include IPEDS unit identification numbers, so colleges must be matched by name, which is time consuming and can increases the probability of error. For this analysis, an effort was made to carefully check the names and locations of each school to assign the correct IPEDS id number.

O'Bergh, Jon

From: Keller, Christine <CKeller@APLU.ORG>
Sent: Thursday, February 12, 2015 10:01 AM
To: College Feedback
Cc: Lieberson, Jeff; McCarron, Kari
Subject: APLU feedback on college ratings framework
Attachments: APLU_EDResponseLtrPlan_021215.pdf

Good morning.

On behalf of the Association of Public and Land-grant Universities, attached are our comments on the proposed college ratings framework.

Thank you for the opportunity to provide feedback. Please feel free to contact me with any questions.

Christine

Christine M Keller, PhD
Vice President, Research and Policy Analysis
Executive Director, Voluntary System of Accountability
& Student Achievement Measure

Association of Public & Land-grant Universities (APLU)
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202-478-6043
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ASSOCIATION OF
PUBLIC AND
LAND-GRANT
UNIVERSITIES

February 12, 2015

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

Dear Secretary Duncan:

On behalf of the Association of Public and Land-grant Universities, a research, policy, and advocacy organization representing 220 public research universities, land-grant institutions, and state university systems in the U.S., I write in response to the Department's request for public comment on the New System of College Ratings Framework, which was released on December 19, 2014.

Public universities, by their mission and nature, share the administration's goal of improved transparency and accountability. Students and their families, policymakers, the general public, as well as college and university leaders would benefit from having better and more accurate information on higher education outcomes. Further, a stronger Title IV eligibility process would help protect student tuition dollars and taxpayer funding from going to schools that do a poor job of educating and preparing students for life after college while burdening them with significant amounts of debt.

However, there are fundamental and significant technical challenges associated with the development of a federal ratings system. While we were pleased that the ratings framework released in December 2014 mentioned the Department's willingness to consider the Student Achievement Measure (SAM) in future iterations as a progress and completion metric (and we believe that SAM should be included now as an optional metric on the College Scorecard), there is still significant uncertainty about the definitions, data sources, and validity of many of the other metrics proposed for use. Further, it appears that the Department has not yet devised an appropriate means to fairly compare institutions. Given the impending deadline for the rollout and insufficient quality of data, a federal ratings system would produce misleading information and ultimately could incentivize the distortion of institutional priorities.

We believe that the Department would be well-served to shift its focus away from ratings and toward efforts that would truly increase transparency and revitalize the Title IV institutional eligibility process. As APLU offered in our communications with the Department over the last year, we suggest a simpler and more practical approach, which would achieve many of the goals you and the president seek to accomplish. We detail our newly revised proposal in the attachment, "*The Association of Public and Land-grant Universities' College Transparency and Accountability Plan: An Effective Alternative to a Postsecondary Institution Rating System.*"

Again, I want to reiterate our support for the underlying goals and our appreciation for the administration's willingness to work with the higher education community. I hope you will strongly consider our proposal to move toward our shared vision of improving transparency, accountability and student success in higher education.

Sincerely,

(b)(6)

Peter McPherson
President, Association of Public and Land-grant Universities

ASSOCIATION OF PUBLIC AND LAND-GRANT UNIVERSITIES

The Association of Public and Land-grant Universities' College Transparency and Accountability Plan

An Effective Alternative to a Postsecondary Institution Rating System

Overview

The Obama administration is rightfully committed to improving the transparency of post-secondary education institutions and assuring the effective use of federal financial aid dollars. Public universities by their mission and nature share the administration's goals of increased transparency and accountability and believe some important reforms are needed. However, the Association of Public and Land-grant Universities (APLU) is concerned with the complexities of the suggested ratings system framework and the practical challenges of implementing it.

APLU believes the focus on ratings detracts from what could be a worthwhile and much-needed opportunity to improve transparency and fix a broken Title IV institutional eligibility process. Therefore, APLU offers an alternative approach to achieve the administration's core objectives without a rating system - the APLU College Transparency and Accountability Plan. This document describes the APLU plan, originally submitted to the Department of Education in January 2014 during the initial comment period on the proposed rating system, and since updated to take into consideration changing circumstances, member input, and new knowledge gained during the past year.

The administration's ratings framework, released in December 2014, includes positive changes to its initial proposal of more than a year ago. For example, the new framework acknowledges the important role the Student Achievement Measure (SAM) could play and offers an improved method of reporting the employment level of graduates.

The administration proposal still leaves many unanswered questions, but implies the use of a complex system that would rate institutions using a number of metrics – some of which are untested or lack a suitably comprehensive data source. Particularly problematic is the use of average net price as one of the metrics, due to the fact that state appropriations play a dominant role in net tuition levels for public institutions. It would be unfair to rate public institutions -- and potentially reduce the level of federal funding available to students -- based on factors largely outside the institution's control.

APLU believes the interests of students should be at the center of higher education improvement and reform, which is why the association supports the concept of increased transparency and accountability at the core of the president's proposal. The goals of reform should be to provide

better information as well as a more effective and fair evaluation and judgment of institutional performance. Students, families, and policymakers should have understandable, accurate information on colleges and universities' outcomes and costs. Institutions' access to federal financial aid should be based on their performance in order to protect students and ensure their tuition dollars -- as well as taxpayer funding -- are well spent. There should be consequences for the very bad performers and rewards for excellent ones.

Before detailing the APLU College Transparency and Accountability Plan, it's important to note that this proposal focuses largely on undergraduate education at four-year institutions. It is essential to recognize that public universities have a range of important contributions in addition to undergraduate education such as graduate education, the creation of knowledge through research, and engagement in regional, state, national and global communities. These complex and interdependent missions are both the excitement and challenge of public universities.

APLU's College Transparency & Accountability Plan

APLU's College Transparency & Accountability Plan provides an effective approach to achieve the goals of transparency and accountability through two key distinct recommendations that avoid the use of ratings. Both recommendations require improvements in the coverage and quality of the data sources that would serve as their foundation. The development of a narrowly defined unit record system with appropriate privacy and security safeguards is particularly important for an accurate representation of progress/completion rates and post-collegiate outcomes. The two recommendations are:

I. Public reporting of a limited set of key measures for undergraduate education using more complete and accurate data in a manner that offers widespread access to students, families, policymakers, and the general public. The information provided should support decision-making and focus on access, affordability, progress/completion, and post-collegiate outcomes. Better data will also help faculty and staff at institutions make more informed decisions about ways to improve educational outcomes.

II. A more robust institutional accountability system that fairly evaluates institutional performance for the allocation of Title IV funding to better protect student and taxpayer expenditures. Such a process should include a limited set of meaningful outcomes, adjusted for the college readiness of the student population served.

Improving Transparency

Accurate and relevant information regarding undergraduate education should be made widely available so that students, their families and the public can make individual judgments on institutions based on their own priorities rather than those of the federal government. The administration's College Scorecard is a reasonable medium for presenting the data in a straightforward, understandable manner - although the source data for the Scorecard must be

improved to be relevant and beneficial to students and families. The number of core, required data elements should be small, with the possibility of links to additional contextual information on institutions' websites or other sources (e.g., the Voluntary System of Accountability's College Portrait).

Considerable effort must also be made to ensure such information reaches students. The administration could explore requiring institutions that receive federal aid to post a link to the transparency information on their university websites. Other possibilities for increasing awareness of such data could be partnering with high schools, college access organizations or social media campaigns.

We suggest that a limited number of measures be used, including the following. (Further examination and discussion is needed to determine the final set of metrics, i.e., how to best include measures of access and success for underrepresented and disadvantaged students.)

- *Student progress and completion rates*: In lieu of the current graduation rates reported on the College Scorecard, institutions should have the option to utilize their Student Achievement Measure (SAM) outcomes. SAM offers a more realistic picture of student progress and completion by including transfer students, part-time students, full-time students, and the outcomes of students who enroll in multiple institutions. The Department of Education acknowledged the value of a SAM-like metric in its proposed rating framework.
- *Median net price by income level*: The out-of-pocket costs to attend a college or university vary greatly among students from different financial backgrounds. Providing an estimate by income would be particularly useful for students from low-income and disadvantaged backgrounds.
- *Post-collegiate employment and other outcomes*: The employment rate of former students at appropriate time intervals (e.g., five or ten years) is useful information for students and their families. Employment rates should be supplemented with student enrollment in graduate and professional programs as well as military service. APLU would also support a measure of the proportion of students whose wages are above an income floor, but not a simplistic calculation of average earnings directly out of college that could steer institutions away from offering programs in professions that don't typically pay well.
- *Loan repayment rates*: Metrics that measure student repayment of federal loan debt can be helpful in assessing whether an institution is successfully preparing students for their future careers and lives without undue debt burden. The cohort default rate that the Department of Education currently reports is too easily gamed and of decreasing value to consumers as an indicator given the rise of income-driven repayment options.

Increasing Accountability

The broken Title IV institutional eligibility system must be fixed to protect students and taxpayers from committing money to institutions that don't do right by their students. Institutions that are chronic very poor performers and burden students with debt without improving their career and life prospects should be identified and subject to greater scrutiny and the possibility of sanctions that could include the loss of access to federal financial aid.

The following accountability measures are recommended when determining institutional eligibility for Title IV resources. As with the transparency measures, further examination and discussion is needed to determine the exact metrics and appropriate data sources – particularly as Title IV funding includes aid to graduate and professional students as well as undergraduates. The disaggregation of data or additional metrics may be required to ensure that appropriate comparisons and judgments are made.

- *Student progress and completion rates:* The rates used to judge the educational success of an institution's students should be comprehensive and include the outcomes of transfer students, part-time students, full-time students, and students who enroll in multiple institutions, such as their SAM outcomes.
- *Post-collegiate employment and other outcomes:* Employment rates, enrollment in an advanced level of education, and military service are indicators of the quality of the education provided by an institution. While we oppose the use of median or average earnings reported immediately after graduation, APLU would support a measure to indicate whether student wages are at least above an income floor as the administration proposed in its ratings framework.
- *Loan repayment rates:* The new income-driven payment options make repayment rates a key component of a robust accountability system. In addition to examining whether or not a student is making timely payments, there should be further exploration of methods that analyze the amount of federal loan debt to determine if institutions are burdening students with too much debt that is unlikely to be fully paid off. The appropriate consideration of student debt and repayment for both undergraduate and graduate students will be necessary.

Given the diversity of students enrolled in postsecondary education, institutional outcomes cannot be evaluated without taking into consideration the level of preparation and entering characteristics of an institution's student body. In order to fairly compare all institutions, APLU recommends the creation of a student readiness adjustment, which would account for varying factors of an institution's student body. Such an adjustment method would enable policymakers to judge institutions on a more equal playing field.

After adjusting for student readiness, very low performing institutions would be subjected to closer scrutiny and the possibility of sanctions that could result in partial or full withdrawal of future Title IV funds. (Note that the current "all or nothing" eligibility determination process appears to be part of the reason that very few institutions are currently penalized.) Any sanctions would need to be carefully constructed to minimize any negative impact on current and future students – for example an institution could be required to cover the loss of Title IV funding.

The same process outlined above could be used to identify institutions performing much better than expected with their underrepresented or disadvantaged students (e.g., Pell grant recipients) for recognition or reward - such as additional dollars to further support the success of such students.

With this approach to accountability, APLU believes that the federal government would be able to much more effectively ensure students and their families are well-informed about institutions and are protected – along with taxpayers – from very poor performing schools.

###

O'Bergh, Jon

From: WordPress <WEB@ed.gov>
Sent: Thursday, February 12, 2015 12:51 PM
To: College Feedback
Subject: User Comment on New System of College Ratings

User Comment: The Honorable Arne Duncan
Secretary of Education
U.S. Department of Education
400 Maryland Ave, SW
Washington, DC 20202

Dear Secretary Duncan:

The University of Michigan strongly endorses the concept of providing accurate and user-friendly information about all higher education institutions to prospective students and their families to aid them in making the best decisions related to their education. Indeed, as a public institution, we are committed to the goals of transparency and accountability. We also agree that the federal government has an important role to play in this process, however it is important to distinguish between the federal government providing information about institutions and the federal government rating institutions. The latter is extremely challenging, and if not done well, has the potential actually to mislead students and their families.

We have serious concerns about the rating system proposed by the US Department of Education. In particular, there is still not clarity about the metrics that would be used to categorize institutions as high-performing, low-performing, and or falling in the middle. Another significant concern relates to limitations of the data. For instance, the Department currently only has data such as high school GPA and/or SAT/ACT scores for students who have completed a FAFSA, but such students are, of course, only part of the student body at most institutions. As a result, there is no way to make adjustments for differences in the student body across institutions. We would encourage the Department to collect more complete data, for example, using the Student Achievement Measure (SAM), and to make such data broadly available to the public.

Overall, we strongly believe that the government should not implement a rating system, particularly using the currently proposed metrics. Instead, we encourage a focus on the provision of more transparent and complete data to the public. Such data sharing would greatly enhance the ability of students and their families make well-informed decisions about their futures.

Sincerely,

Martha E. Pollack
Provost and Executive Vice President for Academic Affairs
University of Michigan
Ann Arbor, MI 48109

Constituency: University Staff/Faculty

Other Constituency (*if supplied*):

User E-mail (*if supplied*): pollackm@umich.edu

--
This e-mail was sent from a contact form on ED.gov Blog (http://www.ed.gov/blog)

O'Bergh, Jon

From: Thomas Botzman <tbotzman@misericordia.edu>
Sent: Thursday, February 12, 2015 1:27 PM
To: College Feedback
Subject: Proposed Federal Ratings System Comment
Attachments: Federal ratings system comment 021215.pdf

Please find attached comment on the Proposed Federal Ratings System. Thank you.

Tom Botzman, PhD
President
Misericordia University
570.674.6215

MISERICORDIA
UNIVERSITY

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

Dear Mr. Secretary:

Misericordia University endorses the position of the National Association of Independent Colleges and Universities (NAICU) in their opposition to the Department of Education's proposed federal rating system for post-secondary education. Founded in 1924, our mission is driven by serving those who are least likely to be invited fully into higher education. In particular, our mission guides us to admit students from low income families, as evidenced by our nearly 800 students receiving federal financial aid (such as Pell students) and those with other challenges, such as documented learning disabilities. We are understandably very proud of each of our students as they shape an individual path from matriculation to graduation. It is my greatest hope that we will all work to make higher education more inclusive with access for all. Clearly, my view is that the proposed federal ratings system will not lead to greater access and success for all students. Rather, it will create greater confusion for students and families who desire access to higher education.

We oppose the proposed rating system for a number of reasons, many of which have been fully articulated by the members of NAICU in both letters and at the recent NAICU meeting. We clearly support providing information that is objective and helpful in forming a decision on where to attend college; however, the value of that information appropriately rests in the hands of the student and family. The recently released framework does not alleviate those concerns. Further, a Department of Education proposal to release a test version for later refinement leads one to believe that the present ratings are simply not up to the task. It is my belief that the ratings, both as presently envisioned or as may evolve, will not lead to better choices and opportunities for students. In fact, they are likely to dissuade students from attending institutions that are ready and able to provide a quality education.

For these reasons, we join the NAICU in their call for these proposed ratings to be withdrawn.

Sincerely,

(b)(6)

Thomas B. Botzman, Ph.D.
President
Misericordia University

O'Bergh, Jon

From: Mullin, Christopher <Christopher.Mullin@flbog.edu>
Sent: Thursday, February 12, 2015 2:02 PM
To: College Feedback
Cc: Ignash, Jan; Brent Jaquet (bjaquet@dc-crd.com)
Subject: State University System of Florida comments on the proposed system of college ratings
Attachments: SUS_BOG_RatingSystem_12feb15.pdf

Dear Secretary Duncan,

Please see the attached document for our response to the invitation to comment on the proposed system of college ratings.

Christopher M. Mullin, Ph.D.
Assistant Vice Chancellor, Policy & Research

State University System of Florida
Board of Governors
325 West Gaines Street
Tallahassee, FL 32399
(850) 245-0031 I Fax: (850) 245-9685
Christopher.Mullin@flbog.edu I www.flbog.edu

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Board of Governors

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February 12, 2015

Arne Duncan
Secretary of Education
U.S. Department of Education
400 Maryland Avenue, SW
Washington, D.C. 20202

Re: System of College Ratings – Invitation to Comment

Dear Secretary Duncan,

With this letter, I am providing feedback from the State University System of Florida regarding President Obama's college rating system. The State University System of Florida consists of twelve, unique universities ranging from a nationally recognized leading liberal arts college to outstanding regional universities and those heavily engaged in cutting-edge research activities. It is on behalf of the State University System of Florida and the Board of Governors, which is a body charged with overseeing operational aspects of the universities, that I would like to thank the President for his focus on and commitment to college access, affordability and outcomes. As this letter will highlight, these are topics we, as a System, are addressing head-on in Florida.

A careful review of the proposed college ratings plan suggests that it would provide little new information to students, parents, and other stakeholders above and beyond what is already being shared in Florida. In fact, the creation of new metrics will increase the burden institutions face in not only creating the new metrics but also communicating to confused stakeholders the nuanced difference between the metrics already being shared in Florida and alternative metrics addressing the same concept. In particular this letter outlines how access, affordability and student outcomes, the aims of the President's proposed ratings system, are already addressed at a detailed level within the State University System of Florida.

Access remains a hallmark of Florida's diverse postsecondary ecosystem that includes public and private universities and colleges. To account for and respect an appreciation of institutional diversity in Florida's institutions, access is operationalized by a set of policies for students of all backgrounds and abilities. Such activities include, but are not

limited to, standing articulation agreements, a 2+2 transfer guarantee, a common course numbering system, reporting transfer data, a common core of courses and a statewide articulation guide. A study by the Education Commission of the States in 2010 found many, but not all states had such policies in place for their institutions. Strategic entry points to education for all populations operationalize the fundamental meaning of access. We therefore do not support the use of a metric or two to quantify the policies and pathways that promote access.

The President is right to believe that higher education should be affordable. But as universities and colleges across the country grapple with the issue of affordability, we invite them to look at our policies in the Sunshine State. They'll find we've already made great strides.

Consider the following:

- The State University System of Florida offers the sixth lowest tuition in the country (including Washington, D.C.) for in-state residents. Said differently, tuition in Florida is less expensive than 46 of country's 51 university systems.
- Less than half of students who have earned a bachelor's degree from a Florida public university have to repay a federal student loan and only 53% graduate with debt associated with any student loan program (public or private).
- When you factor in financial aid, such as Pell Grants and Bright Futures Scholarships, the average undergraduate student cost-per-degree is $8,205.

Data for each institution are currently collected to quantify affordability, including but not limited to, average debt at graduation, percent of students with debt (federal, state, private or institutional), and the three year cohort default rate. Yet, despite our success, we remain committed to providing an affordable path to a college degree. The Board of Governors is currently engaged in a year-long study of affordability to identify policies and populations that may need further attention.

The State University System of Florida has a number of specific student outcomes guiding its strategic plan through 2025, outcome data also drive the work plans submitted by Florida universities every year, and outcome data define our annual accountability reports. Data in these reports include, but are not limited to, 4- and 6-year graduation rates, second-year retention rates, graduation rates for transfer students, baccalaureate degrees earned without excess credit hours, the median wage of

bachelor's degree earners working full-time one year after graduation, and the percent of students employed or enrolled in further education one year after graduation. Beyond these guiding documents, student outcomes are incorporated into the State University System of Florida's performance funding model and our annual Graduate Follow-up Study.

In closing, we strongly suggest you first recognize the numerous efforts that states, like Florida, are taking to address access, affordability and outcomes prior to duplicating these efforts in alternative ways that will introduce unnecessary confusion among the various audiences targeted by this initiative.

Please feel free to contact me if you have any questions or concerns.

Sincerely,

(b)(6)

Christopher M. Mullin, Ph.D.
Assistant Vice Chancellor, Policy & Research

O'Bergh, Jon

From: Darla Coffey <DCoffey@cswe.org>
Sent: Thursday, February 12, 2015 3:36 PM
To: College Feedback
Cc: Jolly, Julie (julie@lewis-burke.com); Cordingley, Katie (Kaetlyn@lewis-burke.com)
Subject: comments on college ratings system
Attachments: CSWE Comments to ED on Proposed College Ratings System.pdf

Good afternoon. Please accept the attached comments on the proposed College Ratings System on behalf of the Council on Social Work Education. Thank you for the opportunity to provide comment.

Darla Spence Coffey, PhD, MSW
President and Chief Executive Officer
Council on Social Work Education
1701 Duke Street, Suite 200
Alexandria, VA 22314
Phone: +1.703.519.2066
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COUNCIL ON SOCIAL WORK EDUCATION
STRENGTHENING THE PROFESSION OF SOCIAL WORK
Leadership in Research, Career Advancement, and Education

1701 Duke Street, Suite 200, Alexandria, VA 22314 TEL 703.683.8080 FAX 703.683.8099 www.cswe.org

February 13, 2015

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

Dear Secretary Duncan,

On behalf of the Council on Social Work Education (CSWE), thank you for the opportunity to provide comments to the Department of Education (ED) on the proposed framework for the college ratings system that was released on December 19, 2014.

CSWE is a nonprofit national association representing more than 2,500 individual members, as well as over 700 graduate and undergraduate programs of professional social work education. The organization was founded in 1952 and comprises a strong partnership of educational and professional institutions, social welfare agencies, and private citizens. Recognized by the Council for Higher Education Accreditation (CHEA) as the sole accrediting agency for social work education in the United States, CSWE accredits social work degrees at both the baccalaureate (BSW) and master's (MSW) levels. Social work education focuses students on leadership and direct practice roles helping individuals, families, groups, and communities by creating new opportunities that empower people to be productive, contributing members of their communities.

CSWE appreciates and shares the Department's continued goals to promote accessibility, affordability, and transparency. We are committed to ensuring and enhancing the quality of social work education for professional practice. Many social work programs reside in institutions of higher education committed to access and affordability. In fact, many of our programs play a significant role in assisting their respective institutions in achieving their access goals. Given our deep commitment to transparency, affordability, and access, CSWE offers the following comments on the proposed college ratings system in several key areas:

- **Institutional Grouping:** We are concerned that grouping institutions into only two categories, two-year institutions versus four-year institutions, fails to sufficiently distinguish between unique universities. CSWE has begun to receive applications for accreditation from for-profit institutions, which differ dramatically from traditional non-profit institutions. Separating these for-profit institutions from non-profit institutions would provide students valuable information about these programs' differing outcomes when making a decision of what school to attend.

- **Ratings Categories:** In order for the Department to ensure this ratings system is a useful consumer tool, CSWE believes scores should be presented as individual scores for each metric, which would better allow the student to compare institutions than would a single aggregate rating. We understand that this ratings system is intended to be a consumer tool for prospective students and their families. With that in mind, the ratings system should be tailored to provide sufficient data for students and families to make informed decisions.

- **Data:** CSWE is concerned about possible unintended consequences of rating schools based on certain data requested by ED, such as transfer rates, labor market success, and graduate school attendance. CSWE would strongly oppose overemphasizing post-graduate earning levels, given the lower starting salaries of social workers. This would create a disincentive for students and institutions alike to enroll in and support students through social work programs.

Additionally, as a member of the American Council on Education (ACE), we support the Council's comments on this proposed college ratings system, in addition to our comments above. Thank you again for the opportunity to express our views.

Sincerely,

(b)(6)

Darla Spence Coffey, President and Chief Executive Officer

O'Bergh, Jon

From: WordPress <WEB@ed.gov>
Sent: Thursday, February 12, 2015 3:58 PM
To: College Feedback
Subject: User Comment on New System of College Ratings

User Comment: In developing a college rating system, we hope the federal government will take a note from Consumer Reports. When Consumer Reports rates automobiles, they rate them on multiple factors separately (i.e. safety, handling, affordability, durability) so consumers can use their own preferences to come to a final opinion about which is the best car for them. One person might prefer a very safe car to one that handles well, while another person might prefer the opposite. Consumer Reports does come to one final rating for each category of automobile, but they have a lot of categories. Colleges and universities are far more complex than cars, and it sounds like the DOE is considering having only three categories (or tiers). We think potential students and their families will be best served by a rating system that takes each factor (e.g. accessibility, affordability, performance) separately rather than trying to merge those individual ratings in! to a final score.

A single, overall rating will inevitably be a calculation that inaccurately estimates the preferences of a great many students and families. It is impossible for one rating to accurately reflect the relative importance millions of people place on, for instance, affordability and potential future earnings. Some students and families will be willing to invest more for higher potential future earnings and others will not. Similarly, some students and families will value the diversity of an institution or how accessible it is to first-generation students while others will not. An attempt to place a relative and calculable value on these dissimilar factors will be reductive, as the president of the National Association of Independent Colleges and Universities, David Warren, said*. We second Dr. Warren's opinion and add that—far from being a benefit—a single rating would do a disservice to students, families, colleges and universities. We hope we all can agree that ! we want an informed public rather than one that has its values defined and limited.

There is no regression model good enough to accurately represent the populace's diverse and equally valid opinions and preferences. We recommend providing ratings similar to those used by Consumer Reports (e.g. excellent, good, fair, average, poor, unacceptable) for each factor. Doing so will give students and families enough information to make informed decisions while helping colleges and universities identify areas for improvement.

*https://www.insidehighered.com/news/2014/12/19/education-department-releases-draft-framework-its-college-ratings-plan

Constituency: Higher Ed Association/Organization

Other Constituency (*if supplied*): Philadelphia Higher Education Assessment Leaders (PHEAL)

User E-mail (*if supplied*): jeff93@gmail.com

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This e-mail was sent from a contact form on ED.gov Blog (http://www.ed.gov/blog)

O'Bergh, Jon

From: Vehr, Gregory (vehrgj) <VEHRGJ@ucmail.uc.edu>
Sent: Friday, February 13, 2015 8:59 AM
To: College Feedback
Cc: Hays, Ryan (haysrn); Scheidt, Brooke (scheidba); Almaguer, Tony (almaguty); Yancey, Elissa (sonnene); Burke, April L.; Steinberg, Franklyn; Miller, Caroline (millec8); 'Thompson, Alison'
Subject: College Rating System Feedback from University of Cincinnati
Attachments: University of Cincinnati College Ratings System Feedback - 2-13-15.docx

To Whom It May Concern –

Attached please find a letter from University of Cincinnati President Santa Ono and Provost Beverly Davenport providing feedback on the proposed college rating system. Thank you for the opportunity to provide such feedback. We look forward to reviewing the changes to the current proposal and offer our assistance in the future.

UNIVERSITY OF Cincinnati

Office of the President
University of Cincinnati
P.O. Box 210063
Cincinnati, OH 45221-0063

Phone: (513) 556-2201
Fax: (513) 556-3010
Email: President@uc.edu

February 13, 2015

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

Dear Secretary Duncan,

Thank you for providing us the opportunity to offer feedback to the Department of Education (ED) on the proposed college ratings system. The University of Cincinnati is a public research university, enrolling more than 43,600 undergraduate and graduate students in 2014 from all 50 states and from 100 countries around the world. To meet the needs of our diverse student body, we are strongly committed to access, transparency, and meeting the financial needs of our students, while providing a world-class education.

We support and join with the broader comments submitted by the Association of Public and Land-grant Universities (APLU). We support the APLU proposal and appreciate its focus on transparency for students and families, and enforcement of accountability among the worst performers. Because APLU's comments shift away from a federal ratings system, we would also like to provide feedback on how to improve ED's ratings system proposal. Given our deep commitment to affordability, excellence, and access, UC offers the following comments on the proposed college ratings system in the following key areas:

- **Federal funding:** We are strongly opposed to linking any federal funding, especially Title IV funding, to the outcomes of the ratings system. We believe this would endanger the future of federal aid programs, like the Pell Grant, and our shared goal of expanding access to all qualified students through a combination of institutional, federal, and state aid. At the University of Cincinnati, over 24 percent of students on our main campus are eligible for Pell while over 39 percent of students at our regional campuses are eligible. This important grant covers about half of the tuition and fees at the University of Cincinnati and is instrumental in providing many talented students with the opportunity to pursue a top-quality education. Along with the availability of federal student loans and institutional and state aid, this grant is often the key difference in making a college education a possibility for a low-income student.

- **Institutional Grouping:** We are concerned that grouping institutions into only two categories, two-year institutions versus four-year institutions, fails to sufficiently

distinguish between unique universities. We recommend separating four-year, for-profit institutions from four-year, non-profit institutions to provide students valuable information about these programs' differing outcomes when making a decision of which school to attend. Furthermore, within our university system, we offer both Associate and Baccalaureate degrees. We recommend that the Department consider our regional campuses separate from the main campus.

- **Ratings Categories:** In order for the Department to ensure this ratings system is a useful consumer tool, UC believes scores should be presented as individual scores for each metric, which would better allow perspective students to compare institutions than would a single aggregate rating. We understand that this ratings system is intended to be a consumer tool for prospective students and their families. With that in mind, the ratings system should be tailored to provide sufficient data for students and families to make informed decisions.

- **Data:** Due to the absence of one central source of credible information on several of the proposed metrics, we are concerned about the reliability of data requested by the Department of Education on transfer rates, labor market success, and graduate school attendance. Using these data would also impose a large administrative burden on universities, as it may be extremely difficult to unify data collection across institutions.

  Furthermore, we believe that the consideration of data from Integrated Postsecondary Education Data System (IPEDS) and National Student Loan Data System (NSLDS), which only provide information for financial aid recipients, are far too narrow in scope. Average net price and Expected Family Contribution (EFC) also rely on limited data. We recommend that ED consider the average cost burden for all students at an institution if it is to consider such measures of college affordability. We request that the Department allow institutions to supplement with institutional data, which will project a more comprehensive view of the institution and its students.

We share the Department's overall goal of increasing transparency and improving access, but we remain concerned that the proposed rating system framework provides too narrow a view of an institution and its many contributions to its student populations and the greater community and thus, prefer the framework offered by APLU. We look forward to working together as the process moves forward. Thank you again for the opportunity to provide feedback.

Sincerely,

(b)(6)

Santa J. Ono
President

Beverly Davenport
Provost

O'Bergh, Jon

From: Thayne, Lewis <thayne@lvc.edu>
Sent: Friday, February 13, 2015 9:35 AM
To: College Feedback
Cc: Thayne, Lewis; Ickes, Jessica; Feather, Karen
Subject: Federal Comment Letter on College Ratings
Attachments: scan.pdf

Attached please find requested comments

Lewis E. Thayne, Ph.D.
President
Lebanon Valley College
101 N. College Ave. | Annville, Pa. 17003-1400
717.867.6211 | thayne@lvc.edu | www.lvc.edu

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February 12, 2015

Comment on New System of College Ratings

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

Dear Secretary Duncan:

I write in response to the request for comment on the proposed "New System of College Ratings" published on December 19, 2014.

I would like to commend the current administration for its continued attention to the value of higher education. While higher education continues to have personal and societal value, it faces a variety of challenges including access, affordability, and achievement of outcomes. While these challenges are a federal concern, they are also critical issues on college campuses and for the students and families we serve.

Lebanon Valley College in Annville, Pa., has a long history of supporting access to students of all backgrounds and financial circumstances. The College successfully prepares students for not only employment or graduate school, but to be people of broad vision, informed decision-makers, and committed to the service to others. It is from this perspective that I submit my comments below.

It is important to note the inherent limitations of rating and ranking systems. These limitations are particularly amplified within higher education where common metrics used in rankings are often conflated by input metrics, such as academic preparedness, and the financial resources of a rated institution. Unfortunately, this is not the only broad limitation of the proposed rating system. The Department has acknowledged significant limitations in the data available to develop such a rating system. The proposal notes significant limitations because unit-record financial data only exists for students who receive federal financial aid. This fact should not be glossed over and will cause inaccurate ratings.

The most significant limitation to this rating system is the systematic exclusion of any reference to or account for actual student learning. As we know, learning is difficult to measure or to display in a dashboard, infographic, or rating system. The exclusion of learning from the proposed rating expresses the value of a higher education to families in terms of costs and job placement rates, and may suggest that these are substitutes for or correlates of learning. This is misleading to families and reduces the key benefit of an education to over-simplified metrics that fail to represent complex and long-term benefits of education in both employment and personal gains.

The call for comment posed a number of specific questions, some of which are addressed below:

1. **Rating categories**—Due to the extensive limitations of the proposed rating system, it seems wise, as the proposal indicates, to narrow the rating system to three "performance" ratings of high, mid, and low, and to compare institutions of similar type within these categories.

2. **Metrics—Net price and net price by quintile**—As discussed in the proposal, net price and net price by quintile are limited as metrics since that data is not currently available except for first-time, full-time degree seeking students who receive grant or scholarship aid. This may present a misleading estimate of cost for non-traditional students who are important constituents regarding access. Additionally, these metrics are greatly skewed when looking at institutions that award only need-based aid. These institutions fund their need-based aid strategy with significant endowments and high numbers of full pay students. While those receiving need-based awards receive significant awards, few are accepted, restricting access to lower income students.

3. **Metrics—Completion rates**—Although IPEDS tracks a number of completion rates, I would like to suggest that for first-time, full-time degree seeking students, that the appropriate completion rate should be the length of the degree: i.e.—four years for a bachelor's degree and two years for an associate's degree. If this rating system is to provide information on affordability, the use of an extended time for completion is counter to that goal. I would encourage the Department to use IPEDS data to inform this metric instead of NSLDS data due to the limitations noted in the proposal.

4. **Metrics—Labor market success**—As previously noted, this metric is limited by the Department's inability to access this data for all graduates. I would like to support the idea that any rating should use short and longer-term metrics of labor market success.

5. **Metrics—Consumer friendly tools**—As noted throughout these comments, it is concerning that this initiative will provide misleading information to students and families. As the Department moves forward, I would suggest that all "consumer friendly" tools be evaluated to ensure that they produce consistent numbers and results. For example, it may be confusing to families if the College Navigator graduation rate information does not align to the rating system graduation rate metric. In recent years, the number of federal "consumer friendly" tools has increased significantly. In addition to aligning the metrics used among tools, the Department should consider the need for each tool and, when possible, should consolidate or eliminate tools.

6. **Metrics—Consumer customization**—It is unclear if the public would have a sufficient understanding of higher education metrics to customize the ratings in any meaningful way. It would seem that customization options would have to include significant context for the end-user to create clear comparisons.

With the support of the College's director of institutional research, I encourage you to consider the potential to mislead families and the public regarding the quality of institutions of higher education based on the limitations of methodology and data that the Department has readily available to generate these ratings. Although Lebanon Valley College applauds the Department of Education's continued focus on higher education and supports efforts around access and affordability, I have significant concern that the proposed federal ranking system will ultimately increase confusion and may even misinform the most vulnerable of students and families.

Thank you for considering my views regarding this significant federal initiative.

Sincerely,

(b)(6)

Lewis E. Thayne, Ph.D.
President

O'Bergh, Jon

From: Joyce A. Rechtschaffen <jrechtsc@Princeton.EDU>
Sent: Friday, February 13, 2015 10:18 AM
To: College Feedback
Cc: Joyce A. Rechtschaffen
Subject: Princeton University comments on " A New System of College Ratings"
Attachments: College Ratings - February 2015.pdf

Princeton University is pleased to submit the attached comments relating to "A New System of College Ratings."

I would be happy to answer any questions from Department representatives.

Joyce Rechtschaffen, Director, Office of Government Affairs

PRINCETON
UNIVERSITY

Office of Government Affairs
414 N. Capitol St., NW, Ste. 351
Washington, D.C. 20001

February 12, 2015

Princeton University appreciates the opportunity to comment on the Department of Education's document, "A New System of College Ratings," released in December.

Princeton supports the Administration's key goals in pursuing a ratings system - incentivizing schools to make greater progress in serving and graduating low-income and first-generation students, maintaining affordability, and providing students and their parents with accurate information about the choices available to them. Princeton is deeply committed to providing aid to all students with financial need, including low-income and first-generation students; 60 percent of our students receive aid; the average grant exceeds tuition; and our pioneering no-loan financial aid program allows students to graduate debt-free. We want students and their parents to have accurate information about the choices available to them; to further that goal, Princeton was among the first universities to provide an online financial aid calculator that allows potential applicants and their families to estimate their cost of attending the University.

Unfortunately, we believe that the metrics set forth in the December document will not accurately present certain key factors, particularly with respect to affordability, that will form the basis for the ratings system. We are concerned that this could lead to the opposite result from the one the Administration seeks: low-income students could end up with incomplete or faulty information that leads them to make sub-optimal choices about which schools to attend.

In her November 2014 blog, then-Acting Under Secretary Jamienne Studley summarized the most poignant moment in her listening tour about the ratings system as follows:

> *In all of these conversations, nothing has touched me more than a young woman who testified with remarkable openness at our forum in Los Angeles. "I want to repay the government and private lenders for the unforgettable education I received, but it's nearly impossible," she said. "I feel like I'm drowning every day."*
>
> *Her college debt was destroying her and her brother's credit records. We've met many students, from Iowa farm families to Louisiana working adults, struggling to find a good and affordable college option and worried about debt and repayment. By contrast, I think of the astonishment and delight of a Hispanic mom at a community center parent meeting who discovered that her family didn't have to rule out for cost reasons the respected and selective schools for which her daughter was well qualified. Sensible college ratings could help all of them.*

Despite the Administration's good intentions, it appears that a ratings system based on the metrics proposed in December may not lead to the best result for the students described in the Undersecretary's blog. We outline below a few of our reasons for reaching this conclusion.

1. Failure to consider loan burdens and number of students who borrow

The Administration has ruled out consideration of one of the key elements of affordability: information relating to loan burdens. But this is precisely the type of information that parents and students mention in virtually every discussion about the costs of college. The Princeton data below illustrates how important loan data is in determining a college's affordability, especially for low-income students. At Princeton:

- Eighty-three percent of the class of 2014 graduated with no debt; roughly half of these were students who received financial aid.
- This means that only 17 percent of the graduating class of 2014 (217 students) borrowed anything during their four years.
- Of these 217 students, two-thirds (144) borrowed a cumulative total of under $10,000, or less than $2,500 per year.
- This means that the number of students who borrowed more than $10,000 total for their Princeton education amounted to less than 6 percent of the class. Significantly, high-need students from low- and middle-income backgrounds are very unlikely to be among these borrowers. The vast majority are upper-middle income students whose parents wish to utilize student loans as a financing option.

The Administration justifies its decision to exclude loan data on two grounds. First, it is concerned that including this information may "punish" institutions that serve low-income students because they are the ones who will take out loans. We respect institutions that make special efforts to serve low-income students, but we believe that students deserve to know all the facts about loan burdens and student borrowing at the full range of institutions before they make decisions about where they will attend and how they will pay for college.

Second, the Administration is concerned that providing this information might create incentives for institutions to encourage students to take out private loans (not currently reported to the government) rather than federally subsidized loans. This concern can be readily addressed. The Administration itself has proposed a plan to test, evaluate and improve loan counseling resources and the House of Representatives has passed legislation to improve the timing and effectiveness of loan counseling, including by encouraging students to use federal student loans before considering private loans to pay for college. Federal websites provide extensive information about types of loans, and current authorities exist within the Department of Education, the Consumer Financial Protection Agency and other federal and state agencies to take action against any institution providing inaccurate information about loans.

In short, an accurate representation of an institution's affordability should provide information both about average loan debt and about the number of students who borrow. It is important for students and their families to see the whole picture. Data based solely on the relatively small fraction of students who borrow, but presented as if it was describing the entire

class, would be seriously misleading. There is little doubt that the full picture on loans is a key factor in determining an institution's affordability and is of great interest to parents and students.

2. Over-reliance on federal financial aid data provides inconsistent and incomplete information.

The December document describes a number of metrics based on federal financial aid data that will either be explicitly or implicitly taken as institution-wide measures. This is problematic because the percentage of a given institution's students included in the federal financial aid data varies significantly from institution to institution. For example, in presenting net income by quartile, the Department's proposed metrics rely entirely upon the universe of federal financial aid applicants. This universe potentially excludes a large population of low and middle-income students who should be part of any access equation; the ratings system, therefore, would present a skewed picture of a college's affordability to these families.

Another metric would base calculation of family income quintiles solely upon FASFA data. This approach would result in reported family income ranges being much lower than other federally reported family income distributions, which could confound families during the college search process.

Finally, the reporting of first-generation college status and graduation rate is important, but this metric should not be limited to the FAFSA population; it should include the entire student population. Reporting based on a non-representative sample of students will be difficult to interpret and often misunderstood by families and policy makers.

3. A potential new approach to net price is misleading

We are concerned that the framework indicates a desire by the Department to move toward a net price measure that would include costs borne by all students who attend an institution, whether or not the student is receiving federal, state or institutional aid. Such a measure would send precisely the wrong message to low- and middle-income students who would be led to believe that they would be paying a much higher price than the actual amount required of students who qualify for aid. An alternative might be to provide separate net prices for students receiving federal, state or institutional aid.

4. Graduate school attendance is an important measure of student outcomes

Certainly the value of a college degree can, in part, be measured through the employment and earnings of students. But this measure by itself excludes a set of post-graduate pursuits that most parents and potential students would consider to be a great success, namely graduate and professional school attendance. Analysis of data obtained from the National Student Clearinghouse and the Association of American Medical Colleges indicates that slightly more than one-third of Princeton undergraduates will complete a graduate degree within five years of graduation. After ten years, the majority of Princeton undergraduates will have completed one or more graduate or professional degrees, including medical and legal degrees. It is important that

information on graduate and professional school attendance not be limited to Title IV recipients, as doing so would result in a limited group of students.

5. Use of endowment size to adjust outcomes is misguided

The Administration is considering using a regression analysis to adjust student outcomes and suggests that the size of an institution's endowment could be one potential element in this analysis. While the details and rationale behind this idea are unclear from the document, it would appear that this proposal seriously misunderstands the ways in which institutions use endowments to invest resources in the success of their students that go well beyond the resources that are available solely through tuition revenues and state support. Endowments allow institutions to deliver greater value than would otherwise be possible in their teaching and research, and, frankly, they allow institutions to provide greater amounts of financial aid and greater support for lower-income and first-generation students.

Princeton's endowment is made up of more than 4,300 separate funds, and the purpose supported by the largest number of these - almost 1,300 - is undergraduate financial aid. This year, the University's general fund supports about 12 percent of the undergraduate scholarship budget, while payouts from these endowments provide over 80 percent of the total. In short, one of the principal uses of Princeton's endowment is to further the Administration's goals of increasing access and affordability.

Support from an endowment also enables institutions to make long-term commitments to faculty, initiate pioneering research, strengthen teaching programs, invest in new technologies, and maintain their libraries, laboratories and other physical assets. There are thriving fields at Princeton today, ranging from nanotechnology to environmental studies and from genomics to neuroscience that were not imagined 35 years ago. Princeton has been able to make substantial investments in these fields only because of the generosity of its donors and careful stewarding of its resources. Penalizing institutions for these contributions would have negative effects on students, their families and the broader public good that all colleges and universities exist to serve.

Thank you for this opportunity to comment.

(b)(6)

Joyce A. Rechtschaffen
Director

O'Bergh, Jon

From: Steve Gunderson <steve.gunderson@apscu.org>
Sent: Friday, February 13, 2015 11:07 AM
To: College Feedback
Subject: APSCU Comments on Proposed College Ratings System
Attachments: Ratings System Comments2-13-15.pdf

APSCU
PRIVATE SECTOR COLLEGES AND UNIVERSITIES

February 13, 2015

The Honorable Arne Duncan
Secretary of Education
U.S. Department of Education
400 Maryland Ave., S.W.
Washington, D.C. 20202-1510

Dear Mr. Secretary:

On behalf of the Association of Private Sector Colleges and Universities (APSCU), we would like to thank you for this opportunity to comment on the proposed college ratings framework.

APSCU is a membership association representing private sector colleges and universities in the United States. All APSCU member institutions are licensed by the state in which they are located and accredited by a national and/or regional accrediting agency recognized by the U.S. Department of Education. Almost all APSCU member institutions participate in the federal student financial aid programs.

Our member institutions include large, publicly held college systems; small multi-campus institutions; and family owned single-campus schools. APSCU members offer programs ranging from short-term career-specific certificate and diploma programs to associate and bachelor's degrees, master's degree, doctoral, and professional degree programs in more than 200 fields. These institutions operate on a "traditional" semester basis; year-round rolling starts; clock hours; and virtually every schedule in between. Additionally, our representation includes brick-and-mortar institutions, online colleges, and hybrid programs.

Our members, along with our many colleagues, are very aware of the concern with respect to college affordability as families struggle to finance higher education. To that end, many colleges have implemented scholarship programs, tuition freezes, and other cost savings measures to help contain rising prices. And we applaud the efforts of the Congress and the Administration to keep interest rates low on student loans and provide students with reasonable repayment options.

However, we have serious concerns with the federal government evaluating colleges using a few quantifiable indicators that will result in a specific rating for each institution. We believe there has been universal agreement that any effort on the part of the government to treat all institutions as if

they were doing the same thing and educating identical student populations is misguided and fails to recognize the diversity of American higher education. Yet the ratings system appears headed in the direction of using a few data points to sum up the quality of an institution without any descriptive information, providing an incomplete and potentially inaccurate picture. This is neither good nor useful for students and families.

Over the years, Congress and various Administrations have attempted to provide improved information to students and families to use when making college decisions. Unfortunately, this has resulted in disclosure overload, with no proof that more information is better or even helpful in the decision making process. All the metrics proposed by the Department will be difficult to accurately calculate on the Federal level without student unit records, which are currently prohibited. The Department mentions several databases that may be used for calculating the metrics that may be used in the ratings system, and none are designed for this purpose. We understand the limitations imposed because of this, and urge the Department to make sure the data being used is proper for this purpose, accurate, and verifiable.

The Department has stated repeatedly that the ratings system is not a ranking system. However, categorizing institutions as high-, middle-, or low-performing creates a de facto ranking regime of colleges, intentional or not. We understand data analyses are being performed to determine the best way to set the thresholds for what constitutes high or low performance. But how will schools be listed within the categories: randomly, alphabetically, or in order of how they fall within the category? Will context be provided to allow a student to know that the top school in the middle-performing category was only (for example) a tenth of a percentage point below the lowest-ranked school in the "high-performing" category? Will the thresholds move over time to recognize changes in the postsecondary landscape? Will institutions know why they are rated in the category in which the Department places them, and will they have the opportunity to challenge or appeal the label?

Any trends over time need to be considered within the context they occur. For example, when unemployment levels peaked during the last recession, enrollment in open-access postsecondary institutions increased at record levels. Many of those students were refreshing skills and knowledge without the intention of completing a program; others left before completing to return to the work force when the opportunity arose. Would those institutions be penalized for what would seem to be a low completion rate when they were serving the needs of the students who enrolled? How will the Department consider all the personal variables that impact the decisions and actions of millions of students?

We believe students need and want to know how well they can realistically be expected to fare at any particular institution. However, current information collected and published by the U.S. Department of Education focuses on a population of students who are not representative of the total higher education population today. The reliance on IPEDS to report institutional outcome data biases success toward those institutions that selectively serve a predominantly "traditional" student population. Moreover, these data are misleading to new-traditional students who may not understand that their own outcomes are not likely to mirror those of an 18-year-old just-out-of-high-school student.

For that reason, we believe information must be based on the full population of students at an institution and should reflect the characteristics of the students served. Institutions that graduate students with characteristics identified as "risk factors" to successful completion should be recognized for this success, as opposed to a system which rewards institutions for their selective admissions programs and limited access policies.

Framing consumer information in this manner – in the context of the students served - will put a personal stamp on the consumer information to better help students. Institutions with open access policies have a very different student body than even slightly selective universities. While the same

information from the same data sources should be used for any metric, it should be put into context so students can see how they may realistically do compared to their peers.

As stated above, IPEDS data is skewed to selective institutions that adhere to the "traditional" student model – that is, those entering out of high school with no previous postsecondary experience, attending full-time, and most likely attending a four-year institution. Using IPEDS data exclusively will falsely lower the ratings of those open-admission institutions that educate the new traditional students who now make up the majority of those attending college. The Department's proposal to use information included in state databases does not solve the problem of inaccurate and unreliable data. Many state-based systems do not include private sector or private not-for-profit institutions and there is no guarantee of consistency among state systems with respect to important definitions, data collection procedures, or data verification. The stakes in the ratings system are too high to allow for the use of inconsistent, incomplete, and inaccurate data.

All of the metrics under discussion for use in calculating a ratings system are subject to the concerns raised above with respect to incomplete, inaccurate, and unreliable data. Whether it is net price, completion, placement, loan repayment, etc., the data must be valid or the government's ratings system will be no better than the multitude of college ratings already in existence and published by various national magazines.

Rating colleges is a significant expansion of the federal role in higher education and, as the Department has discovered, not an easy task. The ratings system has the potential to be given great weight by the public and it is imperative that the Department does not build a system that creates perverse incentives. Activities of the Department of Education such as the gainful employment rule are already driving institutions to limit opportunities for new traditional students. A rating system that simply rewards institutions with selective admissions policies will only do more harm and undermine access for students who have historically been underserved by higher education. This would not in the best interest of our students or the country.

Thank you again for the opportunity to address this important matter. Please feel free to contact me at 202-336-6701 or steve.gunderson@apscu.org if you have any questions or would like further input.

Sincerely,

(b)(6)

Steve Gunderson
President and CEO

Steve Gunderson
President & CEO
Association of Private Sector Colleges and Universities
1101 Connecticut Ave. NW, Ste. 900
Washington, DC 20036
www.apscu.org

APSCU
ASSOCIATION OF
PRIVATE SECTOR COLLEGES
AND UNIVERSITIES

February 13, 2015

The Honorable Arne Duncan
Secretary of Education
U.S. Department of Education
400 Maryland Ave., S.W.
Washington, D.C. 20202-1510

Dear Mr. Secretary:

On behalf of the Association of Private Sector Colleges and Universities (APSCU), we would like to thank you for this opportunity to comment on the proposed college ratings framework.

APSCU is a membership association representing private sector colleges and universities in the United States. All APSCU member institutions are licensed by the state in which they are located and accredited by a national and/or regional accrediting agency recognized by the U.S. Department of Education. Almost all APSCU member institutions participate in the federal student financial aid programs.

Our member institutions include large, publicly held college systems; small multi-campus institutions; and family owned single-campus schools. APSCU members offer programs ranging from short-term career-specific certificate and diploma programs to associate and bachelor's degrees, master's degree, doctoral, and professional degree programs in more than 200 fields. These institutions operate on a "traditional" semester basis; year-round rolling starts; clock hours; and virtually every schedule in between. Additionally, our representation includes brick-and-mortar institutions, online colleges, and hybrid programs.

Our members, along with our many colleagues, are very aware of the concern with respect to college affordability as families struggle to finance higher education. To that end, many colleges have implemented scholarship programs, tuition freezes, and other cost savings measures to help contain rising prices. And we applaud the efforts of the Congress and the Administration to keep interest rates low on student loans and provide students with reasonable repayment options.

However, we have serious concerns with the federal government evaluating colleges using a few quantifiable indicators that will result in a specific rating for each institution. We believe there has been universal agreement that any effort on the part of the government to treat all institutions as if they were doing the same thing and educating identical student populations is misguided and fails to recognize the diversity of American higher education. Yet the ratings system appears headed in the direction of using a few data points to sum up the quality of an institution without any descriptive information, providing an incomplete and potentially inaccurate picture. This is neither good nor useful for students and families.

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Phone: 202.336.6700 Fax: 202.336.6828 **apscu.org**

Over the years, Congress and various Administrations have attempted to provide improved information to students and families to use when making college decisions. Unfortunately, this has resulted in disclosure overload, with no proof that more information is better or even helpful in the decision making process. All the metrics proposed by the Department will be difficult to accurately calculate on the Federal level without student unit records, which are currently prohibited. The Department mentions several databases that may be used for calculating the metrics that may be used in the ratings system, and none are designed for this purpose. We understand the limitations imposed because of this, and urge the Department to make sure the data being used is proper for this purpose, accurate, and verifiable.

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Any trends over time need to be considered within the context they occur. For example, when unemployment levels peaked during the last recession, enrollment in open-access postsecondary institutions increased at record levels. Many of those students were refreshing skills and knowledge without the intention of completing a program; others left before completing to return to the work force when the opportunity arose. Would those institutions be penalized for what would seem to be a low completion rate when they were serving the needs of the students who enrolled? How will the Department consider all the personal variables that impact the decisions and actions of millions of students?

We believe students need and want to know how well they can realistically be expected to fare at any particular institution. However, current information collected and published by the U.S. Department of Education focuses on a population of students who are not representative of the total higher education population today. The reliance on IPEDS to report institutional outcome data biases success toward those institutions that selectively serve a predominantly "traditional" student population. Moreover, these data are misleading to new-traditional students who may not understand that their own outcomes are not likely to mirror those of an 18-year-old just-out-of-high-school student.

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All of the metrics under discussion for use in calculating a ratings system are subject to the concerns raised above with respect to incomplete, inaccurate, and unreliable data. Whether it is net price, completion, placement, loan repayment, etc., the data must be valid or the government's ratings system will be no better than the multitude of college ratings already in existence and published by various national magazines.

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Thank you again for the opportunity to address this important matter. Please feel free to contact me at 202-336-6701 or steve.gunderson@apscu.org if you have any questions or would like further input.

Sincerely,

(b)(6)

Steve Gunderson
President and CEO

O'Bergh, Jon

From: Edwin Koc <ekoc@naceweb.org>
Sent: Friday, February 13, 2015 11:26 AM
To: College Feedback
Subject: Response to a New System of College Ratings
Attachments: NACE Response to DOE.pdf

Thank you for the opportunity to offer the perspectives of the National Association of Colleges and Employers (NACE) on the Department's draft system of college ratings. The attached file contains our conceptual issue with evaluating institutional performance on the basis of individual level results and offers an alternative which we feel can provide a more direct measure, more easily achievable, and result in more honest assessments.

If there are questions about our position, feel free to contact me.

Thank you.

Edwin W. Koc
Director of Research, Public Policy and Legislative Affairs
National Association of Colleges and Employers
610-625-1064
62 Highland Avenue, Bethlehem, PA 18017
www.naceweb.org

See you in Anaheim, June 2 – 5, 2015!
#NACE15

Response to Department of Education re: A New System of College Ratings

The National Association of Colleges and Employers (NACE), established in 1956 and the leading source of information on the employment of the college educated, is responding to the Department of Education's draft ratings framework, entitled "A New System of College Ratings-Invitation to Comment". NACE counts among its membership more than 6,200 college career services professionals at nearly 2,000 colleges and universities nationwide, and more than 2,500 HR/staffing professionals focused on college relations and recruiting at approximately 1,000 employer organizations in a wide variety of industries.

The mission of NACE is to facilitate the employment of the college educated. In fulfillment of its mission, NACE seeks to provide its members; students and their parents; and the public at large with current information about the status of the college labor market including data on recent hiring trends, starting salaries for newly hired graduates, and near-term projections for graduates about to enter the workforce.

For more than 25 years, NACE has surveyed its employer members twice annually to get the pulse of the college hiring market. These Job Outlook surveys detail the direction of employer recruiting (whether employers expect to increase or decrease college recruiting and by how much); identify graduates who will be in demand; and highlight the attributes and skills possessed by graduates that employers most value. This job outlook information is complemented by a suite of research products available to both employers and job seekers detailing compensation information for college hires at all levels of education and experience (Salary Survey). Starting salary data are produced by academic degree and major at both a national level and at local metro area levels for many majors, industries, and occupations.

NACE also conducts an annual survey of students asking about their post-degree intentions; their pursuit of employment or an advanced degree; activities undertaken to achieve a full-time position; and their success or lack thereof in achieving a full-time job. The data from this survey gives significant insight into the factors that work on behalf of individual graduates finding success in the job market and the limits to which institutions can assist individuals in finding that success.

The employer and student data reported by NACE has significantly impacted public awareness of the college employment market since the 1950's.

As a professional association dedicated to facilitating the employment of the college educated, we are very much in favor of providing students/consumers with the most accurate information possible regarding outcomes associated with their pursuit of a degree. As the NACE position statement (August, 2012) on first destination surveys states: "NACE expects that all higher education institutions will assess

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the career and employment outcomes for their graduates through a first-destination/post-graduation survey.

- In order to ensure the confidence of the individual consumer and the public at-large that the outcomes reported by individual schools are "valid" and directly comparable, NACE has developed the ***Standards and Protocols for the Collection and Dissemination of Graduating Student Initial Career Outcomes Information For Undergraduates*** (http://www.naceweb.org/uploadedFiles/Pages/advocacy/first-destination-survey-standards-and-protocols.pdf) to create a consistent and systematic approach for first destination data collection and reporting .NACE has asked member institutions to begin implementing these Standards in collecting their outcomes data for the class of 2014.
- Nearly 300 schools have reported plans to use the NACE Standards in 2014 and we expect many more will actually do so.
- We expect full implementation to take place for the class of 2015.

We would like to compliment the Department's efforts to tackle the complex and difficult tasks associated with the development of a college performance rating system. The Department has made strides in recognizing the impracticality of assigning misleading quantitative measures to potential comparative evaluations of colleges and universities. Such quantitative ratings would imply a false level of precision to the comparisons and ultimately result in confusing a ratings evaluation with an unwarranted ranking of one school against another. Nevertheless, our final verdict on the ratings themselves awaits the development of the metrics by which colleges and universities will be ultimately assigned to the three performance levels suggested by the department.

The Department should also be applauded for seeking input at a point in the process where alternatives to the conceptual approach can be given serious consideration.

NACE believes that a performance evaluation for individual colleges and universities based on graduate outcomes is fundamentally flawed. Outcomes, whether reporting employment or continuing education outcomes, are individual-level results determined by a multiplicity of factors (e.g. academic program, family education and income, work experience in an internship, gender). Controlling for all these factors across all individual graduates to determine the "value-added" provided by the individual school is virtually impossible. Classification of schools for comparative rating purposes, if done comprehensively, is likely to result in as many groups as there are individual institutions.

If the outcome reporting is to be a simple recording of the percentage of graduates that became employed, then the results may be more a reflection of a strong admissions process rather than a true measure of the school's contribution to a student's employability. Selective institutions can virtually determine their outcomes performance measure by admitting students with the academic skills and interests that will be attractive to employers and the family background that provides the graduate with the networking connections that are advantageous in finding a good job. By contrast, an institution with a relatively open admissions system may have many students whose skill sets and family background will make it difficult for the graduate to compete in the labor market. An outcomes measure that compares two such institutions without accounting for the differences in entering students would be a dishonest evaluation of the schools' performance.

As an association whose mission is to support the employment of the college-educated, NACE believes that colleges and universities should be transparent about the career outcomes of their graduates.

However, rating or ranking schools on those outcomes will not provide fully informed or honest comparisons and evaluations of institutional performance in support of career outcomes for graduates. Such comparisons and evaluations are more honestly applied to elements the institutions can directly control. For example, if the Department wants to evaluate an institution's commitment to the career success of its graduates, a better measure would be the funding a campus invests in services/resources dedicated to supporting students' career development and the pursuit of their career goals. NACE is open to working with the Department in the development of these measurements to ensure their applicability in evaluating individual institutional commitments to career outcomes for graduates.

O'Bergh, Jon

From: Heather May <mayh@usc.edu>
Sent: Friday, February 13, 2015 11:58 AM
To: College Feedback
Subject: University of Southern California: Comments on Proposed College Ratings System Framework
Attachments: USC Comments on College Ratings System - February11,2015.pdf

Dear Secretary Duncan and the Department of Education,

On behalf of the University of Southern California (USC), attached please find a comment letter in response to the proposed college ratings system framework that was released on December 19, 2014. We appreciate the opportunity to provide feedback, and look forward to working with the Department on this important issue. Please do not hesitate to contact me should you have any questions.

Best,

Heather May
Legislative Assistant
University of Southern California
Office of Federal Relations
701 Pennsylvania Ave, N.W., Suite 540
Washington, DC 20004
(202) 824-5874

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USC University of Southern California

OFFICE OF THE PROVOST

Michael W. Quick, Ph.D.
Interim Provost and
Senior Vice President for Academic Affairs
Professor of Biological Sciences

February 11, 2015

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

Dear Secretary Duncan,

On behalf of the University of Southern California (USC), thank you for the opportunity to provide comments to the Department of Education (ED) on the proposed framework of the college ratings system that was released on December 19, 2014. This letter follows and builds upon previous comments USC submitted on the proposed rating system on November 18, 2013.

USC appreciates and shares the Department's continued goals to promote accessibility, affordability, and completion. We are committed to helping prospective students fully evaluate the financial decisions of their college choice. Independent of federal efforts, USC developed an institutional net-price calculator that allows prospective students to calculate the cost of college and make informed decisions about what is best for them and their families.

USC continues to address the needs of our diverse student population while also providing a world-class educational experience. With 24 percent of our student population Pell-eligible, and two-thirds receiving some form of financial aid, USC remains among the country's top private, non-profit universities in providing financial assistance. Last year USC contributed $237 million (this includes need-based, merit, and departmental aid – but does not include Athletic aid or tuition remission) in institutional aid to students, maintaining our goal to keep USC accessible and affordable for students from all socio-economic backgrounds.

Additionally, through innovative programs like the Neighborhood Academic Initiative (NAI), Questbridge, and the Trojan Guardian Scholars (TGS), USC provides pathways to academic success for low-income and under-represented minority students in Los Angeles to realize their dreams of attending and graduating from college.

However, USC does not endorse a new ratings system, and we share the concerns of others within the higher education community that well-intended objectives may lead to unintended consequences. As a leader in transparency and access, USC is concerned that the Department's rating system proposal could generate more confusion for first-generation and low-income students. Such a ratings system would generalize complicated financial information, and as a result, could potentially make universities like USC wrongfully seem out of reach for some students. Additionally, USC opposes any effort to tie receipt of federal student aid or other funding to the ratings system. Tying federal financial aid to such a ratings system may lead to unintended consequences or perverse incentives for schools to manipulate the system in order to improve their respective ratings and leverage additional federal financial aid funding.

Moreover, we believe that a new ratings system will add more confusion to families who are struggling to understand a complex system of awarding financial aid at the federal and institutional

level. We believe that any new measures on affordability, access, and outcomes should be integrated into existing tools – such as the College Navigator. We believe the Department's efforts would be best focused on providing clear and useful data to families through College Navigator. It should be noted that there is already confusion between College Navigator and College Scorecard, especially when similar measures (e.g. "average" loan debt on graduation) are calculated differently, and for different targeted cohorts (e.g. "first-time full-time students").

As a member of the Association of American Universities (AAU) and the National Association of Independent Colleges and Universities (NAICU), we endorse the comprehensive comments submitted by those higher education associations. We agree the federal government has a role to play in providing information, but government endorsement of certain programs and institutions should be avoided.

Given our deep commitment to affordability, excellence, and access, USC offers the following comments on the proposed college ratings system in several key areas:

- **Federal funding:** USC is strongly opposed to linking any federal funding to the outcomes within the ratings system. This would endanger the future of the Pell Grant and our shared goal of expanding access to all qualified students. Although USC may receive more federal funding under this system, based on our high percentage of Pell-eligible students, high completion rates, and successful loan performance outcomes (USC maintains a 1.8 percent 3-year cohort default rate), we cannot support the federal government making aid allocations based on such a system, as it remains nearly impossible for any system to accurately reflect the actual cost of attendance for students to attend a given institution.

- **Institutional Grouping:** We are concerned that grouping institutions into just two categories, two-year institutions versus four-year institutions, fails to sufficiently distinguish between unique universities. USC recommends refining the system to separate private, non-profit institutions and perhaps further narrowing it by using the Carnegie Classification of Institutions of Higher Education to group comparable research institutions.

- **Ratings Categories:** In order for the Department to ensure the proposed ratings system is a useful consumer tool, USC believes each metric should be presented as an individual score to allow the student to better compare institutions than would a single aggregate rating. For this ratings system to be a successful consumer tool for prospective students and their families, it should be tailored to provide sufficient and accurate data necessary when making informed decisions. All measures should be reported separately so families can determine what is most important to them. Although opposed to specific ratings groupings (high- performing, low performing, etc.) we would be supportive of the use of "minimum standards" or certain thresholds that would indicate good performance in each rating category.

- **Data:** Due to the absence of one source of credible information on proposed metrics, USC is concerned about the reliability of data requested by the Department of Education, such as transfer rates, labor market success, and graduate school attendance. Using these data would also impose a large administrative burden on universities, as it may be extremely difficult to gather this information once a student has left our institution. Furthermore, data from National Student Loan Data System (NSLDS) is limiting and problematic as it only provides information for financial aid recipients and would not reflect each institution's entire student population.

While we are concerned about adjusting outcomes for certain institutional characteristics, we also believe it would be useful to use such data to improve a ratings system that may inadvertently be biased towards the delivery of limited federal student aid, while ignoring the investments made by institutions and states. We strongly believe that families should understand how much institutional and state funding may be available to them, in a way that illustrates the commitment of the school and state to ensuring access to a diverse range of students. At USC, for example, need-based financial aid from the state ($22.7 million) and federal government ($21.4 million) are small compared to offerings from the institution ($237 million).

USC supports the administration's overall goal of transparency, but we remain very concerned that the impact and value of our country's diverse institutions of higher education cannot accurately be narrowed to a few metrics without leading to unintended consequences. As a leader in access, completion and transparency, we look forward to working with the Department on this important issue. Thank you again for the opportunity to express our views.

Sincerely,

(b)(6)

Michael W. Quick, Ph.D.
Interim Provost and Senior Vice President for Academic Affairs
Professor for Biological Sciences
University of Southern California

O'Bergh, Jon

From: Matt Lindsey <matt@kscolleges.org>
Sent: Friday, February 13, 2015 2:04 PM
To: College Feedback
Subject: PIRS Comment Letter
Attachments: PIRS Comment Letter -KICA (02132015).pdf

Please accept the attached comment letter for the college ratings system proposal.

Regards,
Matt Lindsey

Matt Lindsey
President
Kansas Independent College Association and Fund
700 South Kansas Avenue, Suite 622
Topeka, KS 66603

P: (785) 235-9877
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Twitter: @KSIndColleges

Baker University – Benedictine College – Bethany College – Bethel College – Central Christian College – Donnelly College – Friends University – Hesston College – Kansas Wesleyan University – Manhattan Christian College – McPherson College – MidAmerica Nazarene University – Newman University – Ottawa University – Southwestern College – Sterling College – Tabor College – University of Saint Mary

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Kansas Independent College Association
700 S. Kansas Avenue • Suite 622A • Topeka, Kansas 66603
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www.kscolleges.org

February 13, 2015

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

Dear Mr. Secretary:

I am the president of the Kansas Independent College Association, a non-profit association founded in 1976 to promote the interests of the 18 independent, non-profit, regionally accredited, undergraduate degree-granting institutions of higher education in Kansas and strengthen their ability to provide a high-quality, affordable, and meaningful education to our nearly 25,000 students. I provide these comments on behalf of the presidents of all eighteen member institutions of the KICA and with their endorsement.

We share your interest in improving access, affordability, transparency, and positive outcomes for college students. The KICA institutions have proactively taking steps to do so, through tuition freezes, 4-year tuition guarantees, loan forgiveness programs, and partnerships to improve career preparation and opportunities.

We have earnest concerns about the proposed post-secondary institution ratings system and the deleterious effects it could have on private colleges in Kansas. We have substantial doubts that any such system will be able to provide useful comparative data to prospective students and their families. No one measure, nor any small set of criteria, can adequately compare the thousands of effective colleges and universities in the U.S. Even among only Kansas' private colleges, such an effort would be nearly impossible. Consider the differences just in comparing the following:

- A 2-year college whose focus has long been serving low-income, urban, minority students and whose graduates often enter health care and education fields in the local communities
- A 4-year college whose students are often dual enrolled with a nearby public university and whose graduates often go into the ministry in smaller, rural communities across the country
- A 4-year university with growing, nationally recognized programs in biological sciences and fine arts

These are just small facets of three of our eighteen private institutions and even with these over-simplifications it would be fruitless to compare costs, employment, or earnings of recent graduates, and even more fruitless to define each institution's "quality" or "value" by a summary metric. The PIRS proposal, despite frequent, thoughtful criticism and feedback from the higher education community,

appears to still be conceived as a one-size-fits-all, one-rating-for-all approach, which we cannot support or endorse as an appropriate approach.

Moreover, the proposed framework – the "1.0 version" – causes us significant concern because of the flaws in some of the proposed measurements and the outright unavailability of others. The claim that the Department can fix those later, but is moving forward with the PIRS concept anyway is a terrifying thought to institutions whose size, resources, and mission may not allow us to weather the storm that comes from an irresponsibly published rating system backed with the publicity tools of the federal government. If the ratings are inaccurate, as we suspect they will be, the damage will be done and it will be nearly impossible for the Department to adequately backtrack to help our smaller campuses recover.

In the end, the best arbiters of "best institutions" are students and their families who know best the type of educational experience they want or need. Geography, mission, and "fit" remain critical aspects that are not reflected in a single metric. If the Department insists on rating colleges, the weighting factors should be customizable for individuals so that they can assign differing weights according to their own values, connections, and learning styles. Unfortunately, the proposed PIRS does not offer this option and instead substitutes a federal determination for what should matter most for all students as if students were monolithic in their tastes, preferences, and values.

The Department of Education has tremendous power to improve higher educational attainment and the ability of students to earn a meaningful degree. Sadly, PIRS creates more barriers to achieving this goal for the majority of higher education institutions and their constituents. We strongly urge you to reconsider this faulty proposal.

I and any of our member presidents would be happy to provide additional assistance. Thank you for the opportunity to provide our input.

Sincerely,

(b)(6)

Matt Lindsey
President
Kansas Independent College Association

O'Bergh, Jon

From: Herman, Vanessa J. <vherman@pace.edu>
Sent: Friday, February 13, 2015 2:08 PM
To: College Feedback
Cc: Herman, Vanessa J.
Subject: Comments Re: 12/19/14 notice on the next steps in creating a federal rating system for post-secondary education,
Attachments: Pace University Comments Re Dept Of Education Notice.pdf

Attached please find Pace University's comments in response to the Department of Education's December 19, 2014, notice requesting comments on the next steps in creating a federal rating system for post-secondary education.

Please do not hesitate to reach out to me if you have any questions or would like additional information. Best, Vanessa

~~~~~~

Vanessa J. Herman
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February 12, 2015

Honorable Arne Duncan
Secretary
U.S. Department of Education
400 Maryland Avenue, SW
Washington, DC 20002

Dear Secretary Duncan:

I am writing to submit comments regarding the next steps in creating a federal rating system for post-secondary education.

Pace University is a private, non-profit university with campuses in New York City and Westchester County, enrolling approximately 13,000 students in bachelor's, master's, and doctoral programs in its Dyson College of Arts and Sciences, Lubin School of Business, College of Health Professions, School of Education, Seidenberg School of Computer Science and Information Systems and School of Law. Our motto is "Opportunitas" and Pace University realizes this mission by providing education grounded in liberal learning coupled with substantial professional education and real-world professional experiences in order to enhance the lives and prospects of a diverse student body.

Since our founding more than 100 years ago, Pace University has remained committed to providing access and opportunity. Pace offers traditional degree programs as well as certificates and bachelor's completion programs; its traditional on-campus programs are coupled with a growing offering of on-line and blended programs. Over 97% of the University's new undergraduate freshman students receive financial aid and 35 % of those students are Pell eligible. Overall, 71.3% of Pace students receive some type of financial aid and the University commits over $140 million dollars a year to supporting its students with institutional aid.

Pace University has been consistent in the belief that individuals should have ready access to the information they need to choose the college that best meets their needs, aspirations and goals. However, we are concerned that the wide variety of institutional missions and student populations in the United States mandate that a very complex system be developed to avoid the negative outcomes that would result from institutions managing to the ratings rather than managing to their missions. A troubling aspect of the proposed federal rating system is the assumption that it will be possible to assess and rate all higher education institutions under a single set of measures or rating. Our experience at Pace University, which is not unique to the higher education industry, proves that it

will be difficult, if not impossible, to reliably and validly assess the value of such diverse institutions using a single set of measures or rating.

It is not clear if the ultimate ratings system will simply consist of a single rating for each institution, or if a series of ratings based on such categories as "affordability," "access," and "success" will be created. We ask that considerable thought be given to including those categories in the proposed measures and weighting how those measures might influence one another (*e.g.*, access may affect success). It is essential to develop ratings that take into account institutional cohorts based on sector, size, income and diversity of student body. Furthermore, we encourage the use of multiple institutional outcomes rather than one single measure. Suggested indicators include job placement and salary data, professional certification where applicable and loan default rates in addition to the standard measures of graduation and retention rates.

In addition to these considerations, it is vital that the Administration consider that many institutions now have a great number of their students in non-traditional student categories. Twelve percent of Pace University degree-seeking undergraduates enrolled in Fall '14 were age 25 or older. Using a traditional IPEDS graduation rate at an institution with a large non-traditional student body does not accurately measure that institution's graduation rate. Moreover, graduation rates in the current system of reporting count students who transfer out as a failure to graduate, while failing to appropriately categorize students who transfer into an institution and graduate, which makes little sense. Safeguards will be needed to ensure the validity of the expectations at different institutions due to the wide range of institutional structures, missions, and student populations being served nationally.

We also urge the Administration keep in mind the unintended consequences of a universal rating system for assessment of institutional performance, such as colleges and universities manipulating outcomes in student success in order to receive federal student aid (*e.g*, lowering the requirements for graduation in order to improve the institution's rating), or in changing the admission criteria so that access is now limited to students who come from privileged backgrounds that predispose them for success in college. The end result could ultimately deny access to students rather than expand it.

An increase in reporting requirements adds to the administrative burden of colleges, which has increased significantly in recent years. The focus of some institutions will become about the numbers rather than education, especially if financial aid is tied to "performance." It is not in the national interest for colleges to be incentivized to teach to the test. It would be wise to explore the unintended consequences of this rating system and not rush to implementation.

Pace University remains committed to working with the Administration on improving access, affordability and transparency and we support the Administration's broad objectives in this area. It is important for the federal government to play a pivotal role in providing consumer information while continuing to have open and productive discussions in order to find common ground. Thank you for your time and consideration.

Sincerely yours,

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Stephen J. Friedman

O'Bergh, Jon

From: Wasitis, Douglas Andrew <dwasitis@iu.edu>
Sent: Friday, February 13, 2015 2:50 PM
To: College Feedback
Subject: Indiana University comment letter on the proposed PIRS
Attachments: 201502121246.pdf

Please find attached the IU comment letter...thank you...Doug Wasitis

Doug Wasitis
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INDIANA UNIVERSITY
OFFICE OF THE EXECUTIVE VICE PRESIDENT
FOR UNIVERSITY ACADEMIC AFFAIRS

February 10, 2015

The Honorable Arne Duncan
Secretary of Education
U.S. Department of Education
400 Maryland Avenue, SW
Washington, DC 20002

Dear Secretary Duncan:

Indiana University appreciates the opportunity to comment on the Department of Education's proposed Postsecondary Institution Rating System (PIRS).

As Indiana University approaches the 200th anniversary of its founding as a state seminary, it has grown and adapted from its early single campus existence, to one of the largest, multi-campus public universities in the country, serving over 110,000 students state-wide through eight campus locations, several centers, and a growing array of online programs. Through its mission to serve students from the state and around the world with a diversity of backgrounds, needs, and experiences, IU has developed at the local and state levels a wide range of programs and support services to attract, retain, and graduate a diverse student population.

As the U.S. Department of Education (ED), under President Obama's directive, pursues the development of a Postsecondary Institution Rating System (PIRS), we wish to express both our support for pursuing the important purposes of PIRS, and our concern that the preliminary proposed components and processes will likely work counter to those important purposes. We base our concerns on our collective experience in student-centered, evidence-based approaches to higher education and student success, as well as the research literature regarding higher education institutional assessment and accountability. Although this research has advanced considerably in recent years, our faculty, some of whom are leaders in this field, recognize the insufficient validity and reliability of the measures proposed so far by ED, as noted through the numerous informed commentaries of experts in the field.

Achieving the objectives of the PIRS systems requires ED to resolve the numerous, critical conceptual, measurement, and implementation problems entailed in producing a relatively simple system that validly distinguishes levels of institutional performance. Unfortunately, the plans so far developed for this system do not inspire confidence that this direction will yield productive results. The short timeframe for development, with a target for unveiling the ratings for the 2015-16 academic year, further undermines the prospects for a valid and useful system, especially given the pace of development to date.

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The rather vague information provided to date reveals several significant shortcomings. For example, simply distinguishing two-year from four-year institutions as the primary reference groups suggests that the measurement system will nevertheless conflate the vast variation within each sector such as the varying context between public and private, between urban and rural, or between commuter and residential institutions. The proposed use of value-add measures that accommodate differences in the student populations within each group does not diminish our concerns, indeed it increases them. The associated methodologies for value-add measurement are controversial due to the lack of proven reliability or validity. Efforts that have thus far relied on these techniques have not produced useful results and, to a large extent, have been discontinued. Even the persisting graduation performance measure used in the U.S. News & World Report Best Colleges Ranking has been shown to be unreliable, subject to large changes in results through changes in the underlying predictor structure or use of alternative value-add methodologies. To be clear: we support continued developments of these methods, as they are critical to effectively assessing institutional performance. However, we are nowhere near a point to include such measures in a high stakes accountability system, and we do not believe that the highly politicized climate of federal government ratings of postsecondary institutions is an appropriate platform for experimentation with untried methods.

One reliable finding in the research literature on higher education institutional assessment is that accountability measures related to institutional effectiveness describe the variation in student populations served, far more than they measure variation among institutional efforts or differences. We experience this routinely, having a selective, residential campus (Bloomington), a less selective urban, mostly commuter campus (IUPUI), and six much less selective commuter institutions serving local population areas around the state. The students enrolled at our campuses are well described by the access and progress measures proposed for the PIRS system. According to most measures, we have been successful in making education affordable to these diverse students. Moreover, the employment and further education outcomes of our graduates depend on the state of the economy, more so than on the skills they attain through their studies and co-curricular experiences. Within this context, the measures of access, affordability, and outcomes proposed for PIRS reflect *who* are our students and the economic and employment *conditions* they face, far more than the quality of education they receive.

As a public research university, we are probably among the most favored type of institution for a system like PIRS, as we make a quality education affordable to a diverse array of students who are largely successful in their post-undergraduate ventures. But just because we believe the system is biased toward institutions of our type does not diminish our concerns about how this system might detract from the intended purposes. Experience with prior attempts to sort and rate institutions has demonstrated that they affect institutional behavior with unintended consequences. Statements in ED documentation note that steps will be taken to ensure that the system does not bias against disadvantaged populations. Accommodating one population generally requires biasing against another. Given the current state of the art in higher education institution

measurement, accommodating all populations is not technically possible and so choices have to be made regarding preferred mission focus. We appreciate that the focus is currently biased toward institutions that balance access, affordability, and success through relatively modest selectivity and state-subsidized programs. We also recognize that this creates a bias against other types of institutions, such as those that serve predominantly under-served populations, and those that serve uniquely talented populations. Most importantly, we recognize that giving preference to a limited set of mission-orientation could compromise the diversity of institutional types that makes the U.S. higher education the envy of other nations and, serves our diverse population.

Finally, we note that the PIRS system represents yet another set of accountability requirements that will be added to the panoply of compliance and accountability requirements and regulations that have contributed substantially to the rising cost of higher education. The more time and attention that we must expand on fulfilling cumulative regulations and requirements, the less we can devote to educational quality and student support. We suggest that, rather than adding yet another system, ED consider building upon an existing system and reducing other burdensome regulations. Current use of the consolidated financial index, and the requirements for regional accreditors to develop and deploy non-financial indicators, serve the purpose of identifying institutions that are volatile, non-viable, and a potential threat to consumers, in other words, it serves the purpose of the low-performing category of the proposed PIRS. Regarding the other end of the spectrum, we question whether it is the role of the federal government to discriminate top-performing institutions on the basis of narrow measures. Higher education is a very complex sector and reducing excellence to a few biased measures does not promote overall excellence.

We appreciate the opportunity to provide input into the PIRS system development; however, we believe that the project in its present form should be entirely reconsidered, for the above reasons. If the Department of Education proceeds with this effort, we respectfully request that we be given opportunity to comment on a full and complete proposal before it is to be implemented.

Very truly yours,

(b)(6)

John S. Applegate
Executive Vice President for
University Academic Affairs

O'Bergh, Jon

From: Becker, Glynda <glynda.becker@wsu.edu>
Sent: Friday, February 13, 2015 3:31 PM
To: College Feedback
Subject: Comments on Ratings from Washington State University
Attachments: 2-13-15[2].pdf

Attached please find comments from President Elson S. Floyd on the President's ratings proposal.

We would be happy to further discuss at your convenience.

Thanks.

Glynda

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WASHINGTON STATE UNIVERSITY
World Class. Face to Face.

WASHINGTON STATE UNIVERSITY

Elson S. Floyd, Ph.D.
President

February 13, 2015

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

Dear Secretary Duncan,

Thank you for providing us the opportunity to offer feedback to the Department of Education (ED) on the proposed college ratings system. Washington State University (WSU) conducts transformational research and provides world-class education to more than 26,000 undergraduate, graduate, and professional students across five campuses. Founded in 1890 in Pullman, WSU is Washington's land-grant university, with a mission that strives to improve quality of life, accessibility, and service to people. We are strongly committed to access, transparency, and meeting the financial needs of our students, while providing a world-class education.

WSU supports and joins with the broader comments submitted by the Association of Public and Land-grant Universities (APLU). We support the APLU proposal and appreciate their focus on transparency for students and families, and enforcement of accountability among the worst performers. Specifically, we support the use of the Student Achievement Measure (SAM), which offers more comprehensive information on student progress and completion than do other measures.

While WSU's preference is for the proposed APLU framework, we will also offer feedback on ED's proposal should the Department move forward with its current plan. Given our deep commitment to affordability, excellence, and access, WSU offers the following comments on the proposed college ratings system in the following key areas:

- **Federal Funding:** We are strongly opposed to linking any federal funding, especially Title IV funding, to the outcomes of the ratings system. We believe this would endanger the future of federal aid programs, like the Pell Grant, and our shared goal of expanding access to all qualified students through a combination of institutional, federal, and state aid.

- **Institutional Grouping:** We are concerned that grouping institutions into only two categories, two-year institutions versus four-year institutions, fails to sufficiently distinguish among very different universities. We recommend

- separating four-year, for-profit institutions from four-year, non-profit institutions to provide students valuable information about these programs' differing outcomes when making a decision of which school to attend.

- **Ratings Categories:** In order for the Department to ensure this ratings system is a useful consumer tool, WSU believes scores should be presented as individual scores for each metric, which would better allow the student to compare institutions than would a single aggregate rating. We understand that this ratings system is intended to be a consumer tool for prospective students and their families. With that in mind, the ratings system should be tailored to provide sufficient data for students and families to make informed decisions, rather than as a single, global rating.

We share the Department's overall goal of increasing transparency and improving access, but we remain concerned the proposed rating system framework provides too narrow a view of an institution and its many contributions to student populations and the greater community, and thus prefer the framework offered by APLU. We look forward to working together as the process moves forward. Thank you again for the opportunity to provide feedback.

Sincerely,

(b)(6)

Elson S. Floyd, Ph.D.

O'Bergh, Jon

From: Bill Andresen <wgajr@upenn.edu>
Sent: Friday, February 13, 2015 3:32 PM
To: College Feedback
Subject: University of Pennsylvania comment on proposed rating framework
Attachments: L-Price DOE College Rankings 2-13-15.pdf

Attached is the University of Pennsylvania's comment on the Administration's proposed rating system.

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Penn
University of Pennsylvania

The Provost

February 13, 2015

The Honorable Arne Duncan
Secretary of Education
400 Maryland Avenue, S.E.
Washington, D.C. 20202

Dear Mr. Secretary:

The University of Pennsylvania ("Penn") appreciates this most recent opportunity to provide feedback on the Department of Education's *College Rankings Framework*. On January 30, 2014, Penn President Amy Gutmann submitted comments on the proposed ranking system to Richard Reeves. This letter builds on Dr. Gutmann's original remarks and also incorporates many of the concerns raised by higher education associations, including the Association of American Universities (AAU), the National Association of Independent Colleges and Universities (NAICU), and the Association of Governing Boards of Universities and Colleges (AGB).

Penn continues to applaud the Administration's threefold focus on access, affordability, and outcomes. We appreciate the Department's continued efforts to engage the higher education community in conversations about its proposed ratings system. We wholeheartedly support the Department's efforts to provide students and their families with clear, accurate, and useful information about higher education. Specifically, we support current efforts to provide transparent information on access, affordability, and outcomes since this information can assist students in selecting the best institution to meet their individual needs and aspirations.

However, the recent release of the Department's *College Rankings Framework* has not allayed the majority of our concerns about this initiative. We do not endorse the creation of a federal ratings system for higher education that consolidates complex data into simple ratings. Like NAICU, we believe the weighting and assignment of value to information on higher education should remain squarely in the hands of consumers.

For institutions such as Penn, which has made and continues to make significant and measurable progress in increasing access and affordability, the creation of a simple rating system may unintentionally harm both access and success by linking the distribution of financial aid to federal ratings in ways that could result in students' making less informed choices. The data demonstrate that Penn is an excellent choice for academically talented students from low and middle income backgrounds, but a federal ratings system might obscure this fact since it is not clear that the system makes comparisons among similar institutions.

A federal ratings system might not clearly communicate that Penn's commitment to need-blind admissions and need-based aid results in every eligible undergraduate student's receiving all-grant financial aid packages that do not require any loans. For students from low-income

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