

**U.S. Department of Education, Advisory Committee on Student Financial Assistance  
Summer Hearing on Postsecondary Institution Ratings System (PIRS)**

September 12, 2014  
Trinity Washington University  
O'Connor Auditorium  
125 Michigan Ave. NE  
Washington DC 20017

Good afternoon everyone. My name is Jee Hang Lee and I am the Vice President for Public Policy and External Relations with the Association of Community College Trustees, based here in Washington, D.C. ACCT represents the trustees of our nation's community colleges. It is my pleasure to testify today on the Advisory Committee's summer hearing on the design of the Postsecondary Institution Ratings System (PIRS).

This past January, we submitted comments to the U.S. Department of Education's formal request for information on college ratings. Additionally, I testified on behalf of our association at one of the Department's many field hearings, and we have engaged in numerous conversations with Department officials over community college ideas and concerns. We applaud recent indications that the initial version of the PIRS system will be in draft form, allowing further refinement and retooling through public feedback over the coming months.

As open-access institutions, our published tuition and fees are the lowest of all sectors. Community colleges are very supportive of consumer information for students to select the postsecondary program that best suits them. However, the vast majority of community college students do not have the luxury or privilege of choosing from a broad range of potential institutions to attend – and especially one that may be out of state – but are instead seeking high-quality, affordable, and *specific programs of study* near their home or work. This reality of our student body is often missing from the conversation about consumer choice and accountability. A student who considers nearby Montgomery College in Takoma Park does not also look for consumer information on Pima Community College in Arizona, if they conduct any such comparison at all.

Additionally, the limitations on currently available federal data serve to make postsecondary outcome measures – such as graduation and transfer rates – nearly meaningless for institutions that serve a nontraditional student population. In fact, more than two-thirds of community college students don't "count" in the current IPEDS information used for consumer purposes. We strongly support the development of more robust and complete federal data, including through a student unit record system.

We also note that existing consumer information sources such as the College Scorecard and Navigator provide data that is routinely incorrect, out-of-date, or unverified. For example, cost of attendance has been manipulated at some institutions, and we have significant concerns with using these affordability figures to inform ratings or policy absent an effort to “clean up” the underlying data. A recent Department RFP acknowledged the potential need to modify and oversee these faulty data sources in the future.

That being said, community colleges do wish to provide better transparency and to improve student success. Excellent examples are the Voluntary Framework of Accountability (VFA) – of which I serve on the board of directors – or the Student Achievement Measures (SAM), both of which capture a more accurate picture of community college student outcomes and could serve as a guide for useful evaluation of student progress. There is strong support among community college governing boards to provide better completion and transfer information for our institutions, and the VFA could serve as a model for PIRS outcome metrics.

It is also for reasons of usefulness and data limitations that we ask the Department to proceed with *extreme caution* in developing metrics for primarily associate degree granting institutions until such time that more complete federal data are available. The college ratings system could greatly distort both institutional and consumer behavior in ways that further disadvantage low-income and nontraditional students. The system is also likely to be highly complex and subject to a significant degree of misinterpretation by policymakers and students.

This complexity also leads us to believe that it is fundamentally *impossible* for PIRS to serve dual purposes as *both* a consumer information AND an institutional accountability mechanism. Instead, the Department should choose one of these methods or design entirely separate systems to meet these divergent goals and uses.

If the Department moves forward with a version of PIRS using inadequate data for all institutions, we also have additional suggestions for measuring performance that could improve the limited value of the system, and specifically on metrics of access, affordability, and outcomes, as well as the development of comparison groups.

Appropriate metrics of **affordability** for community colleges include tuition and fees, average net price disaggregated by living situation and dependency status, average net price for low-income students, the federal loan borrowing rate, and the median loan debt for all completers.

Community college students also face significant costs of attendance that cannot be controlled by our institutions. Students must pay for room, board, transportation, books, supplies, and childcare, all of which have risen beyond the cost of inflation. Even tuition and fees are tightly linked with state funding, which dropped more than 25 percent per FTE during the recession for community colleges, and has yet to recover.

On measures of student **access**, community colleges also fair well due to our mission. But we caution against using only percent Pell Grant recipients enrolled as the sole measure of access, as 42 percent of Pell-eligible community college students do not even fill out the FAFSA to receive federal aid (compared to just 23 percent of four-year students). New FAFSA reforms and

simplification will improve these numbers, but are not well-timed with the rollout of PIRS. The Department should collect information on the percent of enrolled students who request federal aid or receive any need-based aid.

Finally, on metrics related to **student success and outcomes**, data limitations are most disadvantageous for community colleges, regardless of comparison groups. The current IPEDS restriction to first-time full-time students will eventually be fixed in 2015-16 to include a greater proportion of part-time and returning students. Yet even then, many community colleges will miss key information about student transfer outcomes without a federal unit record system, and so skew the evaluation of community colleges where students transfer frequently.

The PIRS should base student success at primarily associate degree institutions at 300 percent of normal time to completion to give due consideration to the majority of our students who attend part time.

Additionally, the system should avoid using overly simplistic and misleading cohort default rates, which only measure the outcomes of students who borrow. Less than 17 percent of all community college students borrow any federal student loans.

We are also strongly interested in obtaining and providing earnings information for graduates. It is important that data be presented for all completers and not just those receiving Title IV, and that new information be collected at a sensible time after completion, such as two and five years after.

Other potential outcomes metrics worthy of exploration could include: first year retention rates, progression from remedial to college level courses, and student attainment of 15 and 30 college-level credits. Again, we suggest looking to the VFA as a potentially useful model for outcomes.

Finally, I would like to mention briefly the topic of **comparison groups**. The method selected depends heavily on the intent of the system for either consumer information *or* accountability. From a consumer basis, comparison groups should be dynamically created when students choose the type of institutions they are interested in. We support recommendations from groups like The Institute for College Access and Success that suggest initially filtering institutions by predominant credential awarded, selectivity level, and geographic region.

For accountability orientated ratings, comparison groups are much more difficult, and must recognize the mission and resources available to institutions. Two community colleges in the same metro area may serve two vastly different missions. For an accountability-focused ratings system, so called “risk-adjustment” or regression analysis based on the student body may be more appropriate. Regression adjustment is not a perfect solution to leveling the playing field for institutions serving vastly different demographics of students, but is a much fairer start than arbitrary groupings by a multitude of variables.

Overall, community college trustees and leaders share a commitment that our sector will help to transform the lives of students by improving institutional performance. In conclusion, I would like to restate that limitations on available federal data have created an urgent need to work

together toward better measures of what's happening at our institutions. The PIRS system must be designed carefully when it comes to open-access institutions like our colleges, and I trust your input will help guide this process. Thank you for the opportunity to testify, and I look forward to your questions.