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National Association for College Admission Counseling

...guiding the way to higher education

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February 17, 2015

The Honorable Arne Duncan
Secretary
US Department of Education
400 Massachusetts Avenue, SW
Washington, DC 20202

Dear Secretary Duncan:

On behalf of the National Association for College Admission Counseling (NACAC), thank you for your work on behalf of our nation's students. We appreciate your efforts to improve college access and affordability for all students and to protect students and taxpayers from waste, fraud and abuse.

Founded in 1937, NACAC is an association of more than 14,000 members, including college admission staff and school counselors, who work with students making the transition from high school to postsecondary education ("college"). NACAC is committed to maintaining professional standards that foster ethical and social responsibility among those involved in the college application and enrollment process, as outlined in the NACAC Statement of Principles of Good Practice, which may be accessed on our website (www.nacacnet.org). Through our advocacy efforts, we are also dedicated to ensuring that all students have access to high quality school counseling to help them make informed decisions as they prepare for and pursue college or career.

NACAC initially expressed concerns about a federal college ratings system in September 2013, which accompany this correspondence. Since then, the Request for Information (RFI) issued in December 2014 and the Department's responses ("Response") included in the RFI add to our concerns that this rating system, while well-intentioned, poses more potential risks that rewards for students and taxpayers.

The Department rightly points out that the "federal government has a unique responsibility to both students and taxpayers to ensure wise and effective use of the \$150 billion invested in the federal student aid program annually." NACAC strongly supports that effort, but believes that priority should be placed on ensuring that the Department focuses adequate attention on quality controls before entering into more complex analyses of college performance. Through its program integrity controls, the Department should place added emphasis on identifying poorly performing institutions, put them on notice and, when appropriate, discontinue the use of federal dollars at those institutions.

Rather than implementing a ratings system that the Department itself admits is imperfect, NACAC encourages the Department to utilize its existing regulatory tools, coordinate with other agencies of jurisdiction (for example, the Department of Justice, the Department of Veterans Affairs, the Department of Defense, Federal Trade Commission and the Consumer Financial Protection Bureau) and, if necessary, hire additional staff to monitor and enforce program integrity controls. Furthermore, NACAC supports strengthening the Department's abilities to include, among others, setting up an enforcement unit that closely monitors real time information about rapid enrollment increases, sudden changes in default rates, and other key data. To this end, NACAC supported The Students First Act (S 406, 113th Congress, sponsored by Senator Frank Lautenberg), which, if enacted, would be a more effective tool than the proposed rating system.

NACAC appreciates the Department's avoidance of an ordinal ranking system. However, regardless of what it is called, the system will be prone to gaming and/or fraud by colleges because of the stakes involved. The proposed rating system will result in an atmosphere in which dollars are more important than student success; college employees will be under immense pressure to manipulate data to ensure continued access to federal financial aid. Absent stronger program integrity controls, the incentive to "cheat" will compound existing challenges with misrepresentation to students and the federal government. This pattern has already been widely documented in numerous reports from the media, government investigations and other sources.

The RFI notes that the rating system is one of several tools developed by the Department, many of which are underutilized. We believe that these very important consumer tools, all of which NACAC has supported, should be given greater attention and promotion by the Department to ensure that they are not an afterthought to a much more controversial and problematic ratings system. NACAC research finds that new federal resources can take three to five years to gain traction among school counselors. Even when most counselors are aware of a federal resource, the amount of effort needed to maintain awareness and utility is high. NACAC recommends that the Department redouble its efforts to promote the laudable resources already developed to students, families and educators.

In addressing the reasons for designing a rating system, the Department writes, "In and of itself, expanded information around a small number of critical measures, with appropriate attention to institutional variation, can be useful to the general public..." Information, in and of itself, is not necessarily useful to students and families, particularly those who are first-generation, underserved, low-income, or otherwise unfamiliar with the postsecondary search, application, and enrollment process. Data need interpretation, and NACAC encourages the Department to work with Congress first on improving the data used to measure college performance and track student progress across institutions, and second on assisting school counselors understand, disseminate, and explain what is and is not revealed by the data. NACAC believes the Department already possesses tools, such as the College Navigator and College Scorecard, which can be used to help achieve this. In addition to misinterpretation, information without context is ripe for misrepresentation. NACAC has strong concerns about this, which are discussed below.

The RFI also appears to place a high priority on enrolling low-income students without ensuring strong controls for fraud or willful negligence in regards to student success. While NACAC strongly supports efforts to enroll low-income students in college, we believe that enrollment alone is not sufficient: institutions must also foster student success. It is well documented that there are numerous unscrupulous institutions that enroll millions of underserved students without regard to their ability to succeed. This is especially of concern when many of these institutions manipulate completion rate data, a practice that has been demonstrated in numerous investigations.

From our perspective, the lack of sufficient outcomes-based information in the current framework is a critical flaw. Information such as student loan default rates and debt burden are important contextual cues for students and families, as well as the Department, as to the financial feasibility of higher education. In addition, the absence of strong counterweights to enrollment criteria in a ratings system will give a significant boost to institutions that enroll large numbers of low-income students, but that may have a miserable performance record.

The Department does indicate that it is considering including short- and long-term employment measures. NACAC is pleased that the Department wants to use employment data, but we believe that this must be done with nuance

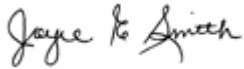
and caution. As is widely known, some unscrupulous institutions regularly manipulate employment data for their graduates by placing them in short-term positions, designed to last just long enough for the job to count as successful employment. In discussing how horizontal and vertical transfers should impact institutional ratings, the Department acknowledges that it is difficult to know what credit to give to whom when for student success. Similar concerns arise when considering employment outcomes. Unfortunately, many institutions that receive federal funding fail to prepare their students for careers, despite promising lucrative futures. Because of state licensing laws and regulations, some of these graduates may not even be qualified to practice their desired profession if they possess a degree from an unaccredited or unauthorized program. If a graduate re-enrolls at a licensed, approved institution and later finds gainful employment in his or her field, how will the Department ensure that the first institution does not receive credit for this employment under the Department's long-term employment measure?

NACAC is also concerned that unscrupulous institutions, which have an enormous amount of marketing power (exponentially larger than the Department's capacity), will use the rating results to trumpet their high scores for 'access,' while burying the fact that they would almost certainly rate in the 'low-performing' category on the Department's list were more outcomes taken into account.

The Department intends to incorporate institutional characteristics into the rating system. While NACAC applauds the Department for attempting to bring more nuance to the data, we have concerns about how some institutional characteristics will be applied to the rating system. For example, the Department commented on the possibility of using data on selectivity and standardized test scores as proxies for the academic preparation of the student body. Substantial research reveals that a student's achievement in high school coursework is the best indicator of student academic achievement. While admission officers utilize standardized tests such as the SAT or ACT as one factor in admission decisions, NACAC members regularly caution against over-reliance on test results for high-stakes decisions. One of the strengths of the American higher education system is that its institutions vary widely by mission, personality, and other qualities -- all of which the Department has acknowledged. Consequentially, some institutions may attract a much narrower applicant pool than others, although the academic preparation and success of the students is comparable. Using selectivity as a measure in the college rating system will not only conflate selectivity with quality, it could also encourage institutions to pursue methods of artificially inflating their application numbers, a practice rewarded by many commercial college rankings.

Thank you for your work on behalf of students. We look forward to collaborating with the Department on its many other initiatives to promote college access and success. Please contact our Assistant Director for Government Relations, Michael Rose (mrose@nacacnet.org), if you have any questions about our recommendations or our legislative priorities.

Sincerely,



Joyce Smith