

THE  
NEW ENGLAND  
COUNCIL

May 30, 2014

The Honorable Kelly Ayotte  
144 Russell Senate Office Building  
Washington, DC 20510

Dear Senator Ayotte:

I write to you today on behalf of The New England Council—the nation’s oldest regional business association—regarding President Obama’s Plan for Making College More Affordable, and in particular, the proposed new college rating system. As you know, the New England Council represents a variety of institutions of higher education throughout the region, as well as businesses that rely on access to an educated workforce. As such, we are particularly interested in the strength and success of efforts to strengthen our talent pipeline.

The New England Council supports increased transparency in higher education, and applauds the Administration’s efforts to enhance transparency through this plan. Empowering students with the best information will strengthen the higher education system, help students achieve their goals, and provide the skilled workforce necessary for continued economic growth.

In an effort to achieve these goals, however, we must be mindful of the impact the proposed college rating system could have, particularly if it is not implemented carefully and thoughtfully. As the Administration develops this system, the Council offers the following principles that our members believe are critical for this process. We believe this endeavor is too crucial to be implemented hastily or without consideration of its consequences.

**Careful Design and Testing** - A sector-wide rating system should not be rushed into place until it is thoroughly tested and its impact on a variety of institutions is assessed. The private sector already supplies means to measure, rate and even rank schools, which students and families use while exploring education options. While these systems are imperfect, they do not carry the weight and finality of the federal government seal of approval. The model must be fully developed and tested before it is implemented as it will likely become the standard for consumers assessing colleges. Furthermore, federal financial aid should not be tied to a ratings system unless the system has been carefully tested to assess its impact on a range of institutions.

**Accurate Data** - The greatest challenge in developing the system is ensuring the accuracy of the data used. The Integrated Post-Secondary Education Data System (IPEDS) used to measure students based on

graduate survey response is riddled with flaws. The IPEDS data currently used is grossly inaccurate and should not be the basis for comparison. One of the main flaws with the IPEDS data is the inaccuracy of transfer data, which in turn exacerbates the inaccuracy of graduation rates (which are independently inaccurate, as a result of the way they are measured). Students are not tracked as they transfer between institutions, but are considered against the graduation rate for the institution out of which they transfer. A transfer is treated as negative student result, but upward transfer—often the goal for community colleges and two-year institutions—should be counted as a positive result. Graduation rates as they are currently measured are inaccurate as they do not include students who transfer to another institution and graduate there.

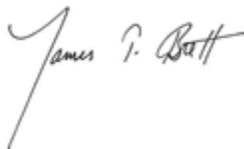
Net price is similarly difficult to use as a comparison tool. The method to calculate cost of living is not defined, leaving schools to arbitrarily estimate student expenses. The net price measure evaluates costs only for students who are eligible for Title IV federal student aid, which varies significantly at different institutions, and does not consider part time students. The federal government should not increase reporting requirements, which are already burdensome on institutions, and as data is collected it must be sound and used for intended purpose.

**Recognizing Different Types of Institutions** - Any rating system implemented by the federal government must recognize that all institutions do not share the same goals, nor do they serve the same populations. Measurements of graduation rates should not be used to compare research universities to community colleges. We must also recognize that colleges serving disadvantaged populations will have lower graduation rates, yet programs that are accessible to those students are still needed.

Rating institutions based on the salaries or earning potential of graduates is also problematic. Our society and our economy are just as dependent on teachers, social workers as they are on scientists, engineers, and medical professionals. An institution that focuses on social sciences and the arts should not be compared to schools that focus on science and engineering. A system that simplifies measurements of success will not do consumers justice as they weigh their options.

Here in New England, we are fortunate that our leaders in Congress understand that access to quality, affordable education and the development of a skilled workforce are critical to our economic growth and global competitiveness. The New England Council appreciates your ongoing leadership and looks forward to working with you toward these goals.

Sincerely,



James T. Brett  
President & CEO