

What Counts: The policy and politics of the proposed college rating system in the United States

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Abstract. In August 2013, President Barak Obama proposed a rating system for colleges and universities in the United States. Several policy issues drove the introduction of this initiative, including the slippage by the United States in global rankings for postsecondary attainment, especially among young adults; mounting student debt; growing skepticism about the quality of learning at colleges and universities; and overall doubts about the value of a college degree. The President carefully distinguished the proposed ratings from rankings, such as those published by *U.S. News & World Report* and others. The proposed ratings would comprise 11 metrics, including the percentage of an institution's students who receive federal Pell Grants; average net price; graduation rates; and graduates' success in the labor market. Higher education advocates and researchers noted several flaws in many of the metrics. Ultimately, the politics of the United States Congress put the future of the rating system in doubt.

Keywords: access, completion rates, consumer information, employment, mission, politics, price, public policy, rankings, ratings

Introduction

On August 22, 2013, in a speech at State University of New York (SUNY) Buffalo, President Barak Obama proposed a plan to combat “the soaring cost of higher education” and “a crisis in terms of college affordability and student debt.” Part of the President’s plan was to rate colleges and universities “on who’s offering the best value so students and taxpayers get a bigger bang for their buck” (Obama, 2013). Unlike rankings by *U.S. News & World Report*, which are based on indicators such as an institution’s undergraduate academic reputation and faculty resources (Morse, 2014a), President Obama (2013) proposed a rating system “based on opportunity” that includes metrics such as the average debt of a graduating student, the percentage of students who graduate on time, and the

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performance of graduates in the workforce. The President (Obama, 2013) said that these measures “will help parents and students figure out how much value a college truly offers.”

This paper traces the policy issues that defined the affordability crisis that spurred the President’s ratings proposal. The details of the ratings proposal themselves are analyzed for their strengths and weaknesses. Finally, the fate of the proposal before Congress is discussed.

The difference between rankings and ratings

President Obama carefully distinguished his proposed ratings from college rankings. During his speech at SUNY Buffalo in 2013, he said his Administration would rate institutions “not just by which college is the most selective, not just by which college is the most expensive, not just by which college has the nicest facilities—you can get all of that on the existing rating systems.”

U.S. News & World Report began ranking colleges and universities in 1983 (McDonough, Antonio, Walpole & Pérez, 1998), and quickly “become the ‘gold standard’ of the ranking business,” perhaps in part because the ranking “has the appearance of scientific objectivity” (Ehrenberg, 2002, pp.146-147). *U.S. News & World Report* uses sixteen criteria in seven categories, including undergraduate academic reputation (22.5 percent of the final score), graduation and retention rates (22.5 percent), faculty resources (20 percent), and student selectivity (12.5 percent) (Morse, 2014a).

Since *U.S. News & World Report* established its college ranking, other publishers created their own, including *Princeton Review*, *Newsweek*, *Forbes*, and *Washington Monthly* (Espinosa, Crandall, & Tukibayeva, 2014). There are also three major international rankings, published by Shanghai Jiao Tong University; *Times Higher Education*, a United Kingdom trade publication; and QS Quacquarelli Symonds Ltd., an education-consulting company in London (Staley, 2014). *U.S. News & World Report* began publishing its own international rankings, *Best Global Universities*, in October 2014 (Morse, 2014b).

Calls for accountability beyond these popular rankings preceded the Obama Administration. Secretary of Education Margaret Spellings, under President George W. Bush, established the Secretary of Education’s Commission on the Future of Higher Education (2006), which published a report stating: “Colleges and universities must become more transparent about cost, price, and student success outcomes, and must willingly share this information with students and families” (p.4).

Addressing policy problems

Several policy issues—called “problems” under Kingdon’s (2003) theory of agenda setting for public policy—impelled the Obama Administration to pursue a rating system for colleges and universities. These problems included postsecondary attainment, student debt, and growing skepticism over the value of a college degree.

Attainment

When President Obama took office in 2009, forty percent of the United States' population between the ages of 25 and 64 had attained a postsecondary education, the sixth-highest among Organization for Economic Cooperation and Development (OECD) countries, and forty percent of the United States' population between the ages of twenty-five and thirty-four had a postsecondary education, twelfth among OECD countries, tied with Denmark and Sweden (OECD, 2009, tbl.A1.3a.). In Obama's first address to a joint session of Congress, on February 24, 2009, he said that for the United States to remain economically competitive globally, "every American will need to get more than a high school diploma" and "meet a new goal: by 2020, America will once again have the highest proportion of college graduates in the world."

Tuition and student debt

The cost of a college education has increased substantially over thirty years. Between 1984-1985 and 2014-2015, the average published tuition and fees for in-state students at public four-year institutions rose 225 percent, from \$2,810 to \$9,139 (in 2014 dollars) (Baum & Ma, 2014). During this same time period, the average published price at public two-year colleges grew 150 percent, from \$1,337 to \$3,347, and the increase at private four-year institutions was 146 percent, from \$12,716 to \$31,231 (Baum & Ma, 2014).

Student debt climbed along with tuition. Student debt was less than \$200 billion in 2000 and "barely registered as a factor in overall household debt" (Lewin, 2011). By 2010, however, total student loan debt exceeded credit card debt for the first time in the United States (Lewin, 2011). At the end of June 2013, the total dollars outstanding in the federal student loan programs exceeded \$1 trillion for the first time (Office of Federal Student Aid, 2014).

Student borrowing accelerated during the Great Recession of 2007-2009. One analysis (Baylor, 2014) found that the total amount of federal student loans borrowed at public institutions increased by \$17.1 billion, from \$31.3 billion in 2007-2008 to \$48.4 billion in 2011-2012, a 54.6 percent increase in yearly borrowing. Yearly borrowing per student increased at public institutions throughout the United States between the 2007-2008 and 2011-2012 school years, with a median increase of \$1,285 per student (Baylor, 2014).

This debt was seen not just as an issue for the borrowers, but for taxpayers as well. "The public should know how students fare at institutions receiving federal student aid, and this performance should be considered when we assess our investments and set priorities," said Department of Education Under Secretary Ted Mitchell (Belkin, 2014). In 2013-2014, the federal government

provided almost \$164.5 billion in aid to undergraduate and graduate students, including \$48.9 billion in grants and \$95.9 billion in loans (Baum, Elliott, & Ma, 2014, tbl.1).

For-profit institutions received a large percentage of this federal aid, prompting a backlash from leaders at public institutions. In 2009-2010, for-profit colleges and universities received twenty-five percent (\$32 billion) of the Department of Education's student aid program funds, and students who attended for-profit colleges constituted forty-seven percent of federal student loan defaults (Senate Report No.112-37, 2012). F. King Alexander (2014), the president and chancellor of Louisiana State University, wrote, "The future of higher education depends on transparency and a commitment to measuring outcomes and value." Unambiguous outcomes would help applicants make better-informed decisions, "and will better control cost escalation by making it obvious to consumers which institutions leave students plagued with massive debt and few employment prospects, and which institutions provide real value with strong rates of return" (Alexander, 2014).

Teaching and learning

Around the time President Barak Obama took office in 2009, skepticism regarding the quality of learning at colleges and universities was rising. In 2010, a book entitled *Academically Adrift: Limited Learning on College Campuses* (Arum & Roksa, 2010) analyzed the results of 2,300 traditional-aged college students at four-year institutions who took—at various points before and during their college careers—the Collegiate Learning Assessment, which is designed to measure gains in critical thinking, analytic reasoning and other high-level skills. The study found that at least forty-five percent of students "did not demonstrate any statistically significant improvement" in learning during the first two years of college (p.121), and that thirty-six percent of students showed similar lack of improvement over four years of college. The authors wrote, "How much are students actually learning in contemporary higher education? The answer for many undergraduates, we have concluded, is not much" (Arum & Roksa, 2010, p.34).

Value of a college degree

Across President Obama's two terms, magazines and books questioned whether a college education was worth the money. The cover of *Newsweek* magazine on September 17, 2012, asked "Is College a Lousy Investment?" (McArdle, 2012). Former United States Secretary of Education William Bennett (Bennett & Wilezol, 2013) authored a book titled *Is College Worth It?* in which he wrote, "College is neither a panacea nor a carte blanche. Better high schools, trade schools, and apprenticeship programs should take the place of overpriced and underperforming colleges and universities" (p.xiv).

Some entrepreneurs established alternatives to traditional colleges. Peter Thiel, who cofounded PayPal and was one of the first investors in Facebook (Forbes, 2014), established the Thiel Fellowship

in 2011, which offers \$100,000 grants to about twenty students who are twenty years old or younger to drop out of school and pursue their entrepreneurial goals (Markowitz, 2012). In April 2012, two computer science professors at Stanford University, Daphne Koller and Andrew Ng, started Coursera, which offers free online courses called “MOOCs” (massive open online courses) with partner universities such as Princeton, the University of Florida, and the University of Melbourne (Lewin, 2012). As of December 2014, Coursera had enrolled almost 10.6 million students in 883 courses from 116 partner institutions (Coursera, 2014).

The President’s proposal: The postsecondary institutions rating system (PIRS)

A general conceptual framework of the ratings, originally expected by mid-2014 (Mangan, 2014) and then the fall of 2014 (Stratford, 2014a), was finally released on December 19, 2014 (Anderson, 2014b). This “bigger picture framework” was designed to shape the first version of the ratings, slated to be released before the start of the 2015-2016 academic year (U.S. Department of Education [USDOE], 2014b, p.2). The major purposes of the ratings were to “recognize institutions that are succeeding at expanding access, maintaining affordability, and ensuring strong student outcomes and setting them apart from institutions that need to improve,” and to “help students and families make more informed choices during the college search and selection process” (USDOE, 2014b, p.2).

The Department of Education (2014b) proposed several indices to measure access, affordability, and outcomes. Each metric is listed below, along with a critique of its efficacy to achieve the White House’s goals.

Percent Pell

To measure access provided to disadvantaged students, the rating system would consider the percentage of an institution’s enrolled students who receive Pell grants. The federal Pell Grant Program provides need-based grants to low-income students based on their Expected Family Contribution (EFC, discussed in more detail below), the cost of attendance, the student’s enrollment status (full-time or part-time), and whether the student attends for a full academic year or less (USDOE, 2014a). The maximum federal Pell Grant award in 2014-2015 was \$5,730 (Federal Student Aid, 2014).

Using the number of students eligible for Pell grants can be a poor proxy for measuring access to low-income students. First, this statistic may be higher for institutions that focus programs on nontraditional students, who tend to be “independent” for purposes of federal financial aid and are more likely than “dependent students” to receive Pell grants because their parents’ income and their own assets are not considered when calculating eligibility (Tebbs & Turner, 2005). Second, the demographics of the institution’s applicants, “such as the relative number of well-qualified students

from poor families in the state,” can influence the Pell-eligible ratio (Tebbs & Turner, 2005, p.36). More accurate ways of measuring access for low-income students “require the comparison of colleges and universities with similar academic requirements, program offerings, and pools of potential students” (Tebbs & Turner, 2005, p.39).

Expected Family Contribution gap

Expected Family Contribution (EFC) is calculated based on information that students provide on the Free Application for Federal Student Aid (FAFSA) form, including family income and assets. The Department of Education (2014b) is “exploring defining EFC gap as the average difference between some focal EFC level and each student’s individual EFC” (p.7). One drawback is that this metric “may misrepresent access for institutions with low participation in federal student aid programs” (USDOE, 2014b, p.8).

Family income quintiles

Family income can help measure access because it determines a student’s EFC and financial-aid eligibility. The United States Census Bureau already uses the shares of aggregate household income received by quintiles as one measure of income inequality (DeNavas-Walt & Proctor, 2014). The Department of Education (2014b) would calculate family income based on what students report on their FAFSA, so it “may not accurately measure the presence of students in higher income quintiles because higher income students are less likely to receive federal grants or loans” (p.8).

First-generation

The proposed rating system may also include the percentage of enrolled students who do not have a parent who attended college. Students voluntarily report this information on their FAFSA. By relying on FAFSA data, information about first-generation students would reflect only recipients of federal student aid. Therefore, it would not accurately assess the enrollment at institutions “in which only a small fraction of students receive federal grants or loans” (USDOE, 2014b, p.8).

Average net price

Average net price is calculated by subtracting the average amount of federal, state/local government, and institutional grant and scholarship aid from the total cost of attendance. Total cost of attendance is the combined sum of published tuition and required fees (in-state for public institutions), books and supplies, and the weighted average for room and board and other expenses (National Center for

Education Statistics, 2013). Institutions report this statistic to the federal Integrated Postsecondary Education Data System (IPEDS) based on full-time, first-time degree-seeking undergraduates who receive grant or scholarship aid from the federal government, state/local government, or the institution (National Center for Education Statistics, 2013).

This statistic, while more informative than an institution's sticker price, has two weaknesses. First, it excludes students who are not first-time and full-time, do not receive financial aid, and who—at public institutions—are not in-state students (USDOE, 2014b, p.9). Second, differences in net average price “are often driven by differences in the socioeconomic status of enrolled students,” not the differences in the price of the institutions themselves (Levine, 2014, p.1). Median net price by income level, instead of average net price, “would make the information more useful” (Levine, 2014, p.8).

Net price by quintile

In anticipation of criticism that average net price may not be an accurate measure of the actual price paid by students from different family income levels, the Department of Education (2014b) indicated that net price by quintile would be another metric in its rankings. Institutions report to IPEDS the quintile of family income for first-time, full-time degree-seeking or certificate-seeking undergraduates who receive federal student aid. The income quintiles are \$0-\$30,000, \$30,000-\$48,000, \$48,000-\$75,000, \$75,000-\$110,000, and above \$110,000 (USDOE, 2014b, p.9).

What does price really mean?

No matter how it is calculated, price can be a misleading measure, particularly at public institutions. To be sure, there is a popular belief that “underlying costs keep rising and there is seemingly little effort being expended to control those costs” at state colleges and universities (Odland, 2012). But the truth is that the total cost of a public college education has risen only 2.8 percent in twenty-five years in constant 2013 dollars, from \$11,264 in 1988 to \$11,580 in 2013 (State Higher Education Executive Officers [SHEEO], 2014, fig.3). The defining policy variable over that time is state funding, which has dropped significantly.

State and local support—excluding appropriations for research, agricultural extension, and medical education—per full-time-equivalent student (FTE) dropped 28.8 percent between 1988 and 2013 (SHEEO, 2014). State and local support per FTE was \$6,483 in 2011, the lowest in the previous twenty-five years (2013). The decline grew steeper in 2012, to \$5,896, an additional nine percent decrease (SHEEO, 2013). By 2013, state and local support per FTE was \$6,105, a one-year increase of \$85 (1.4 percent), in constant dollars, but still lower than any of the years before 2009 (SHEEO, 2014).

“Given this structure,” wrote Susan Dynarski (2014), a professor of economics, education and public policy at the University of Michigan, “can a ratings system affect tuition prices at public colleges? Not really.” The “amount of funding public institutions receive from their states” might be among the institution-level characteristics that the rating system may use to adjust outcomes (USDOE, 2014b, p.15).

While the literature on the effect of pricing and aid on student behavior indicates that “money does indeed matter when it comes to both college entry and persistence” (Bowen, Chingos, & McPherson, 2009, p.162), the effect of the cost of tuition might be misunderstood. A study on the effect of college selectivity on a student’s chances of graduating (Heil, Reisel, & Attewell, 2014) found that the only institutional variable having a significant effect on graduation is tuition, but in the opposite direction one might expect. A \$1,000 increase in annual full-time in-state tuition was associated with a 1-to-1.5 percent increase in graduation rates (Heil, Reisel, & Attewell, 2014).

Completion rates

The proposed rating system would include the graduation rates that institutions report to the Integrated Postsecondary Education Data System (IPEDS) for their fall cohort of first-time, full-time students. The great failing of this statistic is that it does not capture part-time students and transfer students (National Postsecondary Education Cooperative, 2010). President Obama (1995) himself fell through the cracks of the federal definition of graduation rates: he attended Occidental College from 1979 to 1981 and then transferred to Columbia University, where he graduated in 1983.

The Department of Education (2014b) acknowledged the weakness of IPEDS’ graduation-rate data. A new federal measure that includes part-time and transfer students is scheduled to go into effect in 2017 (Pérez-Peña, 2014). Until then, for the rating system to reflect outcomes of part-time and transfer students, the Department of Education (2014b) may develop completion rates using institution-reported administrative enrollment data in the National Student Loan Data System (NSLDS).

The numbers of part-time and transfer students are significant. In the fall of 2012, over 17.7 million undergraduates were enrolled in degree-granting postsecondary institutions, and over 6.6 million of them—37.4 percent—attended part-time (National Center for Education Statistics, 2014, tbl.303.70). Minority students are particularly likely to attend part-time. Among total fall enrollment in postsecondary institutions in 2012, forty-two percent of black students and over forty-five percent of Latino students attended part-time, so they are not counted in graduation rates (National Center for Education Statistics, 2014, tbl.306.10). Regarding transfers, a study (Simone, 2014) of first-time beginning students in 2003-2004 found that 35 percent transferred or simultaneously enrolled at more than one institution at some point within six years.

Perverse incentives

If institutions are rated in part on their graduation rates, they may be discouraged from enrolling students who may take longer to graduate. For example, family income has been found to be “primarily responsible for the overall relationship between SES [socioeconomic status] and time-to-degree” (Bowen *et al.*, 2009, p.71). In a letter to Secretary of Education Arne Duncan, fifty college presidents in Virginia wrote that ratings based on graduation rates “would disadvantage many needy students” because institutions would be “under pressure to increase graduation rates by enrolling higher income students” (Kapsidelis, 2014).

Effect of “pre-college characteristics”

Minority students may also be disadvantaged if institutions are rated on graduation rates. A team of researchers that included Stella Flores at Vanderbilt University found that a “racial college completion gap” exists before students get to college (Garrison, 2014). Nationally, the six-year graduation rate for the 2006 cohort at four-year institutions was 59.2 percent, with white students at 62.5 percent, Hispanic students at 51.9 percent, and African-American students at 40.2 percent (National Center for Education Statistics, 2014, tbl.326.10). Among a cohort of students who graduated from Texas, Flores’ study found that sixty-four percent of those graduation gaps are attributable to “pre-college characteristics,” which include academic preparedness, coursework prior to entering college, and economic circumstances (Garrison, 2014). Comparing graduation rates “would be fair only if all colleges were working with similarly prepared students who have similar resources,” and “it would be unfair to evaluate and punish a college and its students on the basis of pre-college factors that the college has no ability to control,” the report said (Garrison, 2014).

The proposed rating system recognized that student outcomes “may be influenced by the characteristics of the students themselves, like academic preparation and family resources” (USDOE, 2014b, p.14). As a result, the Department (2014b) is “considering adjusting outcomes for important differences among institutions based on student and/or institutional characteristics to further diminish their influence on the ratings” (p.14), including family income, parental educational attainment, and state of residence.

Transfer rates

The ratings may include transfer rates. The Department of Education (2014b) wants to give credit to two-year institutions whose students transfer to a four-year institution, whether or not the student completed a degree or certificate at the two-year institution. Such transfers are “intrinsic to the community college mission” (USDOE, 2014b, p.10).

Transfer data have several critical limitations. First, institutions are not required to report transfer rates to IPEDS. Institutions may voluntarily report the transfer-out rate of first-time, full-time degree

or certificate-seeking students. Second, the National Student Loan Data System (NSLDS) does not include program-level data, so it is unknown whether a student transferring to a four-year institution entered a four-year program or only a two-year program (USDOE, 2014b).

Labor market success

The Department of Education (2014b) wants to know if students get good jobs after college. After the ratings framework was released, Under Secretary of Education Ted Mitchell said that the Department wanted to determine if recent graduates can “pay their bills, pay their student loans and begin to get on in life” soon after they leave school (Anderson, 2014b).

The greatest hurdle to having comprehensive employment data on college graduates is a federal law prohibiting “a student unit record system ... or any other system that tracks individual students over time” (Higher Education Opportunity Act of 2008, 20 U.S.C. §1015c). If the ban were lifted, the Department of Education could link data already collected by schools, states, and the federal government and create a “powerful tool to better understand the trajectories, struggles, and successes of an increasingly diverse student body” (McCann & Laitinen, 2014, p.3).

Ratings based on salaries could advantage institutions specializing in majors that lead to high-paying jobs. According to PayScale (2014), a company that collects salary and benefits information, the top undergraduate institution—based on the mid-career median salary of its graduates—is Harvey Mudd College, a small institution in California that specializes in engineering, science, and mathematics. A study of recent college graduates by the Federal Reserve Bank of New York (Abel, Deitz, & Su, 2014) found that majors providing technical training—*i.e.*, “training that focuses on quantitative and analytical skills,” such as engineering, math, and computers—had the highest shares of graduates working in jobs that require a degree (p.7).

By the same token, ratings based on salaries could disadvantage institutions that focus on socially oriented careers that are not lucrative, such as teaching, social work, and nursing. In their letter to Secretary Duncan, the presidents in Virginia wrote, “Students who choose public service or non-profit sector employment with lower starting salaries than their peers should not be considered failures, and their higher education institution should not be penalized for those choices” (Anderson, 2014a).

Earnings over time, and the state where a person works, are also important factors when evaluating college graduates’ salaries. The New York Federal Reserve’s study of recent college graduates (Abel, Deitz, & Su, 2014) found that it is more difficult for graduates just out of school to secure a job than for those who have been out of school longer: “It takes time for recent college graduates to settle into the labor market and find a job, and this has historically tended to be the case” (p.3). Harvard President Drew Faust said that based on the analysis of some Harvard economists, “you really only begin to get an accurate reflection of lifetime earnings if you look at 10 years out” (Ryssdal, 2014). Microsoft founder Bill Gates said that overemphasizing graduates’ salaries in the

ratings could create unfair comparisons between salaries in disparate places like New York and Utah. “All these really simple measures are really difficult,” Gates said (Lederman & Rivard, 2014).

The Department of Education (2014b), mindful of these concerns, is considering a short-term indicator of “substantial employment” together with a longer-term earnings measure, such as mean or median earnings of former students ten years or more after entering college. The Department (2014b) would likely calculate “substantial employment” as the percentage of an institution’s former students earning above 200 percent of the federal poverty line for a family of one, or as a multiple of the full-time minimum wage earned over one year. The 2014 poverty line was \$11,670 (Assistant Secretary for Planning and Evaluation, 2014), and the federal minimum wage was \$7.25 per hour (U.S. Department of Labor, n.d.). The “substantial employment” threshold was similar to an idea expressed by the New America Foundation (Miller, 2014), which suggested a threshold of 150 percent above the poverty line, or \$17,505.

Graduate school attendance

The ratings might include a measure of graduate-school attendance of former students within a period, such as 10 years, after the student started at the institution, but robust data are difficult to collect. The best data available to the federal government are the number of graduate loans in the NSLDS. About 1.5 million graduate students took out Federal Stafford loans in 2013-2014, representing about half of students enrolled in graduate programs (USDOE, 2014b).

Loan performance outcomes

The loan repayment or default pattern of an institution’s former students may be part of the rating system. Since 1989, institutions have been required to publish cohort default rates (Jackson, 2004), currently calculated as the percentage of borrowers within a cohort who default before the end of the second fiscal year following the fiscal year in which the borrowers entered repayment (Higher Education Opportunity Act of 2008, 20 U.S.C. § 1085(m)). Additional loan repayment metrics may include rates of deferment and forbearance, the percentage of students’ initial loan balances repaid at various times, and the percentage of students with loans in negative amortization at various times (USDOE, 2014b).

The original rating proposal from the White House (2013) included “average loan debt” as a metric for affordability. The 2014 proposal did not include this metric because “student loan debt is partially a function of the financial resources available to the student” (p.9). As a result, institutions enrolling large numbers of low-income students who rely on student loans would have been unfairly penalized under a metric of average loan debt.

Quality, categories, and classifications

The Department of Education (2014b) recognized that many higher-education outcomes are intangible and “not amenable to simple and readily comparable quantitative measures,” particularly learning outcomes (p.13), so they will not be included in the ratings. This recognition echoed former Harvard President Derek Bok (2013), who wrote, “Some of the essential aspects of academic institutions—in particular, the quality of the education they provide—are largely intangible and their results are difficult to measure” (p.43). Each category of metrics that will be used will have only three rating levels: high-performing, middle, and low-performing. The Department of Education (2014b) is considering whether to rate institutions on each metric separately, or to aggregate the metrics to help consumers assess an institution’s value.

Consumer information vs. accountability system

The still-to-be-determined display of the rating results—separately or aggregately—indicated the difficulty in using the rating system for the dual purposes of consumer information and institutional accountability. Hans L’Orange of the State Higher Education Executive Officers association advised using the ratings as “a flashlight, not a hammer”—illuminating, not punishing, institutions (Field, 2014a). Even if focused on consumers, the rating system may have minimal influence on college applicants’ decisions. Geography is the key consideration for applicants, as “most students consider only a limited number of colleges, and this small set of institutions is largely determined by location” (Turley, 2009, p.126). In a survey of college freshmen (Eagan, Lozano, Hurtado, & Case, 2013), over fifty-three percent attended a college within 100 miles of their home. In 2011-2012, more than one-third of undergraduates lived with their parents during the school year, the highest share in 20 years (Quinton & McGill, 2014).

Low-income students are particularly bound by geography and may be unaware of their postsecondary options, limiting the proposed ratings’ usefulness. Nick Hillman at the University of Wisconsin found that more than thirty-four million Americans—over ten percent of the population—live in an “education desert,” a community where a public college is either scarce or does not exist, which tend to be distributed along socioeconomic and racial lines (Field, 2014b; Stratford, 2014a). Moreover, the majority of low-income, high-achieving students do not apply to selective institutions, perhaps because they are “poorly informed about their college-going opportunities” or they have “cultural, social, or family issues that make them unwilling to apply” (Hoxby & Avery, 2013, p.47). Rather than a government website displaying college information, these students need to receive information through “high-touch personal interaction” (Espinosa *et al.*, 2014, p.18)

Mission differentiation

The first version of the rating, anticipated for the 2015-2016 academic year, will apply to only two classifications of institutions: four-year institutions that primarily award baccalaureate degrees and above; and two-year institutions that primarily award associate degrees and/or certificates. The Department of Education (2014b) may try to account for institutional differences such as degree and program mix and selectivity.

With over 4,700 degree-granting institutions in the United States (Snyder & Dillow, 2013, tbl.306), “each with its own distinctive aims and characteristics” (Bok, 2013, p.9), higher education leaders feared that the federal rating system, when first announced, would “treat all higher education institutions as if they were doing the same thing and educating identical student populations” (American Council on Education, 2014). As Senator Lamar Alexander put it, “I mean, how is Washington going to compare Nashville Auto-Diesel College [currently known as Lincoln College of Technology] and Harvard?” (Sanchez, 2014). Higher education institutions comprise research universities, which award the majority of PhDs; comprehensive universities, which offer a range of master’s and doctoral programs and conduct some research; four-year colleges, which tend to be smaller than research and comprehensive institutions and concentrate on the liberal arts and career-oriented programs; two-year community colleges; and for-profit institutions (Bok, 2013). This diversity among institutional missions “is one of the central strengths of the U.S. higher education system — and must be preserved” (Perna, 2014).

The role of Congress

Congress openly opposed the Obama rating system. First, the federal fiscal year 2015 budget approved by Congress did not include the Education Department’s request for \$10 million to help produce the ratings (Stratford, 2014c). When the proposed rating system was released in December 2014, Congressman John Kline, chair of the House Education and the Workforce Committee, called it “a fool’s errand,” and Senator Lamar Alexander said, “I can’t support letting Washington bureaucrats use taxpayer dollars to fund a higher education popularity contest” (Anderson, 2014b).

The White House (2013) planned to pursue legislation incorporating the rating system into the federal financial-aid programs by 2018, awarding students attending high-performing institutions with larger Pell Grants and more affordable student loans, but Congress would need to approve the plan. After the 2014 United States elections, the Republicans held fifty-four seats in the 100-seat Senate, giving them “firm control of the upper chamber” starting in January 2015 (Fausset, 2014), and extended their “commanding majority” in the House of Representatives to 247 seats out of 435 (Rojas, 2014). Senator Alexander became the chair of the Senate Health, Education, Labor, and Pensions Committee in January 2015, making it unlikely that the committee would consider legislation tying the ratings to federal student aid (Stratford, 2014b).

Conclusion

Politics and policy collided over President Obama's college rating system. Politically, he was about halfway through his second term in office when the conceptual framework for the ratings was released. "Frustrated by congressional inaction and Republican efforts to block legislation, the President . . . increasingly pushed the limits of his executive authority in domestic and international policy making" (Shear, 2014). While executive action alone could create a college rating system, the system could not be tied to federal higher education funding without congressional approval. Therefore, the system would be just another source of information about colleges and universities that students might access, begging the question whether a government website is "a sufficient mechanism for providing the kind of information students and their families need" to guide their college-application decisions (Perna, 2014).

The proposed metrics themselves share some common failings, thereby diminishing their informative value. Some metrics are incomplete, such as graduate rates, which do not include part-time students and transfers; transfer rates, which institutions report voluntarily; graduates' income, which is difficult to obtain without a federal unit record system; and graduate school attendance. Other metrics can be gleaned only from students' FAFSA form — including Expected Family Contribution, family income, first-generation students, average net price, and net price by quintile—thereby excluding students who do not apply for financial aid. Pell percentage, net average price, and completion rates reflect the demographics of an institution's applicants more than the characteristics of the institutions themselves. A suggested alternative to Pell percentage is apt for many of the proposed metrics: "require the comparison of colleges and universities with similar academic requirements, program offerings, and pools of potential students" (Tebbs & Turner, 2005, p.39).

Hunter Rawlings (2014), the president of the Association of American Universities, offered an early caution against the rating system by recalling: "Albert Einstein is said to have kept a sign in his office that read, 'Not everything that counts can be counted, and not everything that can be counted counts.'" Perhaps the truly important values imparted by colleges cannot be counted, and the characteristics that can be counted should not be rated after all.

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