The U.S. Department of Education released a draft framework for the Postsecondary Institution Rating System (PIRS) on December 19, 2014. The draft included discussion of the PIRS framework mechanics and possible metrics. The draft is intended to guide the development of a final, operational ratings system that is intended to be available by the beginning of the 2015-16 academic year.

**SUMMARY**

The proposal was extensively analyzed by UVU’s Institutional Effectiveness and Planning, Institutional Research and Information, Student Affairs, and Academic Affairs staff. The analysis has concluded that the PIRS framework as proposed is overly focused on evaluating how well traditional institutions serve traditional students, and is unsuited to meet the needs of the majority of contemporary students and the institutions, particularly dual mission institutions, that serve them.

The analysis is based on the premises that any rating system should:

1. Faithfully reflect each institution and its students rather than institutions’ conformity to an idealized higher education model and student. Data that is unrepresentative of the student body and measures that are inappropriate to or undermined by institutions’ missions do a great disservice to students, institutions, and policymakers. Especially important to this is recognition the growth of dual mission institutions, which currently teach more than 1.4 million students.

2. Fairly compare institutions’ success in meeting their specific educational missions rather than rewarding institutional prestige. Many existing ratings are notorious for reinforcing widely held notions that the best institutions are the most prestigious. Since outcomes are tied in no small part to the prestige of the institution rather than its actual performance, any rating system built around outcomes has great potential to punish institutions simply for lacking prestige or for attempting to serve the kinds of students whose needs are not met by elite institutions.

3. Be rooted in a clear methodology and publically available data. Ratings that are not transparent will appear arbitrary to both students and institutions. Accountability, especially, is enhanced by transparent methods that support institutions’ efforts to
validate and understand their rating, and to respond to ratings with innovative actions that improve access, affordability, and outcomes.

In light of these principles, UVU offers the following recommendations for the final rating system:

1. Defer implementation of any rating system until reliable and valid data is available to drive the proposed metrics. As the Department has recognized, the data sources proposed by the Department will exclude very large numbers of students from the metrics due to the limitations of the IPEDS Graduation Rate Survey cohort and NSLDS. The weaknesses of the proposed data sources are such that it is difficult to see how any system based on them would not be regarded as arbitrary and capricious, especially if the system is tied to Title IV eligibility at some point in the future.

2. Adopt separate ratings for each of the three metrics that can be aggregated into a single overall metric for simplicity and accountability purposes. The Department's targeting of access, affordability, and outcomes are a classic case of a value triad in which any two goals are achievable but all three can be achieved only with an exceptionally rare combination of effort, skill, resources, and luck. Both institutions and families will likely prioritize two of these goals while satisficing on the third. Few, then, will be helped by an overall rating that does not also provide specific information about each metric.

3. Categorize institutions in two dimensions with three categories each: Mission (two-year, dual mission, four-year) and selectivity (non-selective, selective, highly selective for four-year institutions only). The proposed methodology, first and foremost, creates significant data anomalies for dual mission institutions, whose categorization may vacillate between categories or be inconsistent with their IPEDS categorization or their missions. It is, more importantly, unfair to both traditional two-year institutions and dual mission institutions to compare their outcomes. Perhaps the single most important factor influencing institutional performance is its selectivity. Comparing highly selective and non-selective institutions is neither fair for institutions nor informative for students. Moreover, failing to distinguish institutions on the basis of selectivity incentivize restrictiveness rather than access.

4. Control for student characteristics by rating institutions within categories that include selectivity as a dimension. Controlling outcomes measures for student characteristics reduces the information value for students. Students are likely interested in absolute outcomes rather than outcomes relative to expectations. Measures controlled for student characteristics promote accountability but only at the expense of consumer information.

5. Include as measures of access selectivity; non-traditional student percentage; racial or ethnic minority student percentage; gender percentage; and percentage of students who are enrolled in distance education, night, and satellite location classes. The proposed access measures, with exception of first-generation student percentage, assume that access is primarily a financial issue. Like many institutions, UVU has found that access
is multifaceted: academic preparation, geography, family status, and demographics limit access independent of whether students have income sufficient to pay for their education.

6. Measure affordability using net price for all students rather than only those receiving federal financial aid. Net price is a useful measure of how much such students pay. But it does not measure how affordable the institution is for students who do not receive aid. An effective affordability measure should recognize both institutions with low net prices and those with low standard tuition and fees.

7. Measure completion using the IPEDS Eight-year Outcomes Measure that will be collected beginning in 2015-16. A six-year deadline is not relevant to the now-majority of non-traditional students. For these students, “on time” graduation is meaningless; continuing progress is their aim. But that continued progress brings results: UVU’s graduation rate for first-time, full-time, baccalaureate degree-seeking students doubles between the sixth and tenth years.

8. Apply standards for transfer from two-year to four-year institutions to students who transfer from two-year to four-year programs within an institution as well. Measures for completion should not be counterproductive for the higher education system as a whole. Approximately half of all students are now believed to transfer at least once. We encourage the Department to extend the proposal to count two-year transfer as completion to transfers from two-year programs to four-year programs within dual mission institutions.

9. Measure labor market success based on having secured substantial employment within three years of graduating or three years plus half the program time from beginning a program. Labor market success, especially at the highest levels, is shaped by many factors beyond institutions’ control. Threshold metrics would limit the extent to which institutions are rewarded or punished for the ways that higher education in the United States has historically reproduced social divisions. In many cases companies recruit students for good jobs well before they complete their degrees. On balance, that is a positive outcome, and would be rewarded by measures of labor market success that do not assume completion.

UVU respects that the challenges in devising a rating system are tremendous and appreciates the openness the Department has exhibited in developing the proposal. We believe that the Department shares our concern that a poorly designed ratings system is very likely to hurt many students by limiting access, reducing affordability, and producing fewer graduates, especially among non-traditional students and institutions. The recommendations offered herein will go far toward ensuring a system that is fair and effective for all students and institutions.
KEY PRINCIPLES FOR RATINGS

UVU believes that a ratings system for higher education institutions must reflect three key principles: it must be transparent, faithful to individual institutions, and fair to all institutions. A system that fails on these three principles will neither provide useful information to students and their families nor promote institutional accountability to policymakers. UVU’s recommendations regarding the Department’s proposal are based on these principles.

Fidelity to Each Institution
Any ratings system must evaluate institutions in ways that faithfully reflect that institution and its students. Data that is unrepresentative of the student body and measures that are inappropriate to or undermined by institutions’ missions do a great disservice to students, institutions, and policymakers. A ratings system that is not faithful to institutions risks imposing substantive changes on institutions that are inconsistent with the independence and diversity that is a hallmark of American higher education, incentivizing a single model of higher education that suits only a narrow, idealized subset of students and outcomes.

Especially important to this is recognition the growth of dual mission institutions, which maintain a significant commitment to both community college and university educational program. More than 1,400 institutions—over one-third of all US institutions with physical campuses and first-time students—awarded both bachelor’s and associate’s degrees in 2013. Between 2004 and 2013, the number of institutions where both associate’s and bachelor’s degrees made up at least 20% each of the graduating class grew by 56%. Such institutions currently teach more than 1.4 million students. UVU is a leader in this segment, the largest institution in the nation—public, non-profit, or for-profit—to have maintained a dual mission for more than 10 years. Dual missions are a cornerstone of higher education in Utah, where only the University of Utah does not offer associate’s degrees, and only Salt Lake Community College does not offer bachelor’s degrees. Every indication is that more institutions will adopt a dual mission approach, which suits both the needs institutions and states have for cost savings and nontraditional students’ desire for flexibility and continuity. A system that does not recognize the needs of dual mission institutions risks either its own irrelevance or the devastation of one of the most important areas of innovation in higher education.

Fairness to All Institutions
The ratings system must be built on a fair comparison of success consistent with institutions’ purposes rather than rewarding institutional prestige. Many existing ratings are notorious for reinforcing widely held notions that the best institutions are the most prestigious: Harvard, Yale, and Princeton lead the U.S. News rankings nearly every year. If they are not among the highest rated institutions in the Department’s ratings, the rating system will likely face a challenge to its legitimacy similar to that of the 1999 U.S. News rankings. Since outcomes are tied in no small part to the prestige of the institution (in the form of stronger applicants and well-placed alumni networks) rather than its actual performance, any rating system built around outcomes has great potential to punish institutions simply for lacking prestige or for attempting to serve the kinds of students whose needs are not met by elite institutions.
Transparency for All Users
Ratings that are not rooted in a clear methodology and publically available data will appear arbitrary to both students and institutions. Accountability, especially, is enhanced by transparent methods that support institutions’ efforts to validate and understand their rating, and to respond to ratings with innovative actions that improve access, affordability, and outcomes. Individual institutions should be able to reconstruct any measure used in their own rating from data available to them, and should be able to access the measures incorporating in the ratings for all institutions (much as is true for IPEDS data). Students and their families should be able to compare not only institutions’ overall ratings but the component measures of greatest interest to them, which will require not only access to the data but appropriate guidance in its use.

RATINGS PROCESS
UVU believes that the ratings process is problematic for institutions that are not oriented toward traditional students. We support including both overall ratings and ratings for each component metric. We are concerned, however, that the proposed data sources are not representative and that the proposed comparison groups are insufficiently specific for the diversity of institutions being rated, especially given the development of higher education away from full-time residential study by recent high school graduates.

Data Sources
As the Department has recognized, the data sources proposed by the Department will exclude very large numbers of students from the metrics due to the limitations of the IPEDS Graduation Rate Survey cohort and NSLDS. UVU applauds the Department for its recognition that “there are many institutions at which first-time, full-time students are a minority, sometimes a tiny minority, of students in attendance.” Nonetheless, that the Department persists in using this data suggests that it underestimates the extent of the problem. In fall 2013, 73% of UVU’s degree-seeking students were not in an IPEDS cohort. None of our high school concurrent enrollment students—like those of any other institution offering such programs—are included, excluding en masse a critical part of our access mission. Part of that is due to factors that will be addressed in the Outcomes Measures beginning in 2015-16. Even with the Outcomes Measures, we expect that more than one-third of UVU students will still be excluded because they entered in the spring or after the fall census date, or because our high rates of missionary service result in large numbers of exclusions.

That the IPEDS GRS is severely unrepresentative is not simply a unique characteristic of UVU but a norm of contemporary higher education. On average, 52.7% of entering classes are included in the GRS cohort; that falls to 44.6% for public institutions and 42.1% for two-year institutions. The proposal to supplement IPEDS data with NSLDS data presents serious problems with comparability, and is subject to the same problem: 41% of UVU degree-seeking students do not submit a FAFSA. Unlike IPEDS, institutional NSLDS data is not publically available, undermining the transparency of any metrics based on it. We thus do not consider it an adequate supplement or alternative to IPEDS data.
The weaknesses of the proposed data sources are such that it is difficult to see how any system based on them would not be regarded as arbitrary and capricious, especially if the system is tied to Title IV eligibility at some point in the future. Ultimately, we believe that the only truly representative data source will be a student unit record system. However, we also acknowledge concerns such systems present regarding workload for institutions, duplication of effort with state longitudinal data systems, and student privacy that preclude us from taking a position on a federal student unit record data system more generally.

- **Recommendation 1**: Defer implementation of any rating system until reliable and valid data that has been evaluated by institutions and the public is available to drive the proposed metrics.

**Distinct Measures for Access, Affordability, and Outcomes**

UVU encourages the Department to adopt separate ratings for each of the three metrics that can be aggregated into a single overall metric for simplicity and accountability purposes. The Department’s targeting of access, affordability, and outcomes are a classic case of a value triad in which any two goals are achievable but all three can be achieved only with an exceptionally rare combination of effort, skill, resources, and luck. Both institutions and families will likely prioritize two of these goals while satisficing on the third. Community colleges pursue access and affordability, but admit many students who lack the academic, social, or economic advantages to graduate in traditional timeframes. Small liberal arts colleges with aggressive minority recruitment programs achieve strong outcomes while providing access to children of promise but without the necessary means for a higher education, but are among the least affordable institutions in the nation. The service academies achieve near universal graduation and employment at no cost to the few students who succeed in the most selective admissions processes in the country. That institutions have these priorities suggests that there are constituencies for each set of priorities among prospective students. Few, then, will be helped by an overall rating that does not also provide specific information about each metric.

- **Recommendation 2**: Adopt separate ratings for each of the three metrics that can be aggregated into a single overall metric for simplicity and accountability purposes.

**Comparison among Similar Institutions**

The proposed categorization of institutions is wholly inadequate to represent dual mission institutions. The methodology, first and foremost, creates significant data anomalies for such institutions. The standard referenced in the proposal framework is not entirely clear whether institutions will be categorized according to the majority of degrees awarded without counting certificates or the plurality of completions including certificates. Mathematically these standards should have identical results, but the confusion may complicate the execution in some cases. In either case, UVU would be categorized as a four-year institution currently, with 60.3% of completions at the bachelor’s degree level. In 2008, however, 52.4% of completions were at the associate’s degree level, which would have the institution categorized as a two-year institution.

This presents several problems. The change itself is problematic, as it represents an increment along a long-term trend rather than a moment of significant change for the institution, as would a
change based on the IPEDS standard. Moreover, UVU’s classification prior to 2009 would have been inconsistent with its IPEDS classification, a point of significant confusion for policymakers and, since the IPEDS classification is likely more consistent with the public’s understanding of institutions, for students and their families as well. Most importantly, it is unfair to both traditional two-year institutions and dual mission institutions to compare dual mission institutions to single mission ones. The large percentage of bachelor’s degrees awarded by UVU in 2008 would give it a significant advantage in labor market outcomes over an exclusively two-year institution. After 2009, UVU’s large percentage of associate’s degrees put it at a disadvantage in comparison to exclusively four-year institutions.

UVU is typical of dual mission institutions in all of these respects. Six hundred eight institutions would have changed PIRS classifications at least once between 2004 and 2013; 133 would have more than once. Nine hundred eighty-nine institutions would have PIRS classifications that conflict with IPEDS classifications at least once in the last decade, and 381 would have had such conflicts every year. Such volatility and inconsistency with source data sources will severely hamper PIRS value for both consumer information and accountability. A dual-mission classification similar to the Carnegie Classification of Baccalaureate/Associate’s Colleges but including institutions that awarded a substantial minority of associate’s degrees would mitigate these effects.

Perhaps the single most important factor influencing institutional performance is its selectivity. Students with better academic preparation are more likely to graduate and more likely to attend institutions whose prestige is an asset in the labor market. Comparing highly selective and non-selective institutions is neither fair for institutions nor informative for students, punishing institutions for providing important second (or third, fourth, fifth, etc.) chances for academically weak students while sending the message that the only path to success is an elite institution. Moreover, failing to distinguish institutions on the basis of selectivity incentivize restrictiveness rather than access: Many institutional leaders have made clear that they believe that the quickest way to improving outcomes is to be more selective and thus less accessible. More than half of the institutions in the United States are non-selective, including nearly all two-year and dual mission institutions.

- **Recommendation 3:** Categorize institutions in two dimensions with three categories each: Mission (two-year, dual mission, four-year) and selectivity (non-selective, selective, highly selective for four-year institutions only).

**Outcomes Adjustment**

Much research suggests that institutional efforts, as important as they can be in individual cases, are secondary to student characteristics in student success. As a principle for accountability, then, the proposal to adjust outcomes measures to student characteristics is valuable, rewarding institutions for doing more for the students they have rather than for finding better students. Unquestionably the most important characteristic is academic preparation. Direct measures of academic preparation are not consistently available in the data sources that the Department suggests using, but selectivity measured by admissions rate would be a useful approximation. This would also mitigate incentives to artificially inflate selectivity by encouraging
unqualified applicants to apply for admission; such inflated figures would increase expected outcomes without increasing the quality of incoming students. Family socio-economic status and educational background are useful control measures as well, but are only available through FAFSA and NSLDS data.

However, controlling outcomes measures for student characteristics reduces the information value for students. Students are likely interested in absolute outcomes rather than outcomes relative to expectations: they are more likely to ask, “Among the institutions that I can attend, which is most likely to get me a degree and a job?” than “What institution provides the most gains for the kinds of students they admit (who may be very different from me)?” The latter question is the question of accountability, while the former is the question of student information. Measures controlled for student characteristics achieve the former, but only at the expense of the latter.

- **Recommendation 4**: Control for student characteristics by rating institutions within categories that include selectivity as a dimension.

**MEASURES**

**Access and affordability**
The proposed measures for access and affordability are problematic both in themselves and together. The proposed access measures, with exception of first-generation student percentage, assume that access is primarily a financial issue. Like many institutions, UVU has found that access is multifaceted: academic preparation, geography, family status, and demographics limit access independent of whether students have income sufficient to pay for their education.

UVU has been aggressive in meeting many of these concerns. We created a structured enrollment program that allows students with poor academic preparation to enroll while ensuring they receive the support the need to succeed. We expanded distance education, satellite locations, and schedule flexibility to support students who cannot easily travel to the main campus when it happens to be convenient for the university. We expanded our on-campus child care center to increase the educational attainment of women, thanks in large part to a $2 million donation from the Barbara Barrington Jones Foundation. The proposed measures for access will not capture efforts that institutions make to overcome these kinds of barriers.

Pell eligibility is not exclusively a measure of socio-economic status; the number of children is a factor as well. While UVU’s low FAFSA submission rate excludes many students who would be Pell-eligible, the culture of large families in the region likely makes Pell eligibility an inflated estimate of the socio-economic status of those who do seek aid. EFC gap is difficult even for higher education professionals to understand intuitively, likely of no use to students and families, and not transparent.

- **Recommendation 5**: Include as measures of access selectivity; non-traditional student percentage; racial or ethnic minority student percentage; gender percentage; and
percentage of students who are enrolled in distance education, night, and satellite location classes.

All of these will need clear definitions for submission within the IPEDS framework.

Similarly, the affordability measures are all based on cost to students after financial aid programs—programs designed to promote access—have been applied. Net price is a useful measure of how much such students pay. But it does not measure how affordable the institution is for students who are not targeted by these broadest federal access policies. At UVU, 41% of students pay the standard tuition and fees. An effective affordability measure should recognize both institutions with low net prices and those with low standard tuition and fees. This could be achieved by calculating the net price for all students rather than only those receiving financial aid.

However, we do note that there is great difficulty in generating meaningfully comparable cost of attendance data beyond tuition and fees in the absence of a standard methodology for data collection. This undermines the transparency of all net price measures. Where cost of attendance is largely cost of living, net price comparisons may be of little use to students who are not able to relocate.

- **Recommendation 6**: Measure affordability using net price for all students rather than only those receiving financial aid, which can be calculated based on existing data collected through IPEDS.

**Completion**

The proposed outcomes measures are the measures most plagued by the lack of representativeness in existing data sources, a problem that will be only minimally remedied by the IPEDS Outcomes Measure. While UVU expects, based on the principles so far discussed, that inclusion of part-time and transfer cohorts will increase GRS participation to approximately two-thirds of students, the allowable exclusions and spring cohorts will still exclude a large number of students who are distinctly different academically than those included in the GRS cohort.

The proposed use of the 150% timeframe for completion is not appropriate for institutions that include large numbers of part-time or non-traditional students. Many UVU students, as is increasingly true nationally, begin as full-time students but, as work and family obligations mount, shift to part-time enrollment in order to balance education with these other obligations. They will be included in the GRS cohort, having been enrolled full-time as first-time students, despite having had no expectation that they would complete in four or even six years. For these students, “on time” graduation is meaningless; continuing progress is their aim. But that continued progress brings results. On average, UVU’s overall graduation rate for first-time, full-time, baccalaureate degree-seeking students grows by 42% between 150% and 200% of program time and doubles between the sixth and tenth years. A six-year deadline is simply not relevant to the now-majority of non-traditional students.
• **Recommendation 7:** Measure completion using the IPEDS GRS200 rate for the first-time/full-time, part-time, and transfer cohorts that are expected to be available in 2017.

**Transfer Students**

UVU strongly supports a rating system that recognizes the ability to transfer between institutions as a virtue of American higher education. Approximately half of all students are now believed to transfer at least once. Measures for completion should not be counterproductive for the higher education system as a whole, which must support student mobility as the reality of the landscape. We are especially supportive of considering transfer students as a completion for two-year institutions; students who intend to transfer should be able to do so when it suits their needs rather than only doing so upon completing a degree. We encourage the Department to consider doing so for transfers from two-year programs to four-year programs within dual mission institutions as well, especially since the simplest solution to articulation of two and four-year degrees is stackable credentials within an institution.

• **Recommendation 8:** Apply standards for transfer from two-year to four-year institutions to students who transfer from two-year to four-year programs within an institution as well.

Unfortunately, data on transferring students is limited especially if the Department lacks access to National Student Clearinghouse data, so there is no clear or transparent solution for specific measures that support transfer students.

**Labor Market Success**

UVU strongly supports the use of substantial employment and program entry principles for measuring labor market outcomes. Labor market success, especially at the highest levels, is shaped by many factors beyond institutions’ control, such as family social positions. Histories of institutional exclusion of a range of social groups and of the (all too often ill-gotten) wealth of founders contribute to institutions’ current positions in the prestige hierarchy of higher education, which is perhaps the most significant determinant of labor market success across institutions. Threshold metrics would limit the extent to which institutions are rewarded or punished for the ways that higher education in the United States has historically reproduced social divisions, and continues to do so today. It would also mitigate the effects of the institutional classification anomaly described above.

Measuring success from program entry for non-graduates would be exceptionally valuable for community colleges and dual mission institutions, where many students might need specific skills from a few courses rather than a completed degree to gain employment or improve their position in their workplace. In many cases companies recruit students for good jobs well before they complete their degrees. On balance, that is a positive outcome, arguably better than graduating without a good job and certainly better than never starting the degree and never getting a good job.

UVU’s surveys of alumni show that graduates may not be immediately successful in the labor market but do become so over the long-term. New graduates, of course, take time to
complement their education with experience. The unemployment rate for our graduates falls from 7.6% one year after graduation to 7.1% after three years and 6.8% after five years. Median salary grows by 17% in the first three years after graduation and 36% in the first five. This supports the Department’s suggestion that employment should be measured well after completing a program.

However, the proposed changes will not address the unrepresentativeness of NSLDS data, which will necessarily be the primary source for measures of labor market success. It seems reasonable to expect that students who graduate without receiving federal aid, whether because their socio-economic position gives them the resources to do so or because their own abilities allow them to work their ways through, are more likely to be successful in the labor market. This is a perverse incentive for institutions to pursue a high-cost, high-discount model rather than keeping tuition and fees low. We thus suspect that effective labor market outcomes data may prove illusory without access to Social Security earnings data—and, thus, without a student unit record database to which Social Security data can be matched.

- **Recommendation 9**: Measure labor market success based on having secured substantial employment within three years of graduating or three years plus half the program time from beginning a program.