

NASFAA Response to White House “College Scorecard”

The National Association of Student Financial Aid Administrators (NASFAA) appreciates the opportunity to provide comment on the White House draft “College Scorecard.” NASFAA represents more than 18,000 financial aid professionals who serve 16 million students each year at nearly 3,000 colleges and universities throughout the country. Our comments represent the views of the financial aid administrator community, the professionals who work one-on-one with students and families on a daily basis.

NASFAA believes strongly in clear, accurate, and pertinent consumer information for students and families when selecting a postsecondary institution. We thank the White House for making this a priority. While the goal of the College Scorecard is to achieve a greater level of consumer transparency, there are several areas of improvement that would make this a more relevant, universal, and stronger tool. Based on feedback from several financial aid administrators, representing all sectors of higher education, NASFAA offers the following comments, suggestions, and questions.

1. **Comprehensive Review of Consumer Disclosure:** The College Scorecard concept taken alone provides a good discussion point about what information students need when making college decisions. However, we believe it is a mistake to examine the Scorecard without considering the litany of other consumer disclosures schools are required to provide students and parents throughout the admissions and financial aid process. No matter how good the concept of the College Scorecard may be, the fact remains that students and parents are bombarded with so many disclosures that anything useful is generally lost in a well-intentioned conglomeration or text. It is our firm belief that to truly develop a consumer disclosure that is useful to students and parents, a comprehensive review of all disclosures must be undertaken with an eye towards streamlining institutional reporting and focusing on the timing and the precise information students and parents require.
2. **Uniform Focus on Traditional Student.** In many ways, the College Scorecard is primarily geared toward the traditional, dependent, 18-year old student. Assuming that the graduation rates included on the College Scorecard include only first-time, full-time students who begin attendance in the fall term, as is currently proposed, students who may be attending part-time or must attend school in a non-consecutive path would not be included in the data. Put another way, the data represented on the scorecard would not be reflective of a large proportion of the student population.

Financial aid administrators also expressed concern over the display of transfer percentages. While higher education professionals understand that transfer students are not included in graduation rates, the Scorecard's target audience would lack that understanding and may misconstrue what that data element infers about an institution.

Similarly, the section on earnings potential appears to assume a traditional trajectory from higher education to employment. If an institution has a high percentage of students who don't follow this traditional path and instead pursue activities such as military service, the Peace Corps, or other pursuits, earnings data would be misleading.

For these reasons, we believe it would be beneficial to allow institutions to provide additional information that provides context to graduation rates.

- 3. Communication with Low-Income or First Generation Students.** One of the greatest challenges associated with providing a universal, standardized College Scorecard is that it must be written and presented in a way that will be understood by students and families of different socioeconomic backgrounds. However, as NASFAA members will attest, one cannot communicate effectively with first generation families in the same way one communicates with other families. In several places, the draft Scorecard uses vernacular and jargon that could be difficult or confusing to first generation college students.

For example, many families do not understand the term "net price". While net price is loosely defined as "Average total costs after grants and scholarships" on the left side of the Scorecard, it is not defined in the larger "Costs" heading. In addition, the definition of net price here does not incorporate educational costs other than tuition and fees. The definition of net price as defined by law - for purposes of the net price calculator - includes *all* costs associated with attendance, including room and board, transportation, and personal expenses. We suggest that to keep terminology and meaning consistent, the term "net price" should be eliminated altogether and the data element should be labeled: "average costs after grants and scholarships."

The Scorecard graphs are also difficult to interpret and need additional clarification—and this could also be an additional roadblock for first generation students. For example, what does enrolling "similar types of students" mean? Should this be interpreted by the student as the institution enrolling other students with backgrounds identical or similar to themselves, or is this to suggest institutions that are similar by type and control? Related, does each diamond

symbol, which is to indicate the similar institutions, represent just one institution, or several? As the diamonds become closer together they form a solid blue line, which makes it difficult to determine how many institutions are represented.

4. **Emphasis on Loans.** We agree that students and families should be provided with accurate information before making a decision about borrowing. However, the Scorecard puts a strong emphasis on borrowing, and only draws a small amount of attention to grants and scholarships. While we understand that for most students, loans cover a great proportion of the cost to attend college, it is important for students to know that grants and scholarships are available as well. If we assume that students and families will be primarily drawn to the main headings, it seems reasonable to include an average “Grants and Scholarships” section as well. Although students and families could calculate this amount on their own using the “Costs” figures, providing the dollar amount directly makes the Scorecard more user-friendly.

Related, in the “Student Loan Repayment Section,” how will “successful repayment” be defined? Will it be a measure of borrowers *not* in delinquency or default, or will it exclude borrowers who are not successfully paying down principal, even though they may be completely current on their student loan payments through an income based or contingent repayment plan?

Additionally, will the “Student Loan Debt” section include both federal student loans (including loans from the Department of Health and Human Services) and private loans? If all loans are not included, this is not necessarily useful or accurate.

5. **Definition of “Earnings Potential”.** We have concerns as to how “Earnings Potential” would be defined and the accuracy of reported data. For example, is this information collected one year after graduation, two years after graduation, or after a graduate has been in the workforce for multiple years? Clearly jobs experience different wage growth and acceleration rates would affect these numbers. Would students who continue directly on to graduate school be excluded from their undergraduate institutions’ data? If so, how would that affect the numbers? Finally, how would schools be expected to collect this information from their graduates and how would this information be collected from schools?

Schools cannot mandate that graduates keep them informed on their employment status and earnings. Therefore, what little data that schools do collect is likely to be unrepresentative at best and misleading at worst.

We appreciate the motivation and necessity to provide quality information to prospective students and families and we support efforts to increase transparency on college costs. We look forward to working with President Obama on this initiative.