

*Discussion:* The statute only requires that institutions compile and disclose information on full-time, certificate- or degree-seeking undergraduate students. Institutions may always disclose completion or graduation rates and other information on part-time students or other types of students as supplemental information.

*Changes:* None.

*Comments:* Many commenters recommended that the Secretary not consider students who transfer to a new institution to be completers. These commenters believed that considering transfers-out to be completers is inaccurate because an individual could be counted as a completer by two separate institutions. These commenters also asserted that students who transfer out of an institution are not equivalent to completers, since their final outcome is unknown.

Many other commenters recommended that the Secretary should regulate what types of documentation the Secretary will accept to define "substantial preparation." Moreover, these commenters recommended that the Secretary not define substantial preparation because these definitions would place a burden on institutions, since they would require evaluation of transfer credits at entry, an uncommon practice in higher education. The absence of a standard practice for evaluating transfer credits and the varying definitions of academic standing minimizes the comparability of data from one institution to another and introduces the possibility of data manipulation. Both produce poor consumer information in the eyes of these commenters.

Some commenters appreciated the flexibility to allow transfers-out in good standing to be completers and request that the institutions be allowed to define good standing.

A number of commenters consider a request for a transcript an insufficient indicator of students' transfer behavior; transcript requests do not provide the necessary certification, as they are generated for many reasons unrelated to a student's intent to transfer.

Some commenters indicate that surveys are also insufficient. Such estimates introduce considerable uncertainty and variation in the data. Other commenters support the idea of surveys as a viable means of dealing with this statutory requirement.

Many commenters recommended that the regulations allow one of four types of documentation that a student has transferred to another institution. First, a certification letter or document from the registrar of the receiving institution

that a student is enrolled is evidence of transfer. Second, an electronic certification, such as a SPEEDE/EXPRESS or a secure e-mail message, from the registrar of the receiving institution is evidence of transfer. Third, the confirmation of enrollment data from a legally-mandated, statewide or regional tracking system (or shared information from such systems) is evidence of transfer. Fourth, other documentation of enrollment at the receiving institution, such as institutional data exchanges of students enrolled as of the official enrollment date, is evidence of transfer. Some commenters requested that the Secretary specify these means of evidence in the regulations. A number of commenters believed that enrollment at a new institution alone is evidence of substantial preparation. Further, institutions should be permitted to use a variety of sources for this rate, without being required to have documented proof of transfer on a student-by-student basis. It must be emphasized that an approximate rate is more useful to the student than a rate which is clearly underrepresented because of difficulties in student-by-student data collection and documentation.

Most commenters urged the Secretary to adopt separate reporting of completion and transfer-out rates if it is legally necessary to address transfers-out. The resulting statistics represent distinct pieces of consumer information depending upon an entering student's own objective. The commenters indicate that combining these rates into a single statistic will not help students make the choices that actually face them.

Many of the commenters petitioned the Secretary to work with the academic community to devise procedures which would facilitate the transfer of data among institutions which chose to participate in such data transfer mechanisms. A significant number of commenters recommended that the Secretary consider the method employed by the GRS because of its flexibility in reporting students who transfer out of an institution. Some commenters recommended that transfers-out be considered completers if they are "transfer-ready." In other words, if the student enrolled in a transfer preparation program had achieved a certain grade point average and completed a certain number of credits, the student could be considered to have received "substantial preparation" and therefore, be "transfer-ready." This student, the commenters maintained, is a completer.

*Discussion:* The Secretary agrees that combining graduates with transfers-out

in a single rate will lead to confusing and sometimes misleading information. Therefore, the Secretary requires that institutions publish separately its transfer-out rate.

The Secretary recognizes the variety of serious problems associated with the statutory provision that transfers-out be reported. Because the provision is mandated by law, institutions may not ignore it. However, the Secretary wishes to provide institutions with flexibility to address transfers-out. Therefore, consistent with the treatment of transfers-out in the GRS, an institution is only required to report on those students the institution knows have transferred to another institution.

For the reasons cited by the commenters, the Secretary agrees that merely requesting a transcript is insufficient evidence of transfer. There must be reasonable evidence of a transfer in order for an institution to consider a student a transfer-out. The four examples of valid documentation suggested by many of the commenters have been incorporated into the regulations per their request.

Moreover, in order to resolve the conflict between the transfer-out provision and the particular mission of community colleges in preparing students for transfer to other institutions, these regulations provide that institutions that offer transfer preparatory programs as described in § 668.8(b)(1)(ii) may consider a student who is "transfer-ready" to be a completer. A transfer-ready student is a student who has successfully completed his or her transfer program.

With respect to the Student Right-to-Know Act disclosures, in response to the commenters' concerns, an institution must disclose the transfer-out rate separately from its graduation rate, but may provide additional information that combines the completion or graduation rate with its transfer-out rate.

*Changes:* A change has been made in § 668.46(c) that mandates that institutions report their transfer-out rate separately. Section 668.46(c) has also been changed to require an institution to document that a student has transferred to another institution, and provides examples of the types of documentation necessary to document a transfer-out.

A change has been made to § 668.46(b) which allows an institution to count in its completion or graduation rate a student who has successfully completed a transfer-preparatory program as described in § 668.8(b)(1)(ii).

*Comments:* Some commenters believe the use of a persistence rate for programs longer than the predominant