FAQ

College Transparency Act

What are the problems with the current education reporting system?

Colleges currently report postsecondary data in a manner that is highly burdensome yet provides inadequate information to consumers and policymakers. Institution-level data is significantly more complex for colleges to report than student-level data because they have to aggregate and calculate various cohorts and duplicative metrics to satisfy current federal reporting requirements. Despite the current time-consuming and burdensome reporting scheme, the public is still largely in the dark on graduation and outcome information because **colleges only report on-time graduation rates for first-time, full-time students, and other outcomes, such as post-college earnings, are only available for students who receive federal aid.** These limitations do not reflect today's student population—where nearly two out of three students attend at least two schools before graduating and nearly 40% of undergraduate students attend on a part-time basis. Furthermore, the current reporting system fails to release complete information on student outcomes by basic student demographics, major, or credential level.

How does the College Transparency Act fix the current system?

This bill would establish a secure, privacy-protected postsecondary student data system at the National Center for Education Statistics (NCES), an independent statistical agency. Colleges would report data to this new data system in lieu of the current, burdensome reporting mechanisms, and NCES would be responsible for presenting the information in a user-friendly manner for students and the public, while securing the data and safeguarding student privacy. NCES would be able to periodically match data with specified federal agencies, like the Department of Treasury, in order to report on certain student outcomes, such as post-college earnings by academic program or institution.

Why do students need this information?

Deciding where to spend precious time, dollars, and debt on higher education is one of the biggest decisions students will make. Unfortunately, students can't answer basic questions about which programs at which institutions provide an adequate return on their investment. Today's students and their families need accurate, accessible, and comprehensive information to choose the college or post-secondary education program that is the best fit for their individual needs. The College Transparency Act would enable students to answer crucial questions, such as how students fare in the workforce after leaving college or what their chances are of transferring from a community college to a four-year college. Nearly 45 million student barrowers (past and present) are owners of more than $1.5 trillion of outstanding student loan debt. It is time for students, families, guidance counselors, and all those involved in the college decision-making process to have quality information before making this important investment.

Do students care about workforce outcomes when deciding where to go to college?

Students want to know which schools are the best fit for their needs before they make one of the largest investments in their life. The vast majority (85 percent) of college freshman rate "to get a better job" as "very important" in their decision to go to college. Yet, the data to help students discern which programs and institutions will best help them achieve their career goals is severely lacking. The ability to provide additional information to improve student decisions is one of the reasons why organizations representing students and young adults, such as Big Ten Student Association and Young Invincibles, support the College Transparency Act. States and businesses also care about preparing students for success in the modern workforce and which institutions and programs are doing that. That is why the U.S. Chamber of Commerce, Association of Career and Technical Education, Indiana Institute for Working Families, and various state workforce development boards and associations support the bill.

Do most colleges and universities support this?

Associations representing institutions serving the majority of college students support lifting the ban on connecting student-level data to help build evidence and improve the quality of their programs. Institutions want more comprehensive information on student progress, completion, and outcomes so they can better understand and evaluate how well they are serving their students and identify areas for improvement. Institutions also know student-level data collection will decrease reporting burden and the financial and human resources necessary to complete the necessary requirements. That is why the Association of Public and Land Grant Universities, American Association of Community Colleges, Association of Community College Trustees, the State University of New York, Virginia Community College System, the Ohio State University, Louisiana State University, and many more support the bill.

Isn't all this information already being collected by institutions?

Colleges and universities do already hold student-level data, which they use to calculate and report hundreds of metrics to the Department of Education each year. However, these metrics do not adequately answer important questions about student outcomes after college – largely because colleges don't have access to that data. For example, colleges do not know whether students get jobs or how much they earn after graduating, but the federal government already has these data on workforce outcomes. CTA would allow workforce and education data to be matched to answer key questions about return on investment. Colleges and universities should not be required to report data that the government already holds.

Why is there a problem with connecting data for evidence building if other federal agencies already have this data?

Since 2008, there has been a ban on a federal student-level data system that makes it impossible to connect existing data systems to improve consumers' ability to make the decisions that are right for them or to build evidence to improve student success. As a result, existing data is of limited use. The ban prevents, for instance, a full picture of graduation rates that adequately accounts for transfer outcomes, disaggregation of outcomes by important demographics to

highlight gaps in equity, and an understanding of program-level aggregate earnings for students. The Commission on Evidence-Based Policy Making, convened by the Evidence-Based Policymaking Commission Act of 2016, unanimously agreed to a final report that calls for Congress to consider repealing current bans and limiting future bans on the collection and use of data for evidence building.

Are there viable alternatives to collecting this data at the federal level?

There are no viable alternatives that can provide this information to students and families in a way that is accurate, complete, transparent, and consistent across states and regions. In particular, the federal government is the only entity with comprehensive, nationwide data on employment and earnings. Institutions and states do not have access to nationwide employment/earnings information and cannot answer questions about national workforce outcomes without federal involvement. Alumni surveys are costly and unreliable with varying, often-low response rates and response biases (i.e., alumni with higher earnings and higher status jobs are more likely to respond than those alumni who are not employed or who are working in less notable jobs or companies). State-level earnings data also is not a feasible alternative. States typically do not have data for students who cross state lines, and state data on workforce outcomes exclude the self-employed, federal employees, and members of the military. Also, in many states, private colleges do not participate in the state longitudinal data system. It would also be inefficient, slow, and burdensome to have all 50 states attempting to collect, link, and transmit the same data on an individual basis.

Why is it important to count all students in our higher education system and not just students receiving federal aid?

Data that include only federal financial aid recipients exclude a large part of the higher education system, with confusing implications for students, institutions, and policymakers. About 30 percent of students do not receive federal financial aid, and in some institutions and systems, even greater proportions of students do not receive federal aid. Consider the California Community College System, where only 22 percent of beginning students received Pell Grants and 3 percent received Stafford loans in 2013. Omitting non-federally-aided students leaves out at least three-quarters of students in this large system. If metrics are calculated on only a subset of students—those receiving Title IV aid—then the results will be skewed. Just as first-time, full-time graduation rates do not paint a complete picture of completion, neither do metrics limited to Title IV recipients. All students—regardless of whether they receive federal aid—deserve quality information on education and employment outcomes to help them make informed decisions. Only the federal government has access to complete earnings information, so only the federal government can reliably answer questions about workforce outcomes for those students.

Both students and institutions deserve to be fairly represented in the data with information that reflects the full student body. Institutions as a whole, and all of their students, benefit from taxpayer investment through Title IV aid and federal higher education subsidies. As such, outcomes data should reflect the entire institution, not simply a fraction of its students. If non-

Title IV recipients are excluded, the data will unfairly include only a fraction of the student population at many schools. **Moreover, all tuition-paying students can claim education tax benefits, and in fact, the IRS already holds some data on essentially all students based on the 1098-T form, which is used to process education tax credits and deductions.** Non-Title IV recipients reap the benefits of federal investment in higher education—yet would be excluded from the outcome measures if the ban were not repealed.

Additionally, one of the prime benefits of a student-level data system—the reduction in burden—would be rendered moot without their inclusion. Many metrics in IPEDS, such as graduation rates and enrollment figures, include aided and non-aided students. Non-Title IV students must be included in a student-level data collection if it is to replace the student components of IPEDS and reduce burden on institutions.

Finally, to promote equity and champion civil rights, data must allow policymakers and institutions to identify and close socioeconomic gaps in college access, success, and outcomes. To accomplish this, we need quality information on low-income students (i.e. Pell Grant recipients) and non-low-income students (i.e. students who do not receive federal aid), just as every Student Succeeds Act requires disaggregated data to be reported on the performance of economically disadvantaged students as compared to students who are not economically disadvantaged.

Will this result in a federal college rankings system?

No. The College Transparency Act explicitly prohibits using the data to develop a federal college rankings system.

Will the bill allow the federal government to collect new, sensitive information on students?

The College Transparency Act explicitly prohibits the collection and reporting of the most sensitive personal information, including health data, citizenship status, discipline records, elementary and secondary education data, course grades, and religion. It also prohibits the use of data in the system to take punitive action against a student. Various agencies within the federal government already have most of the data required by the College Transparency Act, including earnings, veteran status, and financial aid information.

How would the student-level data system work under the College Transparency Act?

To provide the aggregate institutional- and program-level information that students, policymakers, and institutions need, the College Transparency Act enables temporary data

matches between federal agencies. For example, the Department of Education would send student-level data organized in program and institution-level cohorts to the Department of Treasury to link with individual-level data on wages. Treasury would calculate the results for specific programs and institutions and share the aggregate information back with the Department of Education. The Department of Education already uses this information-exchange process to calculate employment outcomes for students who receive federal financial aid. Integrating existing federal, state, and institutional data sources into a more coherent, nimble, secure, and privacy-protected network would create more usable information to help students navigate the complex higher education marketplace.

Will this data be stored in a big database?

No. The College Transparency Act explicitly prohibits the creation of a single database at the Department of Education. The bill instead enables data matches between federal agencies. The data matches are temporary and conducted at appropriate intervals. NCES only receives student-level data from relevant agencies necessary to calculate critical access, success, and outcome metrics; and will generally only receive back aggregate-level data. For instance, student-level data will be used by Treasury/SSA/Census for matching to calculate aggregate earnings information. NCES will never have access to individuals' personal earnings information.

How can this data be kept securely?

The College Transparency Act requires the data collection to be led by the National Center for Education Statistics (NCES), a statistical agency with strong protocols for securing data and protecting student privacy and an excellent track record in safely housing student data. NCES is already required by law to develop and enforce standards to protect individual-level data collected as part of sample surveys, including a cross-agency Disclosure Review Board. As added protection, the Act requires NCES to comply with Federal Information Processing Standards (FIPS) and all relevant privacy or security laws. It also prioritizes data minimization and requires notice to students about what data the system includes and how it will be used.

Will my personal earnings information be made public?

No. Your personal earnings information will never be available to the Department of Education or to the public. In fact, no information about you as an individual will be made available to the public. Only aggregate information about institutions and programs will be published.

How will the College Transparency Act help to fix our country's skills gap?

The College Transparency Act will help point students towards schools and programs best suited to their unique needs and desired outcomes. For millions of American workers and employers each year, informed education choices provide a win/win. The bill helps to provide actionable information that can better guide students to programs that are innovative, career-appropriate, and in-demand based on local and regional economic needs. That is why the bill is supported by U.S. Chamber of Commerce, Association for Career and Technical Education, New York Association of Training & Employment Professionals, SkillsWorks, Indiana Institute for Working Families, and more.

How does the College Transparency Act help veterans?

Veterans deserve to know which institutions and program best serve their unique needs and improve their ability to progress in the workforce. As Chris Cate, Vice President of Research at Student Veterans of America, has said, "[b]ased on recent research, the value of the Post-9/11 GI Bill is clear, as student veterans across the country succeed at rates higher than traditional students. Yet, determining these outcomes is currently a significant effort and not easily accomplished without abundant resources. Basing policy on research and data is imperative, and it shouldn't take as much effort as it does today, as we have the answer to this challenge staring us in the face."