June 9, 2021

James Kvaal, Under Secretary-Designate
Julie Morgan, Delegated the Duties of Under Secretary
Michelle Asha Cooper, Acting Assistant Secretary, Office of Postsecondary Education
Richard Corday, Chief Operating Officer, Federal Student Aid
Jordan Matsudaira, Deputy Under Secretary, Office of the Under Secretary
Melanie Muenzer, Chief of Staff, Office of the Under Secretary
Nick Lee, Deputy Assistant Secretary, Office of Planning, Evaluation, and Policy Development
Ben Miller, Senior Advisor to the Chief of Staff
U.S. Department of Education
400 Maryland Avenue, SW
Washington, D.C. 20202

Dear Department of Education Staff:

This letter is submitted on behalf of these 20 undersigned members and partners of the Postsecondary Data Collaborative (PostsecData). PostsecData is a nonpartisan coalition of organizations committed to the use of high-quality postsecondary data to improve student success and advance educational equity.

Over the past year, students and our higher education system have faced unprecedented challenges as a result of the coronavirus disease 2019 (COVID-19). In particular, Black, Latinx, Indigenous, and Asian American and Pacific Islander (AAPI) students and students from low-income backgrounds have borne the brunt of health and economic hardships; undergraduate enrollment has decreased, particularly for students attending community colleges; and further, the full effects of the pandemic on students' trajectory towards a degree or credential are still unknown. They continue to navigate coursework shifts between online, in-person, and hybrid modalities, face heightened and unforeseen costs and family responsibilities, and balance these challenges in deciding to enroll or reenroll in college. To better understand the full impact of this crisis, it behooves policymakers to ensure availability of high-quality, timely data to answer questions about college access, persistence, and success and inform student-centered policies.

To this end, the Department of Education (ED) has the opportunity to improve the accessibility and transparency of financial aid information and increase the utility of its datasets. There is a wealth of existing information available in systems like the National Student Loan Data System (NSLDS) that could be aggregated and publicly reported to inform policymaking. Further, if the Office of Federal Student Aid (FSA) enhances their data collection, the field would have a much clearer view of the inequities that exist around cost, financing, and online learning, as we rebuild after the COVID-19 pandemic.

PostsecData recommends the following Department actions to make more transparent federal financial aid data:

- Add data on students' distance and hybrid education status to NSLDS.
- Improve researcher access to and transparency of disaggregated student loan and repayment information through FSA to illuminate inequities.
- Ensure FSA data are easy to use.

Enacting these recommendations would represent a significant step forward in making available data on financial aid and online learning more timely, transparent, and actionable.

Add data on distance and hybrid education to NSLDS. The Department of Education should utilize the existing postsecondary data infrastructure to answer important questions about student pathways through in-person, distance, and hybrid education, especially as students' enrollment, reenrollment, and persistence continues to be impacted by the pandemic. Students' distance education status would have been a useful data point for policymakers in the midst of the COVID-19 pandemic, as institutions were forced to react to shifting circumstances. By adding a distance education element to NSLDS, using existing definitions that already exist in the Integrated Postsecondary Education Data System (IPEDS), FSA could provide timely, responsive data to inform future investments and target interventions.[1] This approach would minimize additional burdens for institutions, who are already required to report annually on the number of students enrolled in distance education to IPEDS and already report to NSLDS data sufficient to measure enrollment, persistence, and completion .

Further, as ED collects these data, it should report summary statistics on metrics like enrollment, Pell Grant and loan receipt, and withdrawals by distance status to inform policymaking and institutional practice. While this distance education data would be limited to students who receive Title IV funding due to the lack of a more comprehensive postsecondary data network, it would provide policymakers with a much clearer picture of the impact on students of the pandemic and the ongoing shift to online and hybrid learning. Because this shift to virtual environments is unlikely to reverse entirely, the information would help identify opportunities to support students in the semesters and years to come.

Improve researcher access to and transparency of disaggregated student loan and repayment information through FSA to illuminate systemic inequities. FSA manages NSLDS, which includes a wealth of critical information on the impact and outcomes associated with federal financial aid and student borrowing. The data available through the FSA Data Center are incredibly valuable, yet they are limited to a series of static tables. More robust data would increase their utility to inform policies and practices aimed at improving federal student aid and student outcomes.

For example, in order to estimate the costs of the student aid programs, ED's budget office and the Congressional Budget Office use a statistical abstract from NSLDS called the Cost Estimation and Analysis Division's Statistical Abstract (CEAD-STAB), which includes loan records and detailed information on a

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[1] Laitinen, A. & McCann, C. (2020, May 4). "Comments on Distance Education and Innovation Proposed Rule". Retrieved from: https://www.newamerica.org/education-policy/public-comments/our-public-comments-us-department-education/comments-distance-education-and-innovation-proposed-rule/

sample of approximately 2 million borrowers.[2] To expand transparency of student loan data and outcomes, the Department should improve researcher access to FSA's data systems by releasing a privacy protected version of the existing statistical abstract for researcher use and should publish all routinely produced oversight and monitoring data files related to student loan servicing, portfolio analysis, and debt collection. If not already included, this sample should also incorporate flags for servicer and student characteristics like age, income or Pell receipt, completion status, and other relevant demographic indicators. With this information, researchers can answer critical questions about student financial aid outcomes like how different design choices for income-driven repayment programs impact racial and economic equity and interrogate the problem of borrower with small loan amounts who are at a high risk of default.

Additionally, we know from analysis of the Beginning Postsecondary Students Longitudinal Study (BPS) that default rates for Black students is much higher than those for students of other races.[3] Further, student loan debt can hamper households' ability to accumulate wealth, an issue that is exacerbated by racial inequities—the median wealth of households headed by college-educated Black individuals was $23,400 in 2011, compared with $180,500 for households headed by college-educated White individuals.[4] Fortunately, the Consolidated Appropriations Act, 2021 added a new question to the Free Application for Federal Student Aid (FAFSA) about students' race/ethnicity, allowing—for the first time—the Department to disaggregate federal student grant and loan statistics by race/ethnicity. If leveraged to their full potential, these new data can shine a light on and provide critical insight into racial inequities in college affordability, student debt, and loan repayment and variation across institution, program and servicer—a necessary step toward ultimately remedying these disparities. To maximize the utility of these data to inform interventions aimed at addressing inequities, the Department should publish data disaggregated by race/ethnicity on at least: FAFSA filings; FAFSA verifications; Pell receipt and amount; loan receipt and amount by type of loan, including PLUS loans; earnings outcomes; cumulative debt burden; cohort default rate; and repayment rate.

Ensure FSA data are easy to use. FSA manages a number of data systems related to the administration and evaluation of the federal student aid programs. Data are most helpful for decision-making when they are easy to use and provide a complete picture—as is, FSA data sets are falling short. The Department should evaluate the data available from FSA through a lens of accessibility and usability and ensure that all publicly available data are published in machine-readable format.

[2] Soldner, M. & Campbell, C. (2016, May). "Using—and Improving—Federal Student Aid Data Systems to Support Policy Analysis. Retrieved from:
https://sites.ihep.org/sites/default/files/uploads/postsecdata/docs/resources/using_and_improving_fsa_data_systems.pdf
[3] Miller, B. (2019, December 2). "The Continued Student Loan Crisis for Black Borrowers". Center for American Progress. Retrieved from: https://www.americanprogress.org/issues/education-postsecondary/reports/2019/12/02/477929/continued-student-loan-crisis-black-borrowers/
[4] Addo, F.R. (2021). Ensuring a more equitable future: Exploring and measuring the relationship between family wealth, education debt, and wealth accumulation. Postsecondary Value Commission. Retrieved from: https://www.postsecondaryvalue.org/wp-content/uploads/2021/05/PVC-Addo-FINAL.pdf

The overall importance of accurate, timely data cannot be understated— it will serve an essential resource for lawmakers to craft evidence-based policies to support students through the public health crisis and beyond. Further, in the absence of these data enhancements, the field lacks adequate information to understand and rectify pervasive racial inequities existing in our financial aid systems. If you have any questions about this request, please contact Mamie Voight, interim president at the Institute for Higher Education Policy (mvoight@ihep.org or 202-587-4967).

Sincerely,

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