Implementing a Federal Student-Level Data Network (Part III):

INSIGHTS FROM FINANCIAL AID EXPERTS

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INTRODUCTION

Although the current federal postsecondary data landscape comprises high-quality data on a range of indicators, it has gaps that leave many important questions from policymakers, institutions, and students unanswered. To address these gaps, the 116th Congress introduced the College Affordability Act ([CAA], U.S. House of Representatives) and the College Transparency Act ([CTA], U.S. Senate and U.S. House of Representatives) in the 115th through 117th Congresses. These bills mandate the creation of a federal student-level data network (SLDN) that would leverage data available at institutions of higher education and federal agencies with the intent of streamlining those institutions' data-reporting burden. If Congress passes and the President signs either bill into law, the U.S. Department of Education's (ED's) National Center for Education Statistics (NCES), a center within the Institute of Education Sciences, will be responsible for building and maintaining the network.

To inform the development of an SLDN, RTI International[1] partnered with the Institute for Higher Education Policy (IHEP)—leader of the Postsecondary Data Collaborative—to engage a diverse array of community members in discussing issues that will be critical to developing and maintaining the network. RTI and IHEP hosted the first forum in June 2020; during that event, participants discussed the specific measures and underlying data elements required by the legislation. The results of that forum—including a detailed table of proposed data elements to be collected in the SLDN—are summarized in "Implementing a Federal Student-Level Data Network: Advice from Experts."[2] Hosted in September 2020, the second forum focused on institutions' concerns regarding data submission to an SLDN. "Implementing a Federal Student-Level Data Network (Part II): Insights from Institutional Representatives" summarizes that forum's discussions.[3]

During both forums, panelists raised a number of issues related to potential financial aid variables in an SLDN; these concerns led RTI and IHEP to engage financial aid professionals in May 2021 for the third forum. This brief captures the key points of that discussion for consideration by NCES. We do not draw conclusions or recommend solutions in this brief; our intention is to raise awareness about important issues that NCES and the SLDN designers will face if Congress mandates an SLDN.

PROCESS

RTI solicited feedback from more than 20 financial aid professionals as part of this process, including more than 12 individual conversations leading up to the third forum. Subsequently, in May 2021, RTI and IHEP convened a virtual forum of 9 financial aid professionals representing institutions of various types and sizes. (For a complete list of forum panelists, see Appendix A.) Panelists utilized their many years of experience in financial aid administration and their knowledge of ED's Integrated Postsecondary Education Data System (IPEDS) to answer questions of financial aid data availability, limitations, timing of reporting, and obstacles and opportunities.

We leveraged insights gleaned from conversations with the financial aid professionals as well as our learnings from the first two forums about legislation-required data elements to prepare background materials for review and discussion. These materials included the list of financial aid variables that the CTA would require (Figure 1).[4] Defining SLDN specifics is the responsibility of NCES and the Postsecondary Student Data System Advisory Committee, the establishment of which is prescribed in the legislation. We provided descriptions of the variables as a starting point for the conversation.

During the forum, we asked panelists the following questions:

- At your institution, are these data available for all students? Are there limitations of the data for some students? Are some data available through federal systems (for Title-IV-aided students)?

- Given your organization's current practices and data use, would it be preferable to submit these elements once per year or multiple times during the year?

- Are there other considerations that would impact data submission practices, such as the need to reconcile quality control issues or the desire to submit revised data at a later point in time?

- What resources could potentially streamline data submission and/or aid in the reduction of burden related to submission?

- How could an SLDN be designed to help you? For example, what types of beneficial information, and for which students, could the system provide back to you and/or make available to consumers?

FINDINGS

The following sections summarize what we have learned from panelists overall and about the topics of financial aid data elements, institution burden, timing of reporting, and use of SLDN data.

Cross-Cutting Findings

Panelists stressed the importance of clarifying the intended uses of the data reported to ED through the SLDN, as the intended uses should inform the SLDN's design. For example, the urgency of having timely data affects when and how often postsecondary institutions would need to report information and determines whether states or systems could report data on behalf of colleges. (See more discussion on this issue in the Timing of Reporting section.) The SLDN's intended uses can determine the level of accuracy required in the data, including whether and how colleges should be allowed to update or correct data for their students. Some panelists wanted the ability to correct data if the SLDN will be used for federal funding decisions and accountability, similar to the manner in which colleges were allowed to correct data used to implement the Gainful Employment regulations.[5]

Panelists underscored that reporting data for some groups of students would be easier than reporting data for others. There is a stark disparity in data that are currently available for students who fill out the Free Application for Federal Student Aid (FAFSA) and those who do not. For example, colleges calculate individual cost of attendance (COA) estimates for FAFSA filers but may not do so for students who do not apply for financial aid. Although colleges may have data on whether non-FAFSA filers are living on- or off-campus, they may not know whether students are living off-campus with family or on their own—a difference that affects COA estimates and financial aid eligibility. Panelists also raised concerns not only about how but also about whether undocumented students would be represented in these data elements.

Financial Aid Data Elements

Figure 1 provides the CTA-mandated SLDN data elements related to financial aid. Some data elements can be collected only from institutions, while other data elements should be obtained from federal data sources—including the National Student Loan Data System (NSLDS), Veterans Benefit Administration (VBA), and the U.S. Department of Defense (DOD).

Panelists indicated that they were already reporting most, but not all, of these data elements to the federal government, states, or systems. They also noted, however, that some of these data cover only a subset of students. For example, in IPEDS, colleges currently report data only on nonfederal loans borrowed by first-time, full-time undergraduates; data are not reported on all students' nonfederal loans. Moreover, colleges' ability to provide complete and accurate information about nonfederal loans for any student is limited because they may not have full or accurate information on students' nonfederal loan borrowing.

To ensure the accuracy and comparability of the data, panelists highlighted the importance of having clear data definitions. IPEDS already defines most of the required data elements, and this practice will facilitate the transition to an SLDN. In situations in which these elements are not as clearly defined, the implementation of an SLDN presents an opportunity to revisit some definitions. When developing new definitions, decision makers can potentially borrow or adapt definitions documented in other frameworks, such as the Common Education Data Standards (CEDS).[6] Panelists also noted that the Postsecondary Electronic Standards Council's work to standardize definitions, including on student learner records, has been helpful.

FIGURE 1
Financial Aid Variables

Variable
Cost of attendance
In-state/out-of-state tuition flag
Title IV recipient
State/local grants
Institutional grants
Grants from third parties (private)
Nonfederal loans
Federal grants
Federal loans
Cumulative student debt
Loan repayment status
Loan repayment plan
Post 9-11 GI Bill
Military or veteran benefit status
DOD tuition GI Bill
Military or veteran benefit status

COLLECTED FROM:

- Institution
- NSLDS
- VBA
- DOD

Panelists believed that, if the legislation passes, NCES and the Postsecondary Student Data System Advisory Committee must address the following questions regarding definitions of two data elements:

- Which students will be included in the SLDN? For example, would the SLDN **(1)** be limited to degree-/certificate-seeking students enrolled for credit, as IPEDS is, or **(2)** include those students as well as noncredit students? Would the SLDN include high school students who are taking college courses, as IPEDS currently does?

- How should tuition waivers be treated? In reporting COA, ED distinguishes between waivers that **(1)** are treated like payment of tuition and fees that have been charged to a student and **(2)** reduce the amount that the institution charges the student.[7] For two students with the same sticker prices and waiver amounts, the COA will be lower for the second student than the first. Panelists raised concerns about reporting tuition waivers for the SLDN because those waivers are operationalized differently across colleges, and—in many cases—financial aid offices do not process the waivers.

According to the CTA, the SLDN must include the data elements needed to calculate the information that institutions currently provide through the student-related surveys in IPEDS. Panelists suggested reporting additional detail beyond what is currently required in IPEDS to help with answering relevant policy and practice questions. For example, some panelists recommended differentiating federal grants so that Pell Grants, Federal Supplemental Educational Opportunity Grants, Iraq and Afghanistan Service Grants, and Teacher Education Assistance for College and Higher Education Grants are reported separately. Others suggested that the SLDN include students' expected family contribution,[8] an index number used to determine financial aid eligibility and dependency status—elements that are not currently captured in IPEDS or specified to be collected in the CTA.

COA, also known as the "student budget," estimates a student's total educational and living expenses for attending a particular college and sets a limit on the amount of financial aid for which the student is eligible. Panelists agreed that they would be able to report individualized COA for FAFSA filers, and a participant added that their college also constructs a COA for non-FAFSA filers who apply for private loans. However, all colleges may not yet have the data elements needed to construct COA for non-FAFSA filers.

Panelists noted that a college's COA estimate may differ from what a student ends up actually paying for educational expenses, particularly for indirect costs. These costs are educational expenses that are not paid directly to the college, such as off-campus housing, food, and transportation to class. Colleges already estimate indirect costs when they report COA to IPEDS and when they package students' financial aid, but students have flexibility in how much they actually spend. Even for direct expenses—such as tuition—amounts can vary within an academic year, which would complicate data reporting; for example, students who move can switch between in-district and out-of-district tuition rates.

As with the previous two forums, there was no consensus about whether the SLDN should collect information on both aid awarded and aid disbursed. The existing IPEDS survey collects information on grant amounts awarded and loan amounts disbursed.[9] There are several reasons why aid amounts awarded may differ from actual amounts disbursed, including changes in enrollment intensity (e.g., full-time versus part-time) and COA. Although panelists noted that they already have to identify amounts actually disbursed for federal grants and student loans as part of required reconciliation processes for Title IV aid, identifying disbursed amounts for other types of aid would be more complicated. For example, private grants can be paid directly to students, so colleges may have data on only the amount students are expected to receive, not what they actually received. Additionally, one panelist reported that their state grant program removes awards for students who do not provide the required documentation. As a result, data about amounts awarded may be incomplete. Another complication is that some colleges do not include loans in their initial financial aid packages or the schools package less than the maximum amount of student loans—though students can request and receive the maximum amount in federal student loans for which they are eligible.

Panelists noted that a college's COA estimate may differ from what a student ends up actually paying for educational expenses, particularly for indirect costs. These costs are educational expenses that are not paid directly to the college, such as off-campus housing, food, and transportation to class.

Additionally, the CTA does not require colleges to report whether financial aid is based on need. Though the distinction between need-based and non-need-based aid is relevant for policymakers and other community members, the panelists raised concerns about colleges' ability to distinguish accurately between these two types of aid. In some cases, colleges cannot clearly identify whether institutional aid awards are need-based—particularly when aid is awarded in a decentralized way, such as by departments within a college.

Institution Burden

Given the existing workloads of financial aid offices and the significant variation in resources among colleges, designing an SLDN to reduce as many unnecessary burdens on institutions as possible is essential. Panelists raised a number of considerations and strategies for streamlining data reporting through an SLDN.

- Figure 1 shows that a number of financial aid data elements can be collected from other sources, such as NSLDS. Panelists agreed that collecting these data elements from federal systems rather than from colleges would minimize the burden on institutions.

- The CTA would allow states or college systems to act as the "assigned agent" for particular colleges; the assigned agents would report data to the SLDN, further reducing redundancy.[10] Panelists noted that certain states (such as Florida and Texas) require detailed data reporting from colleges, and some states already have robust statewide longitudinal data systems. Requiring colleges to report the same information to multiple data systems would impose an unnecessary burden; therefore, institutions, systems, and states should leverage the SLDN's flexibility to improve efficiency.

- Burden can be reduced by aligning the SLDN to other required reporting. For example, the National Postsecondary Student Aid Study (NPSAS) asks selected colleges to provide student enrollment lists and detailed financial aid records for a subset of enrolled students.[11] NPSAS could obtain those data from the SLDN, eliminating the need for colleges to report individual-level data to NPSAS and aggregate student data to IPEDS.

- Panelists agreed that by collaborating with student information system and enterprise resource planning vendors, SLDN designers could reduce the burden of data reporting for institutions. System vendors could create standard reports that colleges could use to submit data for the SLDN and could also share the underlying extract code for institutions to customize. Software providers are already anticipated to make changes to implement FAFSA simplification reforms,[12] and the SLDN provides an additional opportunity to standardize data elements across colleges and platforms.

Timing of Reporting

The proposed CTA does not specify the timing of data collection for the SLDN, but timing is still an important consideration for SLDN design. The SLDN would be required to collect the data elements needed to calculate the student-level information currently collected in the aggregate through the student-related survey components in IPEDS, and that would pose constraints on timing if IPEDS data are to be publicly released on the current timeline. Additionally, colleges would still need to report the non-student-related components of IPEDS (i.e., Institutional Characteristics, Admissions, Finance, Human Resources, Academic Libraries). Table 1 outlines four possible models for collecting student-level data for the SLDN, in conjunction with the non-student-related components of IPEDS.

Table 1: Collection Models for Student-Level Data

	SUBMISSION FREQUENCY DURING ACADEMIC YEAR	SUBMISSION TIMING
MODEL 1	Each set of data elements is submitted once during one of the three collection periods (i.e., fall, winter, spring).	As in current IPEDS reporting, Student Financial Aid data are submitted in the winter (for the previous year's aid data).
MODEL 2	Each set of data elements is submitted once during the year (e.g., winter).	All data files are submitted in winter, including Student Financial Aid data.
MODEL 3	Each set of data elements is submitted multiple times during the year.	All files, including Student Financial Aid data, are submitted multiple times (e.g., each term) during the year.
MODEL 4	Some elements are submitted once, and other elements are submitted multiple times.	Enrollment data are submitted each term, but Student Financial Aid and all other data are submitted only once during the year.

As previously discussed, panelists clarified that the SLDN's intended uses and audiences should inform the timing and frequency of data reporting. If NCES requires data quickly, then states or systems reporting data on behalf of colleges may not be feasible. If the data require a higher level of accuracy (e.g., needing to reconcile aid amounts awarded with amounts disbursed), then colleges would need more time to process the information before reporting to the SLDN.

Of the models in Table 1, panelists preferred Models 1 and 2; these two models involve reporting all data elements once a year and submitting Student Financial Aid data in the winter (i.e., December through February). Reporting data elements multiple times a year, as seen in Models 3 and 4, would be more burdensome and would likely not be worthwhile for the financial aid elements. However, some panelists pointed out that matching the aid awarded with a term of enrollment would still be helpful.

Panelists were comfortable with the winter data collection window for several reasons. First, the window aligns with the existing financial aid data collection for IPEDS, so colleges are used to reporting those data at that time, looking retrospectively at students from the previous year. Additionally, the winter collection timing aligns with the timeline for reconciling and preparing financial aid data for reporting. Colleges finalize their reporting for the Fiscal Operations Report and Application to Participate in December of each year. A panelist also noted that this schedule would provide enough time for their university system to gather data from its campuses and then report the data to the SLDN on their behalf.

Use of SLDN Data

Panelists discussed how the SLDN could provide helpful information to their colleges and other community members. Potential audiences for the SLDN include policymakers, researchers, states, prospective students and families, businesses, and the colleges themselves.The following list highlights ways in which SLDN data could be utilized:

Much of the existing IPEDS data are limited to first-time, full-time undergraduates and cannot be disaggregated. By housing a rich array of student-level data, the SLDN could allow students and families to explore outcomes for students who transfer between colleges, enroll part-time, share racial/ethnic backgrounds, have similar levels of family income, are first-generation college students, or major in the same field.

- Data collected via the SLDN could help prospective college students and their families better understand the experiences and outcomes of students and families like them. Much of the existing IPEDS data are limited to first-time, full-time undergraduates and cannot be disaggregated. By housing a rich array of student-level data, the SLDN could allow students and families to explore outcomes for students who transfer between colleges, enroll part-time, share racial/ethnic backgrounds, have similar levels of family income, are first-generation college students, or major in the same field. While considering these issues, panelists noted that students already face information overload and highlighted ED's College Scorecard[13] as a user-friendly tool for individuals choosing between colleges.

- Colleges could also use SLDN data to help them comply with internal data requests. Some panelists remarked that they are often asked for summary data on students and their financial aid, and SLDN data could be made available in that format. In fact, the CTA would require NCES to use SLDN data to provide feedback reports to each college, as well as to states and participating college systems.[14] Panelists also noted that accessing SLDN data via interactive dashboards would be helpful—especially dashboards that would allow users to filter down to specific groups of students and examine the interactions among different types of aid. Dashboards built upon SLDN data would minimize the need to process ad hoc data requests, freeing staff members' time to better serve students.

NEXT STEPS

Building the proposed SLDN will be a large but necessary undertaking for NCES and interested communities if legislation is passed and signed into law. NCES and the Postsecondary Student Data System Advisory Committee would need to evaluate the required data elements and give careful consideration to the details of such a system—including data definitions, timing of reporting, data utilization, and more. Implementing the SLDN in a thoughtful and deliberate manner to both maximize the network's utility and minimize burden is important; therefore, considering these details as early in the process as possible is essential. The following topics have emerged from our discussions with panelists in the three forums and warrant additional investigation:

- **EXPANDING THE CONVERSATION:** The views in this brief represent those of a diverse yet small number of interested parties. The SLDN implementation process will be better informed by seeking a wider range of perspectives across types of institutions and offices within institutions.

- **DETERMINING THE REPORTING PROCESS:** The panelists felt that considering design questions is important in the SLDN reporting process; these questions relate to the frequency and timing of data collection, the frequency of data measurement points, and the process for revising data submitted by institutions.

- **SHARING LESSONS LEARNED:** Over the last several years, many states have designed and implemented statewide longitudinal data systems (SLDS). Reviewing the challenges that states have faced and overcome in creating their SLDS would be helpful to avoid pitfalls that have already been experienced.

We intend to continue these conversations to support the proposed SLDN's construction, with the complementary goals of reducing burden on institutions and generating data that are useful for improving postsecondary outcomes for all students nationwide.

APPENDIX A:

LIST OF FORUM PANELISTS

Angela Bell
UNIVERSITY SYSTEM OF GEORGIA

Bob Collins
WESTERN GOVERNORS UNIVERSITY

Anthony Jones
UNIVERSITY OF UTAH

JoEllen Price
HOUSTON COMMUNITY COLLEGE

Craig Slaughter
KENYON COLLEGE

Mary Sommers
UNIVERSITY OF NEBRASKA AT KEARNEY

Diane Todd Sprague
UNIVERSITY OF TEXAS AT AUSTIN

Christina Tangalakis
GLENDALE COMMUNITY COLLEGE

Francisco Valines
FLORIDA INTERNATIONAL UNIVERSITY

Endnotes:

1   RTI International is a nonprofit, independent research institute that conducts several postsecondary education data collections on behalf of NCES. These surveys include the Integrated Postsecondary Education Data System (IPEDS), National Postsecondary Student Aid Study (NPSAS), Baccalaureate and Beyond Longitudinal Study (B&B), and Beginning Postsecondary Students Longitudinal Study (BPS). For this effort, however, RTI is acting independently, not on behalf of NCES.

2   Dunlop Velez, E., Pretlow, J., & Roberson, A.J. (August 2020). Implementing a Federal Student-Level Data Network: Advice from Experts. Retrieved from https://www.ihep.org/publication/implementing-a-federal-student-level-data-network-advice-from-experts/.

3   Pretlow, J., Dunlop Velez, E., & Roberson, A.J. (January 2021). Implementing a Federal Student-Level Data Network (Part II): Insights from Institutional Representatives. Retrieved from https://www.ihep.org/publication/implementing-a-student-level-data-network-part-ii-insights-from-institution- al-representatives/.

4   For a complete list of legislation-required data elements in the SLDN, including how those required elements build upon current IPEDS reporting requirements, see Appendix B in Implementing a Federal Student-Level Data Network: Advice from Experts.

5   See, for example, U.S. Department of Education, Dec. 11, 2015, "Gainful Employment Electronic Announcement #71 - Reviewing and Correcting GE Completers Lists." Retrieved from https://fsapartners.ed.gov/knowledge-center/library/electronic-announcements/2015-12-11/gainful-employment-subject-gainful-employment-electronic-announcement-71-reviewing-and-correcting-ge-completers-lists.

6   CEDS is an initiative supported by NCES that has developed a common vocabulary for numerous data elements relating to P-20W (pre-kindergarten through college and the workforce). For more information, see: https://ceds.ed.gov/

7   U.S. Department of Education, Federal Student Aid, 2021, "Cost of Attendance (Budget)". Volume 3, Chapter 2 of the 2020-21 Federal Student Aid Handbook. Retrieved from https://fsapartners.ed.gov/sites/default/files/2021-03/2021FSAHbkVol3Ch2.pdf.

8   Note that, starting in 2023, the expected family contribution will be renamed the Student Aid Index, as the result of the Consolidated Appropriations Act of 2021.

9   The official IPEDS definition in the Student Financial Aid survey asks postsecondary institutions to report loan information for loans that are "awarded and accepted" by students.

10   College Transparency Act, S. 839, 117th Congress (2021), https://www.congress.gov/117/bills/s839/BILLS-117s839is.pdf. See page 29, line 18 to page 30, line 2; and page 33, line 16 to page 34, line 3.

11   U.S. Department of Education, National Center for Education Statistics (NCES), "About NPSAS." Retrieved from https://nces.ed.gov/surveys/npsas/about.asp.

12   See, for example, U.S. Department of Education, Federal Student Aid, June 11, 2021, "Beginning Phased Implementation of the FAFSA Simplification Act (EA ID: GENERAL-21-39)." Retrieved from https://fsapartners.ed.gov/knowledge-center/library/electronic-announcements/2021-06-11/beginning-phased-implementation-fafsa-simplification-act-ea-id-general-21-39.

13   U.S. Department of Education. (n.d.). College scorecard. https://collegescorecard.ed.gov/.

14   College Transparency Act, S. 839, 117th Congress (2021), https://www.congress.gov/117/bills/s839/BILLS-117s839is.pdf. See page 25, line 5 to page 26, line 9.

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