

**Reauthorizing the Higher Education Act:
Accountability and Risk to Taxpayers**

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Mamie Voight is the Vice President of Policy Research at the Institute for Higher Education Policy (IHEP). IHEP is a nonprofit, nonpartisan research, policy, and advocacy organization that works to advance college access, success, and affordability, especially for underserved students, including low-income students and students of color. She leads IHEP's projects on affordability and postsecondary data policy. Voight and her team launched and manage the Postsecondary Data Collaborative, which brings organizations together to advocate for the use of high-quality postsecondary data to advance student success and educational equity.

Before joining IHEP, Voight worked at The Education Trust (Ed Trust), where she researched college access, success, and affordability issues, advocated for policies that would enhance equity in America's higher education system, and was lead author on several publications. Before entering the field of education policy, she worked as an engineering consultant for departments of transportation in multiple states. She holds a bachelor's degree in civil engineering from Villanova University, a master's in civil engineering from the University of Delaware, and a master's in public policy from Georgetown University.

Summary

The research is abundantly clear: investing in a college education pays off.¹ But while college is often a worthwhile investment, students, policymakers, and institutions cannot answer crucial questions about which programs at which institutions provide an adequate return on this investment, and for which students. This failure to answer key questions hampers policymaker efforts to design and implement accountability systems that manage the risk to taxpayers and students.

Those risks are real, especially for the most vulnerable students with the most to gain from a higher education, but also the most to lose if things go wrong. College is a pathway out of poverty, yet where a student goes to college ultimately shapes her opportunity to climb those rungs. Outcomes vary dramatically across institutions and programs—even those enrolling similar types of students—so quality data about outcomes are necessary to illuminate those patterns in ways that can inform policymaker efforts to protect taxpayer dollars.

Any accountability system—whether it be market-based accountability, bright-line indicators, incentive structures, or other systems—must be grounded in reliable evidence. This need for evidence holds regardless of who or what is driving the accountability system: student choice, the federal government, state governments, or accreditors.

While some postsecondary data, such as information on the student loan program like cohort default rates and repayment rates, are relatively complete and of high-quality, much of our data on student outcomes are insufficient. Our system is data rich, but we are information poor, relying on a duplicative, inefficient, and cumbersome postsecondary data infrastructure designed for yesterday's college and yesterday's student. As a result, we cannot answer many basic questions about college access, success, price, and post-college outcomes.

However, a solution exists. Members of both the Senate and the House have introduced the College Transparency Act, a bipartisan solution to create a secure, privacy protected student-level data network. More than 130 organizations, representing students, institutions, veterans, college access providers, and employers, have endorsed the College Transparency Act, which would publicly report aggregate institution and program-level outcomes to inform student, policymaker, and institutional decisions. Critically important, these aggregate outcomes would include information on *all students*, not only those who receive federal aid. Counting all students is necessary to accurately reflect institution and program outcomes and to evaluate equity.

Senators, you are entrusted to responsibly steward taxpayer dollars and make sound investments to help students access and succeed in our higher education system. Certainly, you should act on the quality data you hold now, such as information on student loan outcomes. But as you undertake your efforts to responsibly steward taxpayer dollars and provide students with the information they need to make decisions, I ask you to consider the key questions you cannot currently answer and urge you to implement sound policy that will advance the use of quality data and evidence.

Chairman Alexander, Ranking Member Murray and Members of the Committee, thank you for the opportunity to testify today.

My name is Mamie Voight, and I am Vice President for Policy Research at the Institute for Higher Education Policy (IHEP), a nonprofit, nonpartisan, research, policy, and advocacy organization working to promote college access, success, and affordability, particularly for students who are underserved by our postsecondary system—including low-income students and students of color.

The research is abundantly clear: investing in a college education pays off.² But while college is often a worthwhile investment, students, policymakers, and institutions cannot answer crucial questions about which programs at which institutions provide an adequate return on this investment, and for which students. This failure to answer key questions hampers policymaker efforts to design and implement accountability systems that manage the risk to taxpayers and students.

Those risks are real, especially for the most vulnerable students with the most to gain from a higher education, but also the most to lose if things go wrong. College is a pathway out of poverty, with low-income students five times more likely to climb the economic ladder if they earn a college degree than if they don't.³ Yet, where a student goes to college ultimately shapes her opportunity to climb those rungs. Outcomes vary dramatically across institutions and programs—even those enrolling similar types of students. Quality data about postsecondary outcomes are necessary to illuminate those patterns in ways that can inform policymaker efforts to protect taxpayer dollars.

At IHEP, we recognize that the use of high-quality data is necessary to drive improvements in student outcomes and educational equity, which is why we lead the Postsecondary Data Collaborative (PostsecData). PostsecData brings together dozens of organizations committed to the use of high-quality data to improve student success and close equity gaps. Working with these partners, which represent students, institutions, states, employers, and privacy and security experts, we conduct research, identify potential policy solutions, and advocate for higher quality data, all in the interest of better serving students. Grounded in a commitment to equity and better outcomes, more than 130 organizations recommend integrating existing federal, state, and institutional data sources into a more coherent, nimble, secure, and privacy-protected student-level data network to create more usable information to inform decision-making.

Patterns of evidence: Our current higher education system

Data build patterns of evidence that can and should shape policymaking. The data we have now paint a troubling picture about student outcomes, especially for low-income students and students of color. While more students from all walks of life are going to college today, enormous gaps still separate black, brown, and low-income students from their peers. In fact, low-income students today go to college at the same rate that high-income students did *four decades ago*.⁴ And among first-time, full-time students at four-year colleges, only 40 percent of Blacks, 54 percent of Hispanics, and 41 percent of American Indians graduate within six years, compared with 63 percent of Whites.⁵ All told, White young adults are about twice as likely as Black or Hispanic young adults to have attained a bachelor's degree, and high-income young people are six times more likely than those from low-income backgrounds to have had earned a BA.⁶

Let's be clear: these gaps are not predetermined by demographics. Yes, because our system concentrates low-income students and students of color in K12 schools where we invest less and offer them less access to rigorous courses, some students come to college with less academic preparation.⁷ Yet, academic preparation is far from the entire story, and data show us that. High-income students with low math scores attain a bachelor's degree at the same rate as low-income students with high math scores.⁸ In other words, immense talent that could help fill workforce needs and build a stronger society is left untapped by an education system that leaves too many low-income students behind—despite their academic strengths.

The patterns illuminated by the data make clear that what institutions do matters immensely for students, especially low-income students and students of color. Study after study finds that similar institutions enrolling similar students produce very different results for those students.⁹ Take Georgia State University (GSU) and Kennesaw State University (KSU), for example. The SAT scores of entering students are about the same at both of these public colleges in Georgia, yet Georgia State enrolls higher proportions of low-income students (57 percent at GSU vs. 36 percent at KSU) and students of color (48 percent at GSU and 25 percent at KSU). Yet, graduation rates at Georgia State are 10 percentage points higher than at Kennesaw State (53 percent vs. 42 percent).¹⁰ Georgia State's efforts to use data to increase student success are discussed later in this testimony.

Demography most certainly is not destiny. Indeed, at the average four-year institution with an above-average share of Pell students, the graduation rate for Pell students is 39 percent. However, we know there are schools serving an even larger share of Pell students that have graduation rates that far surpass that bar, such as Spelman College (72 Pell graduation rate) and Berea College (61 percent Pell graduation rate).¹¹

Clearly what colleges do makes a difference for students. These variations in outcomes are exactly why we need quality evidence to inform student choice, protect taxpayer investments, facilitate institutional improvement, and close equity gaps.

Accountability must be grounded in evidence

Any accountability system—whether it be market-based accountability, bright-line indicators, incentive structures, or other systems—must be grounded in reliable evidence. This need for evidence holds regardless of who or what is driving the accountability system: student choice, the federal government, state governments, or accreditors. Indeed, Ranking Member Murray (D-WA) and Speaker Ryan (R-WI) have reinforced a bipartisan commitment to data-driven policymaking by launching the Commission on Evidence-Based Policymaking. This effort brought together experts from both sides of the aisle “to develop a strategy for increasing the availability and use of data in order to build evidence about government programs, while protecting privacy and confidentiality.”¹² This commitment to evidence is key to designing and implementing good policies, especially within higher education, where data too often are incomplete or insufficient.

Much of our existing data are insufficient for students, policymakers, and institutions

While some postsecondary data, such as information on the student loan program, are relatively complete, of high-quality, and ready to be used to improve accountability systems now, much of our data on student outcomes are insufficient. Through our work with the PostsecData Collaborative we know that our current postsecondary data infrastructure is a disjointed puzzle that needs to be improved. While our system is data rich, we are information poor. Institutions report data to multiple entities—states, accreditors, voluntary data initiatives, and various places within the federal government, including the Integrated Postsecondary Education Data System (IPEDS) and the National Student Loan Data System (NSLDS). In most cases, these various data systems do not talk with each other, and in some cases institutions are reporting very similar data to multiple places, piling on reporting and compliance burden that inhibits their capacity to use the data. In other instances, institutions must report data to the Department of Education that another federal agency already holds, such as data on the receipt of veteran’s education benefits.

The current system falls short of answering critical questions about college enrollment, completion, costs, and outcomes, and many existing data collections fail to capture the diversity of students pursuing college today. To illustrate the lack of data available today, consider this:

Ava is an African-American working mother of two and hopes to enroll at a local college part-time to learn a new skill. As Ava considers the postsecondary options in her community, she seeks answers to the following questions about each college:

- How do students fare in the workforce after leaving college?
- How much do students borrow, and can they successfully repay their loans?
- How many part-time African-American students graduate from colleges near me?
- How long does it take students to complete their degrees or certificates?
- What about the students who do not complete at community colleges? Do they transfer to a four-year school to complete their studies?

Like all prospective students, Ava should be able to answer each before deciding where she will enroll. But existing policies prevent us from answering many of these basic questions.

Furthermore, policymakers—at the federal, state, accreditor, and institution level—also need answers to these questions to responsibly steward taxpayer funds and spur institutional improvement. Each year we invest billions of taxpayer dollars in our nation’s postsecondary education system. And targeted student aid helps millions of hard-working students make the promise of a college education an attainable reality. Yet policymakers lack valuable information about which institutions provide an adequate return on investment for which students, making it difficult to enact policies to drive institutional improvement. That needs to change.

Additionally, our nation’s college leaders seek to provide educational offerings that meet the needs of their students and position them for success. But many lack comprehensive information about how their students fare after leaving their institution—either for subsequent education or for employment. A strong postsecondary data infrastructure will help college leaders develop and implement targeted strategies aimed at supporting student success.

Indeed, college leaders often cite data-use as a driving factor in helping them better serve students, and federal policy should be responsive to these institutional needs.¹³ A more efficient and streamlined reporting system will reduce the current data-reporting requirements as well as the financial and human resources necessary to complete current requirements. Alleviating this burden, we hope, will allow institutions more time and resources to *use* the data to improve student outcomes.

For example, some institutions have made marked gains in persistence and completion for students of color and low-income students by focusing deliberately on their data. They use data in two notable ways: (1) to create early alert systems that allow faculty or staff to quickly identify and intervene with students who show signs of being at risk of dropping out and (2) to evaluate trends by race/ethnicity and income to uncover systemic inequities and barriers to student success.

Institutions like Georgia State and Temple University have conducted robust data analyses to identify indicators that show students are falling off track toward graduation. Georgia State has incorporated these indicators into early alert systems, so faculty or staff can reach out if a student exhibits a red flag behavior, such as registering for the wrong class, getting a “C” in the first class in their major, or not registering at all.¹⁴ Temple has used their data to inform advisors about which students are at-risk for what reasons, so advisors have the information they need to serve students well.¹⁵

To spur systemic change, though, institutions also must evaluate trends in their data. Take Florida State University (FSU), for example. Leadership at FSU developed attrition charts that identified patterns in attrition rates for students of different demographics. They found that while white, non-Pell recipients followed the trends many expect—those who drop out do so in the first year—other student groups followed very different patterns.¹⁶ Some low-income Latina students, for instance, were dropping out later in their college careers, even though they were in good academic standing. Administrators investigated the trend further and found that many Latina students had family obligations far from campus, and those commitments were making it difficult to complete their studies. To alleviate this challenge, the university implemented a bus service to run from Tallahassee to Miami every Friday, returning to campus on Sunday night so students could manage family commitments and get back to class. Data uncovered a trend that enabled administrators to enact an equity-centric solution.

Building strong federal data systems that compile the data needed at the national level will alleviate compliance burdens on institutions, allowing more of them to undertake these types of robust analyses at the campus level, analyses that can have immediate impacts on students’ lives. Institutions have the power to use detailed data to remove barriers for students, and better designed federal data networks can free up institutional capacity to do just that.

The problem: Our current postsecondary data infrastructure

The current puzzle that is our postsecondary data infrastructure is duplicative, inefficient, cumbersome, and worst of all—it does not allow key constituents to answer pressing questions about today’s higher education system. Composed of IPEDS, multiple data systems within the Office of Federal Student Aid, state longitudinal data systems, private data collections, workforce data held by multiple federal and state agencies, and more, the system is a complex maze riddled with holes.

For instance, IPEDS serves as the primary public tool for collecting and reporting data on higher education. However, IPEDS is an aggregate data collection, meaning more than 7,000 institutions must use student-level data to calculate and report individual metrics. Making a change to IPEDS requires defining a new metric, providing detailed reporting instructions to institutions, and then each of those 7,000+ institutions must calculate and report the new metric. As a result, changes are slow, and many students remain missing or invisible in IPEDS metrics. For example, the graduation rates in IPEDS only measure the percentage of first-time, full-time students who complete their degree or credential at their first institution within six years. It leaves out part-time students, transfer-in students, and does not count outward transfer as an outcome—a particular problem for community colleges. As a result, these first-time, full-time graduation rates that are so often relied upon only reflect about half (47 percent) of today's entering students.¹⁷

New Outcome Measures in IPEDS help remedy this problem by collecting completion information for part-time and transfer students, but they are not disaggregated by race/ethnicity, making it impossible to evaluate questions of equity. Also, while these measures count outward transfers, they do not report the type of institution a student transferred to. As a result, community college students still do not know their chance of transferring from a community college to a four-year program, nor do they have any information about their chance of completing a degree after transfer.¹⁸

Compared with IPEDS, student-level data reporting is less burdensome and more adaptable to a changing higher education landscape. The Office of Federal Student Aid at the Department of Education (ED) collects student-level data on students who receive Title IV financial aid, and ED has used those data to answer questions about student debt, loan repayment, and earnings.¹⁹ Because ED had student-level data, the agency was able to explore metric definitions and make informed decisions about data quality and appropriate specifications for public reporting. Also, those data on aided students were matched to earnings information held by the Department of Treasury (Treasury). This data match is promising, yet incomplete. Because it is based only on FSA data, it leaves out non-aided students, an issue that is discussed in greater detail below.

The aggregate IPEDS reporting and the incomplete linkages between ED and Treasury offer just two examples of the cumbersome, inefficient, and incomplete data systems that compose our national postsecondary data infrastructure. Because of these inefficiencies, efforts to drive informed decision-making are stalled. So how can federal policymaking help fix these problems, answer key questions about higher education, and make the puzzle pieces fit? *By identifying the data to collect and designing an infrastructure to collect them.*

Metrics: What data to collect?

First, policymakers must determine what should be measured. Equitable access and success in higher education relies on information that reflects the higher education experience of all students at all institutions, yet many of today's students are missing or invisible in current data systems. For example, data on graduation rates historically have been limited to first-time, full-time students, data on employment outcomes are limited either to federal aid recipients or students who do not cross state boundaries, and cost, financial aid, and outcome metrics are not always disaggregated by race/ethnicity or socioeconomic status.

Without more consistent metrics, progress toward equity and success for all students is quite simply stagnated—prospective students and policymakers will continue to be forced to make key decisions without sufficient information. To advance the goals of social mobility and equity, we need a key set of comprehensive and comparable metrics that answer these critical questions about who attends college, who succeeds in and after college, and how college is financed. Specifically, the answers must provide information on how underserved students fare.

Over the past decade institutions and states have recognized the need for better data. As a result, many created and joined voluntary data initiatives to collect better information to inform institutional improvement, consumer information, and policymaking efforts. At IHEP, we reviewed the details of these initiatives and found a great deal of agreement about what is important to measure. In [Toward Convergence: A Technical Guide for the Metrics Framework](#), we categorize and define a set of about 30 metrics and 10 disaggregates that states and institutions find important in measuring college access, progression, completion, cost, and outcomes (see Table 1).

These metrics measure performance, efficiency, and equity, and are designed to offer insights to institutions to help them improve. Some of these metrics are not collected at the federal level at all, and some, such as enrollment or graduation rates, are collected already at the federal level in ways that fail to include all students. The proposed definitions underlying the Framework in Table 1 are intended to refine metrics to count all students, all institutions, and all outcomes. Given the field’s convergence on these metrics, they should be incorporated into government data systems, filling information gaps and answering unanswered questions about student success and equity.

Table 1: A Field-Driven Metrics Framework

	ACCESS	PROGRESSION	COMPLETION	COST	POST-COLLEGE OUTCOMES
PERFORMANCE	Enrollment	Credit Accumulation Credit Completion Ratio Gateway Course Completion Program of Study Selection Retention Rate Persistence Rate	Transfer Rate Graduation Rate Success Rate Completers	Net Price Unmet Need Cumulative Debt	Employment Rate Median Earnings Loan Repayment and Default Rates Graduate Education Rate Learning Outcomes
EFFICIENCY	Expenditures per Student	Cost for Credits Not Completed Cost for Completing Gateway Courses Change in Revenue from Change in Retention	Time/Credits to Credential Cost of Excess Credits to Credential Completions per Student	Student Share of Cost Expenditures per Completion	Earnings Threshold
EQUITY	Enrollment by (at least) Preparation, Economic Status, Age, Race/Ethnicity	Progression Performance by (at least) Preparation, Economic Status, Age, Race/Ethnicity	Completion Performance by (at least) Preparation, Economic Status, Age, Race/Ethnicity	Net Price and Unmet Need by (at least) Economic Status, Preparation, Age, Race/Ethnicity Debt by (at least) Economic Status, Age, Race/Ethnicity, Completion Status	Outcomes Performance and Efficiency by (at least) Preparation, Economic Status, Age, Race/Ethnicity, Completion Status

Key Student Characteristics

Enrollment Status	Economic Status
Attendance Intensity	Race/Ethnicity
Credential-Seeking Status	Age
Program of Study	Gender
Academic Preparation	First-Generation Status

Key Institutional Characteristics

Sector	Selectivity
Level	Diversity
Credential/Program Mix	Minority-serving Institution (MSI) Status
Size	Post-traditional Populations
Resources	Modality

Any accountability systems—whether market-driven, government-designed, or accreditor-led—should rely on quality metrics, such as the ones in Table 1. When designing accountability systems, policymakers should select metrics that align with ultimate policy objectives, model the impacts of proposed policies before legislating, and anticipate and protect against unintended consequences.

Consider, for instance, discussions about the use of cohort default rates (CDRs) or repayment rates (RRs) in federal accountability. Neither metrics is wholly “better” than the other. Rather, each metric measures something different and has its own strengths and limitations.

- CDRs are a short-term measure of default. They give policymakers and institutional leaders a critical look at students’ risk of bearing the most damaging outcome of taking on student debt: default. By virtue of what they measure, CDRs incent institutions to keep a watchful eye on vulnerable students at risk of this life-altering outcome. However, CDRs have limitations. They only measure default within a three-year window, with the latest data showing that about 12 percent of students default on their federal loans within three years.²⁰ Recent research, however, projects that nearly 40 percent of students may default within a 20-year window.²¹ Furthermore, institutions can influence CDRs by encouraging borrowers to enter deferment or forbearance to delay default, even if those options are not in students’ best interest. These limitations are real, should be understood, and where possible steps should be taken to mitigate them. However, they do not negate the value of the measure itself.²²
- RRs measure borrower progress in repaying their federal loans and have been proposed as a replacement to CDRs. RRs are a valuable metric that provide a more nuanced understanding of borrower success in retiring debt because they capture as negative outcomes borrowers who are avoiding default, but not making progress in paying down loan principal. In this sense, repayment rates focus policymaker and institutional attention on struggling borrowers who are not seeing the desired return on their educational investment, even though their situation may not be quite as dire as those facing default.²³

Both of these metrics are valuable at measuring different things, and each focuses decision makers’ attention in different ways, so they should not be pitted against each other as an either/or choice. Indeed, this example shows how multiple high-quality measures can work in concert with each other to inform complex decision-making for students, policymakers, and institutions.

The solution: Fixing our postsecondary data infrastructure

The voluntary initiatives, like Complete College America and Achieving the Dream, mentioned above have illuminated data gaps and proven that it is possible to collect better data. However, they do not serve as a replacement for data collection at the federal and state levels. By their nature, these initiatives are voluntary, so they do not include information on all institutions. When faced with life-altering, expensive college decisions, students should not have to rely upon voluntary reporting or search through more than a dozen initiatives to find the information they need. Furthermore, it is burdensome for institutions to participate in multiple voluntary initiatives. We must learn from these initiatives and use their experiences to implement a more permanent and effective policy solution.

As evidenced by the voluntary initiatives, the inability to answer critical questions and collect the metrics outlined above comes not from a lack of data, but rather from policy barriers that prevent existing postsecondary data systems from being linked. Integrating existing federal, state, and institutional data sources into a more coherent, nimble, secure, and privacy-protected network would create more usable information that could help students navigate the complex higher education marketplace. This type of network also is crucial to produce the information necessary to evaluate and meet workforce demands, to identify and close equity gaps in our postsecondary system, and to inform policy design.

Agreement is growing around the best way to modernize our nation's postsecondary data infrastructure. Through the Postsecondary Data Collaborative, IHEP engaged with organizations representing institutions, states, students, employers, and privacy and security experts to explore options for improving our nation's postsecondary data infrastructure.²⁴ This research found that the best approach to producing the information necessary to answer students' questions is to develop a secure, privacy-protected postsecondary student-level data network.²⁵ In fact, members of both the Senate and the House have introduced the bipartisan College Transparency Act to create such a network housed at the National Center for Education Statistics (NCES).²⁶ More than 130 organizations, representing students, institutions, veterans, college access providers, and employers, have publicly endorsed the College Transparency Act out of a recognition that this system would create a more functional postsecondary marketplace that serves all students.²⁷ This type of system would:

- Empower all students to make more informed choices about where to spend their precious time and money,
- Be used to help students,
- Protect student privacy,
- Adhere to best practices in data security,
- Reduce reporting burden for colleges and universities by replacing the student components of IPEDS,
- Better steward taxpayer dollars,
- Uncover equity gaps so colleges and universities can change policies and practices to better serve underrepresented students, and
- Align education with labor market demand and help employers identify programs that are effectively preparing students for the workforce.

Such a network would be limited in scope to answer only questions of national interest about college access, progression, completion, cost, and outcomes. Other systems, such as institutional data systems and state longitudinal data systems would still be necessary to answer more detailed questions specific to localized needs.

Student protection must be at the heart of any data system. It must protect their privacy alongside their right to information, while securing their data using industry leading protocols, such as those developed by the National Institute for Standards and Technology (NIST) and by the International Organization for Standardization (IOS) and the International Electrotechnical Commission (IEC).²⁸ Strong data governance

structures should minimize the data collected, ensure all data are used in compliance with the law, provide notice to students of the collection, prohibit the sale of data or use of the system for law enforcement, issue penalties for misuse, conduct periodic audits, limit disclosures, especially of personally identifiable information, and craft provisions to handle a breach. Data should be used only to help, and never to harm students or limit opportunity, and this principle should serve as the foundation of all governance policy. IHEP's report, [*A Blueprint for Better Information: Recommendations for a Federal Postsecondary Student-Level Data Network*](#), details recommendations for building strong data governance policies.

Why should the federal government act now?

In 2015–16, the federal government disbursed more than \$157 billion in federal student aid,²⁹ and it needs better information to steward that taxpayer investment. Furthermore, at kitchen tables around the country, students like Ava are wrestling with life-changing postsecondary decisions, making choices with their families about where to go to college, what to study, and how to pay for it. Today they make those decisions in an unbalanced marketplace with limited access to information. For the marketplace to function effectively, all students need access to high-quality information to help them make postsecondary decisions. The same information is needed to help state and federal policymakers and college and university educators implement policies and practices to help more students succeed, especially low-income students and students of color.

Federal Government's Unique Position

The federal government is uniquely positioned to compile that information—even if non-federal entities disseminate it. For example, consider how valuable the weather app on your phone is. I know I use mine daily to make decisions, such as what to wear and whether to walk to work or take the bus. These decisions are important, but the decision of where to go to college or what to study is a much higher stake decision. Even privately developed weather apps are primarily made possible by data from the National Oceanic and Atmospheric Association's National Weather Service, housed at the U.S. Department of Commerce. The data are made available to non-governmental experts to translate into information for public use. Just as the federal government is uniquely positioned to compile weather data because it has access to satellites, for example, it also is the best option for compiling data on education and the workforce—given the information it already holds.

Federal Data on Workforce Outcomes

The Social Security Administration (SSA) and Internal Revenue Service (IRS) hold administrative data on employment outcomes for essentially all workers.³⁰ In fact, the federal government is the only entity with such comprehensive wage record data, making it the best source of workforce outcome information for colleges and universities.

Many states currently report workforce outcome data by linking education data to unemployment insurance (UI) records. However, these UI records—and the metrics they generate—are limited because they omit federal employees, military employees, the self-employed, and people who move across state lines.³¹ Consider a state like Virginia, for example, where many residents work just across the state border in Maryland or Washington, D.C., and many residents work for the federal government. Federal sources

fill these gaps by relying on tax records for people nationwide, regardless of where they study, live, or work.

To be sure, these workforce data are highly sensitive and must be closely secured. To provide the aggregate institution and program-level information that students, policymakers, and institutions need, the personally identifiable information (PII) on earnings should never be shared externally and never even needs to be shared with ED. ED 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 ED. The College Scorecard already uses this information-exchange process to calculate employment outcomes for students who receive federal financial aid.

These data are illustrative of the value such information can provide, but the Scorecard's employment metrics should be improved in two ways. First, future efforts should report employment data at the program-level, rather than only the institution-level because employment outcomes vary by program even within institutions.³² Second, improved data metrics and data systems must include students who do not receive federal aid, as discussed below.

Counting All Students

Existing employment metrics only include students who received federal Title IV financial aid because ED only has data on these students in NSLDS, and statutory barriers prevent ED from collecting student-level data on non-Title IV students. However, data on aided and non-aided students are essential to answer critical questions about our higher education system for several reasons:

1. 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 institutions, states, and private entities cannot answer questions about workforce outcomes as accurately as the federal government. To be useful in a variety of contexts, workforce outcomes must include all students.
2. About 30 percent of students do not receive federal financial aid,³³ and in some institutions and systems, even greater proportions of students do not receive federal aid. Consider the California Community College System, where about 20% percent of beginning students received Pell Grants and 2 percent received federal loans in 2016-17. Omitting non-federally-aided students leaves out about three-quarters of students (more than 1.5 million) in this large system because many students forgo applying for federal aid.³⁴ 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. Both students and institutions deserve information that reflects the full student body.
3. 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.
4. Non-Title IV recipients also reap the benefits of federal investment in higher education. 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,³⁵ which is used to process education tax credits and deductions.³⁶

5. 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. Many metrics in IPEDS, such as graduation rates and enrollment figures, include aided and non-aided students.
6. 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).

Conclusion

Our country was built in part on the idea that, with hard work and a good education, any American can climb the ladder of social and economic mobility. And by 2020, there will be 55 million new job openings,³⁷ providing the very economic opportunity that can help our cities and communities thrive. Nearly two-thirds of all jobs will require some postsecondary education and training.³⁸

Each day, millions of Americans are wisely investing in their futures by acquiring new knowledge and skills in college classrooms and are working hard to climb that ladder.

Senators, you are entrusted to responsibly steward taxpayer dollars and make sound investments to help students access and succeed in our higher education system. Certainly, you should act on the quality data you do hold now, like information on student loan outcomes. But as you consider your responsibility and seek to hold institutions accountable to taxpayer dollars, I ask you to consider the key questions you cannot currently answer and the appropriate means for gathering and sharing that information.

A secure, privacy-protected student level data network would address the shortcomings of our current system by producing the information necessary to inform policymakers' decisions.

Before Ava decides exactly where to invest her time and resources, she and millions of others just like her deserve answers to these same questions.

As you work to reauthorize HEA, consider the questions you cannot answer. Consider your role in protecting students and taxpayers. And consider the student whose college choice will define her future. Now is the time to act. Now is the time to answer unanswered questions. Now is the time to tighten the rungs of the ladder of economic mobility.

Thank you.

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