April 17, 2015

Analysis of Federal Postsecondary Data Transparency and Consumer Information Concepts and Proposals

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The paper provides a good synopsis of the history of the federal government’s interest and involvement in the collection of postsecondary data and of data privacy. Five specific problems are identified that are said to need to be addressed:

- **Some federally collected data may serve no purpose for policymakers and consumers.** Examples included employee characteristics, financial liabilities and assets, and library holdings.
- **Despite expansive data collections, the federal government lacks key information regarding student success necessary for policymakers evaluating the effectiveness of federal programs and informed consumer decision-making.** Examples provided included the failure to include certain groups of students in computations of graduation rates, failure to collect data on salaries or job outcomes, and the disconnected nature of data collections.
- **Data collection and preparation is highly burdensome for colleges and universities.**
- **Consumers do not use federal postsecondary data, consumer disclosures or tools when navigating the higher education marketplace.** Examples included the use of generic search engines and focus on individual campus websites rather than aggregated sites with analytic data, and the fact that there are 13 separate federally maintained data portals.
- **Federal data is (sic) being manipulated—diminishing its comparability and obscuring transparency.** Evidence cited here included the U.S. Department of Education using data transformations or selective analyses.

The critiques summarized in this paper are based on the unquestioned presumption that both policymakers and the public are certain of the data that they believe provide the elements for rational decision-making about attendance at specific colleges and universities. There is a fundamental flaw in that logic, though. We
know from research on decision-making that humans do not often use rational processes to make complex decisions. In such situations, biases and heuristics enter the equation. These “intangibles” are often not quantifiable. In the case of decisions about postsecondary education, they may include such factors as the institutions one’s friends plan on attending, the desire to (or not to) live away from home, where previous family members attended, the specific sports or athletic conference the institution is in, and so forth. For these reasons, the Consortium firmly believes that data alone will not turn the process of deciding whether and where to participate in postsecondary education into an easy or rational process. Moreover, we also firmly believe that a deeper conversation about what data are essential is sorely needed. We expand on these points below. Our comments are organized around the topics in the paper, and key positions of the Consortium are highlighted in bold.

1. **Eliminate federal data collection or disclosures unrelated to the needs of federal program management or consumer decision-making.** The Consortium has no disagreement in principle with the elimination of all federal data collection unrelated to student financing, success or safety. We agree in principle that such input variables as library holdings and employee demographics are not directly related to the primary purpose of postsecondary education institutions—to provide an education. However, the Consortium argues strongly that to ignore all financial performance indicators would be dangerous. There are two major reasons underlying our position:

   - The recent bankruptcies or closures of for-profit and nonprofit institutions raises the question of the rights of students and their families to have a reasonable index of whether the institution they are considering has the resources to provide a quality education and is unlikely to suddenly close. Such indices could be developed based on accepted accounting practices and related metrics by financial and accounting professionals. Such data would also provide some safeguards for the federal government in the arena of loan repayment in the sense that students whose institutions do not experience serious financial challenges and/or close would be more likely to complete their credential and repay their loans.

   - As also argued elsewhere, there is a relation between financial resources and student learning outcomes. Most specifically, institutions should be required to demonstrate that they have the resources to provide a quality learning environment. For example, an institution that cannot modernize its science teaching labs or...
computer labs do students a disservice, and put them at risk in their future careers. 

With regard to measures of student success, the Consortium firmly believes that it would be most beneficial to have consensus on what measures should be collected so that everyone both understands what is, and equally importantly what is not, being measured, and could make a direct comparison across institutions. This could be done through a collaborative approach among postsecondary experts in the assessment of student learning, consumers, policymakers, and the federal government. Such rubrics have been developed in a number of disciplines (e.g., those involving licensure exams, scoring of AP exams, etc.). Only if the assessment of student success is clearly defined and applied consistently across institutions will such data be useful.

2. Increase data quality and transparency for federal program management and for informed consumer decision making. There are several components to this section. By way of overview:

- The Consortium agrees with the argument laid out in the paper to allow the Outcomes Measures Integrated Postsecondary Education Data System to be implemented before changing the reporting requirements. We absolutely need an opportunity to establish how well this new approach will work before making changes. Additionally, ensuring that all students are included in any success outcomes indices is essential for a quality data reporting system.

- The Consortium supports the requirement that any data reporting system must reflect the increasing diversity of students. This means that any reporting system must be able to permit separate analyses of first generation students, those receiving Pell Grants, those with various types of loans, from different types of P-12 backgrounds, and so forth. Richer demographic categories, such as those used by the Census Bureau, may provide a model.

- The Consortium strongly believes that the determination of which data can be reported through statistically representative sampling must be done very carefully. We further suggest that a group of researchers reach consensus on the definition of “representative” for sampling purposes (i.e., on which characteristics will students in those samples be matched, if any; does “representative” mean randomly selected, reflective of specific demographic categories, etc.). Finally, verification that any sampling that was undertaken was done correctly would be needed in order for the government and the public to have confidence in the data.
• The Consortium believes there is much potential in the effective and efficient use of certain third-party databases, but that the criteria for their quality and use must be very rigorous and subject to appropriate oversight. It is efficient in the sense that certain entities, such as the National Student Clearinghouse, have already built sophisticated student data systems that capture detailed information about credential completion, for instance. To make such databases maximally useful, however, would require that they not be membership-based, but supported financially through a means that makes data input and access free and available to all. Combining these datasets would also require working through the fact that there are variations in data definitions across datasets. The result would be avoidance of the needless recreation of databases and the current inherent lack of correspondence across them. Using these well-designed and maintained databases would make a great deal of sense and be a far less expensive and less burdensome approach to creating a new national database. Having said that, the Consortium believes that the standards for third-party datasets MUST be very rigorous and be at least that used by the federal government. Anything less would call the quality of the data into question.

• The Consortium believes that the appropriate use of third-party databases regarding credential completion, with the caveats noted above, will advance the understanding returns on investment of the Federal Student Aid program. For example, many states that have performance funding systems already require institutions to report student outcomes separated into categories such as Pell Grant recipients, students receiving state need-based financial aid, and so forth. Careful definition of student demographic data, as discussed earlier, would streamline such breakouts. Because there is a separate paper regarding shared risk and student debt, we will not provide great detail regarding the reporting of student debt here. Suffice it to say for the present purpose that what is meant by “student debt’ (i.e., only federal loans, all indebtedness) will matter for understanding this outcome. Moreover, it will also be essential to know whether the student enters a program that has debt forgiveness or income-based repayment (e.g., certain public service careers) or specific service payback requirements (e.g., ROTC) as a benefit in understanding program-level student debt. The Consortium does not support a requirement that institutions survey their graduates concerning careers post-graduation for at
least two reasons: (a) experience with such surveys indicates that participation rates in such surveys are typically low, making the results unreliable, and (b) if the focus is on earnings, data early in one’s career are often misleading compared with a longer-term look, begging the question of the span of time that is necessary to provide an accurate snapshot of certain outcomes. As explicitly noted in other staff authored papers in this set, external factors such as the global economy have powerful influences on both the overall job market and on earnings. In the Consortium’s view, to put exclusive (or even primary) emphasis on earnings as the sole proxy variable of the value of one’s education is akin to judging the quality of homebuilders by the number of houses sold in the aftermath of the financial industry (and mortgage industry) collapse.

• The Consortium urges the Committee to give due consideration to adopting a common framework for institutional reporting of key data on their respective websites. Good initial models of such frameworks are the Voluntary System of Accountability (VSA) created by the American Association of State Colleges and Universities (AASCU) and the Association of Public and Land-Grant Universities (APLU) and the University and College Accountability Network (U-CAN) created by the National Association of Independent Colleges and Universities (NAICU). As of March 2015, 275 public institutions participate in VSA and 849 nonprofit, private institutions participate in U-CAN. Given that these two models have considerable overlap, it would make sense to work toward a common framework that would be adopted by all institutions. That would make comparisons across institutions much easier for students and families, a core goal of the proposed effort.

• The Consortium does not support the creation of a one-size-fits-all net price calculator. Instead, the Consortium supports the development of net price calculators that reflect financial aid policies at both the federal and the institutional levels. Because institutional financial aid policies differ significantly, it is important the net price calculators be sufficiently flexible to take these differences into account. An approach such as that used by the College Board would address this need. In this way, the ultimate goal of providing results that are realistic estimates of the price to the student and family that can be appropriately compared across institutions will be achieved.
3. *Constraining the federal Role: Protecting privacy and preventing abuse.* The Consortium strongly supports interagency collaboration in whatever steps are taken to build more robust databases. However, the Consortium also strongly supports ensuring that the proper safeguards for privacy are in place when such data sharing occurs. Institutional reporting should only be necessary and required when there is no other credible source for the data. The needless duplication of data reporting to multiple agencies must end, as noted very clearly by the Task Force on Federal Regulation of Higher Education (the bipartisan Task Force established by the Senate HELP Committee). **The Consortium does believe that the inclusion of all students in data collection, such as credential completion, is critical; without data on students who do not receive federal aid, we will never have data that are sufficiently trustworthy.** From our perspective, there are two macro issues. First, for students who receive financial aid, the source of financial aid is less important than the outcome. That is, whether the student received federal aid as opposed to receiving all the aid from institutional sources is less important than knowing that students who receive financial aid from any source are (or are not) successful. Second, if we never know the outcomes of students who do not receive federal financial aid, then a full understanding of student outcomes will never be possible.