

Transparency Draft Recommendations

Focus Area: Effective Communication to Stakeholders

Recommendation 1: We recommend that Congress require the U.S. Department of Education (ED) to administer a “preferred methods of communication” survey at the end of the Free Application for Federal Student Aid (FAFSA) to determine which elements of the online application help students and families in understanding and interpreting information accurately and with ease. If such a survey is not conducted on an annual basis, we recommend adding a brief question prior to having students and parents sign the FAFSA and other federal financial aid forms, such as the Master Promissory Note (MPN). The question should invite users to identify elements of the online application and other materials that create confusion and difficulty.

- **Rationale:** While the committee understands that FAFSA filers do not represent the entire stakeholder population, the subset does represent a large majority and their feedback is valuable. Such information gathering will allow for timely adjustments that support families as consumers.

Recommendation 2: We recommend Congress require ED to conduct consumer testing to identify what terms, elements, and strategies would render financial aid educational materials easier for consumers to understand.

- **Rationale:** The process of applying for financial aid for postsecondary education can be confusing because it involves industry-specific jargon that is unfamiliar, especially for first time applicants. We believe that students, parents, high school guidance counselors, and financial aid administrators can communicate most effectively if ED promotes the use of common terms with easy-to-understand definitions across postsecondary educational institutions, within government departments and agencies, and in publications discussing financial aid. In addition, we anticipate that using up-to-date, direct and indirect modes of education that appeal to various learning styles will ease understanding.

Recommendation 3: We recommend that Congress mandate evaluation of all federally required disclosures directed toward consumers of postsecondary financial aid to determine whether consumers actually access and use those disclosures in making decisions about higher education or financial aid. Any such evaluation should employ evidence-based research methods.

- **Rationale:** We believe that much of the disclosure information currently requested from postsecondary education institutions is not presented in a context that helps consumers understand its value for decision-making. Similarly, we are not sure that the information is presented in a manner that represents a clear narrative about the institutions that provide it. We believe that evaluation is needed to determine the disclosure information all stakeholders (government, private sector financiers, consumers, and educational institutions) require to make sound, informed decisions about the resources they each manage related to postsecondary education.

Recommendation 4: We recommend that Congress require the elimination of consumer information requirements or disclosures that are either not accessed or are not used in higher education decision-making by a significant number of consumers or stakeholders (government, private sector financiers, consumers, and educational institutions).

- **Rationale:** Following evidence-based evaluation of consumer information, we believe that the federal government will be in a position to eliminate some of the duplicative reporting postsecondary institutions and consumers face.

Recommendation 5: We recommend that Congress repeal the [Subsidized Usage Limit Applies](#)¹ (SULA) requirement that limits students' subsidized borrowing to 150 percent of their program length (which would eliminate the subsequent regulation), OR limit the data required to be reported on the loan origination record to only those items necessary to determine usage. The regulation is overly burdensome and duplicative—in large part because ED collects more information than is necessary to determine subsidized loan usage.

- **Rationale:** The calculation of this percentage for every borrower is a burden on schools and is difficult for students to understand. In addition, the regulations require schools to report much more information about students' enrollment levels/programs than is required by the law. Even if the law isn't repealed, the reporting burden can be lessened. The intent of the law is clear: to limit the use of subsidized loans to six years for a student in a four-year program, and to three for a student in a two-year program. In and of itself, this is a laudable goal that seems to encourage timely degree completion. However, other financial aid regulations, including the Pell Grant Lifetime Eligibility Usage (LEU) rules and satisfactory academic progress regulations, are already in place to meet this goal.

Focus Area: Sourcing of and Access to Data

Recommendation 6: We recommend that the federal government lift the ban on collecting student unit-record level data, and we recommend they develop a Student Unit Record Data System (SURDS).

- **Rationale:** There are three primary reasons for creating a SURDS. First, the federal government is asking schools to provide it with data that already exist, either at ED or in another agency. For example, schools are asked their Pell Grant volume on the FISAP, but ED already collects Pell Grant amounts by student. Also, in the current Gainful Employment regulations, schools must create and report earnings data on graduates, but earnings are already available in the Internal Revenue Service (IRS) systems. Second, current reporting of data elements, like graduation rate, is incomplete because individual schools do not have access to data on where their past enrollees attended after leaving their school. Third, a comprehensive SURDS would allow ED to apply consistent definitions to all data metrics, which would allow for more consistent school comparisons for students.

The group discussed the following considerations for developing a SURDS:

1. Data from SURDS should be merged with data from the IRS and from the Bureau of Labor Statistics. In no case should a school be asked to develop, create, or report data that already lie in an existing government database.
2. With the new information available in a SURDS, we recommend that ED focus on how these new data can relieve institutional reporting burden, or how existing reporting requirements can be changed to use data that already exist but may not be exactly what is used currently.

¹ U.S. DEPARTMENT OF EDUCATION, OFFICE OF STUDENT FINANCIAL AID. (N.D.). *150% DIRECT SUBSIDIZED LOAN LIMIT – FREQUENTLY ASKED QUESTIONS*. RETRIEVED FROM [HTTPS://IFAP.ED.GOV/150PERCENTDIRECTSUBSIDIZEDLOANLIMITINFO/FAQ.HTML](https://ifap.ed.gov/150PERCENTDIRECTSUBSIDIZEDLOANLIMITINFO/FAQ.HTML)

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3. Disaggregated data from the SURDS should be available to institutions for analysis with any personally identifiable information removed.
4. Data from the SURDS should be used to compute new graduation and completion rates for schools, taking into account students who started at one school and finished at another.
5. Data from the SURDS should be used to calculate the following new items:
 - a. Enrollment
 - b. Credit accumulation
 - c. Credit completion ratio
 - d. Gateway course completion
 - e. Retention rate/persistence rate
 - f. Transfer rate
 - g. Graduation rate
 - h. Completers/completions per student
 - i. Net price
 - j. Cumulative debt
 - k. Employment rate/median earnings/earnings threshold
 - l. Loan repayment
 - m. Time to credential
 - n. Credits to credential
6. Suggested unit record data to collect on a term-by-term basis include the following:
 - a. Current institution
 - i. Institution Title IV code
 - ii. Term
 - iii. Length of term
 - iv. Number of hours enrolled
 - v. Full time/three-quarter time/half time/less than half time
 - b. Demographic
 - i. Gender
 - ii. Race/ethnicity
 - iii. Age
 - iv. Military status
 - c. Identifiers
 - i. Social Security number
 - ii. State residency status
 - d. Degree information
 - i. Degree awarded
 - ii. Degree date
 - iii. Cumulative credit hours earned
 - iv. Cumulative GPA
 - v. Graduation rate
 - vi. Time to credential
 - vii. Credits to credential
 - e. Student metrics
 - i. Prior college(s) attended
 - ii. Retention by term or year
 - iii. Enrollment status (first time, transfer, continuing)

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- iv. Degree-seeking status
- v. Full-time/part-time status
- vi. Program/major
- f. Financial aid
 - i. Dependency status
 - ii. Federal financial aid
 - iii. State financial aid
 - iv. Institutional financial aid
 - v. Other financial aid

Recommendation 7: We recommend that Congress and ED reduce the number of consumer information disclosures to include only those that are the most meaningful and have a direct impact on consumers, and to exclude those that are duplicative, no longer necessary, or irrelevant.

- **Rationale:** The number of required consumer information disclosures has grown exponentially over the years, to the point that institutions are required to provide so much information that it's impossible for consumers to identify what is meaningful and valuable in their decision-making. In order for students and families to truly be able to make smart choices with information, it must be succinct and relevant. The group studied each of the current consumer information requirements, as found in ED's *Consumer Information Disclosures At-A-Glance* document, and we offer the following suggested list of items to eliminate, keep as is, or alter:

We recommend eliminating the following current consumer information disclosures:

- a. Copyright infringement policies and sanctions (including computer use and file sharing)
- b. Vaccinations policy
- c. Accountability for programs that prepare teachers
- d. Voter registration forms
- e. Drug and alcohol abuse prevention program
- f. Completion/graduation and transfer-out rates for students receiving athletically related student aid, including disaggregated completion/graduation rates (Student Right-to-Know Act)
- g. Intercollegiate athletic program participation rates and financial support (Equity in Athletics Disclosure Act)
- h. Fire safety report
- i. Fire log
- j. Principles of excellence for educational institutions serving service members, veterans, spouses, and other family members
- k. Security report - missing person notification policy
- l. Security report - programs to prevent dating violence, domestic violence, sexual assault, and stalking policy
- m. Types of graduate and professional education in which the school's graduates enroll
- n. Retention rate
- o. State grant assistance
- p. Student loan information published by ED
- q. National Student Loan Data System (NSLDS)
- r. Institutional eligibility

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We recommend keeping the following consumer information disclosures in place, as is:

- a. Notice of availability of institutional and financial aid information
- b. Contact information for assistance in obtaining institutional or financial aid information
- c. Student financial aid information
- d. Facilities and services available to students with disabilities
- e. Price of attendance
- f. Refund policy, requirements for withdrawal, and return of Title IV financial aid
- g. Academic program (educational program, instructional facilities, and faculty)
- h. Transfer of credit policies and articulation agreements
- i. School and program accreditation, approval, or licensure
- j. Notice of federal student financial aid penalties for drug law violations
- k. Student body diversity
- l. Net price calculator
- m. Job placement rates
- n. Textbook information / information for students / information for college bookstores
- o. Private education loan disclosures (including self-certification form)
- p. Code of conduct for education loans
- q. Preferred lender lists
- r. Preferred lender arrangements
- s. Private education loans
- t. Annual report on preferred lender arrangements

We recommend keeping the following consumer information disclosures in place, but altered as follows:

- a. Constitution Day: Congress should change the Constitution Day requirement so that disseminating the information on ED's website is sufficient for compliance.
- b. Privacy of student records—Family Educational Rights and Privacy Act (FERPA): FERPA should address current privacy issues and the practicalities of operations.
- c. Entrance counseling for student loan borrowers: Efforts should be made to make entrance counseling more user-friendly, interactive, and include required consumer testing.
- d. Exit counseling for student loan borrowers: Efforts should be made to make exit counseling more user-friendly, interactive, and include required consumer testing.
- e. Completion/graduation and transfer-out rates, including disaggregated completion/graduation rates (Student Right-to-Know Act): Issues related to community colleges and transfer students should be incorporated. In particular, students successfully transferring out of a community college to another institution should be counted as graduates if they complete at another institution.
- f. Consumer information on the College Navigator Website: We recommend adding consumer information disclosures to the existing College Navigator Site.

The subgroup could not reach consensus on the state of the following:

- Information for crime victims about disciplinary proceedings
- Institutional disciplinary action in cases of alleged dating violence, domestic violence, sexual assault, or stalking
- Institutional eligibility
- Self-certification form

We welcome public comment on these issues.

Focus Area: Reduce Reporting Burden

Recommendation 1: We recommend that Congress require ED to provide a user-friendly presentation of the SURDS data. As improvements evolve, ED should review and update this document.

- **Rationale:** The Integrated Postsecondary Education Data System (IPEDS) has proven successful in presenting user-friendly aggregate data. ED should guide the use of similar summary data utilizing SURDS. We think that digestible data will remove the uncertainty and reduce the overwhelming amount of data institutional offices currently deal with. Furthermore, we believe SURDS summaries have the ability to create transparency to stakeholders in an easily understood format. Consumer testing would be beneficial in determining what constitutes a user-friendly presentation.

Recommendation 2: We recommend that Congress require ED to issue guidance for publishers who administer guidebook surveys/external surveys, in an effort to reduce the institutional reporting burden of multiple surveys as well as reducing the overwhelming amount of information derived from the surveys that stakeholders are expected to grasp. As improvements evolve, ED should review and update the document.

- **Rationale:** The primary goal of the Common Data Set (CDS) “is to improve the quality and accuracy of information provided to all involved in a student's transition into higher education, as well as to reduce the reporting burden on data providers” (Common Data Set Initiative, n.d., para. 4).² We understand the CDS is a data standard tool intended to be used in collaboration with CDS publishers (College Board, Peterson’s, and *U.S. News and World Report*) who already request this information within their surveys; however, these publishers and others have few limitations. We also understand that these surveys are voluntary, yet there is a pressure and incentive for institutions to complete them. We hope ED will consider the following reasoning when issuing guidance: 1) publishers administer multiple surveys each year, which creates institutional reporting burden; 2) publishers often extract missing data from alternate sources, creating a publication of misleading data; 3) publishers often leave missing data fields blank, creating a publication of misleading data; and 4) publishers do not include a narrative behind the data, quantitative data are not and cannot be the whole picture.

[Comments may be uploaded online here: <https://www.forward-50.org/public-comment.>]

² Common Data Set Initiative. (n.d.). *Newsworthy items*. Retrieved from <http://www.commondataset.org>