

April 24, 2015

The Honorable Lamar Alexander
Chairman
Senate Committee on Health, Education, Labor and Pensions
SD-430 Dirksen Senate Office Building
Washington, DC 20510

Re: Federal Postsecondary Data Transparency and Consumer Information Concepts and Proposals.

Dear Chairman Alexander:

The American Association of Community Colleges (AACC) and the Association of Community College Trustees (ACCT), which represent the CEOs and trustees, respectively, of over 1,100 community colleges, are pleased to offer comments on the above-referenced white paper. Relevant and accurate data are essential for the effective functioning of the nation's higher education system, and for students and their families to make informed decisions about college. Over the decades, the accretion of federal data collections and disclosures has produced information that is inconsistent, duplicative, and in some cases serves no clear purpose. The white paper cogently discusses many of the Higher Education Act's (HEA) current shortcomings, while pointing to options for improvement.

Perhaps more than other sectors of higher education, community colleges and their students have been poorly served by existing federal data collection efforts. Community college students comprise more than 46% of all undergraduates. Yet, because of their role as essentially open admission institutions with multiple education missions, much of the federal data inadequately reflect either the nature of the colleges or the students who attend them. The official federal graduation rate best illustrates the problems that ensue from inadequate data and metrics. As calculated, the graduation rate grossly understates the actual levels of community college student success. Also, because of their lean administrative structures, expenditures associated with federal reporting requirements fall most heavily on community colleges. Finally, many enrolled and prospective community college students are poorly positioned to interpret complex federal data, a good example being the gainful employment disclosures.

Most students choosing among colleges, or simply contemplating enrolling at a particular institution, want a few basic questions answered. They want to know how long it will take them to attain an educational objective, and their likelihood of doing so; how much that program will ultimately cost, and how much borrowing might be required; and, when they have finished their program, what kind of career and/or earnings they might reasonably expect. Perhaps more so for community college students than others, targeted and clear federal data on individual program outcomes, rather than institution-wide outcomes, are highly desirable. Even beyond those initial consumer questions, current federal data are difficult to interpret for many prospective students and families.

It is equally important to review the relevance and utility of the data collection and disclosure systems from a data transparency and accountability perspective. Specifically, the current data collection and disclosure system are badly in need of reform in areas of accuracy, institutional cost and burden, and consumer information. The white paper goes a long way in presenting a variety of concepts and proposals to ensure federal postsecondary data transparency and accurate, comparable consumer information that is accessible, usable and understandable.

AACC and ACCT strongly support two concepts that we believe achieve these ends. The first is the formation of a federal student unit record data system. The second is improvements in what data are collected, how they are measured and presented.

1. Instituting a Federal Unit Record Data System

A federal unit record data system is necessary to provide, among other things, accurate information on student outcomes. We acknowledge the longstanding and deeply held reservations about a federal unit record data system. However, we believe that the potential benefits of such a system outweigh its potential downsides. It is unfathomable that, in an era of omnipresent and instantaneous data—and with so much at stake—the public still does not know with any degree of precision the likelihood of graduation for huge segments of students or the average earnings of graduates. A unit record data system carefully designed to capture the data necessary to serve both accountability and consumer purposes would reap huge benefits for students, institutions, policymakers, and the general public. There is no substitute for a comprehensive national system overseen by the federal government.

All parties agree that the most rigorous privacy safeguards need to be established for any unit record data system. Privacy concerns should be minimized by relying on input from a wide range of stakeholders on the construction and use of a federal unit system. In addition, data incorporated into the system needs to be strictly limited to the few fundamental data elements outlined above; some of the data proposed for collection in proposed legislation and other arenas, such as transcript level information, is not appropriate for incorporation into a federal database. Finally, any statutory language authorizing the system needs to be crafted in such a way that additional data elements beyond those written into statute cannot be added except by an act of Congress or other extraordinary measures.

The use of third-party data to evaluate student success and for other purposes is complicated and difficult to judge in the abstract. We can presume that the data would be less comprehensive than a federal student unit record system and access to it could be subject to conditions and terms that would make it less than universal and wholly public.

To reiterate, the federal government has a great advantage in its comprehensive reach and related ability to generate data systematically over the long term. However, third parties should certainly be allowed to continue to collect and generate data. If third parties are collecting data that are considered essential for purposes of data transparency and consumer information, to ensure comprehensive data and public access, the federal government should be collecting them. In fact, a more effective federal collection framework would likely result in other entities, both public and private, abandoning their efforts due to redundancy.

2. Generating Useful Data for Students: Cost, Completion, Post-Collegiate Outcomes

Affordability of Higher Education (Tuition, Net Price)

College students clearly need useful information about the costs of attending a particular college and the type and amount of aid they might expect to receive. Significant progress has been made in developing and refining net price calculators aimed at this purpose. As currently constructed, however, net price and college affordability indexes have somewhat limited utility for community college students, and are far more relevant to traditional college students attending four-year, residential colleges that charge students for room and board along with tuition.

Most community college students are financially independent of their parents and live on their own or with their own families. Well over 70% of community college students are working to meet their own or their families' ongoing expenses. Therefore, the concept of a discrete set of total educational costs (particularly concerning living expenses) that underlies the net price scheme simply does not mesh with the realities facing most community college students. Furthermore, net price is greatly influenced by state student aid and appropriations, factors over which institutions have no control.

For this reason, the basic tuition and fees charged by an institution should always be prominently displayed along with net price. It is a significant factor in decisions that students make about community college attendance, if not all sectors.

Student Outcomes: Accurate Graduation/Completion Rate Measures

As stated, for community colleges the most significant shortcoming of the extant federal data collection system in the area of student outcomes is the lack of an accurate measure of graduation or completion. Rectifying this is central to our HEA reauthorization agenda. There are two aspects to the shortcoming of the official graduation rate. First, from the student's perspective, the rate is not an accurate or usable measure of success. Second, from a public and policymaker perspective, community colleges have been subject to substantial negative misperceptions about student performance. There is consensus that the current federal official completion rate—the percentage of first-time, full-time students who complete a degree or certificate within 150% of the program's "normal time," and excluding transfers—is entirely inadequate.

Fortunately, the solution is relatively straightforward. The federal government should measure and report graduation/completion rates that apply to most students. For students enrolled in two year or less programs, that means that in addition to the official completion rate of 150% and the on-time rate, as statutorily mandated, ED should collect information on and calculate the completion rate at 300% of the "normal time" to complete a program. Students who transfer to another institution of higher education should be counted as a completion of the original institution. This, in fact, is currently required under the HEA, but ED has flouted the law by not implementing it.

The Department currently reports the statutorily-mandated final "snapshot" (rather than official rate) of 200% of the "normal time" for completion. This amounts to measuring a four-year

completion rate for associate or certificate-seeking students at two-year institutions, which is manifestly inadequate to capture the actual progression of community college students. Given the realities of the educational and life experiences of community college students, it has been empirically determined that a measure incorporating 300% of the “normal time” for completion – six years – more accurately depicts student success. It is the window that has been adopted by community colleges for their own Voluntary Framework of Accountability, and been incorporated into the Student Achievement Measure system developed across higher education. And based on a variety of state data, it includes large numbers of students who do in fact graduate, but would otherwise be officially treated as drop-outs. The official graduation rate for first-time, full-time students at Texas community colleges is 14.2%, but is 32.0%, more than double, measured at 300% of normal program completion. California presents an even more dramatic illustration of the difference in 3-year versus 6-year graduation rates, 22.4% and 60.9%, respectively, for part-time as well as full-time students.

To provide a bit more context, it should be noted that according to NCES, the official graduation rate for two year public institutions is 21%. This becomes the accepted completion rate for the general public, policymakers, and students alike. But a more accurate depiction of the completion rate, one drawing upon essentially the same cohort but which follows students for six years to other institutions, is 57%. Even the mere addition of transfers-out from community colleges dramatically increases the community college success rate, to 39%. Community college leaders are working hard to increase these rates, but they are in fact already much higher than many policymakers realize.

This revised statutory completion rate framework should also be integrated with and reflect the new completion rate surveys that IPEDS will be administering starting this July 1. We support these efforts, which will include more students and more realistic timeframes for completion. These four new surveys also mean that seven graduation rates will be calculated, and not all will be comparable because of the use of different cohorts and timeframes. The HEA reauthorization needs to ensure that these are integrated. Ideally, all of the data generated through these collections will be prescribed in statute.

Student Outcomes: Earnings Data

In our opinion, prospective students and other stakeholders would find information about the earnings of program completers extremely useful, recognizing that not all students enroll in college for the purpose of enhancing their economic prospects. Research shows that most students attend college for financial gain. Obviously, other considerations influence decisions about a college or program as well. Nonetheless, earnings information would serve multiple purposes, including helping community college leaders to make difficult decisions about which programs to expand, contract, or eliminate.

The system of generating earnings data through the Social Security Administration established in the gainful employment regulations should be used across higher education. The fact that states, private entities, and even the federal government are collecting some of these data does not replace the need for more comprehensive data.

Congress needs to carefully consider a variety of issues in this area, including the methodology for identifying cohorts of completers and the aggregation of information. It may not be possible

or appropriate to have a standard earnings indicator across all institutions and programs. However, the need for comprehensive earnings data to be generated is unequivocal.

We also offer comments on concepts presented in the White Paper.

Eliminate data collection or disclosures unrelated to the needs of federal program management or consumer decision-making

The federal government retains an important role in providing information about postsecondary education that transcends student financing, success or safety. It is the appropriate generator and repository of a variety of information about postsecondary education. Federal data, by virtue of their comprehensiveness and consistency, play an essential role in the operation of the higher education system writ large, and in public accountability. Indeed, if all data that were unrelated to student financing, success or safety were eliminated, information about institutional and student characteristics, enrolment, revenue and expenditures would go uncollected.

The consumption of federal postsecondary data by students and the utility of the many data elements no doubt need review, but in the context of a broader mission or purpose than accountability and consumer consumption. Analyses that identify good policies and ways to improve policies require data that are explanatory in nature. The government should not assume that third party organizations could, or should, have data for these analytical purposes or indeed carry out such policy analyses. There is no substitute for a federal role in the collection of comprehensive information.

We endorse the very powerful if common-sense concept of creating a subpart in the HEA to govern data collections and disclosure. The current panoply of uncoordinated collections and disclosures involves substantial and unnecessary confusion for students, and costs for institutions. A primary goal of the reauthorization should be a rationalization of these various collections and disclosures.

Make federal data useful and usable for consumers

As previously noted, information regarding earnings is key information for many potential students in choosing a program of study. While BLS data provide relevant national, state and even metropolitan information about employment and earnings for certain occupations, it is not at all an adequate substitute for accessing actual earnings data for program graduates from the Social Security Administration, as outlined above. For community colleges, the use of administrative data within the Federal Student Aid system to evaluate community college success is inherently limited by the fact that less than half of community college students receive aid, and is therefore not an effective substitute for a federal student unit record system. Furthermore, being of greater relative financial need than other students, this population is, on balance, less likely to complete programs than other students –an unfortunate reality across all of higher education. Therefore, studies relying solely on student aid recipients to draw conclusions about institutional outcomes need to be approached with caution.

A national graduate survey to collect information from students voluntarily holds some promise, but is fraught with methodological issues given the voluntary nature of the exercise. Some community colleges, generally smaller institutions, routinely use follow-up surveys as a means of evaluating program outcomes, particularly in technical areas.

AACC and ACCT strongly encourage the use of extensive consumer testing to determine what information is most helpful to students. It is clear that the existing set of federal information sources about colleges does not function as well as it needs to. Prospective community college students are especially impacted by this weakness in the system because they tend to lack the level of formal guidance and family and peer support relating to college attendance that other students receive. Not only has the government now established too many locations for students to receive data about colleges, in many cases there is simply too much data, and too much arcane data at that. The gainful employment disclosures are a prime example of “transparency” run amok.

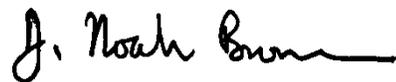
We support the concept of creating at the Department of Education a single portal for accessing federal postsecondary information, but note that other federal statutes might need to be changed in order to fully integrate information from a variety of agencies. We also strongly endorse the use of a single institutional disclosure page so that the numerous federal disclosures can be streamlined and made more user-friendly for consumers. This might also focus attention on the overly extensive disclosure requirements.

We thank you for your consideration of our comments, and look forward to working further with you on achieving a federal postsecondary data system that serves the multiple purposes outlined above while not overly burdening institutions in complying with reporting and disclosure requirements.

Sincerely,



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