

January 2, 2009

Office of Information and Regulatory Affairs  
Attention: Education Desk Officer  
Office of Management and Budget  
725 17th Street, NW, Room 10222  
Washington, DC 20503  
(also sent via email to [oira\\_submission@omb.eop.gov](mailto:oira_submission@omb.eop.gov))

Dear Education Desk Officer,

We are writing to respond to the request for comment on the draft proposed changes to the Integrated Postsecondary Education Data System (IPEDS), Web-Based Collection System (KI), OMB No. 1850-0582. The request was published in the Federal Register on December 2, 2008 (FR Doc. E8-28534).

An independent, nonprofit organization, the Institute for College Access & Success works to make higher education more available and affordable for people of all backgrounds. By conducting and supporting nonpartisan research, analysis, and advocacy, the Institute aims to improve the processes and public policies that can pave the way to successful educational outcomes for students and for society.

### Summary

It is important for students, policymakers, and the public to have timely and accurate information on financial aid to inform decision making and hold colleges accountable for their policies and practices. We support the proposed changes to the IPEDS Student Financial Aid (SFA) survey because they will provide important information about students' use of federal grant programs and student loans. This revision of the SFA survey also represents an opportunity to make further improvements. These include:

- collecting all data about grants and loans for all undergraduates in addition to first-time, full-time undergraduates
- asking how much debt students carry at graduation
- asking how many students are eligible to participate in federal loan programs and how many actually do participate

In the short-term, adding these questions to IPEDS is the best way to ensure that accurate and timely data on these topics is collected and made public. In the long-term, we believe that many of these questions could be better answered with information from the Department of Education's financial aid databases, such as the National Student Loan Data System (NSLDS). This would reduce the number of questions institutions need to answer on the SFA survey and increase the accuracy of the information available to policymakers and the public. (See Appendix for explanatory tables.)

### Previously Approved Changes to the SFA Survey

The changes NCES is proposing for IPEDS include “make previously approved changes to financial aid reporting required, rather than optional, in spring 2009” and “collect additional financial aid data.” Currently, the SFA survey in IPEDS collects data on the number of full-time, first-time degree/certificate-seeking undergraduates who receive different types of financial aid and the average amount received. Specifically, the survey asks for the number of students in this cohort receiving the following types of aid, and the average amount received for each type: any financial aid, federal grants, state/local grants, institutional grants, and loans. The survey also asks for these counts of students: the full-time, first-time cohort used for the survey; all undergraduates; and the number of students receiving any financial aid.

The previously approved changes would continue to use the same type of questions about the number of students receiving different types of aid and the average amount received. The specific changes would:

- add a category of “all grants” in addition to the separate federal, state/local, and institutional grants categories
- split the data on federal grants into two categories—Pell grants and other federal grants
- split the data on loans into three categories—all loans, federal loans, and non-federal loans

In March 2008, the Institute submitted comments in support of the previously approved changes. We are confident that these changes will make the data much more useful to researchers, policymakers, and the public. The “all grants” category will make it possible to estimate the net cost of college both for students who receive grants and for all students. The more detailed loan categories will provide much-needed insight into the usage of private loans across different institutions, an area where there is little data currently available. We are pleased that the Higher Education Opportunity Act of 2008 (HEOA) makes these changes mandatory for the upcoming data collection in Spring 2009.

### Financial Aid Data on All Undergraduates

In addition to the previously approved changes, the NCES proposal would add the following to the SFA survey:

- total grant aid awarded to all undergraduate students from all sources
- total number of students who received a Pell Grant

These additional questions will also be very helpful for those who want to learn more about affordability and diversity in higher education. The percentage of undergraduates who receive Pell Grants is widely used as a proxy for the enrollment of low-income students. The Institute maintains a website, [EconomicDiversity.org](http://EconomicDiversity.org), which features this and other data about diversity and affordability at the institutional level. The feedback we have received from users suggests that this is an important topic for many people who pay attention to higher education issues.

The Department of Education has made data available showing the number of students receiving Pell Grants by institution, but it has not routinely published this information in an accessible form on its website. In addition, the institutional identifiers used by the Pell Grant program often cover multiple campuses within a system of institutions, obscuring the variation within the systems and making it difficult to match these numbers with basic enrollment figures and other data from IPEDS. This in turn leads to discrepancies between the low-income

percentages calculated by different analysts and organizations. Including this Pell Grant data in the SFA survey and on the College Navigator website, as mandated by HEOA, is an important step in clearing up some of these problems and making this data more accessible to the public.

The crucial difference between the new questions described above and those previously approved is that the new questions cover *all* undergraduates, not just full-time, first-time degree/certificate-seeking undergraduates. This is a big step in the right direction. Data from IPEDS shows that for fall 2006, full-time, first-time degree/certificate-seeking undergraduates accounted for 19% of all undergraduates, across all institutions of higher education. At many institutions, the percentage is much lower. It is unlikely that the financial aid experience for this cohort is representative of the experience of all undergraduates, within individual institutions or across broad categories of institutions.<sup>1</sup>

We strongly support collecting *all* the information on SFA not only for the full-time, first-time cohort, but also for *all* undergraduates. While this change would provide a great deal of beneficial information, it would not necessarily represent an undue additional reporting burden for institutions. Many institutions already report data on the total dollar amounts for federal, state, and institutional grants received by all undergraduates to college guide publishers who use the Common Data Set (CDS) as the basis of their surveys. It is not too great a step from there to providing the number of students receiving this aid and the average amount received.

#### Student Debt Data

Some very important questions about financial aid are not currently addressed by the SFA survey, particularly in the area of student debt. Student loans continue to grow in importance as a means of financing undergraduate education. Recognizing this, Congress and the Treasury and Education Departments have put a lot of effort into ensuring that federal student loans remain fully available during the current credit crunch. It is important for policymakers and the public to have timely and accurate information about the cumulative debt loads and loan default rates for students from different institutions of higher education.

The SFA survey provides a useful snapshot of the volume of loans received in a particular academic year by the students included in the SFA cohort. However, it does not capture the cumulative student debt loads students face when they leave school. Cumulative debt loads show the impact of yearly loan volumes on individual students.

We highly recommend adding the following questions to the SFA survey:

For students who started as first-time undergraduates at this institution and graduated with a bachelor's degree during the most recent academic year:

- a) total number of students in this cohort
- b) number of students who borrowed at any time through any loan program and the average cumulative amount borrowed
- c) number of students who borrowed at any time through federal loan programs and the average cumulative amount borrowed

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<sup>1</sup> In Fall 2006, IPEDS data show 700 out of 6,447 institutions where this cohort represents less than 10% of all undergraduates.

- d) number of students who borrowed at any time through non-federal loan programs and the average cumulative amount borrowed<sup>2</sup>

These questions are very similar to those that many institutions are already answering on surveys based on CDS questions. The CDS questions cover b) and c) and ask for the percentage with debt, not the number with debt. The calculations needed to accurately answer the CDS student debt questions involve identifying the different groupings of students for a) through d) and calculating the averages, so it would not be a great deal of additional work for those who are already answering the CDS questions.

However, a significant number of institutions do not respond to these CDS questions or provide figures that are clearly inaccurate. Bringing these questions into IPEDS and making the slight modifications suggested above would greatly increase both the response rate and the accuracy of the data collected. This in turn will greatly improve the data available to researchers, policymakers, and the public.

Many smaller institutions that may struggle with the reporting burden for IPEDS do not have any students graduating with bachelor's degrees who also started as first-time undergraduates at that institution. Such institutions could be exempted from these questions, as well as institutions with a very small number in this cohort.

### Cohort Default Rates

As mandated by statute, the Department of Education annually calculates and publishes a "cohort default rate" (CDR) for each institution of higher education participating in federal student loan programs. Institutions with high CDRs may face loss of eligibility to participate in federal grant and/or loan programs. Some institutions cite fear of these sanctions as one reason for not participating in the federal student loan programs at all, while others cite fear of the negative attention that higher than average CDRs can attract. This leaves a large number of students – including at least 10 percent of community college students -- with no access to federal loans.<sup>3</sup> These institutional fears are largely overblown – most community colleges that do participate in the loan programs have CDRs well below the threshold for sanctions. Further, most community colleges would likely be able to appeal any sanctions faced based on their "participation rate index" (PRI).

An institution's federal student loan participation rate is the share of its students who are eligible to borrow that do borrow federal loans. The PRI is the participation rate multiplied by the institution's default rate. An institution with a low participation rate effectively has a higher threshold for when the CDR could result in sanctions.

The importance of an institution's CDR thus depends on its participation rate. When publishing CDRs, the Department should note which institutions have low participation rates, and therefore less meaningful CDRs. That way, those reading the CDR lists will be better able to interpret the significance of the CDR for any particular college, providing peace of mind to colleges and

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<sup>2</sup> We recognize that students may obtain non-federal private student loans without the knowledge of the institution. Institutions would be expected to report only on loans they are aware of.

<sup>3</sup> Students without access to federal student loans are left to use riskier private student loans or credit cards, or work so many hours that they do not have enough time to study. For a more complete analysis of the issue, please see the Institute's April 2008 issue brief, [Denied](#).

critical context to media and stakeholders. Addressing these concerns will help lead to wider access to federal loans for students who need help paying for college.

To allow the Department of Education to calculate the participation rate and PRI, we suggest including the following questions in the SFA survey:

- the number of students who received federal student loans
- the number of students eligible to borrow federal student loans

If, as suggested above, SFA is modified so the questions cover “all undergraduates” as well as the full-time, first-time cohort, the first question would already be on the survey. Alternatively, the department could calculate this number from its financial aid databases. The instructions for the second question could remind institutions that all U.S. citizens or permanent residents who are enrolled at least half-time are eligible to participate in federal student loan programs. Institutions should have these figures readily available.

### Accuracy and Institutional Burden

The estimated reporting burden across all institutions for the 2008-09 IPEDS collection is 175,100 hours. One way to reduce this burden while increasing the accuracy and amount of information available is to use data from other, existing databases within the Department of Education. For researchers, policymakers, and members of the public, the exact method or path by which data is obtained is less important than its accuracy, consistency, comparability, and accessibility. The College Navigator tool within IPEDS already uses data from Department of Education sources beyond IPEDS. This could be done with other data tools and publications as well.

For example, the figures on the number of undergraduates receiving Pell Grants or the number of students participating in the federal loan programs, described above, could be derived from the federal student aid databases used in the operation of these programs. Colleges already report enrollment status to the National Student Loan Data System (NSLDS). With minor adjustments to allow them to report first-time status or completion of degree programs, the database could become the source for all of the existing and proposed questions on federal grants, federal and private student loans, and student debt. Deriving the figures in this way would eliminate the need to ask them on IPEDS or other institutional surveys, thereby reducing the reporting burden and likely increasing the accuracy of the data.

Replacing data collected through institutional surveys with data from financial aid databases will require cooperation between different agencies and offices within the Department of Education. The data must be extracted from the financial aid databases and merged with other survey data in such a way to ensure that it is consistent. For example, existing data on Pell Grants and federal student loans is organized using an institutional identifier called the “OPEID”, while data in IPEDS is organized using an institutional identifier called the “UNITID.” Unfortunately, UNITIDs do not correspond to the six-digit version of the OPEIDs used in the Pell Grant and NSLDS data on a one-to-one basis. In many cases, a single OPEID may correspond to multiple UNITIDs. Data about Pell Grants or loans may cover several campuses within a system of institutions, while enrollment data from IPEDS is reported for each of those campuses. This makes it difficult to calculate, for example, the percentage of undergraduates receiving Pell Grants consistently across all institutions.

NSLDS tracks federal student loans throughout their “life cycle” from disbursement through repayment to payoff, with changes in enrollment status and other circumstances that lead to periods of deferment, forbearance, or default. Unfortunately, this database is underutilized. Expanding the information entered into NSLDS and the reports generated from the data would go a long way toward providing more useful information for policymakers, student borrowers, and the public.

The Higher Education Act (HEA), as amended in 1993, directs the Department to use NSLDS in part for research and policy analysis regarding student debt levels. (See 20 U.S.C. 1092b) This includes analyzing factors such as family income and the type of institution attended. HEA also identifies providing information to student borrowers about the current status of their loans as another important purpose of the system

So far, Department officials have made very limited use of the database for these purposes. The agency currently uses NSLDS to calculate cohort default rates for colleges, and to report on the aggregate student loan volume, broken down by program (Direct Lending versus the Federal Family Education Loan Program for example), type (federally subsidized or unsubsidized Stafford Loans, for example), state, and sector of higher education (two-year versus four-year schools, for instance). While this is useful information about the overall size and growth of these programs, it does not give us any indication of the debt burden faced by students at particular institutions

The Department should make much more detailed data on student borrowing available. Using NSLDS, the Department should publish the following information each year:

- loan volume by loan program and loan type for each institution (unsubsidized/subsidized Stafford loans, PLUS loans, etc.)
- average cumulative debt levels for students graduating from college each year at the state, national, and institutional levels
- average cumulative debt levels for students leaving college without completing a degree or certificate program
- data on borrowing patterns by income level and level of demonstrated financial need
- data on borrowing patterns by students who receive federal Pell Grants

These statistics would provide valuable and timely information to policymakers about trends in student borrowing and indebtedness. Moreover, we believe that publishing this data would provide some accountability for institutions regarding the way they package student loans. Given its role as the provider of definitive and impartial education statistics, the National Center for Education Statistics (NCES) should analyze this data and include the results in its publications and data dissemination websites.

To truly get an accurate picture of student borrowing trends, one additional step is needed: private student loans, which have been the fastest growing form of student loans, should be included in NSLDS. We do not know the full extent of private loan borrowing that is occurring. In many cases, these high-cost loans are marketed directly to students, and neither the institutions nor any government agency is aware that they have been made. As a result, students often take out these loans without realizing that lower-cost federal loans are available. Requiring the inclusion of private loans in NSLDS would fit in perfectly with one of the main purposes of the database: to give borrowers a place to go to see all of their student loans. It is important for borrowers to have access to information on the current holders and servicers of their loans, as well as the current balance and payments due. They should be able to see this

information for all of their student loans, not just federal ones. Students are often unclear on the distinctions between the different programs under which they borrow, especially when the loans may come from the same lender. Only during repayment do many students realize the importance of knowing which lender holds their loans and what types of loans they are.

Requiring lenders to report private student loans to NSLDS, and requiring the Department of Education to merge data from NSLDS with data from IPEDS and make it available via data tools and publications, could eliminate the need for several of the IPEDS SFA questions described above. Rather than asking institutions to report on the use of federal and private student loans and federal grant programs or the cumulative indebtedness of graduates, this information could be calculated directly from NSLDS.

Thank you for the opportunity to comment on the proposed changes to IPEDS . If you have any questions or concerns regarding our comments, please do not hesitate to contact me by phone at (510) 559-9509, or via email at [mreed@ticas.org](mailto:mreed@ticas.org).

Sincerely,

A handwritten signature in black ink that reads "Matthew J. Reed". The signature is written in a cursive, slightly slanted style.

Matthew Reed  
Policy Analyst

## Appendix

The following tables show the data collected under the current version of the IPEDS SFA Survey, the version proposed by NCES (including the previously approved changes and the new additions), our short-term proposal for collecting additional information on the SFA survey, and our long-term proposal for calculating much of the data from other Department of Education databases, reducing the need for questions on the SFA survey. Table 1 shows items collected for full-time, first-time degree/certificate-seeking undergraduates and Table 2 shows items collected for all undergraduates. Unless otherwise indicated, “# of students” means the number of students receiving a particular type of aid and “Average \$” means the average amount received by those receiving that type of aid.

Table 1: Data collected on the IPEDS SFA Survey<sup>4</sup>  
Full-time, first-time degree/certificate-seeking undergraduates

Category	Current	Previously Approved Proposal	Our Proposal – Short Term	Our Proposal – Long Term
All	• # of students	• # of students	• # of students	• # of students
Any aid	• # of students	• # of students	• # of students	• # of students
Any grants		• # of students • Average \$	• # of students • Average \$	• # of students • Average \$
Federal Grants	• # of students • Average \$			
Pell Grants		• # of students • Average \$	• # of students • Average \$	
Other Federal Grants		• # of students • Average \$	• # of students • Average \$	
State/local grants	• # of students • Average \$	• # of students • Average \$	• # of students • Average \$	• # of students • Average \$
Institutional grants	• # of students • Average \$	• # of students • Average \$	• # of students • Average \$	• # of students • Average \$
Any loans	• # of students • Average \$	• # of students • Average \$	• # of students • Average \$	
Federal loans		• # of students • Average \$	• # of students • Average \$	
Non-federal loans		• # of students • Average \$	• # of students • Average \$	

<sup>4</sup> Tables 1 and 2 are adapted in part from National Center for Education Statistics (NCES), “Supporting Statement for IPEDS 2008-2011 OMB Paperwork Reduction Act Submission, Amendment to current 3-year clearance for IPEDS (OMB No. 1850-0582),” August 28, 2008.

Table 2: Data collected on the IPEDS SFA Survey  
All undergraduates

<b>Category</b>	<b>Current</b>	<b>Previously Approved Proposal</b>	<b>Our Proposal – Short Term</b>	<b>Our Proposal – Long Term</b>
All	• # of students	• # of students	• # of students	• # of students
Any aid			• # of students	• # of students
Any grants		• Total \$	• # of students • Average \$	• # of students • Average \$
Federal Grants				
Pell Grants		• # of students	• # of students • Average \$	
Other Federal Grants			• # of students • Average \$	
State/local grants			• # of students • Average \$	• # of students • Average \$
Institutional grants			• # of students • Average \$	• # of students • Average \$
Any loans			• # of students • Average \$	
Federal loans			• # of eligible students • # of students • Average \$	• # of eligible students
Non-federal loans			• # of students • Average \$	
Cumulative debt (graduates)			• # of students • Average \$	
Cumulative debt— federal loans			• # of students • Average \$	
Cumulative debt— non-federal loans			• # of students • Average \$	