

Report and Suggestions from IPEDS Technical Review Panel #61: Improving the Student Financial Aid Component

SUMMARY: The Technical Review Panel discussed ways in which the IPEDS Student Financial Aid survey meets existing needs and how it might be improved. This summary provides feedback on how changes would affect data quality and reporting burden for institutions. Comments from interested parties are due to Janice Kelly-Reid, IPEDS Project Director at RTI International, at ipedstrpcomment@rti.org by October 16, 2020. Note: The comment period for Report and Suggestions from TRP 61 has been extended by two weeks, from October 2, 2020 to October 16, 2020. Comments have been open since September 1, 2020.

On June 23 and 24, 2020, RTI International, the contractor for the Integrated Postsecondary Education Data System (IPEDS) web-based data collection system, convened a meeting of the IPEDS Technical Review Panel (TRP) using videoconference technology. IPEDS TRP meetings are conducted by RTI to solicit expert discussion and suggestions on a broad range of issues related to postsecondary education and the IPEDS collection. As the postsecondary education industry evolves, IPEDS TRP meetings are increasingly critical in addressing changes to ensure that IPEDS data remain relevant, informative, and on the forefront of industry advancements and legislative needs. To this end, IPEDS TRP meetings are designed to foster public discourse and enhance IPEDS data collection, products, data quality, and system user-friendliness. The TRP does not report to or advise the U.S. Department of Education.

RTI's specific purpose for TRP #61 was to discuss opportunities to improve the utility of IPEDS data by collecting new student financial aid data that the postsecondary community and IPEDS stakeholders consider important, while also maintaining the quality (reliability and validity) of the data and balancing burden for data reporters. The panel consisted of 53 individuals representing institutions, the research field, state governments, the federal government, higher education associations, and other experts.

Background

The Student Financial Aid (SFA) component collects information about financial aid and military education benefits awarded to various groups of students. Section 1 of the SFA component collects financial aid data awarded to undergraduates, with a particular emphasis on first-time, full-time (FTFT) degree/certificate-seeking undergraduate students. Much of the financial aid data collected in IPEDS is collected to help meet requirements of the *Higher Education Act of 1965* (HEA), as amended.¹ Section 2 of the SFA component collects data on educational benefits (i.e., Tuition Assistance Program or Post-9/11 GI Bill) received by military service members, veterans, or eligible dependents.

¹ The *Higher Education Act* amendments of 1998 (P.L. 105-244) require the National Center for Education Statistics to collect and disseminate information on the tuition and fees for FTFT degree/certificate-seeking undergraduate students, cost of attendance for full-time undergraduate students, number of undergraduate students receiving financial assistance, and average amount of each type of financial assistance received. The *Higher Education Act* (P.L. 110-315), Section 132, added by the *Higher Education Opportunity Act* of 2008 (20 USC 1015a), specifies data the Secretary must make available to the public on the consumer site, College Navigator (Higher Education Authority Sec. 132(i)(1)(O) – (S)).

The National Postsecondary Education Cooperative (NPEC)² commissioned a research paper³ to review and assess the IPEDS SFA component. The research process included an analysis of IPEDS student financial aid data and other sources, a review of academic and policy literature that uses IPEDS SFA data for analysis, and interviews with stakeholders to gain insights into the efficacy of the data collected for internal benchmarking, external accountability, consumer information, and academic research purposes.

The findings of this research shed light on limitations to the financial aid data currently collected by IPEDS and highlight emerging issues not currently covered in IPEDS. Among the limitations is that IPEDS student financial aid data offer wide coverage of FTFT students; however, these students make up a small and decreasing proportion of the overall undergraduate student population. The narrow focus on the reporting fields on FTFT students ignores important and growing populations of students using financial aid: part-time, transfer, continuing, and graduate students. Furthermore, variable coverage is inconsistent, where different parts of the SFA component ask for different types of financial aid to be reported, and some data elements are reported in more detail than others, due in part to the legislatively mandated nature of many of the data elements.

RTI convened the TRP to engage the postsecondary community in a discussion about how IPEDS could change, refine, or adjust data elements, definitions, instructions, or other aspects of the SFA component to provide more meaningful and useful data related to student financial aid. The TRP was asked to review the findings and recommendations from the NPEC paper and consider potential changes to address gaps, inconsistencies, or measurement errors; better align (and integrate) SFA data with other IPEDS survey components; and keep pace with emerging trends in higher education. The TRP was advised that suggestions for data collection changes should consider the value of the data to meet the needs of students and families (consumers), researchers, policymakers, and other users of IPEDS data while also considering potential increases in the burden on data reporters.

Discussion Item #1: Counting Pell Students

The *Higher Education Opportunity Act* of 2008, amended, requires NCES to post on the College Navigator website financial aid information for each institution, including the number of students receiving federal Pell Grants. NCES also calculates the percentage of undergraduate students enrolled at each institution who received Pell funding and includes this measure in the IPEDS data tools and on College Navigator.

The percentage of undergraduate students who were awarded Pell funding is calculated from data reported on the “all undergraduates” group in the SFA component (Group 1). This group is legislatively mandated by the HEA⁴ and includes all FTFT degree- or certificate-seeking

² NPEC was established by NCES in 1995 as a voluntary organization that encompasses all sectors of the postsecondary education community, including federal agencies, postsecondary institutions, associations, and other organizations with a major interest in postsecondary education data collection.

³ Hillman, N. (2018). *Making the IPEDS Student Financial Aid Survey Data Meaningful* (NPEC 2018). U.S. Department of Education. Washington, DC: National Postsecondary Education Cooperative. Retrieved June 23, 2020, from https://nces.ed.gov/ipeds/pdf/NPEC/Data/NPEC_Paper_IPEDS_Student_Financial_Aid_2018.pdf

⁴ The Higher Education Act Amendments of 1998 (P.L. 105-244) require NCES to collect and disseminate information on the tuition and fees for FTFT degree/certificate-seeking undergraduate students, cost of attendance for full-time undergraduate students, number of undergraduate students receiving financial assistance, and average amount of each type of financial assistance received.

undergraduate students, as well as part-time, continuing, and non-degree/non-certificate-seeking students. However, non-degree/non-certificate-seeking students are not eligible for federal financial aid. Thus, when calculating indicators such as the percentage of undergraduates that are awarded Pell Grants, non-degree/non-certificate-seeking undergraduates are included in the denominator but not in the numerator, producing an underestimate for institutions with a high proportion of non-degree/non-certificate-seeking undergraduates.

Some institutions have attempted to address this issue by (incorrectly) removing non-degree/non-certificate-seeking students from the data they submit for the SFA component, contrary to the reporting instructions. As an interim solution, NCES provides guidance on how to calculate an alternate percentage that takes non-degree/non-certificate-seeking students into account when calculating how many undergraduates receive Pell Grants. A potential long-term solution would include changes to the underlying data to calculate and report the percentages of undergraduates that are awarded aid more accurately. This can be accomplished by splitting Group 1 into two subsets:

- Group 1a: of those in Group 1, those who are degree/certificate-seeking, and
- Group 1b: of those in Group 1, those who are non-degree/non-certificate-seeking.

For each group (Group 1, Group 1a, Group 1b), the number of students awarded aid and the total amounts of aid awarded for each type of aid are counted:

- grant or scholarship aid from the federal government, state/local government, the institution, and other sources known to the institution (Groups 1, 1a, and 1b);
- Pell Grants (Groups 1 and 1a); and
- federal student loans (Groups 1 and 1a).

The percentage of students awarded aid and average amounts of aid received are then calculated for each group by applicable aid type. For undergraduate students (Group 1) and the subset of degree/certificate-seeking undergraduate students (Group 1a), aid types are grant or scholarship aid from the federal government, state/local government, the institution, and other sources known to the institution; Pell Grants; and federal student loans. For the subset of non-degree/non-certificate-seeking undergraduate students (Group 1b), aid types would be grant or scholarship aid from the federal government, state/local government, the institution, and other sources known to the institution. Panelists noted this approach meets the statutory requirement to collect the “all undergraduates” group in the SFA component, while also producing more representative data for institutions that enroll non-degree/non-certificate-seeking undergraduates. Panelists agreed that the resulting data would more accurately reflect the percentage of undergraduate students awarded different types of aid and suggested including these percentages in the IPEDS data tools and on College Navigator.

Discussion Item #2: Aligning Student Financial Aid to Outcome Measures and 12-Month Enrollment Cohorts

Section 1 – Undergraduate Students. The SFA component collects data for the prior academic year. Depending on whether they are academic year or program reporters, institutions report student groups based on fall enrollment or full-year (12-month) enrollment, creating inconsistencies and comparability challenges across different institution types. As noted, another limitation is that much

of the financial aid data collected in IPEDS focuses on FTFT students, ignoring an increasingly large proportion of students who enroll part-time or have previous postsecondary experience.

Other IPEDS survey components, namely the 12-month Enrollment (E12) and Outcome Measures (OM) components, contain more student breakouts and provide a more complete picture of annual enrollment at an institution.⁵ Panelists suggested using a convention similar to that of the E12 and OM components. This approach would standardize the student cohort covered by the SFA component to include undergraduate students enrolled at any time during the prior academic year (the aid-year period from July 1 through June 30), regardless of the calendar system the institution follows.

For the purposes of reporting for the SFA component, institutions would continue to report on the four groups of undergraduate students required by law (all undergraduate students and the subgroups of FTFT students), but this approach adds to the SFA component new student groups for part-time and non-first-time students.

- **Group 1:** All undergraduate students⁶
- **Group 2:** All FTFT degree/certificate-seeking undergraduate students (subset of Group 1)
 - **Group 2a:** all FTFT degree/certificate-seeking undergraduate students awarded grant or scholarship aid from federal, state/local government, or the institution (subset of Group 2)
 - **Group 2b:** all FTFT degree/certificate-seeking undergraduate students awarded any Title IV federal student aid (subset of Group 2)
- **Group 3:** all part-time, first-time degree/certificate-seeking undergraduate students (subset of Group 1)—new
- **Group 4:** all full-time, non-first-time degree/certificate-seeking undergraduate students (subset of Group 1)—new
- **Group 5:** all part-time, non-first-time degree/certificate-seeking undergraduate students (subset of Group 1)—new

Panelists noted that this suggested change expands the coverage beyond the statutorily defined student groups to better reflect the composition of students enrolled in postsecondary education. One concern noted by panelists is the question of when to establish cohorts (or, more specifically, how institutions should account for students who change enrollment status). Panelists suggested aligning the guidance for SFA cohort identification with the current E12 and OM guidance—that is, student groups are based on those enrolled at any point during a 12-month period from July 1 through June 30, and students should be assigned to cohorts based on their first full term at entry. Similar to the guidance in the E12 and OM components, the student remains in the cohort even if there is a change in attendance level during the 12-month period.

Although this approach would maintain alignment with the federal reporting mandates and uses the same framework already in place for defining student cohorts for a full-year period, panelists

⁵ Beginning with the 2020–21 collection year, the E12 component collects information on undergraduate student enrollment in categories that allow for the same student groups as those that are in the OM component. NCES initiated the change in an effort to better align and integrate the various components of the IPEDS data collection and improve data quality.

⁶ Non-degree/non-certificate-seeking students are captured in Group 1 but not in any of subgroups 2–5.

acknowledged that any changes made to IPEDS can potentially increase complexity and workload of data providers, particularly at smaller or less-resourced institutions. In addition to NCES announcing the proposed changes with a “preview year” ahead of implementation, panelists suggested that data providers from affected institutions could benefit from additional training or resources to help them prepare for the suggested changes.

Section 2 – Military Service Members and Veterans Benefits. Panelists considered applying the changes suggested for Section 1 to further disaggregate the data collected on undergraduate students in Section 2 of the SFA component. Section 2 of SFA requires institutions to report the number of students (undergraduate and graduate students) receiving Department of Defense Tuition Assistance Program or Post-9/11 GI Bill benefits and the total amounts disbursed through the institution. Panelists noted that the suggestion to report on a full-year cohort in Section 1 would not be compatible with the structure of the data collected in Section 2 because each benefit program in Section 2 covers different reporting periods. Additionally, panelists noted that disaggregating the undergraduate student counts in Section 2 by attendance level and enrollment status would be burdensome for institutions to report and unlikely to result in useful data. Panelists noted the value of having more comprehensive data on topics related to veterans and military service members. However, they suggested looking to other federal sources of data that contain student-level data and may be better equipped to address stakeholder needs.

Discussion Item #3: Student Progression

Financial aid eligibility and award amounts differ based on years of enrollment. As students progress toward degrees, they may reach borrowing limits or other limits on aid awarded. Grant aid often decreases as students progress, either because institutions frontload awards (with higher grant and scholarship aid awarded during the first year than in subsequent years) or students no longer meet aid criteria. Disaggregating aid awarded by students’ progress toward degrees would better reflect these differences. However, complications arise when attempting to integrate student progression measures into IPEDS. Specifically, panelists noted complexity with how to operationally define and assess student progress, given the different ways of measuring progress—such as number of years in attendance/class level, number of credits completed, or academic standing. Additionally, panelists highlighted technical challenges related to institutions’ capacity to generate these data, as well as the extent of coordination needed between the registrar, institutional research, and financial aid offices.

Given the challenges with incorporating progression measures into the student subgroups, panelists considered a simplified approach, such as collecting percentages of students who have reached their aid limits, as an alternative to address basic questions about student progression in IPEDS without overly increasing burden. However, panelists noted definitional issues and measurement challenges even with these simplified higher-level measures, such as how to represent student experience in an institution-level data collection and account for complex enrollment patterns such as multi-institution enrollment, dual enrollment, and developmental education. Panelists suggested further research should explore the availability of these data points from sources outside of IPEDS and weigh the limitations of the various approaches relative to stakeholder needs and available data.

Discussion Item #4: Graduate Students

Graduate students are a rapidly expanding group in higher education. Not only have enrollments increased, but the number of graduate programs and total amount of graduate student loan debt have also increased, highlighting the need for data on graduate students' financing strategies. However, the IPEDS SFA component does not currently collect data on graduate student loans, grants, scholarships, fellowships, or other financial aid.

Panelists noted that, to be most useful, data would need to be broken out at the program level, or at very least by graduate degree level, due to the variation in graduate-level programs and aid sources. However, panelists pointed out the increased complexity and burden with disaggregating to the program level. Furthermore, because graduate programs generally are not as comparable between institutions as undergraduate programs, that additional level of detail may not add enough utility to justify the additional burden.

Panelists also pointed out the complications inherent with programs in which students earn dual degrees (e.g., dual bachelor's/master's or master's/PhD programs), which would be difficult to identify and classify. Panelists further noted the substantial variability that exists among graduate student aid types, some of which are not defined or treated consistently across institutions, such as tuition waivers and fellowships. These variances would not only add to institutional reporting burden but may also result in less useful data.

Panelists agreed that more financial aid information about graduate students would be valuable to the higher education community and therefore suggested that the SFA component be modified to collect more graduate student financial aid data. However, given the challenges and complexities, panelists suggested beginning with a limited scope approach by collecting data for graduate students as a broad group or, at the very most, disaggregating by degree level but not program type.

Discussion Item #5: Federal Student Loan Data

Policymakers and researchers, as well as students and administrators, share concerns about the amount of debt students incur and their ability to manage loan payments after leaving school. The SFA component collects annual loan amounts for FTFT and undergraduate students, which can provide useful information on annual student loan volume at an institution. Other measures, such as cumulative debt, loan servicing, or repayment plans could provide a more complete picture of the loan payments that students face after leaving school. However, panelists noted several practical and policy challenges with integrating measures of cumulative loan debt, loan servicing, or repayment plan data into IPEDS.

If incorporated into IPEDS, these measures would focus on a conceptually different group of students than is measured in the current construct of the SFA component (i.e., student debt measures look at students who have completed or left the institution, while the SFA student groups focus on students enrolled during the cohort coverage period). Panelists also questioned the appropriateness of collecting these measures at the institution level; in particular, whether it is appropriate to tie a measurement of cumulative debt to an institution given that students can and often do move between institutions. They noted that data on cumulative loan debt defined as debt that originated at the reporting institution for all borrowers of loans, based only on students who complete, would provide meaningful information for stakeholders (consumers, researchers, and policymakers). However, the

potential burden of extracting such data, especially for smaller institutions with limited resources, would be significant.

Another important consideration when considering additional detail is cell size. Panelists questioned the relevance of data that are disaggregated that will likely be suppressed for privacy reasons. Panelists also raised concerns about adequate protection of individual information and noted that a particular issue surrounding verification of debt measures is that many financial aid offices will not share student-record-level information to their Institutional Research office.

Panelists acknowledged the value of having information on the indebtedness of students and their ability to pay back their loans, but given the concerns raised, they did not feel that an institution-level data collection like IPEDS would be the appropriate location to collect this data. They suggested looking to data available through existing sources and continuing to further augment federal data sources (or linkages between IPEDS and other federal data sources) to answer questions about borrowers of federal student loans. For example, College Scorecard provides cumulative loan debt data on students by completion status and field of study, derived from National Student Loan Data System (NSLDS data).⁷ However, using NSLDS data to provide institutions with data on loan servicers and repayment rates to then report to IPEDS at the institution level would require a programmatic or operational change in how NSLDS data are currently used. Additionally, panelists noted a measurement issue (or, more specifically, a timing issue) with data on loan repayment plans because these plans are not determined until the end of a grace period, and even then, more deferments, forbearance, or other issues make these data difficult to track and report at one point in time. RTI would appreciate additional comments on other data sources and other ways to increase the information on student debt available in the public domain.

Discussion Item #6: FAFSA Metadata

The Free Application for Federal Student Aid (FAFSA) is used to determine students' eligibility for federal aid as well as some state, local, and institutional aid. Despite the FAFSA's critical role in the aid process, IPEDS does not currently collect information about which and how many students complete the application process. Panelists considered whether FAFSA information such as filing, refiling, or verification rates should be added to the SFA component and, if so, at what level of aggregation and for which groups of students.

Panelists noted that most institutions could reasonably provide data on which students filed the FAFSA, although there could be some difficulties related to the sensitive nature of FAFSA data and regulations on when and to whom it can be released. Although detailed data on FAFSA filing by students' Estimated Family Contribution, race/ethnicity, and other student demographic information could provide interesting insight, panelists did not reach consensus on the appropriate levels of aggregation.

Panelists suggested capturing data on FAFSA filing rates for undergraduate students enrolled at an institution who applied for financial aid (regardless of whether the applicants received aid). Tracking and making sense of data on verification would, however, be more challenging for institutions. Panelists acknowledged that verification is not always a binary verified/not verified determination.

⁷ Beginning in 2014, the Department of Education began collecting program-level information on all federal financial aid recipients in the NSLDS, and the data needed to calculate outcome measures based on program level are now available.

Rather, there are more nuanced steps and degrees to the process, such as whether a student was selected for verification, whether that student attempted verification, and whether he or she completed verification. Also, panelists noted that 100% verification is common at some institutions, in particular, two-year public institutions. Furthermore, because students indicate when filing the FAFSA which institutions will be sent their information upon completion of the form, it is possible that a student may be selected for verification at some but not all of those schools, which would complicate the dataset.

Panelists indicated that, although FAFSA metadata could help shed light on why certain students may not file for aid (e.g., they may think they are not eligible for it) and other research topics, they recognized that providing accurate and meaningful data would be difficult and burdensome for institutions given the definitional and other complexities to the verification process. Therefore, panelists did not suggest verification data be incorporated into the SFA component at this time.

Discussion Item #7: State and Local Financial Aid Data

State and local financial aid are key resources in helping students pay for postsecondary education. The SFA component collects data on state and local aid but does not distinguish between need-based and non-need-based aid. Panelists noted the importance of this distinction to students, researchers, and policymakers. However, they pointed out that the distinction between need-based and non-need-based aid is not always a clear dichotomy. For example, some programs may require students to have a certain level of merit to apply for aid, but that aid may ultimately be reported as need-based. Panelists noted the need to establish clear definitions and guidance before additional need-based and non-need-based data could be added to the SFA component. Due to the potential value of these data, RTI would appreciate additional input from the financial aid community about the ability of institutions to report this information and the burden of doing so.

Additionally, panelists discussed place-based financial aid programs (such as promise programs) and pointed out that these programs and their implementation vary considerably among states and localities. As a result, even if these programs could be reliably identified in a systematic way (through an institution-level data collection), they questioned the value in comparing promise program data from one state or locality to another. In light of this, panelists did not suggest collecting data on promise programs in the SFA component.

Next Steps

Once the TRP summary comment period has closed, RTI will review the comments and outline recommendations for NCES based on the outcome of the TRP meeting and subsequent public comments. NCES will review the recommendations to determine next steps and submit proposed burden estimates to the Office of Management and Budget for information collection clearance. The current collection clearance expires in 2022.

Comments

RTI is committed to improving the quality and usefulness of IPEDS data as well as strategies that might help minimize additional reporting burden. We encourage interested parties to send any comments or concerns about this topic to Janice Kelly-Reid, IPEDS Project Director, at ipedsTRPcomment@rti.org by **October 16, 2020**. **Note: The comment period for Report and**

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