

# **DATA FOR EQUITY:**

Closing Racial and Economic Gaps Through a Federal-State Partnership





# Acknowledgements

The Institute for College Access & Success is a trusted source of research, design, and advocacy for student-centered public policies that promote affordability, accountability, and equity in higher education. To learn more about TICAS, visit ticas.org and follow us on Twitter at @TICAS org.

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We are grateful to our foundation partners and individual donors whose support makes TICAS' work possible, including the Bill & Melinda Gates Foundation and The Joyce Foundation.

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#### INTRODUCTION

Racial and economic equity gaps in college access, attainment, and post-enrollment outcomes persist despite attempts to close them over multiple decades. Systemic barriers, such as the declining purchasing power of Pell Grants, inequitable resources across colleges, and job market discrimination, make it more difficult for students who identify as Black, Indigenous, People of Color (BIPOC) and students from low-income backgrounds to not only complete their degree, but also receive the same returns on those degrees as their White and higher-income peers.<sup>1</sup>

Although one third of all adults aged 25 or older have attained a bachelor's degree, Black (22%), Indigenous (16%), Latina/o (17%), and Pacific Islander (19%) adults are less likely to have completed a bachelor's degree.<sup>2</sup> Among high school graduates who enrolled in postsecondary education, the lowest-income quintile was less than half as likely to pursue a bachelor's degree as graduates from the highest-income quintile.<sup>3</sup> While bachelor's degree recipients typically earn more than high school graduates, regardless of race and ethnicity, White bachelor's degree graduates out-earn their BIPOC counterparts by thousands of dollars.<sup>4</sup> The COVID-19 pandemic has only exacerbated these inequities.<sup>5</sup>

Even before the pandemic hit, funding for America's public colleges had not recovered from the Great Recession, and BIPOC students and students from low-income backgrounds continued to bear the highest cost and debt burdens.<sup>6</sup> While the full extent of the pandemic impact has yet to be measured, data already show it has led to declines in fall and spring enrollment of Indigenous, Latina/o, and Black undergraduate students across the United States, especially at community colleges.<sup>7</sup> The pandemic has also magnified the gap in enrollment between students from low-income and high-income schools who immediately enroll in college following completion of high school.<sup>8</sup>

Even before the pandemic hit, funding for America's public colleges had not recovered from the great recession, and BIPOC students and students from low-income backgrounds continued to bear the highest cost and debt burdens.

As policymakers look to build a new federal-state partnership to restore and maintain funding for public colleges, the federal government, states, and institutional leaders must prioritize closing racial and economic equity gaps in postsecondary education. To close these gaps, state officials and institutional leaders should use the currently available data on race and economic equity gaps to inform postsecondary policies. However, the data are limited. For instance, the only institutional

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postsecondary outcome that can be disaggregated by race and economic status in federal data is degree completion; repayment and earnings outcomes cannot. States also vary in the data they link and collect from state institutions and entities. In January 2020, only sixteen states and the District of Columbia had full P-20W<sup>9</sup> systems that captured data on early learning, K-12 education, postsecondary education, and workforce outcomes. Improved data are one important way for policymakers to better understand and more effectively address these longstanding inequities.

Specifically, in any new partnership, the federal government should include funds for states to assess equity gaps in resources and student outcomes and to develop strategies to combat them. Using currently available federal and state data to create state equity dashboards, policymakers and colleges can identify and target resources where they are most needed to close equity gaps.

#### **BACKGROUND**

Shortly after its creation, the U.S. Department of Education began collecting postsecondary data on college enrollment, degrees conferred, and total number of faculty. The first Higher Education Act of 1965 (HEA) expanded federal postsecondary data collection to include new institutional surveys that measured basics, such as the number of students enrolled and degrees awarded at each school, which eventually grew into The Integrated Postsecondary Education Data System (IPEDS).<sup>10</sup> In the decades following the creation of IPEDS, policies like The Student Right to Know Act of 1990 and the 1998 amendments to HEA increased transparency of postsecondary outcomes, including graduation rates.<sup>11</sup>

These policies required colleges that participated in federal financial aid programs to collect and disclose graduation rates by gender and race and provide statistics on colleges' net price and students' financial aid. The later addition of the Federal Student Aid (FSA) Data Center<sup>12</sup> and the College Scorecard<sup>13</sup> provided much needed data on federal student aid

programs and student outcomes by institution and program. Although not originally intended to be used for accountability or consumer transparency, IPEDS and newer federal data systems like the FSA Data Center and the College Scorecard have evolved into critical tools for advocates, policymakers, and consumers.<sup>14</sup>

In addition to these federal data systems, states have built their own systems that track education outcomes. In the early 2000s, the U.S. Department of Education provided grants to states to develop new statewide longitudinal data systems (SLDSs) that would help states collect and use P-20W<sup>15</sup> data.<sup>16</sup> These grants were extremely effective helping states across the country set up SLDSs.<sup>17</sup> Today, nearly all states have SLDSs that report postsecondary outcomes, and several states provide annual reports on student progress by state, sector, institution type, and institution. States typically collect data from colleges, educational agencies, and other state entities. Combined with federal data sets, these state data could be leveraged to better illuminate racial and economic equity gaps by state.

Data transparency, data coverage, and data connection remain a persistent challenge in postsecondary education regardless of data source, federal or state.

However, data transparency, data coverage, and data connection remain a persistent challenge in postsecondary education regardless of data source, federal or state. The federal government collects data on key student outcomes, including whether students graduate, how much they make after college, and how many borrow for college and struggle to repay their loans. But few available data points include all students and are fully disaggregated by demographics, such as race and ethnicity, and by contextual factors, such as academic program. Available federal data are in many cases disaggregated by either race and ethnicity or economic status—but not both.

At the state level, not all states link their P-12, postsecondary, and workforce data sets together, and types of data collected and linkages between data vary by state, making it difficult to attain a deeper understanding of factors that affect student outcomes. Furthermore, most states also do not collect earnings data across state lines, and data on students transferring to private colleges or out of state can be inconsistent or incomplete. 19

Table 1: Federal and State Postsecondary Data Systems						
System Name	Data Reporting	Universe of Schools and Key Data Elements	Data Limitations			
Integrated Postsecondary Education Data System (IPEDS)	Data reported by colleges to maintain Title IV eligibility	<ul> <li>All colleges that are Title         IV participants and all         postsecondary students         enrolled at these schools</li> <li>Data elements include         college access, financial aid,         degree completion, and         outcome measures</li> </ul>	<ul> <li>Does not include information about student earnings, employment, or student loan outcomes after college</li> <li>Several enrollment and affordability variables are limited to only traditional first-time, full-time students</li> </ul>			
Federal Student Aid (FSA) Data Center	Data reported by colleges to the National Student Loan Data System (NSLDS). Data are typically published in large aggregations of borrowers and Pell Grant recipients, to protect personal information of students.	<ul> <li>All colleges that are Title IV participants</li> <li>Data elements include default and loan repayment outcomes</li> </ul>	<ul> <li>Only includes "Title IV students," typically those who borrow federal loans or receive Pell Grants</li> <li>No demographic disaggregation</li> </ul>			
College Scorecard	Loan data reported by colleges to NSLDS and FSA; earnings data reported from IRS tax collections.	<ul> <li>All colleges that are Title IV participants (for loan and earnings measures)</li> <li>Data that are unique to College Scorecard include institution and program-level repayment and earnings outcomes</li> <li>Partial availability of disaggregation by gender, Pell receipt, income, first-generation status, dependency status</li> </ul>	<ul> <li>Excludes non-Title IV students, who do not borrow loans or receive Pell Grants to help pay for college</li> <li>No race and ethnicity disaggregation</li> </ul>			
State Longitudinal Data Systems (SLDSs)	States collect or link student-level data from state agencies, school districts or individual schools, and systems of colleges or individual colleges.	<ul> <li>All colleges that participate in their state's SLDS, typically includes most, or all, public schools</li> <li>Data elements include information on P-16 or P-20 pipeline: preschool to workforce</li> <li>Institution- and program-level data, as well as student-level data that allow for detailed disaggregates</li> </ul>	<ul> <li>Data linkages to postsecondary education, K-12 education, and workforce outcomes vary by state.</li> <li>Inconsistent reporting on private colleges and universities, as well as out-of-state outcomes</li> </ul>			

\*Title IV of the Higher Education Act authorizes programs that provide financial assistance to students to assist them in obtaining a postsecondary education at certain institutions of higher education. Institutions must be authorized to operate in a state which it is physically located, be accredited by an agency, as well as recognized for that purpose by the department and certificated by the Department as eligible to participate in Title IV programs.

To fill existing data gaps, a bipartisan, bicameral bill, the College Transparency Act (CTA), would create a new, privacy-protected federal student-level data network (SLDN) to ensure that consumers have clear, comparable, and transparent data on institution- and program-level outcomes. By linking existing federal data sources, policymakers could, for the first time, track outcomes for students from initial enrollment to employment after college to inform efforts to better identify trends in college costs and financial aid, access, enrollment, completion, and earnings, and inform policy solutions to address them.<sup>20</sup> CTA would simultaneously streamline existing federal reporting requirements for postsecondary institutions and provide more and better data.<sup>21</sup>

However, policymakers and institutions of higher education cannot afford to wait until CTA is passed and implemented to make the most of currently available data to identify and close postsecondary equity gaps. Current federal and state data can add value now to state and institutional planning and improvement efforts that are focused on racial and economic equity. Federally collected data elements should serve as a foundation for these key indicators to ensure information is consistently calculated across states, while state data elements can provide additional nuance and context about specific colleges or demographic groups.

### EXISTING BUILDING BLOCKS FOR POSTSECONDARY EQUITY INDICATORS

A first step in using existing data to help states better address higher education equity would be to identify and spotlight the full range of federal student success indicators that can currently be broken down by institution type, sector, and demographic groups. Demographic information is critical to closing equity gaps, but the types of demographic disaggregation vary by federal data system. For instance, demographic data like race and ethnicity are collected by colleges for IPEDS for student enrollment, but the ability to disaggregate other data by race and ethnicity is limited.<sup>22</sup> Other key groupings like first-generation student status, veteran status, gender, economic status, and household income could provide useful demographic information but are frequently unavailable or inconsistently reported across data sources. Table 2 includes a list of postsecondary indicators and the available disaggregations by race, ethnicity, and economic status that help track progress towards closing equity gaps.

To fill some gaps, the U.S. Department of Education has created new data elements that increase data transparency.<sup>23</sup> For example, IPEDS now collects outcome measures that provide insight into graduation rates for students outside the four-year sector, and the College Scorecard now reports repayment outcomes that focus on borrowers' ability to repay over time. Both data elements are disaggregated by Pell status, a proxy for economic status, but not by race and ethnicity, limiting their use as tools to close equity gaps.<sup>24</sup>

Table 2: Federal Race/Ethnicity and Economic Disaggregation Currently Available*					
Category	Data Source	Data Element	Race/Ethnicity	Economic Status	
College Access	IPEDS	Fall enrollment	Yes	Yes**	
	IPEDS	12-month enrollment, includes students who start college in spring and summer	Yes	No	
	IPEDS	Enrollment in distance education programs, within state and out-of-state	No	No	
	FSA	FAFSA demographic data (limited demographics)	Yes	Yes	
	IPEDS	Awards and degrees conferred by program	Yes	No	
College Retention and Completion	IPEDS	Number of programs offered via distance education students	No	No	
	IPEDS	Six-year graduation rate for bachelor's degree-seeking students, first-time, full-time students	Yes	Yes**	
	IPEDS	Eight-year completion and transfer Rate, all students (Outcome Measures)	No	Yes**	
	IPEDS	Number of students receiving awards/degrees	Yes	No	
	IPEDS	Retention rates	No	No	
College Affordability	IPEDS	Net price, cost of attendance after scholarship and grant aid	No	Yes	
	College Scorecard	Institution-level cumulative debt of college graduates	No	Yes	
	College Scorecard	Program-level cumulative debt of college graduates	No	Yes	
Post-Enrollment Outcomes	FSA	Federal student loan repayment plan participation	No	No	
	FSA	Federal student loan delinquency rates	No	No	
	FSA	Cohort default rates	No	No	
	College Scorecard	Earnings of borrowers and Pell Grant recipients	No	Yes	
	College Scorecard	Progress on student loan repayment, dollar-based and borrower-based repayment rates	No	Partial (Dollar-based Not Available by Program)	

<sup>\*</sup>The data elements listed in this table are only those that fall into the four categories.

<sup>\*\*</sup> These data elements can be disaggregated by Pell recipient status, which can serve as a proxy for economic status.

Improvements to federal postsecondary data on race and ethnicity are imminent. Due to the 2020 FAFSA (Free Application for Federal Student Aid) Simplification Act, the FAFSA will begin collecting data about applicants' race and ethnicity. The collection of these data will hopefully provide a better understanding of the connection between financial aid receipt and outcomes, as well as the equity issues involved in both. For instance, these data can provide insight about equity gaps in accessing and completing the FAFSA, the role of FAFSA verification on student aid, and the types of aid that students are most likely to be awarded (e.g., student loans, institutional grants, Pell grants) by race and economic status. The Department should use these data to create new outcome measures and make these data available for use by states and colleges as broadly as possible while maintaining individuals' privacy. This will, however, require the Department to provide specific clarity on the data's availability and use. As a possible will are possible clarity on the data's availability and use.

### NEW BUILDING BLOCKS FOR POSTSECONDARY EQUITY INDICATORS

Key gaps in available federal data can be closed relatively easily by updating existing collections to include disaggregations for race and ethnicity and economic status, and combination of both, or, by implementing a federal student-level data network. In the absence of these changes, adding targeted disaggregations for specific data elements could provide immediate improvement in data availability, while placing minimal burden on colleges already required to report data to the federal government.<sup>27</sup>

These additions include expanding data disaggregations on student enrollment, completion, net price, cumulative debt, repayment outcomes, and cohort default rates. Moreover, with the shift to online learning and distance education during the pandemic, equity indicators specifically focused on students enrolled in distance education programs are needed more than ever.

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Table 3: Proposed Additions to Federal Data Collections				
Category	Data Source	Proposed Data Disaggregation		
College Access	IPEDS	Fall enrollment, by combinations of race and ethnicity and economic status (e.g., Latina/o students who received a Pell Grant)		
	IPEDS	Distance education enrollment, by race and ethnicity and economic status		
College Affordability	IPEDS	Net price by race/ethnicity and combinations of race and ethnicity and economic status		
	College Scorecard	Institution-level cumulative debt of college graduates by race and ethnicity		
	College Scorecard	Program-level cumulative debt of college graduates by race and ethnicity and Pell Grant recipient*		
College Retention and Completion	IPEDS	Completion rate at distance education programs, by race and ethnicity and economic status		
Post-Enrollment Outcomes	College Scorecard	Progress on student loan repayment (Repayment Rates), by race and ethnicity and economic status in combination with completion status (e.g., institutional repayment rate of Black bachelor's Degree Graduates)		
	FSA	Cohort default rates by race and ethnicity and economic status		

<sup>\*</sup>Program-level data is limited due to privacy suppression and small n-sizes. Currently, almost 80 percent of program data are privacy suppressed. The Department of Education will need to examine whether data can be disaggregated for programs and at the same time protect student privacy.

### STATE DATA SYSTEMS AND HIGHER EDUCATION EQUITY DATA

State data systems can provide additional information on college access, affordability, retention and completion, and post-enrollment outcomes not collected by the federal government. Similar to the federal data systems, statewide longitudinal data systems (SLDSs) help states collect and use P-20W<sup>28</sup> data to make data-informed decisions about student learning and outcomes.<sup>29</sup> As noted above, almost every state has created a state data system using the U.S. Department of Education's state longitudinal data system grants and American Recovery and Reinvestment Act (ARRA) grants over the past 15 years.<sup>30</sup>

However, of the six grant rounds the U.S. Department of Education provided to states from 2005-2018, the majority required states to focus on developing and integrating K-12 data. Only one grant required integrating postsecondary data.<sup>31</sup> As a result, state data on postsecondary education outcomes is much more limited than K-12 data.<sup>32</sup>

Linkages to other data sources are crucial for tracing educational outcomes over a career, but the quality of these data linkages varies by state. In 2018, half of state longitudinal data systems (SLDSs) linked K-12 student data to postsecondary data.<sup>33</sup> Yet, only a fraction of states has high-quality SLDSs that include robust postsecondary and workforce outcomes, which replicate many components that could be included in a state equity report. For instance, Arkansas, Kentucky, Texas, Washington, and Wisconsin include data on postsecondary and workforce outcomes

for their high school graduates.<sup>34</sup> Other states like Hawaii and Maryland have also used their data systems to track student progress during the pandemic.<sup>35</sup> An overall lack of clarity about the usability of financial aid data has caused confusion regarding states' ability to include financial aid data elements within state longitudinal data systems.<sup>36</sup> While most states collect at least some information on financial aid awards, many states are missing key data elements that are also collected during the financial aid process, such as family income and dependency status.<sup>37</sup>

In addition to linkages to postsecondary data, states can also choose to structure their SLDSs as federated or centralized systems. Federated data systems temporarily link information from participating agencies to address a specified purpose, while centralized data systems gather information from the agencies and store it in one place for analysis.<sup>38</sup> These types of differences in SLDSs data structure can limit the types of longitudinal analyses needed to close equity gaps and evaluate public policy.

Building stronger state data linkages and centralized data systems can help increase the future usability of state data. Investments in state data should encourage quality data linkages that protect student privacy, improve matching across federal and state data systems, and allow for longitudinal data analyses on racial and economic gaps in postsecondary education.

# LEVERAGING FEDERAL AND STATE DATA TO ADVANCE STUDENT SUCCESS: STATE EQUITY DASHBOARDS

Just as critical as collecting the data is ensuring that it is shared in a useful and usable manner. Once state policymakers have identified and extracted key data points like enrollment, completion rates, earnings and workforce outcomes—disaggregated by demographic groups—they need to be able to use the data to assess the condition of equitable college opportunity and success for the state's students. States create data-driven improvement plans that close documented equity gaps in key postsecondary student outcomes.

State equity reports presented as dynamic dashboards can resolve this issue, allowing policymakers as well as stakeholders, colleges, and the public to access and interact with available data. Dashboards can be used to analyze equity trends, individual institution data, and program outcomes, providing actionable information to guide state policies that improve equity in postsecondary education.

For instance, the <u>Kentucky Center for Statistics</u> has created a Postsecondary Feedback Report that explores post-enrollment outcomes including transfer rates, degree completion, average student debt, and employment for students by major, credential, and institution.<sup>39</sup> The shared data collected in this report has been used to support student financial aid, specifically Kentucky Tuition Grant, College Access Program Grant, and

Kentucky Educational Excellence Scholarship. <u>Massachusetts Department of Higher Education</u> provides a performance dashboard for community colleges and state universities with key insights on college access, student retention, degree completion, and workforce development. These outcomes are available disaggregated by race, gender, and Pell recipient status. <sup>40</sup> Using these data, Massachusetts has worked to close the graduation gap between Black and White students at state universities. <sup>41</sup> <u>Minnesota's Office of Higher Education</u> has created a series of dashboards that include graduation rates by college system and types of degrees awarded over time. <sup>42</sup> These data are used towards the state's 2015 educational attainment target, where 70 percent of Minnesota adults aged 25 to 44 will have attained a postsecondary certificate or degree by 2025. <sup>43</sup>

Dashboards can be used to analyze equity trends, individual institution data, and program outcomes, providing actionable information to guide state policies that improve equity in postsecondary education.

State dashboards should be easily accessible and publicly available for use by state officials and institutional leaders. More importantly, state equity dashboards must provide centralized data that tracks progress towards postsecondary equity by institution, region, state, credential, and program. Critical components of a state equity dashboard on postsecondary outcomes would include the following data:

- » College enrollment rates
- » College net price and cost of attendance
- » Retention rates
- » Graduation rates
- » Average and median student debt
- » Earnings after 1 year, 3 years, 5 years, 10 years, and 20 years
- » Repayment outcomes after 1 year, 3 years, 5 years, 10 years, and 20 years

These data elements should be disaggregated, to the extent possible, by the following:

- » Race
- » Ethnicity
- » Economic status
- » Institution type
- » Credential level
- » Program
- » State region

Because disparities in resources are connected to disparities in educational outcomes, states should track data on state funding allocations across institution types. <sup>44</sup> In 2016-17, community colleges served over half of all Black, Latina/o, American Indian/Alaskan Native, and Native Hawaiian and other Pacific Islander students enrolled in public colleges; yet community colleges receive nearly \$2,900 less per student from states than doctoral universities. <sup>45</sup> This long-standing pattern of inequitable funding among colleges heavily affects BIPOC students, who are more likely to enroll at the most poorly funded schools. Using IPEDS finance and enrollment data, states should include data on total FTE state operating funding; total FTE state operating funding for Carnegie Classification, Minority Serving Institutions (MSIs) and non-MSIs; and total state operating support per FTE by race and ethnicity and economic status.

By assessing higher education inequity and intentionally spotting gaps by demographic groups, state officials and institutional leaders will be better positioned to take action to ensure all students have a fair shot at earning a college degree that leads to a success after graduation. State officials and institutional leaders should work together to set state specific goals and benchmarks to improve student outcomes by race and economic status. These goals should be informed by data-driven analyses of equity gaps using the available federal and state data. Fatates will need to identify strategies to improve student outcomes and determine what resources and policies are needed to implement these strategies. A state equity dashboard should include the identified state-wide goals and benchmarks for eliminating racial and economic disparities and should track progress against those goals on a continuous basis.

# HARNESSING POSTSECONDARY DATA: BUILDING A STATE EQUITY DASHBOARD IN TEXAS

Among states with established state longitudinal data systems, Texas has one of the most robust and centralized data systems. The Texas PK-16 Public Education Information Resource (TPEIR) gathers P-12 data from the Texas Education Agency, postsecondary data from the Texas Higher Education Coordinating Board, and post-enrollment data from the Texas Workforce Commission (TWC).<sup>47</sup> In addition, the Texas Higher Education Coordinating Board (THECB) established three Education Research Centers (ERCs), which are housed at The University of Texas at Austin, The University of Texas at Dallas, and Texas A&M University. These centers host state data and allow researchers access to Texas state longitudinal data system (SLDSs) data for advisory board-approved research projects.<sup>48</sup> In a first of its kind initiative, The University of Texas also partnered with the U.S. Census Bureau in 2016 to provide salary and employment data for their graduates, even among those who left the state after attending college.<sup>49</sup>

By combining the TPEIR data with partnerships through the ERCs, policymakers and colleges can access higher education and employment data and analysis that spans over 30 years. The public can access these

data through the re-designed Texas Higher Education Data (THED) website, which serves as a centralized repository for postsecondary statistics in Texas. Additionally, on THECB's website dashboard, people can access information on, among other things, completion, average cost, future earnings, and student debt by public institutions, public two-year colleges, health-related colleges, some out-of-state institutions with a presence in Texas, and career education colleges. THECB also tracks and displays data on the Texas' progress towards its 60x30 statewide goal -- that at least 60 percent of Texans between 25-34 years of age will hold a certificate or degree by 2030.

THECB's dashboard does not, however, disaggregate data by race and economic status, as well as combined race and economic status for all these data elements. Including these disaggregations is critical to creating a comprehensive postsecondary equity dashboard.

Texas's data have a way to go in the ability to track postsecondary equity gaps beyond attainment across specific regions and sectors (unless supplemented with non-Texas data). The data are frequently aggregated up to the state level and institution type, which can mask patterns by region or individual institution. Not all metrics include outcomes on private, nonprofit, and for-profit colleges, and those that do group them together in a single category, masking the equity gaps that exist among institutional sectors. For instance, students enrolled at for-profit colleges typically have poorer completion rates, higher risk of default, and more student debt than students at public and private, nonprofit colleges.<sup>52</sup> Yet, these differences generally cannot be seen through Texas SLDS data, including information provided on the THED and THECB websites.

Using available federal and state data, a Texas Postsecondary State Equity Dashboard should include the proposed data elements on college access, affordability, completion, and earnings and employment outcomes. This Texas Postsecondary Equity Dashboard created by TICAS integrates both federal and state data and shows the progression of student outcomes for Texas undergraduate students from college access to earnings outcomes. In addition to the Texas Postsecondary Equity Dashboard, a sample dashboard in Appendix includes data on student outcomes for Texas students at public, four-year institutions.

#### **POLICY RECOMMENDATIONS**

Federal policymakers have a <u>critical window of opportunity</u> to help states, colleges, and students recover from the COVID-19 pandemic, while also making longer-term investments to restore and expand the promise of higher education to promote equal opportunity and upward mobility for all students. To achieve these goals, we recommend federal and state policymakers take the following steps. Some of these recommendations will take time to implement, but others can and should be acted on quickly.

### Implement Broader Changes and Reforms to Support College Equity

As a cornerstone of this comprehensive federal approach, lawmakers must better equip states to support and oversee public colleges, which enroll more than three-quarters of undergraduate students, including 81 percent of BIPOC students. This should be done via a new federal-state partnership to invest in equitably funded public colleges. Through this new partnership, the federal government would send significant new funding to states to equip them to better support public institutions, with the goal of increasing educational quality, reducing net costs for students, and providing evidence-based advising and student supports to increase completion.

This new partnership would also be an unprecedented opportunity for the federal government to support states in developing and implementing data-driven plans that address racial and economic inequities in access, affordability, and attainment.

In addition, policymakers must <u>double the maximum Pell Grant</u>, <u>strengthen and secure the Pell Grant program</u>, <u>scale evidence-based strategies</u> to help more students graduate, restore key <u>college accountability measures</u>, and <u>reform</u> the federal student loan repayment system. Taken together, these policies would move the needle on college affordability and improve completion rates, especially for BIPOC students, student from low-income backgrounds, and first-generation students.

#### **Expand Existing Federal Data Collections**

State policymakers, college leaders, and the public need better data. Without accurate data they cannot make progress on closing equity gaps in college attainment and ensuring that all public colleges are adequately and equitably funded. The Department of Education should expand existing collections to add targeted disaggregations for specific data elements that could provide immediate improvement in data availability, while placing minimal burden on colleges already required to report data to the federal government. These additions include the following currently collected data elements disaggregated by race and ethnicity and economic status separately, as well as a combination of both: fall enrollment, distance education enrollment, net price, completion rates, cumulative debt, loan repayment rates, and cohort default rates. These data along with the FAFSA's new race and ethnicity data (compliments of the FAFSA Simplification Act) will bring added clarity to where equity gaps exist, allowing state officials and institutional leaders to better target policies to close those gaps.

The Department has recently asked for flexibility to delay implementation of the FAFSA Simplification Act for another year, shifting full implementation from award year 2023-24 to award year 2024-25.53 The Department has already implemented early changes,

including removing the negative consequences associated with an affirmative response to the drug conviction question and removing the requirement that male students register with Selected Service to receive aid. The Department should also prioritize adding the race and ethnicity question to the FAFSA, as the inclusion does not affect either a student's eligibility for need-based financial aid or the calculation of aid. This change, along with further clarity on the usability of financial aid data in state data systems, would increase access to the kind of comprehensive data needed to inform the development of policies that advance postsecondary equity.

#### Enact the Bipartisan College Transparency Act

Passing the College Transparency Act (CTA) is the most significant action federal policymakers can take to improve the federal postsecondary data system. This bipartisan, bicameral bill boasts more than 50 House sponsors and 29 Senate sponsors, and is <u>supported by more than 150 organizations</u>, including student advocates, civil rights organizations, business groups, policy experts, and colleges.

The CTA would address the gaps in the current system by creating a new, privacy-protected federal student-level data network to ensure that consumers have clear, comparable, and transparent data on institutionand program-level outcomes.

By linking existing federal data sources, CTA would enable policymakers to track outcomes for students from initial enrollment to employment after college. It would allow decisionmakers to better identify trends and equity gaps in college costs, financial aid, enrollment, completion, and earnings, and inform policy solutions to address them. CTA would simultaneously streamline existing federal reporting requirements for postsecondary institutions and provide more and better data.

Without this federal reform, information about important measures of student success and student debt, including key race and ethnicity disaggregates, will remain out of reach for both students and policymakers. Public data will continue to fall short of reflecting all students.

Incentivize & Equip States to Improve Data Systems, Create Equity Dashboards, and Report Plans to Close Equity Gaps Through a New Federal-State Funding Partnership

For decades, states have <u>underinvested</u> in students and public institutions, a trend that the Great Recession rapidly accelerated. And while every public college student has felt the impact of state budget cuts, community college students have felt the impact most severely. Community colleges, which enroll 54 percent of BIPOC students, are <u>chronically underfunded</u> compared to other public institutions, leaving them with inadequate resources to support student

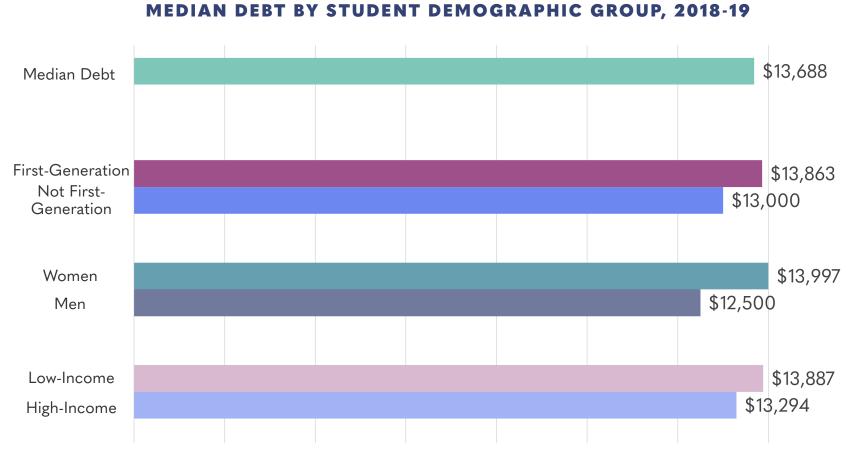
success. Declining state funding means higher costs for students, as well as decreased instructional spending, fewer course offerings, larger class sizes, and cuts in student services.

As outlined above, the federal government can create a new federalstate partnership to support public colleges, and as part of that, require states to establish and track progress toward statewide postsecondary equity goals.

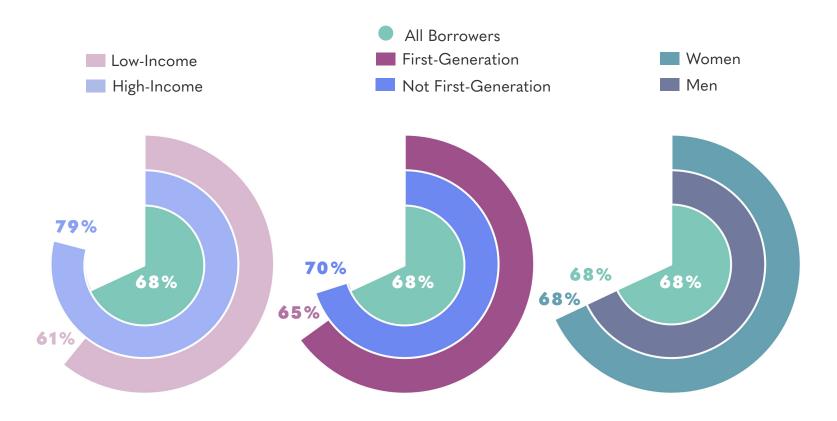
Adequate funding and other support should be provided to states to develop and make publicly available a data dashboard -- like the one included in this brief -- that is solely dedicated to tracking equity for key demographic groups. Each dashboard should include data, disaggregated at least by race and ethnicity and economic status, on college enrollment rates, college net price and cost of attendance, retention rates, graduation rates, average and median student debt, median earnings, and repayment. States should also be required to calculate and publicly report overall revenue by college type and revenue per FTE by college type, in addition to data on total FTE state operating funding, total FTE state operating funding by Carnegie Classification, as well as Minority Serving Institutions (MSIs) and non-MSIs, and total state operating support per FTE by race and ethnicity and economic status.

Robust postsecondary data collection including reporting and analysis requires time, skill, and funding. It is critical that policymakers prioritize improvements to postsecondary data availability to accurately identify policy problems, as well as build effective policy solutions. The federal government and states have steadily increased and improved postsecondary data over time, but renewed investment is urgently needed to better identify and close the equity gaps in college access and attainment that threaten our national social and economic goals. The federal government should add new data disaggregations to existing collections now, while working toward establishing and implementing a student-level data network. Additionally, it is key that the federal government partner with states to continue to invest in the improvement of state student level data networks and the resources necessary to maintain those networks. States should also be required to publish equity dashboards and create and report on plans to close documented equity gaps in key postsecondary student outcomes.

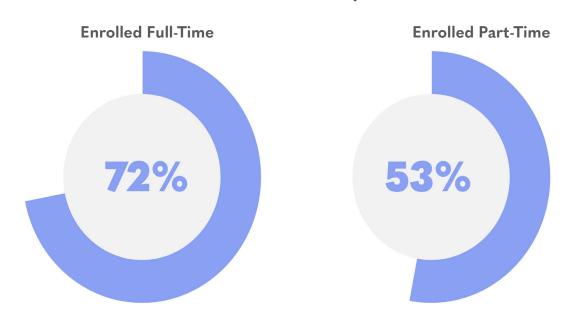
#### APPENDIX: SAMPLE DASHBOARD FOR TEXAS STUDENTS AT PUBLIC, 4-YEAR INSTITUTIONS



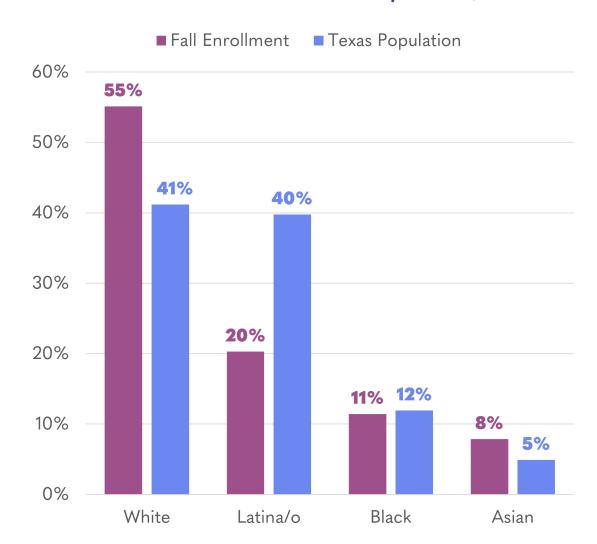
## SEVEN-YEAR REPAYMENT RATES FOR UNDERGRADUATE BORROWERS, 2016-17



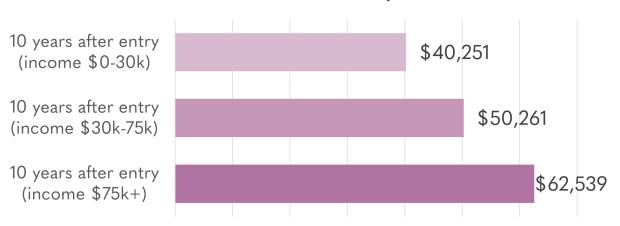
## FIRST-YEAR TO SECOND-YEAR RETENTION RATES BY ATTENDANCE STATUS, 2018-19



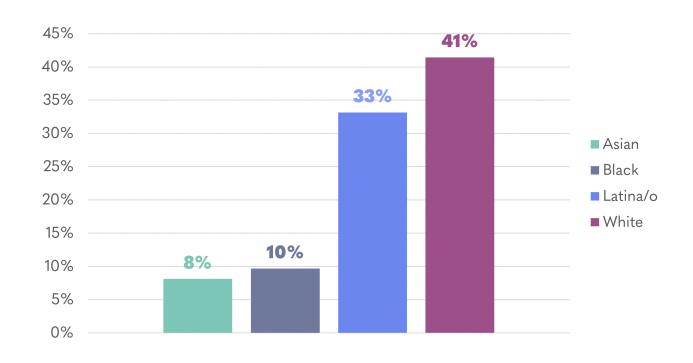
## RACIAL AND ETHNIC COMPOSITION OF FALL ENROLLMENT AND TEXAS POPULATION, 2018-19



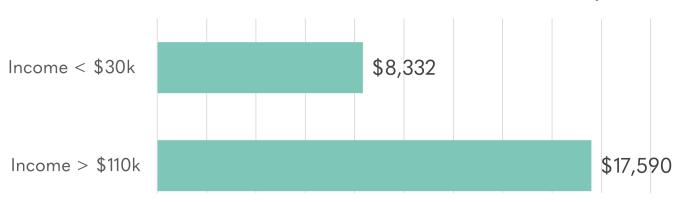
#### AVERAGE EARNINGS 10 YEARS AFTER ENTRY BY INCOME TERCILE AT ENTRY, 2014-15



## RACIAL AND ETHNIC COMPOSITION OF BACHELOR DEGREE COMPLETERS, 2018-19



#### AVERAGE ANNUAL NET PRICE FOR STUDENTS BY INCOME, 2018-19



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