



# FEDERAL LEADERS CAN CLEAR THE WAY FOR State Access to Federal Student Aid Data

People need access to data to navigate their post-high school experiences, including postsecondary education. Policymakers need to better understand how financial aid and debt relate to college enrollment and completion. And students and their families need to make informed decisions about their postsecondary options—requiring data not only about degree and program options and quality but also about how much financial aid they may have access to for financing their education.

**States are best positioned to provide, contextualize, embed into tools, and interpret federal student aid (FSA) data for many different audiences.** Federal leaders currently govern access to this data and have an opportunity to make changes that ensure that states can provide secure, role-based access to this data to individuals, the public, and policymakers. Allowing states to access FSA data and connect it to their state data systems will enable state leaders to improve their understanding of student success in postsecondary pathways; develop more effective counseling tools that high schools and college access counselors can use to support students in making informed choices about postsecondary pathway options; and develop strategies, policies, and investments that support equitable access to postsecondary pathways.

**FSA by the Numbers**  
**FISCAL YEAR 2022**

<p><b>16.9 million+</b> <b>Free Application for Federal Student Aid (FAFSA) forms</b> processed by the US Department of Education’s (ED) Office of Federal Student Aid</p>	<p><b>9.8 million+</b> <b>postsecondary students</b> and their families receiving over <b>\$111 billion</b> in federal student aid</p>
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Source: US Department of Education, Federal Student Aid, *Federal Student Aid: Fiscal Year 2022 Annual Report*, Washington, DC, 2022.

**By providing clear guidance on how institutions of higher education can share FSA data with their statewide longitudinal data systems (SLDSs) for research, evaluation, and program improvement purposes, federal leaders can ensure that states are connecting this information and providing individuals, the public, and policymakers with access to FSA data for decisionmaking.**

## Unclear Guidance on Navigating Current Laws Has Deterred States from Including FSA Data in Their SLDSs

The overlap among three federal laws—the Family Educational Rights and Privacy Act (FERPA), the Higher Education Act (HEA), and the Privacy Act—creates a lack of clarity about how these laws apply to linking data to SLDSs.<sup>1</sup> In addition, potential penalties create

an environment in which the vast majority of states and institutions won’t even attempt to link FSA data with their SLDS for research and evaluation purposes.<sup>2</sup> Protecting student data is crucial and must be balanced with providing guidance on the full range of acceptable uses.

1 National Association of Student Financial Aid Administrators, *Financial Aid Data Sharing* (2019), [https://www.nasfaa.org/uploads/documents/June\\_2019\\_Data\\_Sharing\\_White\\_Paper.pdf](https://www.nasfaa.org/uploads/documents/June_2019_Data_Sharing_White_Paper.pdf).  
 2 Privacy Technical Assistance Center, US Department of Education, *Guidance on the Use of Financial Aid Information for Program Evaluation and Research* (2017), [https://studentprivacy.ed.gov/sites/default/files/resource\\_document/file/FSA\\_final.pdf](https://studentprivacy.ed.gov/sites/default/files/resource_document/file/FSA_final.pdf).

Currently, states must navigate the following conflicting information:

- HEA allows sharing of FSA data only “for the purpose of applying for, awarding, and administering Title IV funds, state aid, and institutional aid programs” without a student’s written consent.<sup>3</sup>
- FERPA’s Audit and Evaluation Exception allows an institution to share personally identifiable information from student education records when necessary to authorized representatives of certain officials and entities, including state and local educational authorities.<sup>4</sup>
- ED’s Privacy Technical Assistance Center (PTAC), which provides guidance on data privacy, confidentiality, and security practices related to student data uses, interprets “educational authority” in a vague manner that does not clearly include an SLDS.<sup>5</sup>
- ED’s Office of Federal Student Aid guidance makes clear that sharing federal tax information (like that included in a student’s FAFSA) is prohibited without express written consent.

## Federal Leaders Must Provide Clear Guidance to Remove Barriers to Connecting FSA Data to SLDSs

Individuals, the public, and policymakers need access to clear, transparent, accurate information to make informed decisions about enrolling in, paying for, and/or supporting others through college. States and institutions are best positioned to provide this information, but to do so they need clearer guidance about whether they can link FSA data to their SLDSs to build the kinds of tools and resources that could enable informed decisionmaking. ED must update its privacy and financial aid guidance to reflect that institutions of higher education can share FSA data with an SLDS for this purpose (e.g., including SLDSs within the definition of “educational authority”). Such action would provide states and institutions of higher education the necessary clarity to move forward with efforts to provide enhanced transparency about the quality of postsecondary options for students.



### How Ohio Is Navigating This Challenge

Ohio is prioritizing every high school student filling out the FAFSA and being made aware of the full array of resources available. However, due to current limitations in accessing FSA data, Ohio had to establish a system in which the district superintendents sign independent agreements to access data through a secure web portal, leading to more than 450 individual data agreements. With a streamlined way for states to access FSA data, districts could save time and have easier access to key data, while maintaining data privacy and security.

**For the full set of federal recommendations, please review the [Data Quality Campaign’s vision to transform state data systems.](#)**

3 Privacy Technical Assistance Center, *Guidance*.

4 Privacy Technical Assistance Center, US Department of Education, *FERPA Exceptions—Summary* (2014), [https://studentprivacy.ed.gov/sites/default/files/resource\\_document/file/FERPA%20Exceptions\\_HANDOUT\\_horizontal\\_0.pdf](https://studentprivacy.ed.gov/sites/default/files/resource_document/file/FERPA%20Exceptions_HANDOUT_horizontal_0.pdf).

5 Privacy Technical Assistance Center, *Guidance*.

#### ABOUT THE DATA QUALITY CAMPAIGN

The Data Quality Campaign is a nonprofit policy and advocacy organization leading the effort to ensure that data works for everyone navigating their education and workforce journeys. For more information, go to [dataqualitycampaign.org](http://dataqualitycampaign.org).