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Testimony of
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Good morning, Chairman Alexander, Ranking Member Murray, and distinguished Members of the Committee. My name is Mark Schneider and I wish to thank you for the opportunity to share some of my views on consumer information and postsecondary education.

I had the honor of serving as the Commissioner of the National Center for Education Statistics from 2005 through 2008. During that time, NCES created College Navigator, still one of the most heavily used sites run by the US Department of Education. While I was commissioner, NCES also redesigned other consumer facing tools, such as the NAEP Data Explorer, to allow easier access to NCES data. I also constantly struggled to balance compelling federal interests with the equally compelling need to honor the role of the states as essential partners in any efforts to improve consumer information about postsecondary education.

Previous to my joining NCES, I was a Distinguished Professor of Political Science at the State University of New York at Stony Brook, where I developed expertise assessing how information can help inform school choice. That work was focused on K-12 education and in the early 2000s lead to the creation of DCSchoolSearch.com, one of the first attempts to help parents access information about the performance of all DC public schools, traditional and charter.

Much of my current work at the American Institutes for Research and at College Measures[1] involves detailing the labor market experiences of students as they complete their studies at colleges and universities and move into and through the workplace.

The goal of this work is to document differences in earnings over time and to identify postsecondary credentials with high market value. This work has been with state governments and my state partners all share a commitent to put this information into the public sphere in a form that is usable by different

[1] The American Institutes for Research AIR is one of the world's largest behavioral and social science research and evaluation organizations. Founded in 1946 as a not-for-profit organization, AIR is committed to using the best science available to bring the most effective ideas and approaches to enhancing everyday life. College Measures is a joint effort of AIR and Optimity-Matrix Group created to improve the efficiency of postsecondary education in the United States and to help students find programs of study that will lead to higher wages and better labor market outcomes.

audiences. To date, College Measures has partnered with Arkansas, Colorado, Florida, Minnesota, Tennessee, Texas and Virginia

This work leads me to believe that we can and should organize consumer information into five different questions that students and their families need to ask (and answer) to better inform their decisions about where to enroll and what to study.

1. Will I get in? (Selectivity)
2. Will I get out? (Graduation rates)
3. How long will it take? (Time to complete)
4. How much will I pay? (Net price)
5. How much will I make? (Post completion earnings)

The first question springs naturally to the minds of many students—driven by the quest for admission to the most visible and most selective universities in the nation, instituitons that have acceptance rates that makes admission only slightly more likely than winning a state lottery. The last question about earnings is of great importance to students; depending on the survey, around 80% or more of students queried say that getting a good job and strong earnings are among the most important reasons they go to college. We have the responsibility to help them identify programs that will help them achieve that goal.

Most students probably don't pay enough attention to questions 2 and 3, because they assume that they will graduate on time. However, we know that there is wide variation in both graduation rates and time to degree and that this variation is consequential to the success students will experience in the labor market and their ability to pay off their loans. Finally, the nation has made progress on publicizing the difference between sticker and net price, but we still have much work to do on measuring the difference between these two sets of prices and letting people know about their true cost of getting a postsecondary credential.

Answering each of these questions presents challenges, but none are insurmountable. We can make progress with the measures the federal and state governments already collect. And we can and should do better—all the while protecting the privacy of these data and minimizing the burden on states, which will likely have to provide much of the data needed to answer these questions.

Before turning in more detail about some of the challenges in developing consumer information in each of these five categories, I turn to four issues that cut across all of them.

First, any efforts to develop consumer information about postsecondary education **must** include information about subbaccalaureate credentials, such as associate's degrees and certificates, most of which are delivered by America's community colleges. One reason is evident by looking at trends in student enrollments: The number of subbaccalaureate degrees granted in the United States is growing more rapidly than the number of bachelor's degrees awarded. Last year, subbaccalaureate awards granted almost equaled the number of bachelor's degrees issued, although the bachelor's degree still remains the most commonly granted college credential.

Second, the United States must break its "bachelor's addiction." Empirically, the bachelor's degree is a good investment–on average and in the long run. However, many students do not have the time, money or inclination to pursue this degree. There is consistent empirical evidence, much of it produced by College Measures, that subbaccalaureate credentials can lead to earnings that exceed those of bachelor's graduates and that place students earning those credentials squarely in the middle class. The data also show that the subbaccalaureate credentials with the most market value produce students who know how to fix things (e.g., technicians) or how to fix people (e.g., health care). These credentials can help the nation fill the need for "mid-skilled" level workers, where some postsecondary training but not a bachelor's degree are the usual requirements.

Third, in addition to battling our bachelor's addiction, we need to battle our fixation on institution level measurement. We love league tables that rank campuses against one another. But student outcomes can vary more by program of study than by institution. In other words: What a student studies often is more important than where they study it. In turn, we need to deliver usable consumer information at the ***program level***.

Finally, gathering good information is not enough—getting information into the hands of consumers in a format that is useful, usable, and used is a challenge. It is not clear to me that the federal government, which has a unique capacity to gather the data, has an equal capacity to disseminate it.

With these thoughts in mind, I return to some of the issues in helping students understand why the answers to each of these five questions matter.

Will I get in?

We need to keep in mind that while many students and their parents are fixated on the competition for seats in the nation's most prestigious universities, the bulk of our colleges and universities offer broad or open access.

Because there are large differences in student outcomes, any data collected about gaining admission should help students broaden their choice of schools, alerting them to the many options they have, and steering their selection process to options that include schools that are higher on measures of student success.

Will I get out?

The limits on Federal graduation rate statistics, reported through IPEDS, are well-known. Most basically, they are still based on first-time, full-time, beginning students, a declining proportion of America's college students. While the coverage of different student populations will expand in the next few years, the new graduation rate data will still be at the institution level.

We need to move to the collection of program level graduation rates. Given the number of students who change majors (and swirl through campuses), this will be difficult, but we need to start down this path.

Admittedly, this will add a burden on to state data systems, but we need to balance that burden against the rewards this information can have for students. To compensate, we should identify other

components of IPEDS that are burdensome without producing commensurate benefits. This is a task I know this Committee is taking seriously.

How long will it take?

The time it takes to earn a degree is important. The longer a student is enrolled in pursuing a credential the more likely it is that "life happens", derailing student progress. As is well known, students who don't complete their studies will usually have a harder time paying off their loans. Moreover, each year spent enrolled is one more year of tuition paid out and one more year of foregone earnings. While it is possible to use IPEDS to estimate the average time to degree for institution-level graduation rates, we need to gather time to degree by program. Texas already reports these data, information that other states should be collecting and reporting.

Again, this may increase burden on state systems, but these data are far more important to help students understand the consequences of their choices than much of the data the federal government compels states and institutions to gather.

How much will it cost?

Thanks to Congressional action, the nation has made great strides in making public the difference between sticker price and net price. However, according to recent work by Andrew Kelly at the American Enterprise Institute, most students still do not have good information about the true costs they will encounter—and they are far more likely to *overestimate* the cost of college, which can discourage attendance.

Any tools we develop to estimate costs must allow students to enter personalized information. For example, in the My Future Texas application College Measures built[2], students can enter personal information from their own financial aid letters to compare their likely costs to earn a degree. The application takes into account the time to degree for the program in which the student is interested to estimate total cost.

How much will I make?

Yes, postsecondary education is about many more things than making money, and, yes, college graduates usually are healthier, live longer, and engage in our democratic processes at higher levels than non-graduates—but the path to all of these rewards largely runs through success in the labor market. In addition, students themselves overwhelmingly say that they the prospect of good careers and strong earnings drives their desire for postsecondary education.

Not surprisingly, I believe that we need program level earnings data. Right now, these data come from states' unemployment insurance (UI) wage data. Many states link their UI data to student level information detailing the year of graduation and program/institution of study, allowing detailed reporting of earnings of graduates as much as 10 years after graduation.

The problems with these state UI wage data are well-known: students who move across state lines to work are no longer found in the data system of the state where they earned their degree. In some

[2] Available at http://www.myfuturetx.com/

states, such as Colorado, only around 40-45 percent of the students in the state's student data system can be matched to data in the unemployment insurance wage system. In big states like Texas and Florida, with booming economies, match rates are 20 percentage points higher. But these are still low—and we don't know how much error is introduced as students choose to leave the state.

Match rates also vary across institutions, with rates for graduates from state flagships lagging the rates from regional comprehensive campuses. Field of study also matters: match rates for teachers, where state certification matters for employment, are far higher than for engineers.

The Wage Record Interchange System (WRIS 2) held out some promise to ameliorate the problem of interstate movement of graduates. WRIS 2 is a consortium of over 30 states that theoretically agreed to search for UI wage data requested by other members of the consortium. If this system worked as planned, coverage would expand dramatically. However, some very large states are not in the WRIS 2 consortium—and states that are members often do not honor the requests from other states. Match rates hover in the single digits and about 1/3 of the states in the consortium do not run requests from other member states.

The alternative is accessing federal tax collected by the IRS. I recognize and appreciate that using these data is fraught with privacy concerns. Nonetheless, based on my experience at NCES and following the work done by other federal agencies, especially the Census Bureau, I believe that there are sufficiently strong statistical procedures that can be employed to protect the data. With such protections in place, I believe the Congress should seek ways to allow the US Department of Education to collaborate with other federal agencies to match data about students education with IRS earnings data.

I believe that since the federal government has a compelling interest in the outcomes of students receiving Title IV aid, a reasonable place to start would be to match FSA data with tax data. However, to be useful the FSA data must be expanded to capture program of study. I also believe that the federal government should make clear a policy to allow state governments to match their much more complete student data with federal tax data.

Next Steps

Let us assume that the nation makes a commitment to expand the collection of consumer data. How we proceed will matter. My work with Andrew Kelly, "Filling in the Blanks",[3] shows that choices across postsecondary institutions can be improved by good data presented simply. To ensure widespread use, to paraphrase the perennial description of real estate, it is essential to keep in mind three fundamentals about data usage: audience, audience, audience.

We can distinguish at least three audiences for these data—and while the underlying data may be the same, the way in which the data are presented and which strands are highlighted will vary. Trying to satisfy all three audiences with the same data application may not be possible.

Students, their families and the guidance counselors who help students find and choose schools

The data for this audience need to be tailored to help students find schools and programs that they are likely to complete and that will give them a strong chance to enter the middle class. They need to be

able to understand that a bachelor's degree is not the only path into the labor market. Given the well documented low levels of financial literacy among young adults, they may need targeted help to understand the consequences of their decisions and how their choices translate into outcomes they can easily grasp: such as what kind of car will I be able to afford or will I be able to live somewhere else but my mother's basement.

We also have to recognize that guidance counselors can act as intermediaries helping students navigate the data to choose programs that will lead to more success following completion. Guidance counselors are notoriously overworked and most are not trained to guide student college choices. We need to provide them with better mechanisms for accessing information to help better guide their students

However, I am not at all sanguine that the federal government can produce applications that will be appealing to this audience.

State policy makers

States invest large amounts of money in their postsecondary systems because these systems are viewed as human capital investment designed to help the state remain economically competitive. At the current time, states also "own" both student data and the state Unemployment Insurance (UI) wage data. This allows them to build far more powerful applications documenting labor market outcomes and credentials with high market value than the federal government can.

Furthermore, most states are now building performance based budgeting systems to reward colleges and universities that are exceeding benchmarks. Most of these systems are dominated by measures of the flow of students through the institutions (e.g., retention or graduation rates of different types of students), but many states have already included or are considering the inclusion of wage data into these budget systems.

One motivation behind this movement is clear: the returns to the *taxpayer* should play a role in state budget allocations. While most of my previous discussion focused on *student* returns, taxpayers and their representatives also have the right to know about the returns on their investment in their state's colleges and universities.

For taxpayer returns to be better measured, we not only need to measure better student earnings, we also need better measures of the amount of government subsidies flowing into and through campuses: This ultimately will require better information about how government money is actually spent when it gets to campuses. This may require either better state finance data tracking systems and likely a systematic overhaul of IPEDS finance data.

Federal policy makers

There is a compelling federal interest measuring how well the nation's large investment in Title IV student aid pays off to students and taxpayers. Despite legitimate privacy concerns, linking FSA data with IRS tax data is essential. FSA data would need to be modified to include information about the programs in which Title IV recipients are enrolled. These merged data would cover around 60% of all students in the nation.

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[3] Available at https://www.aei.org/publication/filling-in-the-blanks/

In addition to or in lieu of federal action, the Congress should make it possible for states to contract with the IRS or the Social Security Administration to merge state held student data with federal income tax data. Again, these data would be returned to the states aggregated at the program level and subject to statistical methods, such as perturbation, to ensure privacy.

Concluding remarks

Clearly, the federal government is in the position to create a consumer oriented data base that can answer all five questions identified earlier. While states can and do develop data systems that answer these questions, the federal government can create a post-completion earnings data base that no state or private entity can come close to matching in terms of coverage and quality. As noted, I believe the Congress should create such a data base starting with FSA data and Congress should also endorse the ability of states to match their own student data with IRS tax data. The federal government has a role working with states to improve the measurement of time to degree and program level graduation rates. But this should be approached as a partnership in which the federal government helps states achieve their policy goals and not as federal mandates.

While the federal government can be the most powerful actor in the nation in creating these data bases, it is far from the best actor when it comes to disseminating the data in a usable form.

The long and contentious history of Gainful Employment and the shorter but equally fraught history of the current attempts to create a College Ratings system show the dangers of federal overreach.

I work with Money Magazine on Money's Guide to Best Colleges. We use a variety of data to help identify schools where students get the best outcomes for their investment of time and money. But we have no regulatory authority and if people don't like our rankings system, they simply won't buy the magazine. But a federal government system, especially one tied to, say, Title IV funding, carries totally different consequences. I believe the federal government should help create high quality data bases and then make the data widely available. Many efforts will follow, as states, companies, such as Money Magazine and College Measures, and not-for-profit organizations experiment with different user interfaces, emphasizing different metrics. This competition will likely yield the best solutions to the need for better, more widely used consumer information about the large and growing number of postsecondary options available across the land.

Thank you for your time and for your consideration of these ideas.