

## **Response to July 27, 2007 OMB Terms of Clearance on the Integrated Postsecondary Education Data System (IPEDS)**

*OMB requested that "... by January 2008, the Department provide a coordinated plan on how it plans to revise IPEDS and otherwise improve its postsecondary education data, as well as a timetable for implementation and major interim steps. This plan should explicitly address how the Department could improve its program performance measures for its postsecondary education programs (particularly the student aid programs), and/or how they could improve the data collected on existing measures."*

The IPEDS clearance package published for comment in the *Federal Register* on January 29 requests a three-year clearance for the IPEDS to run for the 2008-09, 2009-10, and 2010-2011 web-based data collections. The current clearance expires July 31, 2008 (OMB No. 1850-0582).

The proposed IPEDS was extensively reviewed by the Education Department Policy Committee (including the Under Secretary, Assistant Secretary for Postsecondary Education, Assistant Secretary for Legislative Affairs, Director of the Institute of Education Sciences), which approved the limited number of proposed changes. The changes are to (1) collect more detailed financial aid data, (2) improve the categorization of post-baccalaureate certificates and degrees, (3) increase comparability across IPEDS finance forms, and (4) make the reporting of race/ethnicity consistent with OMB standards.

The department's Policy Committee had reviewed four measures for inclusion in the IPEDS package, two of which were program performance measures -- a Pell Grant retention rate and a Pell grant graduation cohort measure. However, Congress is actively engaged in the process of reauthorizing the Higher Education Act (HEA), with the prospect of legislation being passed this year. Hence, the Department has chosen not to propose further changes in IPEDS at this time in areas in which Congress may impose new reporting requirements, such as calculations of net price of attendance and graduation rates for particular categories of students. Instead, we felt that it would be most responsible for us to go forward with a minimal package of immediate changes that were non-controversial and outside the scope of IPEDS changes being contemplated by Congress in the HEA.

The January 29 *Federal Register* notice contains a statement that the Department anticipates modifying its data collection under IPEDS as a result of HEA. This allows us to wait for passage of HEA and then modify our data collection in a way that aligns it with statutory guidance provided by Congress. We anticipate a number of changes to IPEDS, and our postsecondary data collection portfolio in general, as a result of the HEA. However, any subsequent modifications to the IPEDS data collection would be made only with the approval of OMB after a period of public comment.

Once the HEA is passed, the Department's Policy Committee will initiate a review of postsecondary education data requirements for policy, programs and performance

measurement within a 6-week period. This process will also include consultations across the Department and with external policy and research groups.

For the current clearance, NCES is requesting approval to collect data items similar to those in previous IPEDS collections with four areas of proposed changes to IPEDS forms to be made beginning in the next data collection year (2008-09) as detailed below. Except as otherwise indicated with respect to changes #2 and #4 below, following historical practice in IPEDS, the changes or additions would be optional in the first year (2008-09) and mandatory in subsequent years.

**(1) Collect more detailed student financial aid data**

*(IPEDS component affected: Student Financial Aid)*

Institutions now report all federal student grants to IPEDS rather than distinguishing between Pell grants and other grants. It is important to be able to differentiate how students at different institutions are using particular federal grant programs. Likewise, all loans are now reported together in IPEDS, regardless of source. Given the substantial expansion of private loans, it is desirable to distinguish those awarded by the federal government from those awarded from outside sources. These changes would improve financial transparency by institutions and provide more information on college costs to consumers. The data will be displayed on College Navigator (the successor to College Opportunities on Line—COOL) to help accomplish this goal. The proposed changes in categories are detailed below:

<b>Current SFA Categories</b>	<b>Proposed SFA Categories</b>
➤ Any aid	➤ Any aid ➤ Any grant ➤ Any loan
➤ Federal grants	➤ Pell grants ➤ Other federal grants
➤ State/local grants	➤ State/local grants
➤ Institutional grants	➤ Institutional grants
➤ Loans	➤ Federal loans ➤ Other loans

**(2) Eliminate first-professional degree category**

*(IPEDS components affected: Institutional Characteristics, Completions, 12 Month Enrollment, and Fall Enrollment)*

NCES has received with increasing frequency questions from the higher education community about the first-professional degree classification. Specifically, concerns were raised that due to changes in graduate education, the category of a first-professional degree has become outmoded. In addition, it has become increasingly important to be able to distinguish research-focused doctoral

degrees from professionally focused doctoral degrees, such as a Doctor of Physical Education or a Doctor of Fine Arts.

Based on the suggestions from the IPEDS Technical Review Panel and comments from additional members of the higher education community, the revised categories for degrees are outlined in the table below:

<b>Current Award Categories (Baccalaureate and above)</b>	<b>New Award Categories (Baccalaureate and above)</b>
➤ Bachelor's degree	➤ Bachelor's degree
➤ Postbaccalaureate certificate	➤ Postbaccalaureate certificate
➤ Master's degree	➤ Master's degree
➤ Post-master's certificate ➤ First-professional certificate (Post-degree)	➤ Post-master's certificate (Combines current post-master's and first-professional certificates into one category.)
➤ Doctor's degree	➤ Doctor's degree – research/scholarship ➤ Doctor's degree – professional practice ➤ Doctor's degree - other
➤ First-professional degree	<i>Eliminated</i>

The new degree categories will be defined as follows:

**Doctor's degree - research/scholarship** - A Ph.D. or other doctor's degree that requires advanced work beyond the master's level, including the preparation and defense of a dissertation based on original research, or the planning and execution of an original project demonstrating substantial artistic or scholarly achievement. Some examples of this type of degree may include Ed.D., D.M.A., D.B.A., D.Sc., D.A., or D.M, and others, as designated by the awarding institution.

**Doctor's degree - professional practice** - A doctor's degree that is conferred upon completion of a program providing the knowledge and skills for the recognition, credential, or license required for professional practice. The degree is awarded after a period of study such that the total time to the degree, including both pre-professional and professional preparation, equals at least six full-time equivalent academic years. Some of these degrees were formerly classified as "first-professional" and may include: Chiropractic (D.C. or D.C.M.); Dentistry (D.D.S. or D.M.D.); Law (L.L.B. or J.D.); Medicine (M.D.); Optometry (O.D.); Osteopathic Medicine (D.O); Pharmacy (Pharm.D.); Podiatry (D.P.M., Pod.D., D.P.); or, Veterinary Medicine (D.V.M.), and others, as designated by the awarding institution.

**Doctor's degree - other** - A doctor's degree that does not meet the definition of a doctor's degree - research/scholarship or a doctor's degree - professional practice.

Four components of the IPEDS collection will be affected by these changes: Institutional Characteristics, Completions, 12 Month Enrollment and the Fall Enrollment components. NCES will implement the new definitions and categories for reporting Institutional Characteristics and Fall Enrollment information with the 2008-09 data collection year. As with all changes to IPEDS, the first collection year would be optional, and the second year use of the new definition would be mandatory. For Completions data, implementation of the new categories would begin in the 2009-10 data collection year (reporting on awards granted between July 1, 2008, and June 30, 2009) as optional, becoming mandatory the following year. For any data collections prior to the implementation date, institutions should continue to report data on first-professional degree programs under the existing definition.

### **(3) Revise IPEDS Finance**

On January 17-18, 2007, RTI International, the contractor for the IPEDS web-based data collection system, convened a meeting of the IPEDS Technical Review Panel (TRP) in Washington, DC, to discuss future enhancements to IPEDS finance forms to increase commonality and comparability of the data collected. The panel members included 46 individuals representing institutions, national associations, state governments, the federal government, and others.

The TRP members reviewed the IPEDS Finance component forms and reviewed all of the data elements currently being collected. The participants agreed that in order to increase the comparability across the IPEDS finance forms, it would be necessary to modify one or both of the forms and redefine some of the data elements being collected. The resulting data would have greater usefulness and would improve financial transparency of the institutional finance data being reported.

Based on the panel members' suggestions, NCES proposes the following changes to IPEDS Finance forms:

IPEDS Finance form for institutions that use FASB:

- 1) Add the following categories to Part A – Statement of Financial Position:
  - a. Assets:
    - Property, Plant, and Equipment
    - Accumulated Depreciation
    - Intangible assets, net of accumulated amortization
  - b. Debt related to Property, Plant, and Equipment
- 2) Change the categories of net assets on Part A to the following:
  - a. Unrestricted net assets
  - b. Temporarily restricted net assets
  - c. Permanently restricted net assets
- 3) Add the following categories to the Property, Plant and Equipment section (page 2) of Part A:
  - a. Construction in progress
  - b. Other
  - c. Accumulated depreciation
- 4) Delete “Property obtained under capital leases (if not included in equipment)” and clarify in the instructions to include property obtained under capital leases in the categories that best describe the property, such as equipment, buildings, etc.
- 5) Add a caveats box on Part B.
- 6) Pre-populate net assets at the beginning of the year (line 5 of Part B) with previous year’s collection of net assets at end of year. However, the keyholder would have the ability to overwrite it.
- 7) Change the title of Part C from “Student Grants” to “Scholarships and Fellowships” in order to be consistent with the form for GASB institutions.
- 8) Change the format of Part D (Revenues) so that they are reported in 3 columns:
  - a. Unrestricted
  - b. Temporarily restricted
  - c. Permanently restricted

However, sales and services of auxiliary enterprises and hospitals will be reported only in unrestricted revenues.

- 9) Add a revenue line for “net assets released from restriction” that can allow both positive and negative amounts.
- 10) Separate “Private gifts, grants, and contracts” to allow gifts to be reported separately from private grants and contracts.
- 11) Add a field to Part E (Expenses) indicating what percentage of instruction expenses are associated with credit-bearing instruction versus non-credit instruction.

- 12) Add an instruction to the screen clarifying that the endowment assets of foundations and affiliated entities should be included in reporting of Part H – Details of Endowment Assets.

**IPEDS Finance form for institutions that use GASB:**

- 1) Change line 2 of Part A – Statement of Net Assets to read “Capital Assets, net of depreciation” and delete the line for accumulated depreciation.
- 2) Change the second page of Part A as follows:
  - a. Change title to “Part A – Capital Assets”
  - b. Report only ending balance (discontinue beginning balance, additions, and retirements)
  - c. Combine “Equipment” and “art and library collections”
  - d. Delete “Property obtained under capital leases (if not included in equipment)” and clarify instructions to include property obtained under capital leases in the categories that best describe the property, such as equipment, buildings, etc.
  - e. Add a line for Other capital assets
  - f. Add a line for “intangible assets, net of accumulated amortization” after the line for accumulated depreciation
- 3) On Part B, report local operating grants and contracts separately from private operating grants and contracts
- 4) Add a line for sales and services of educational activities
- 5) Change Part C (Expenses and Other Deductions) to resemble the form for FASB institutions, adding columns for operation and maintenance of plant and interest, and removing the functional classification of depreciation. Operation and maintenance (O&M) of plant as a function will be used to allocate O&M to natural classes as it is in the form for FASB institutions. In addition, removing the functional classification of depreciation will require public institutions to allocate depreciation to appropriate functional categories – as independent institutions do.
- 6) Add a field to Part C (Expenses and Other Deductions) indicating what percentage of the instruction expenses are associated with credit-bearing instruction versus non-credit instruction.
- 7) Parts F and G, used for reporting component units using FASB and GASB standards, will be discontinued.
- 8) Add an instruction to the screen clarifying that the endowment assets of foundations and affiliated entities should be included in reporting of Part H – Details of Endowment Assets.

**IPEDS Finance form for for-profit institutions: No change**

**(4) Change race/ethnicity**

*(Surveys affected: Completions, 12 Month Enrollment, Fall Enrollment, Human Resources, and Graduation Rates)*

On October 19, 2007, the U.S. Department of Education posted to the Federal Register the “Final Guidance on Maintaining, Collecting, and Reporting Racial and Ethnic Data to the U.S. Department of Education.” (See the Federal Register, Volume 72, Number 202, pp. 59266-59279:

<http://a257.g.akamaitech.net/7/257/2422/01jan20071800/edocket.access.gpo.gov/2007/pdf/E7-20613.pdf>). The proposed changes are necessary for the Department to implement the Office of Management and Budget’s (OMB) 1997 Standards for Maintaining, Collecting and Presenting Federal Data on Race and Ethnicity. IPEDS will adopt new aggregate categories for reporting R/E data in accordance with the final guidance.

The guidance issued by the Department covers two separate issues: (1) the collection of R/E data by institutions and (2) the reporting of aggregate data to the Department. For **collecting** R/E data, institutions **must** use a two-question format, and the Department encourages institutions to re-survey students and staff (the two-question format is as follows: The first question is whether the respondent is Hispanic/Latino. The second question is whether the respondent is from one or more races from the following list: American Indian or Alaska Native, Asian, Black or African American, Native Hawaiian or Other Pacific Islander, White). For further details on the guidance for collecting data, please see the full Federal Register notice.

For **reporting** aggregate data to the Department, the guidance identifies nine categories that will be used for IPEDS. ED’s final guidance requires separating the category “Asian or Pacific Islander” into two separate categories, one for “Asian” and one for “Native Hawaiian or Other Pacific Islander.” Additionally, a category will be provided for reporting two or more races. This results in seven categories for reporting aggregate racial/ethnic data: Hispanics of any race, American Indian or Alaska Native, Asian, Black not-Hispanic, Native Hawaiian or Other Pacific Islander, White not-Hispanic, and two or more races. ED’s final guidance also allows IPEDS to continue to use the two categories for reporting non-resident aliens and for reporting counts when race/ethnicity is unknown, for the reasons given below.

Non-resident aliens – IPEDS has traditionally collected data on non-resident aliens separately from U.S. citizens and resident aliens (no race data will be available for non-resident aliens); and

Race/ethnicity unknown – this category has been used in IPEDS since 1990 to provide a mechanism for reporting U.S. citizens and resident aliens who do not designate a racial/ethnic category.