



Written Testimony for the Joint Hearing of the Senate Committee on Higher Education and House Committee on Higher Education

Interim Hearing – August 19, 2010

Charge #6: Evaluate the Texas Higher Education Coordinating Board

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Panel #3: Evaluate the Board's data collection systems

I. Financial Aid Database System

- a. The Coordinating Board is mandated to “present an annual report concerning student financial aid at Texas public and independent institutions of higher education.” (General Appropriations Act, SB 1, Rider 28, page III-61, 81st Legislature, Regular Session)
- b. The Financial Aid Database System (FADS) is a unit record report of college students who apply and/or receive some type of financial assistance through their institution. Each institution participating in state financial aid programs is required to submit this annual report.
- c. The report collects, on a student-by-student basis, a limited number of student demographic statistics, such as ethnicity and estimated family contribution (EFC), plus award amounts for 40 different federal, state, and other financial aid programs.
- d. The unique demographic information provides Coordinating Board staff the ability to analyze the distributions of financial aid among Texas students and assess the adequacy of aid resources. In addition, the data allows staff to allocate state aid resources in keeping with the enrollment patterns of eligible students.

II. Database Improvements & Challenges

- a. FADS is a financial report and as such revolves around the end of the state fiscal year end rather than typical academic year dates (census date and last class date, for instance) used in other reports submitted to the Coordinating Board. This creates a delay in achieving more real-time financial aid data for our constituents.
- b. The FADS report for FY2010 for the first time calls for institutions to report on merit aid received by students even if they did not apply for need-based aid.

- c. Originally, the report only included students who received some type of need-based aid; the report was then expanded to include students who applied for but did not receive aid. This final expansion will help complete the financial aid picture.
- d. Efforts are under way to give institutions and researchers direct access to the data for research purposes.
- e. Challenges for granting access to FADS do exist. The Family Educational Rights and Privacy Act (FERPA) is a Federal law that protects the privacy of student education records. The law applies to all schools that receive funds under an applicable program of the U.S. Department of Education.
- f. Since FADS data are student-level data, the student's privacy must be protected.
- g. Many researchers are unfamiliar with financial aid terms and the sometimes complex and nuanced program rules. As independent researchers and/or institutions generate their own reports from the data, significant effort by Coordinating Board staff will be needed to provide clear definitions when more granular data are made available.