



Feasibility Study: Expanding Financial Aid Data

At the October 1, 2024 meeting, the Data and Tools Advisory Board advanced a proposal from J. Oliver Schak to expand financial aid data in the Cradle to Career Data System (C2C) analytical data set. Specifically, the California Community Colleges (CCC), California State University (CSU), University of California (UC), and the California Student Aid Commission (CSAC) were requested to provide information on:

- for each student, the amount of debt from Subsidized loans, Unsubsidized loans, and Grad PLUS loans¹
- for each student, the amount of federal loans given to parents through a Parent PLUS loan versus loans made to students
- for each student, the amount of debt they take out each year (particularly to distinguish debt before and after students transition from undergraduate to graduate education)

The full text of the proposal can be found at [this link](#).

When conducting feasibility studies, the Office of Cradle-to-Career Data (Office) considers four factors: data availability, data reliability and data validity, cost, and compliance. Information on each aspect is included below.

Specific Data Points

If approved, the data points that would be added to the C2C analytical data set would be:

¹ The proposal discussed by the Data & Tools Advisory Board referenced Subsidized and Unsubsidized [Stafford](#) Loans. Stafford loans were provided under the Federal Family Education Loan Program, which ended in July 2010. All federal loans are now made through the Federal Direct Loan Program. However, many people still use the term “Stafford loan” to refer to these programs. Therefore, for the purpose of this feasibility study, the Office examined the feasibility of collecting information on Direct Subsidized and Unsubsidized Loans.

- Amount of Subsidized loans received by a student within an academic year
- Amount of Unsubsidized loans received by a student within an academic year
- Amount of Grad PLUS loans received by a student within an academic year
- Amount of Parent PLUS loans received by family member for a student's undergraduate education within an academic year

Note on Terms

Subsidized and Unsubsidized loans: Subsidized loans refer to loans that are based on financial need, where the federal government pays the interest on a loan while a student is still in school and during a grace period after leaving school. Unsubsidized loans mean that students do not demonstrate financial need and are responsible for all interest payment.

Parent and Grad PLUS loans: Parent PLUS loans are given to the parents of students to help cover the cost of college. Grad PLUS loans are given directly to graduate students.

Data Availability

Data Sources and Historical Range: *Where the data originates from and the span of years for which data are available.*

Individual postsecondary institutions receive information on federal loans from the National Student Loan Data System (NSLDS). Access to NSLDS is [strictly limited](#) to people with specific job responsibilities related to administering financial aid. Local institutions report this information to state agencies for the purpose of improving aid distribution.

CSAC receives information about federal loans through the Institutional Student Information Record (ISIR). There are [strict regulations](#) about how state financial aid agencies may use this information, including specifying that information must pertain to the administration of state financial aid.

CCC currently collects high-quality information on Subsidized, Unsubsidized, and Parent PLUS loans. Information on the amount of debt per loan type is available, so it would be possible to distinguish between amounts given for Subsidized, Unsubsidized, and Parent PLUS loans. It is also able to provide information on the total amount of loans that a student takes out each year, which could be used to calculate the amount of debt each student had taken out at the end of their time at community college (although this would not include how that debt might have compounded over time).

Both CSU and UC currently collect information on Subsidized, Unsubsidized, and PLUS loans. They do not distinguish between Parent PLUS and Grad PLUS loans, but this could be inferred by determining the program in which the student is enrolled. Data is of high quality starting in 2017-18².

CSAC receives information on students' aggregate Subsidized and Unsubsidized loan amounts to support decisions about providing state financial aid, so it does not have definitive information on the amount of loans students receive each year. For example, CSAC has access to the principal balance and pending disbursements but not annual awards. In addition, they do not have information on cumulative debt, which is impacted by factors such as forbearance policies that allow people to defer or reduce payments when changing jobs or facing financial difficulties.³

CSAC does not receive information on Parent PLUS and Grad PLUS loans.

Information on student loan status is only provided to CSAC when a student submits an application for additional financial aid. For example, if a student took out a loan each year while pursuing a bachelor's degree and graduated after five years, CSAC would not have information on the loan amount for the final year. In addition, if a student has consolidated their loans, it may not be easy to discern the amount of the loans that were Subsidized or Unsubsidized.

CSAC does not currently store information on students' loan amounts. If CSAC were to begin storing this information, it would not be available retrospectively.

² UC's data is of high quality starting in 2002-03.

³ See <https://studentaid.gov/manage-loans/lower-payments/get-temporary-relief/forbearance>

Future Relevance and Data Availability: *Evaluate whether the new data will remain useful as the analytical dataset evolves and if the information is likely to be collected in the future.*

Policy makers, advocates, and families all [express concern](#) about the cost of college and [research](#) shows that significant debt burdens erode the economic mobility associated with postsecondary education. As a result, many researchers, states, and the federal government are developing [Return on Investment](#) indicators that take debt into account when calculating the value of education. It is likely that information on debt will continue to be collected and will be of value to numerous interest holders in the future.

Data Reliability and Data Validity

Institutional Variability: *Whether there are variations in administrative practices and data recording across institutions at the local level.*

Because information is derived from a federal file that is provided in a consistent format to postsecondary institutions, there should be little variability across individual CCC, CSU, and UC institutions.

Agency Variability: *Data and metric definitions across various agencies follow a uniform format and standard.*

Although source data are similar for CCC, CSU, and UC, it will be challenging to calculate debt by year. State agencies differ in whether they count summers as a leading term or a trailing term. As a result, debt incurred to pay for summer enrollment may not be reported consistently. CCC and UC treat summers as a leading term. CSU is currently working to address this challenge by shifting its collection practices to providing information by term, but this change has not yet been implemented.

As noted above, the source file and format of information on loans that CSAC receives is different from the data received by postsecondary institutions and agencies, because it looks at aggregate loan amounts rather than annual loan distribution, and does not include Parent PLUS and Grad PLUS loans.

Data Integration Across Agencies: *The Office's ability to consolidate data from multiple agencies.*

CCC, CSU, and UC [already provide](#) a number of data points on financial aid for the P20W analytical data set, including the amount and type of financial aid received.

Currently, the format that CCC, CSU, and UC use to provide data on financial aid to the Office is modeled after the format used by CCC. This format could be extended for CSU and UC to report on Subsidized, Unsubsidized, Parent PLUS, and Grad PLUS loans. Because information would be an extension of existing files, it should be feasible for the Office to integrate additional information from CCC, CSU, and UC.

Integrating information from CSAC would be significantly more difficult because new file formats would be needed and methodological changes would be required to account for differences in how loan information is structured.

Cost

Startup Costs: *Costs to begin collection including both direct costs and associated staff time for the Office and its data providers.*

Costs for adapting the file structures to include information on the additional variables should be minimal for CCC, CSU, UC, and the Office.

Costs for CSAC to collect additional information would be significant. CSAC would need to adapt their underlying database to include additional information and change the structure of their import from the federal ISIR file. Because of the way that ISIR data is provided, which breaks out the relevant information into multiple data points, millions of additional rows of data would need to be stored, which would require upgrades to CSAC's infrastructure.

Ongoing Costs: *Costs necessary to maintain collection of the stated data elements for the Office and data providers.*

Once the new file formats and data upload mechanisms are established, there should not be significant ongoing costs.

Compliance

Legal Requirements: *Compliance with privacy laws, intellectual property rights, and any other relevant regulations.*

[Guidance](#) provided in the Higher Education Act places limitations on when financial aid data originating from the Free Application for Federal Student Aid (FAFSA) can be shared. As a result, concerns about including financial aid data in the C2C analytical data set were noted during the [planning process](#). In November 2024, the federal government provided [guidance](#) that indicates financial aid data may be used for research conducted by or on behalf of education institutions, higher education agencies, and state financial aid agencies to promote college attendance, persistence, and completion.

Affected data providers highlighted the potential risk to federal student aid availability if additional data elements related to financial aid are provided to the P20W system. Data providers cited that they cannot provide additional information regarding aid related elements requested as part of the feasibility study.

Multiple data providers also highlighted that federal guidance continues to evolve on this subject, noting the risk of loss of federal aid outweighs any possible benefit derived from providing the more granular data to C2C.

Scope: *Whether the proposal is consistent with the scope of work that is described in the Cradle-to-Career Act.*

The [initial legislation](#) prioritized providing information on “college access, completion, and long-term effects of access to state financial aid.” Providing additional information on federal loans would be consistent with the [discussions](#) held during the planning process regarding better understanding the impact of debt and the content for the proposed [financial aid dashboard](#) that was included in the reports to the legislature during the C2C planning process. However, specific data points that should be included in the analytical data set are not spelled out in the Cradle-to-Career Act.

Neutrality of the Office: *Whether the proposal might jeopardize the Office's neutral stance.*

Given that examination of financial aid was part of the original purview of C2C, providing additional financial aid information is not likely to impact its neutrality.

UC notes the P20W system currently has all the data it needs to track student affordability and student loan debt per prevailing institutional and federal reporting rules that consider federal direct subsidized and unsubsidized loans. UC expressed that tracking the borrowing of parents falls outside existing reporting norms and may cause confusion for consumers of this information. The Office notes these concerns and highlights it as a matter for the Advisory Board's and Governing Board's consideration.

Suppression and Regulatory Feasibility: *The impact of compliance policies on access to data based on the Office's data suppression policy and other regulatory concerns such as reidentification risks.*

Given that only a subset of students take out Subsidized, Unsubsidized, Parent PLUS, and Grad PLUS loans, it is likely that information will be suppressed at the institutional level, particularly when disaggregating results for specific types of students. For example, in the UC system, only 5% of students have Parent PLUS loans.

Stewardship and Participation Agreement: *Concerns regarding the participation agreement and stewardship on the proposed data element and its applications.*

CSAC has indicated its primary concern is the legality of sharing the requested information. As per the Participation Agreement, agencies may not share information in violation of federal rules. CSAC further underscored they do not own this data and are unable to report on the proposed data points.

UC has expressed concern that including data on Parent PLUS loans may cause confusion because this information is excluded from its [financial aid dashboards](#) and from federal reporting, per directions from the Integrated Postsecondary Education Data System. The Office notes that as with many of its other planned

dashboards, its reporting may not align exactly with the federal reporting requirements of its data providers. If these data points are provisioned, their uses would include not just potential dashboards but also help facilitate research in the domains of financial aid.