



# SPRING CONFERENCE

Kansas City, Missouri

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# Compare and Contrast:

## The Experimental Sites Initiative Data Difference



# Introduction

Jacquelyn S. Bannister  
U.S. Department of Education

Hoke J. Wilson, Ph.D.  
ORC Macro

# Session Objectives

- Understand the purpose of the Experimental Sites Initiative
- Share participants' perspective and results for the 2001—02 reporting cycle
- Share analytic results of comparisons between experimental sites participants and non-participants
- Questions/comments?

# What the Initiative Is!

- An opportunity to test new and innovative ways of administering Title IV aid
- An opportunity to provide better services to students and improve stewardship of federal funds
- An opportunity to provide the Department with data to support broader policy initiatives

# Purpose

- Relief
- Flexibility
- Data based information for the Department

# Who Are the Participants?

- 102 public institutions
- 18 private institutions
- 19 community colleges
- Consortia

# Current Experiments

- Waiver of entrance loan counseling
- Waiver of exit loan counseling
- Inclusion of loan fees in the calculation of cost of attendance
- Credit of Title IV funds to otherwise non-allowable institutional charges
- Credit of Title IV funds to prior term charges

# Current Experiments

- Relaxation of the requirement for multiple disbursement of single-term loans
- Suspension of the thirty-day delay of disbursements for first-time, first-year borrowers
- Overaward tolerance and the disbursement of loan funds

# Current Experiments

- Loan Proration practices for graduating borrowers
- The award of Title IV aid to students not passing an “Ability to Benefit” test, but successfully completing at least six hours of coursework

# Reporting Requirements

- Annual report
- Report templates

# What Does the Data Tell Us?

- About what participating institutions say about the initiative
- About how participating institutions compare with those who do not participate

# Stakeholders

Flexibilities from requirements in the experiment can impact ...

- Postsecondary students
- The institutions they attend
- The federal government

# Students As Stakeholders

Flexibilities from requirements in the experiment can impact ...

- Student indebtedness
- Academic progress

# Institutions as Stakeholders

Flexibilities from requirements in the experiment can impact ...

- The expense and workload associated with providing access to student aid
- The quality of customer service

# The Federal Government as a Stakeholder

Flexibilities from requirements in the  
experiment can impact ...

- The expense associated with providing student aid
- The volume of aid available to students
- Public confidence in the integrity of the programs

# Outcomes As Reported by Participating Institutions

## ➤ Annual reports

- Provide quantitative data on student participation, impact on academic progress and default potential
- Provide (limited) quantitative data for the expense and workload associated with providing student aid
- Provide anecdotal/qualitative data

# Comparing Outcomes With Other Institutions

- NSLDS, PEPS, IPEDS and the College Board's Common Data Set (CDS)
  - From the NSLDS, an Experimental Default Measure (EDM) and an Experimental Graduation Rate (EGR)
  - From PEPS, IPEDS and the CDS, institutional characteristics

# Why Compare?

- To assess the impact of the Initiative
  - FY2000 default rate: 5.4% (PEPS)
  - X-Sites default rate: 1.7% (self-reported)
- To explain “counter-intuitive” results
  - Institutions meeting rigorous exit counseling requirements: 8.1% EDM
  - Institutions exercising flexibility in exit counseling: 2.8% EDM??

# How Similar? – Type of Institution

<b><i>Type</i></b>	<b><i>CDS</i></b>	<b><i>Final Analytic Data Set</i></b>	<b><i>Participating X-Sites</i></b>
Less than 4 Years	1,786	1,001	20
Four Years or more	1,912	1,519	100

# How Similar? – Control of Institution

<b><i>Control</i></b>	<b><i>CDS</i></b>	<b><i>Final Analytic Data Set</i></b>	<b><i>Participating X-Sites</i></b>
Public	1,630	1,375	102
Private	1,368	1,145	18
Proprietary	700	0	0

# How Similar? – Geographic Region

<b><i>Control</i></b>	<b><i>CDS</i></b>	<b><i>Final Analytic Data Set</i></b>	<b><i>Participating X-Sites</i></b>
New England	231	201	4
Mid-Atlantic	676	427	11
Southern	800	535	12
Midwest	980	692	45
Southwest	303	226	5
Western	668	439	43
Foreign	36	0	0

# How Similar? – Average Enrollment

- Common Data Set: 3,184
- Final Analytic Data Set: 3,980
- Participating X-Sites: 13,152

# The Experiments

Annual reports: What participating institutions say about the experiments

Comparative analyses: How the characteristics of institutions influence outcomes

# Loan Proration for Graduating Borrowers

## Annual Reports

- Loan proration has no affect on student graduation timelines
- It may negatively impact student indebtedness
- Institutions average savings of 1.4 workhours and \$18 per borrower (14 and 13 institutions reporting, respectively)

# Loan Proration for Graduating Borrowers

## Comparative Analysis

- EGR ↓ for all borrowers at Experimental Sites
- EGR unchanged for part-time borrowers at Experimental Sites
- Model for part-time borrowers is not strong.

# Overaward Tolerance

## Annual Reports

- Students experience a diminished level of frustration
- Institutions may save in excess of \$5,700 per year (SUNY, Brockport)
- Overawards of \$300 or less are rare – only 2% of borrowers at participating institutions received overawards

# Overaward Tolerance

## Comparative Analysis

- EDM ↓ for borrowers at Experimental Sites
- Analysis of rankings for the FY2000 CDR and the EDM indicate that default rates were lower – and remain low – at institutions participating in the experiment

# Loan Fees in the Cost of Attendance

## Annual Reports

- May reduce student indebtedness
- Due to the high cost of education, inclusion has a minimal influence on loan funds eligibility
- Institutions save four-tenths of a workhour and \$75 per borrower (8 institutions reporting)

# Loan Fees in the Cost of Attendance

## Comparative Analysis

- EDM unchanged for borrowers at Experimental Sites
- EGR unchanged for borrowers at Experimental Sites
- Analysis of rankings for the FY2000 CDR and the EDM indicate that default rates were lower – and remain low – at institutions participating in the experiment

# Credit of Title IV Aid to Otherwise Non-allowable Institutional Charges

## Annual Reports

- Students do not differentiate between charges
- Less than 0.4% decline crediting
- Credit represented only 4% of all Title IV aid
- Institutions save time and money

# Credit of Title IV Aid to Otherwise Non-allowable Institutional Charges

## Comparative Analysis

- EDM ↓ for borrowers at Experimental Sites
- EGR ↓ for borrowers at Experimental Sites  
(??)
- Analysis of rankings for the FY2000 CDR and the EDM indicate that default rates were lower – and remain low – at participating institutions

# Credit of Title IV Aid to Prior Term Charges

## Annual Reports

- Removes an obstacle in the path of academic progress
- No students declined
- Leads to superior customer service
- Saves institutions time and money

# Credit of Title IV Aid to Prior Term Charges

## Comparative Analysis

- EDM unchanged for borrowers at Experimental Sites
- EGR  for borrowers at Experimental Sites
- Analysis of rankings for the FY2000 CDR and the EDM indicate that default rates were not different in the past, but are now lower at participating institutions

# Multiple Disbursement of Single-Term Loans

## Annual Reports

- Allows students to avoid emergency loans and other stopgaps
- Only 1.3% of students with single-term loans withdrew before midterm
- Institutions averaged yearly savings of \$13,649 (14 reporting)
- Average reduction in workhours per borrower of 48 minutes

# Multiple Disbursement of Single-Term Loans

## Comparative Analysis

- EDM ↓ for borrowers at Experimental Sites
- EGR ↓ for subset of single-term borrowers at Experimental Sites in the spring of 2002 (but model is not strong)
- Analysis of rankings for the FY2000 CDR and EDM indicate that default rates were lower – and remain low – at participating institutions



# Exemption From the 30-day Delay of Awards to First-year, First-time Borrowers

## Annual reports

- Reduces hardships associated with high startup costs for students
- Only 0.6 percent of borrowers withdrew within 30-days
- Institutions averaged yearly savings of \$11,334 (12 reporting)
- Average reduction in workhours per borrower of more than an hour (11 reporting)

# Exemption From the 30-day Delay of Awards to First-year, First-time Borrowers

## Comparative Analysis

- EDM ↓ for borrowers at Experimental Sites
- Freshman withdrawal rate ↑ for students at institutions NOT participating in the experiment
- Analysis of rankings for the FY2000 CDR and EDM indicate that default rates were lower – and remain low - at participating institutions

# Waiver of Entrance Loan Counseling Requirements

## Annual Reports

- Greater flexibility allows institutions to tailor counseling and redirect resources to high risk students
- Average saving of \$29 per borrower (10 institutions reporting)
- Average reduction of 1.3 workhours per borrower (12 institutions reporting)

# Waiver of Entrance Loan Counseling Requirements

## Comparative Analysis

- EDM ↓ for borrowers at Experimental Sites
- Freshman withdrawal rate ↑ for students at institutions NOT participating in the experiment
- Analysis of rankings for the FY2000 CDR and the EDM indicate that default rates were lower – and remain low at participating institutions

# Waiver of Exit Loan Counseling Requirements

## Annual Reports

- Alternatives include web-based, in-person, and telephone counseling sessions
- 10% of borrowers continue to receive in-person counseling
- Removes an impediment to graduation
- Institutions averaged annual savings of almost \$8,000 (9 institutions reporting)
- Average reduction of 1.3 workhours per borrower (10 institutions reporting)

# Waiver of Exit Loan Counseling Requirements

## Comparative Analysis

- EGR ↑ for students in estimated final term in spring 2002 at institutions participating in this experiment
- EDM ↑ for students at institutions participating in this experiment



## The Award of Title IV Aid to Students Not Passing an ATB Exam, but Successfully Completing Six Credit Hours

A Self-Contained Experiment Within a Consortium of California Community Colleges

- Provides an incentive for students to continue their education
- Students not passing ATB, but successfully completing at least six hours, are usually non-native English speakers

## The Award of Title IV Aid to Students Not Passing an ATB Exam, but Successfully Completing Six Credit Hours

<b>Students</b>	<b># in Group</b>	<b>Avg. Units Attempted</b>	<b>Avg. Units Completed</b>	<b>Avg. GPA</b>
Enrolled in degree or certificate applicable classes	280,061	13.0	11.1	2.6
FA recipients with HS diploma*	6,345	19.9	17.4	2.6
All taking ATB	1,507	14.1	11.7	2.4
All failing ATB	317	12.6	8.7	2.2
All passing ATB	523	15.3	13.0	2.5
Experiment Eligible	65	19.1	15.8	2.6

# Questions? Comments?



# We Want to Hear from You!

Jacquelyn Bannister,  
FSA, US Department  
of Education

Phone:

(202) 377-4376

Email:

Jackie.Bannister@ed.gov

Hoke Wilson

ORC Macro, Inc.

Phone:

(301) 772-0265

Email:

Hoke.J.Wilson@orcmacro.com



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