

Statement
of the
National Student Clearinghouse

House Veterans Affairs Committee
Subcommittee on Economic Opportunity (EO)

Chairman Bill Flores and Ranking Member Mark Takano

Hearing on:

“Defining and Improving Success for Student Veterans”

Presented by
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President and CEO
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Chairman Flores, Ranking Member Takano, and Members of the Committee, thank you for inviting me to speak with you on this important topic. We are honored by the opportunity to help inform this very timely discussion on Defining and Improving Success for Student Veterans. I am Ricardo Torres, President and CEO of the National Student Clearinghouse (“Clearinghouse”), a nonprofit organization serving the education community by facilitating the exchange and understanding of student enrollment, performance, and related information. We work with colleges and universities that collectively enroll 96% of all students in our nation’s degree granting, Title IV Student Loan Program institutions. Through our partnerships with these institutions, we work to reduce administrative burdens on students and school administrators, allowing them to focus more on achieving successful educational outcomes.

We are proud to have supported the Veteran’s Benefits Administration of the Department of Veterans Affairs and the Student Veterans of America and to have enabled the groundbreaking Million Records Project, which provided this committee with never before available information regarding the success of the programs you have funded to provide education opportunities for our veterans. Today, we would like to suggest some powerful possible ways we can further help you evaluate and facilitate veterans’ education programs.

What is the National Student Clearinghouse?

The National Student Clearinghouse is the nation's trusted source for education verification and student educational outcomes research. More than 3,600 colleges and universities, including public and private, for-profit and nonprofit institutions, participate in the Clearinghouse. Participating institutions provide access to actual enrollment and degree information on each of their students to us. As a result, only the Clearinghouse can offer access to a nationwide coverage of enrollment and degree records — encompassing more than 144 million students and growing. Through our verification, data exchange and reporting services, the Clearinghouse saves higher education institutions nearly \$500 million dollars annually. Most Clearinghouse services are provided to colleges and universities at little or no charge, including enhanced transcript and research services, enabling institutions to redistribute limited staff and budget resources to more important student service efforts. The Clearinghouse is a nonprofit that does

not receive state or federal appropriations. Our data process is supported through the fees we collect from third-parties for services provided on behalf of our participating institutions.

Today, the Clearinghouse is also the leading provider of educational reporting, verification and research, on behalf of its participating institutions, to the nation's colleges and high schools, the student lending community, the Department of Education, state and other educational agencies, students and alumni, and thousands of employers and other organizations. All of the Clearinghouse's services are designed to facilitate an institution's compliance with the Family Educational Rights and Privacy Act, The Higher Education Act, and other applicable laws.

The Clearinghouse was founded over 20 years ago to cost effectively address Title IV program inefficiencies. Before the launch of the Clearinghouse in 1993, student lenders had no dependable way to determine if a borrower was still in school and eligible for a loan deferment. Institutions spent thousands of hours each year processing 20 million deferment forms. Students were often mistakenly placed into default status, jeopardizing their credit rating and artificially inflating the reported default rate on these federally guaranteed loans. The higher education community created the Clearinghouse to simplify and standardize student deferment reporting. Instead of submitting millions of individual deferment forms to hundreds of lenders, schools now transmit a single electronic report of all their enrolled students to the Clearinghouse. The Clearinghouse matches each enrollment record to electronic lists of student loan recipients and, whenever a match occurs, forwards the relevant enrollment data to the appropriate lender. The success of our efforts to reduce higher education's student loan reporting burden is best evidenced by the fact that over 3,600 institutions have chosen to participate in the Clearinghouse. All of the nation's guarantee agencies, the Department of Education's Direct Loan Servicer, and most student loan servicers participate in the Clearinghouse as well. Think of us as a back office to the university's registrar, financial aid officer, and institutional researcher. The Clearinghouse is the largest electronic education data exchange ecosystem in the country, with over 1 billion secure and legally compliant transactions annually.

The public-private partnership approach used by the Clearinghouse can be a model for a better way to serve our veterans while reducing the burdens on both government and educational institutions. The Clearinghouse helps educational institutions improve efficiency, reduce costs and workload, and enhance the quality-of-service they provide to their students and alumni, lending institutions, employers, and other organizations. We provide our services as an agent to our participating institutions, supporting their administrative, student access, accountability, and analytical needs. Moreover, through our educational research services that access our unique national dataset of student enrollments and degree outcomes, the Clearinghouse also serves as a valuable source for longitudinal and other studies on educational progress.

Clearinghouse Research and the Million Records Project

The National Student Clearinghouse Research Center (“Research Center”) is the research arm of the National Student Clearinghouse. The Research Center works with higher education institutions, states, districts, high schools, and educational organizations to better inform practitioners and policymakers about student educational pathways. Through accurate longitudinal data outcomes reporting, the Research Center enables better education policy decisions leading to improved student outcomes. The unprecedented nationwide reach of our information resources takes education researchers beyond the limitations of institutional data to provide the most accurate picture of student outcomes – even when students transfer among multiple institutions, in different states, and over long periods of time – while still being respectful of student privacy.

Working in partnership with the Student Veterans of America and the Department of Veterans Affairs (“VA”), the Research Center participated in a groundbreaking research project that broadens perspectives and informs many of the pressing questions about the educational pathways and outcomes of student veterans. As part of the Million Records Project, we searched our unique dataset to help inform the nation about the return on our federal government’s investment of the more than \$20 billion spent to provide education benefits to veterans. Through this public-private partnership, for the first time, comprehensive national

statistics on the postsecondary outcomes of veterans from Operation Enduring Freedom and Operation Iraqi Freedom were made available, including degree completion, time-to-degree, and field of study preferences.

The Unique Enrollment Patterns of Veterans

One of the clear observations that emerged from the data that we provided to make this study possible is the highly non-traditional nature of veterans' educational pathways. Student veterans are more likely to transfer or change institutions, and take longer to complete a degree or certificate, than other students. This makes defining success and measuring success for these veterans a particular challenge. The current federal Department of Education metrics that define successful outcomes for students and institutions are based on a definition of "first-time full-time" students. This is the basis of the standard Integrated Postsecondary Education Data System ("IPEDS") institutional retention and graduation rate. It counts as a success only those students who have no previous higher education experience, enroll full time in a degree granting program, and graduate from the same institution where they started. Only three-quarters of degree-seeking students today begin by enrolling full time, and nearly one-quarter of those who complete a degree do so somewhere other than the institution where they started. So, using the standard definitions to measure the success of student veterans would be like computing baseball players' career statistics by only counting members of the starting lineup who never changed teams, and ignoring everyone else on the team's roster completely.

For student veterans, the rates of institutional mobility are particularly high. The data provided by the VA for the SVA's Million Records Project, matched to the Clearinghouse's unique enrollment database, show that recipients of the Montgomery GI Bill and the Post-9/11 benefits are much more likely than other students to enroll at more than one institution in pursuit of their degrees. The SVA report shows that these students are older, take longer to graduate, and more likely to stop out and change institutions due to external circumstances, like reserve mobilizations, job changes, or family status changes. They may also try to combine

credits earned online while on active or reserve duty with on-campus courses in a new degree program after their service.

The Million Records Project clearly demonstrated that today's veterans are capable and determined when it comes to pursuing postsecondary educational goals. Using the Clearinghouse's unique ability to track and measure student outcomes across institutions, states and sectors, the Million Records Project has demonstrated that more than half of veterans benefit recipients since 2002 have completed degrees, in spite of the challenges and hurdles they faced. It is a great disservice to the hard work, dedication, and perseverance of our veterans to continue to define and measure their postsecondary success using only the traditional yardstick designed for 18-year-old students who enroll full time at a single institution. It also creates undue hardships for student veterans when the simple act of transferring credits or changing institutions generates new administrative hurdles and burdensome, time-consuming requirements for obtaining and retaining the tuition benefits that were promised to them when they enlisted.

Meeting the Challenge of the Influx of Veterans into Higher Education

Given the influx of veterans expected to enroll in higher education programs over the next few years, it is important that we have the ability to successfully meet veteran program demands in a way that responds to the varied needs of these non-traditional students. The Clearinghouse is offering suggestions regarding what can be done to help ensure veteran success in two areas: 1) facilitating entry to colleges and universities and 2) enabling continued enrollment sufficient to accomplish what the veteran set out to do.

The first opportunity to assist veterans is facilitating entry to colleges and universities. The newly released GI Bill College Comparison tool was an important breakthrough in providing information to veterans about their benefits in a school-specific manner. Unfortunately, the tool has two limitations for which we would like to offer solutions. First, the tool does not calculate an individual veteran's entitlement and track what part of that entitlement has been

used. Veterans can only designate themselves as belonging to one of 10 categories based on their recollection of their number of post 9-11 months of active duty service. The tool is, as it describes itself, an estimator. Although this information is informative, it does not fully remove the barriers necessary for a veteran to easily shop for a school.

The second limitation of the tool is that it does not provide information on the graduation rates that is accurate or relevant to the unique enrollment patterns of veterans. In authorizing the creation of the tool, the Committee and the VA wisely chose measurements of graduation rates that would not place an additional reporting burden on institutions of higher education. It is clear that duplicative reporting burdens take institutional resources away from directly serving the needs of enrolled veterans. The graduation rate metric chosen was the IPEDS rate which, as we pointed out, is based on first-time full-time 18-year-old students, a population that has little relevance to the educational patterns of veteran adult learners. This metric also does not account for student mobility which, as the Million Records Project shows, is particularly high for veterans. In addition, a degree based graduation rate may be misleading or uninformative to a veteran who wishes to achieve a certificate or take a few specific courses for a workforce credential. The tool was an important step in the right direction, but can be misleading in helping veterans understand the probability of graduation at an institution for people like them.

The National Student Clearinghouse has solved the problem of providing accurate information while not increasing reporting burdens on institutions through its work with the education community on the [Voluntary System of Accountability](#) (VSA) and the [Student Achievement Measure](#) (SAM). By using our data that tracks students across institutions, not limited to first-time full-time enrollees, VSA and SAM schools can provide students with a graduation rate that is not subject to the first-time full-time IPEDS limitation. With the recent addition of veteran status as a data field for the information on individual students that schools supply to the Clearinghouse, we could easily calculate a graduation rate that is not restricted to the limitations of IPEDS and is also veteran-specific. This can enable great schools, like those in the

University of North Carolina system, to claim full credit for the success of their support services in ensuring the successful program completion of their veterans.

Meeting Enrollment Challenges

In their ongoing dialogues with us, institutional administrators have reported recent improvements in their interactions with the Veteran's Administration. Even with the VA's hard work, there is still a significant lag time between the concept of a system improvement and its actual implementation. There is also great concern around the scalability of existing processes. Development of new technology can require a significant investment of federal dollars, institutional resources, and staff time. Given the large influx of members of our armed forces expected to join the ranks of veterans in the next few years, the problems of multiple aging systems will become even more acute.

Veterans and the schools serving them face a continuous stream of administrative complexities around activities, such as certificate of eligibility processing, residency verification, kicker processing, previous credential accumulation assessment, applicability of credentials to degrees, retaining benefit on transfers, and inconsistency in branch of service requests. Registrars at institutions have pointed out some of the challenges to us:

- Schools and VA customer service representatives do not have access to the same data at the same time and, therefore, see inconsistent or incomplete information regarding benefits eligibility. This makes it extremely difficult to counsel individual veterans.
- The VA Once technology is a legacy system and is no longer being updated. Instead of transferring critical data through batch processing from their other systems, schools must manually enter data for each individual veteran.
- Some student veterans were given enhanced benefits upon enlistment. Determining the level of this "kicker" can further delay the ability to establish eligibility and result in additional challenges in maintaining enrollment for students.

- Residency and proof-of-residency requirements for veterans are determined on a state-by-state basis (in part because House Bill H.R. 357 has not yet been passed by the Senate), which adds to delays.
- Establishing the eligibility for Post 9-11 benefits, which includes checking character of discharge and the amount of credible service through the Department of Defense, results, can further delay the enrollment and registration of student veterans.
- Inconsistencies between the requirements for veterans' education benefits and those for Title IV cause challenges for institutions. A veteran who needs supplementary aid and wants to qualify for Title IV must register as degree seeking, even if he or she is seeking a credential that requires fewer courses.

As pointed out in the discussion regarding the complexity of education pathways taken by veterans, issues of transfer and transfer of credit pose a particular challenge for these mobile students. Department of Veterans Affairs has worked with the American Council on Education (ACE) to solve many of these challenges by providing recommended credits that can be awarded for military training and experience as well as resources to colleges and universities to assist in evaluating and accepting these credits and applying them toward degrees. Despite this work, schools report to us that challenges remain, including:

- Delays and difficulties in accessing information regarding postsecondary course work a veteran may have taken before military service to ensure transfer of these credits.
- No way to easily understand how acquired military credits translate into time to graduation.
- Delays and difficulties in determining remaining veterans' benefit entitlement when a veteran transfers. In midsemester, a veteran and his or her institution can often be surprised to learn that benefits are exhausted and the veteran faces a tuition bill.

Some of these challenges result from multiple programs with divergent requirements. The possibility of a new and additional GI Bill will simply add to complexity and the potential for confusion.

Individually, these procedures serve a purpose, but they could be greatly simplified to enable the enrollment of the veteran at the institution of his or her choice. One solution we recommend is two-fold: first, employ electronic document ordering capability in the eBenefits portal, enabling veterans to securely and privately send their benefits summary directly to the veteran's certification office of their chosen institution. Second, in collaboration with ACE, the Department of Veterans Affairs and the Department of Defense allow the Clearinghouse to be the repository of active duty and veteran competencies, academic credits, and credential aggregation providing a one-stop data shop for veterans to enable efficiency in enrolling in a postsecondary institution or applying for employment. Providing a way for a student veteran to authorize a secure eBenefit financial summary to be sent to an institution where they have applied would further facilitate the process.

Ensuring Successful Program Completion

One of the biggest barriers to completion we have heard from veterans and the institutions serving them is uncertainty and delays in tuition assistance requests and aid disbursement. Current remediable pain points include:

- Manual processes necessary for repetitive end-of-semester completion status reports, interim add/drop and major change processes, uploading of course catalogs, and constant reporting outside normal cycles; and
- Delays and uncertainty in determining entitlement balances.

Leveraging our Title IV experience, we can certainly enable a significant improvement in reporting these requirements, thereby allowing school staff to spend more time serving student veterans and allowing the veteran to be less focused on paperwork and more focused on classwork and homework. The manual processes we noted are very reminiscent of the challenges in the Title IV loan program which we were created to solve.

One available tool is our open source application, [Meteor](#), which provides an integrated view of student debt and could be connected to the VA benefits database to provide the veteran with an integrated view of all financial aid, debt, and benefits. This application could be leveraged to

provide an integrated financial snapshot of all benefits and aid in order to help financial aid administrators counsel veterans. Meteor displays real-time summary and detail loan information on a borrower's student loans from the various data providers in the Meteor Network. Secure, online access is available to students, borrowers, and financial aid professionals through a Meteor access provider. Individuals can see their cumulative debt and can utilize unique tools, such as payment plan and income-based repayment calculators, helping them to avoid over borrowing. Financial aid professionals can compare the information submitted for an individual borrower by all sources on the Meteor master screen, allowing them to pinpoint issues at specific organizations in order to assist students with problem resolution. Adding a link to the Department of Veterans Affairs and Department of Defense benefit databases would give the student veteran up-to-the-minute information without reporting delays. This would allow a veteran to register for courses with confidence without the risk of learning midsemester that his or her benefits had been exhausted.

Measuring Success

Educational success for veterans can only be measured by the answer to one question: did the veterans achieve the goals they intended when they enrolled. For many, this is an associates, bachelors, or graduate degree. For others, it may be a certificate of skills or similar credential that gives them entry to the workforce. Whatever the goal, veterans also face challenges staying enrolled due to re-mobilizations, employment changes, and family circumstances. Student veterans take longer to graduate, and change institutions more often, than traditional students. This not only makes it harder for the students to maintain momentum and focus on their goals, it also makes it harder for colleges, universities, and policymakers to track their progress and measure their success. For example, traditional reporting metrics, such as degree completion within 150% of normal program time, are clearly inadequate for student veterans. According to the Million Records Project, only 43% of student veterans who successfully completed an associate's degree did so within three years, while nearly one-third (31%) took more than six years. We assume that this is due to extensive stopouts, transfers and re-enrollments, but we do not know enough of the details to address the challenges. Those who

wish to serve veterans better, whether through campus support programs, college transfer policies or VA benefit policies, need better information in order to do so.

We need further research, like the Million Records Project, but with more details and greater focus, to determine which veteran support programs are working best to serve the needs of veterans today and which need to be improved or modified. We need to use longer tracking periods, with more term-by-term enrollment details, to fully capture the success of student veterans who stop-out and return to college, and to understand why not for those who do not return. And we need better information about the potential administrative and financial constraints that veterans face and their effect on student success to assess the effectiveness of veterans' education benefits programs. By combining the data of the Department of Veterans Affairs, Student Veterans of America, and the Clearinghouse in a manner similar to the collaborative model of the Million Records Project, additional breakthrough research could be accomplished within a year.

In particular, we propose a research project that would build upon the Million Records Project with more detailed data on individual enrollment patterns before, during, and after receiving VA benefits, with longer tracking periods to capture more of the range of successful degree pathways, and with additional data collected from colleges and universities on the types of support programs available to veterans at the specific institutions in which they enrolled. This would allow us to answer key questions like:

- How do the education success rates of student veterans compare to those of non-veterans of similar age, at similar institutions, and enrolled within similar time-frames?
- How do veterans' enrollment behaviors like stop-outs, transfers, and multiple-institution enrollments affect success rates?
- Where are focused interventions, such as reducing administrative burden, delivering more timely and accurate eligibility information, and streamlining benefit disbursement, likely to have the most impact?

- Which on-campus veterans support programs have the highest impact on success rates, both at the starting campus and at any subsequent institutions where a veteran transfers?

We firmly believe that student veterans should have a level administrative playing field with other students when it comes to attaining success in pursuit of their educational goals. One way to do this is to eliminate the extra hurdles that student veterans must overcome to certify their eligibility for benefits, access those benefits, and continue to receive those benefits. The second is to provide policymakers, institutions, and veterans with the research to enable them to assess what is working and what needs improvement. Providing these two types of support will increase the probability of success for all student veterans. Our veterans deserve our support to ensure that they can attain their education goals and successfully move into the workplace.

Thank you for the opportunity to speak with you today.

Curriculum Vitae Relevant to the Testimony of the
National Student Clearinghouse
Before the
House Veterans Affairs Committee Subcommittee on Economic Opportunity (EO)
“Defining and Improving Success for Student Veterans”

Ricardo D. Torres
President and CEO

Mr. Torres joined the National Student Clearinghouse as its President and CEO in 2008. The Clearinghouse, a nonprofit organization founded in 1993, is the nation’s trusted source for education verification and student educational outcomes research. Its participants include more than 3,600 U.S. colleges and universities. In the last year, the Clearinghouse processed over one billion digital transactions.

Prior to joining the Clearinghouse, Mr. Torres had a long and distinguished career in the private sector, both in the U.S. and abroad, including serving as COO at BestPractices, a nationally-recognized provider of emergency medicine and physician practice management, and COO of a division of Capital One (a financial services company). Mr. Torres has also held management positions in leading organizations such as PepsiCo and Philip Morris/Kraft Foods (now known as Altria Group). His diverse background includes financial and strategic planning, marketing and sales, general management, and executive leadership.

Mr. Torres is a board member of the John Tyler Community College Foundation, American Association of Community Colleges (AACCC), the National College Access Network (NCAN), and the Cesar Chavez Public Charter Schools for Public Policy. He also serves on the Advisory Board of Cohesive Knowledge Solutions (a knowledge management company). He was a recipient of the Washington Business Journal’s 2013 Minority Business Leader Award. Mr. Torres recently wrote an article, entitled “Barriers to Electronic Movement of Credentials,” which was published on September 10, 2013, in the Stanford University’s digital publication, *Transcending the Maze*. Mr. Torres holds an MBA in International Finance from Georgetown University and undergraduate degrees in both Marketing and Management from Manhattan College.

**Federal Contracts Relevant to the Testimony of the
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Before the
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“Defining and Improving Success for Student Veterans”**

The National Student Clearinghouse has a contract with the U.S. Department of Education to process weekly changes to the higher education enrollment status of direct loan recipients for the purpose of servicing these loans. The current annual contract amount is \$2,800,000.

2013 Memorandum of Agreement with the Veterans Benefits Administration for a) the transfer to and use of VA data by the National Student Clearinghouse for the purpose of a data match to support a postsecondary education completion database of Post-9/11 and Montgomery GI Bill beneficiaries, and b) providing these data services based upon funding provided by Student Veterans of America. There was no cost to the Department of Veterans Affairs or the Veterans Benefits Administration; however, the Student Veterans of America funded the research in the amount of \$286,521.