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# Federal Requirements for Student Consumer Information Transparency in Higher Education

In light of rising college costs and growing student loan debt, the availability of practical information about college costs, value, and quality has garnered congressional interest. Students and their families may consult various sources to inform their decisions about pursuing postsecondary education, such as publications with college rankings, school guidance counselors, or family and friends. The federal government also plays a role in ensuring student consumer information transparency in higher education. This In Focus describes statutory requirements of the Department of Education (ED) relating to student consumer information transparency, ED's implementation of these requirements, and some prevailing issues with and gaps in existing requirements.

## Existing Higher Education Act Transparency-Related Requirements

The Higher Education Act (HEA) is the primary federal law governing postsecondary education in the United States. It includes several requirements for ED-administered data collection and reporting on institutions of higher education participating in HEA Title IV student aid programs (e.g., Federal Pell Grants and Direct Loans) (IHEs). These requirements were designed to contribute to college transparency for students and their families in making decisions about applying to and attending college.

For example, Section 131 of HEA requires that ED establish definitions for and collect and publish data on, for each IHE, measures of tuition and fees and cost of attendance (COA) for full-time undergraduate students and the number of undergraduate students who received and their average amount of financial assistance.

Section 132(i) of HEA requires ED to annually collect and make publicly available other additional information on COA and financial assistance, such as COA for first-time, full-time undergraduates by whether they live on or off campus and information about annual grant aid awarded to undergraduate students, including by specific source of aid. Section 132(i) requires ED to collect other comprehensive information, such as

- **enrollment by student characteristics** (e.g., the percentages of first-time, full-time, or degree- or certificate-seeking students enrolled at an IHE, disaggregated by race and ethnic background);
- **graduation rates within expected time for degree completion** (e.g., the percentages of first-time, full-time, or degree- or certificate-seeking undergraduate students enrolled at an IHE who obtain a degree or certificate

within 100%, 150%, and 200% of the normal time for graduation from the student's program); and

- **number of degree completions** (e.g., the number of certificates, associate degrees, baccalaureate degrees, master's degrees, professional degrees, and doctoral degrees awarded by the IHE).

Section 132(i) authorizes ED to collect this information through the Integrated Postsecondary Education Data System (IPEDS) and requires ED to publish it on the College Navigator website (see "Administration of HEA Requirements"). In addition, ED must make available on College Navigator

- **college affordability and transparency lists**, which identify IHEs that are highest and lowest in metrics such as COA or net price for each academic year (§132(c));
- **state higher education spending charts**, which provide comparisons among states in changes in spending, tuition and fees, and the provision of state financial aid at public IHEs (§132(g));
- **a college pricing summary page** for each IHE, including key cost indicators (§132(i)); and
- **a multiyear tuition calculator**, developed by ED, to assist students and their families in estimating tuition and fees in future years (§132(j)).

Section 132(h) requires ED to develop a net price calculator that allows prospective students to enter information about themselves to obtain estimates of what they would likely pay to attend an IHE after factoring in any grants and scholarships. IHEs are required to make available a net price calculator, such as the ED-developed one, on their websites.

## Administration of HEA Requirements

ED's National Center for Education Statistics (NCES) and its Office of Postsecondary Education (OPE) play primary roles in administering HEA requirements relating to student consumer information transparency in higher education.

NCES annually administers the IPEDS through a series of 12 surveys. NCES uses IPEDS to collect from IHEs information required by Sections 131 and 132(i), as well as institutional data required by other statutes. In addition, Section 487 of HEA requires that an IHE enter into a program participation agreement (PPA) with ED to participate in Title IV student aid programs. A PPA is a document in which the IHE agrees to comply with the laws,

regulations, and policies applicable to Title IV programs. Failure to meet any PPA requirements may result in the loss of Title IV eligibility or other sanctions. Section 487(a)(17) requires that IHEs complete the IPEDS surveys as part of their PPA. NCES also administers the College Navigator website where it publishes data collected primarily through IPEDS, including data required under Sections 131 and 132(i).

OPE, with support from NCES, administers other Section 132 requirements, such as college affordability and transparency lists and state higher education spending charts, using data sourced from IPEDS. OPE created the College Affordability and Transparency Center (CATC) website to consolidate all of the statutorily required student consumer transparency resources, as well as the ones created administratively. For example, OPE created a Net Price Calculator Center to assist student consumers with locating individual institutional net price calculators. The College Navigator website includes a link to the CATC.

Other administrative student consumer transparency tools include the College Scorecard (Scorecard), which ED launched in 2015. ED intended it to note “key indicators about the cost and value of institutions” with an eye toward making institutional comparisons a more interactive experience. Unlike other student consumer information resources, the Scorecard does not source data primarily from IPEDS, which is largely limited to statutorily required data. Using administrative datasets, ED added measures of postgraduate earnings and student loan repayment outcomes to the Scorecard to complement data sourced from IPEDS. While the Scorecard includes data by field of study as well as by institution, availability is limited to estimates that are based on large enough cell sizes to minimize disclosure of information about an individual.

On October 10, 2023, ED published the Financial Value Transparency and Gainful Employment regulations. As part of the rule, IHEs must report student-level data on costs and student aid for each student receiving Title-IV aid for an applicable program of study. Additionally, under the rule, by July 1, 2026, ED is to establish a website that makes publicly available information about IHEs and applicable programs. On April 20, 2026, ED published a Notice of Proposed Rulemaking to update these reporting requirements.

### Current Student Consumer Information Transparency Approach Limitations

While implementation of existing HEA requirements contributes to increasing student consumer information transparency in higher education, limitations to this approach may prevent a student from obtaining complete and personalized information about college prices, outcomes, and value.

#### Incomplete Data Sources

The utility of existing transparency initiatives may be limited by the underlying data sources, which is primarily IPEDS. Because the institutional burden to report these data can be high, the IPEDS data collection generally hews closely to statutorily required data elements. That approach

may limit ED’s ability to produce information that more precisely reflects a student and their family’s specific circumstances. For example, relatively few data elements collected in IPEDS require disaggregation by race or ethnicity or by different income bands. Many statutorily required metrics concern first-time, full-time undergraduate students, not other student types (e.g., part-time students). Required COA metrics generally reflect published prices and do not account for institutional discounting practices or price reductions for individual students. In addition, IPEDS data are reported in the aggregate at the institutional level, not at the student-level, which restricts analyses examining relationships among different student characteristics, such as part-time status and income.

These data limitations are not unique to IPEDS. Similarly, the other administrative data utilized in the Scorecard are not reflective of the entire universe of students but are limited to Title-IV aided students. This could lead to the provision of earnings estimates that are biased in a non-random way.

#### Optimal Student User Experience

It is unclear to what extent existing student consumer information transparency resources are utilized by students and their families and whether such resources are viewed as helpful. One study found evidence to suggest that behavioral changes in where students applied to school may be related to the Scorecard, but there is little evidence from this study or elsewhere about actual user experience with the various resources. Some issues that may detract from a positive user experience could be (1) the extent of student and parent knowledge of these resources and how to access them; (2) whether each of the statutorily required and administrative transparency measures contribute to more informed decision-making among student consumers; (3) to what degree, if any, the various resources are duplicative in nature and contribute to student consumer confusion; and (4) whether the existing suite of resources could be streamlined to mitigate any such confusion.

#### Legislative Proposals

Various bills have been introduced in the 119<sup>th</sup> Congress to improve student consumer information transparency in higher education. The College Transparency Act (H.R. 4806 and S. 2511) would authorize ED to establish and maintain a secure, privacy-protected student-level postsecondary data system to enable the provision of complete and personalized information to students and more accurate analyses of higher education outcomes, costs, and financial aid. The Student Financial Clarity Act of 2025 (H.R. 6498) would replace most of the existing Section 132 requirements with the collection of detailed institution- and program-level measures that would be made publicly available on the Scorecard website. The Net Price Calculator Improvement Act (S. 1557) would require ED to develop a universal net price calculator that would generate personalized estimates of net prices across institutions based on a concrete set of student-user inputs.

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