**Prohibition of Federal Student Unit Record System**

*Statutory language:*

SEC. 134. DATABASE OF STUDENT INFORMATION PROHIBITED.

(a) PROHIBITION-- Except as described in subsection (b), nothing in this Act shall be construed to authorize the development, implementation, or maintenance of a Federal database of personally identifiable information on individuals receiving assistance under this Act, attending institutions receiving assistance under this Act, or otherwise involved in any studies or other collections of data under this Act, including a student unit record system, an education bar code system, or any other system that tracks individual students over time.

(b) EXCEPTION-- The provisions of subsection (a) shall not apply to a system (or a successor system) that—

(1) is necessary for the operation of programs authorized by title II, IV, or VII; and

(2) was in use by the Secretary, directly or through a contractor, as of the day before the date of enactment of the Higher Education Opportunity Act.

(c) STATE DATABASES-- Nothing in this Act shall prohibit a State or a consortium of States from developing, implementing, or maintaining State-developed databases that track individuals over time, including student unit record systems that contain information related to enrollment, attendance, graduation and retention rates, student financial assistance, and graduate employment outcomes.

**Encouragement for the Development of State Unit Record Data Systems**

*Statutory language:*

SEC. 136. STATE HIGHER EDUCATION INFORMATION SYSTEM PILOT PROGRAM.

(a) PURPOSE.-- It is the purpose of this section to carry out a pilot program to assist not more than five States to develop State-level postsecondary student data systems to—

(1) improve the capacity of States and institutions of higher education to generate more comprehensive and comparable data, in order to develop better-informed educational policy at the State level and to evaluate the effectiveness of institutional performance while protecting the confidentiality of students' personally identifiable information; and

(2) identify how to best minimize the data-reporting burden placed on institutions of higher education, particularly smaller institutions, and to maximize
and improve the information institutions receive from the data systems, in order to assist institutions in improving educational practice and postsecondary outcomes.

(b) DEFINITION OF ELIGIBLE ENTITY.--In this section, the term “eligible entity” means--

(1) a State higher education system; or

(2) a consortium of State higher education systems, or a consortium of individual institutions of higher education, that is broadly representative of institutions in different sectors and geographic locations.

(c) COMPETITIVE GRANTS.--

(1) GRANTS AUTHORIZED- The Secretary shall award grants, on a competitive basis, to not more than five eligible entities to enable the eligible entities to--

(A) design, test, and implement systems of postsecondary student data that provide the maximum benefits to States, institutions of higher education, and State policymakers; and

(B) examine the costs and burdens involved in implementing a State-level postsecondary student data system.

(2) DURATION- A grant awarded under this section shall be for a period of not more than three years.

(d) APPLICATION REQUIREMENTS.-- An eligible entity desiring a grant under this section shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary determines is necessary, including a description of--

(1) how the eligible entity will ensure that student privacy is protected and that individually identifiable information about students, the students' achievements, and the students' families remains confidential in accordance with the Family Educational Rights and Privacy Act of 1974 (20 U.S.C. 1232g); and

(2) how the activities funded by the grant will be supported after the three-year grant period.

(e) USE OF FUNDS-- A grant awarded under this section shall be used to--

(1) design, develop, and implement the components of a comprehensive postsecondary student data system with the capacity to transmit student information within a State;

(2) improve the capacity of institutions of higher education to analyze and use student data;

(3) select and define common data elements, data quality, and other elements that will enable the data system to--

(A) serve the needs of institutions of higher education for institutional research and improvement;

(B) provide students and the students' families with useful information for decision-making about postsecondary education; and
(C) provide State policymakers with improved information to monitor and guide efforts to improve student outcomes and success in higher education;

(4) estimate costs and burdens at the institutional level for the reporting system for different types of institutions; and

(5) test the feasibility of protocols and standards for maintaining data privacy and data access.

(f) EVALUATION; REPORTS.-- Not later than six months after the end of the projects funded by grants awarded under this section, the Secretary shall--

(1) conduct a comprehensive evaluation of the pilot program authorized by this section; and

(2) report the Secretary's findings, as well as recommendations regarding the implementation of State-level postsecondary student data systems, to the authorizing committees.

(g) AUTHORIZATION OF APPROPRIATIONS.--There are authorized to be appropriated to carry out this section such sums as may be necessary for fiscal year 2009 and each of the five succeeding fiscal years.