

Access & Persistence



ADVISORY COMMITTEE ON STUDENT FINANCIAL ASSISTANCE



MESSAGE FROM THE CHAIR

FALL 2005

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On September 8, 2005, in honor of the 40th anniversary of the Higher Education Act (HEA), the Advisory Committee held a symposium in Washington, D.C. to examine the extent to which all students, regardless of income, are able to access college and persist to degree completion. The symposium featured two prominent keynote speakers—Dr. Juliet V. García, president of the University of Texas at Brownsville, and Senator Jack Reed (D-RI)—in addition to numerous experts and scholars in higher education policy and research. Included in this issue of *Access & Persistence* are highlights from this symposium, as well as Dr. García’s remarks on the importance of policy research and financial aid in ensuring college enrollment and success for low-income students. Complementing these remarks are recent data demonstrating the significant impact of finances on enrollment and baccalaureate degree attainment.

Since the release of the inaugural issue of *Access & Persistence*, HEA reauthorization has taken two significant steps forward. Both the Committee on Education and the Workforce in the House of Representatives and the Committee on Health, Education, Labor, and Pensions (HELP) in the Senate have passed reauthorization legislation out of their respective committees. As reported in this issue, these bills contain a majority of recommendations made by the Advisory Committee, including the recommendation to create a reinvigorated access and persistence partnership and those related to simplification. We commend members of Congress and their staffs for their hard work on HEA reauthorization and look forward to continuing to provide technical assistance to Congress as it makes progress in advancing reauthorization legislation through conference.

The legislation passed by the Senate HELP Committee included two new major charges for the Advisory Committee: to conduct a long-term review and analysis of Title IV regulations and to examine the effectiveness of “innovative pathways” designed to increase the baccalaureate degree attainment rates of low-income students. A review of these two new charges is included in this issue.

In addition, this issue contains a description of the Advisory Committee’s new policy research activities aimed at enhancing access and persistence. Over the next year, we will conduct a comprehensive examination of how best to integrate early financial aid information into district-level high school reform initiatives and will also develop a primer for policy researchers on modeling access and persistence. Finally, a profile of Committee member Dr. Claude Pressnell, Jr., and other Advisory Committee announcements, can be found on page 12.

ACCESS AND PERSISTENCE SYMPOSIUM HIGHLIGHTS

When Lyndon Baines Johnson signed the Higher Education Act of 1965 into law, he noted that its intent was to ensure that “[a] high school senior anywhere in this great land of ours can apply to any college or any university in any of the fifty states and not be turned away because his family is poor.”

On September 8, 2005, the Advisory Committee held a symposium in Washington, D.C. to honor the 40th anniversary of the signing of this important piece of legislation and examine the extent to which current low- and moderate-income students can access college and persist to degree completion. The event brought together prominent scholars, researchers, policymakers, and practitioners. Through a series of four round-table discussions, participants addressed the current condition of access and persistence within the context of HEA, and the potential for reducing multiple barriers throughout the education pipeline. Panelists also examined strategies for intervening early and successfully, lowering work-loan burden and reducing financial barriers, and enhancing persistence and degree completion.

Each session featured a presentation by a prominent scholar, commissioned by the Advisory Committee to write a paper on a topic related to access and persistence. In addition, a panel of researchers and policymakers served as respondents during each of the sessions. **Dr. Donald Heller**, associate professor of higher education at The Pennsylvania State University, participated throughout the symposium and will serve as editor of the Advisory Committee’s forthcoming report, to be published in early 2006.

Keynote Speakers

The symposium also featured two keynote speakers:

Dr. Juliet V. García, president of the University of Texas at Brownsville, and **Senator Jack Reed (D-RI)**. Dr. García, a former chair of the Advisory Committee, commended the policy research community for continuing to examine the role of finances in determining access and persistence for low-income students and reminded the community of the importance of policy research and its potential impact. In addition, Dr. García described to the audience the impact that financial aid has on the lives of students, as she told the stories of students at the University of Texas at Brownsville who, in the absence of adequate

financial aid, would not have been able to complete their degree. (The full text of Dr. García’s remarks can be found on pages 4 and 5.)

Senator Reed also addressed the Advisory Committee and symposium participants, urging those in attendance to continue their work in developing policy solutions to enhance access and persistence. He commended the Advisory Committee for its work in this area, and discussed the two pieces of legislation—the ACCESS Act (S. 1029) and FAFSA Act (S. 1030)—that he sponsored, which contain a majority of the Advisory Committee’s recommendations. In his remarks, Senator Reed noted that too many students are underprepared, underfinanced, and overworked: “Too many individuals do not go to college because they simply cannot afford it and that is denying them opportunity and denying the nation their talent.”

Session Highlights

Throughout the symposium, panelists discussed the current condition of access and persistence, the financial barriers students confront in attempting to enroll and succeed in college, and the appropriate policy levers for reducing those barriers.

Session One. In the first session, **Mr. Jamie Merisotis**, president of the Institute for Higher Education Policy, discussed the existing HEA programs devoted to access and persistence and the high-level strategies required to ensure that the mission of HEA is fulfilled. He called on participants to avoid simply recommending new HEA programs as a way to enhance access and persistence and instead argued in favor of finding new ways to improve the coordination and integration of existing programs, and reinvigorate federal-state-institutional partnerships.

Following this presentation, **Dr. Michael McPherson**, president of the Spencer Foundation, discussed the current rates of college enrollment and degree attainment, and highlighted the persistent gaps in those rates by both income and race. For example, his data showed that gaps in enrollment rates by income have stayed the same over the last 25 years. His data also showed that only 54 percent of low-income students who entered a four-year college in 1995-1996 with the goal of attaining a bachelor’s degree had actually done so, compared to 77 percent of their high-income peers.



Senator Jack Reed (D-RI) with ACSFA Vice Chairperson, Judith Flink (left) and Deputy Director Nicole Barry (right)

In response, **Dr. Anthony Carnevale**, senior fellow at the National Center for Education and the Economy, commented on the implications of degree attainment disparities for the nation's workforce and economic development. As Dr. Carnevale noted, "now higher education is not only the preferred route to middle-class status, it is the only route." **Dr. Bridget Terry Long**, professor of education and economics at Harvard University's Graduate School of Education, also participated in this session, and discussed the policy benchmarks required to effectively measure rates of access and persistence.

Session Two. During the second session of the day, panelists addressed ways to enhance the effectiveness of early intervention programs. **Dr. Laura Perna**, associate professor of higher education at the University of Pennsylvania's Graduate School of Education, recommended several strategies for improving early intervention programs, including: beginning earlier in the education pipeline; intervening comprehensively; adapting programs to build on the cultural strengths of participants; targeting populations with the greatest need for program services; and collaborating with multiple providers.

The remarks by **Dr. William Tierney**, professor of higher education at the University of Southern California's Rossier School of Education, sparked discussion as to the potential benefits of providing low-income students with earlier financial aid information. Dr. Tierney recommended caution in providing such students with early information, and advocated for providing simple assurances of aid availability in the earlier grades and more specific information in the senior year. Other symposium participants generally agreed that earlier information about financial aid was necessary, but must be age-appropriate.

Dr. Joel Vargas, program director at Jobs For the Future, also discussed the components of effective early intervention programs. He suggested that policymakers use successful models, such as the Indiana 21st Century Scholars program, as a way to scale reform efforts and embed early intervention strategies within urban secondary schools.

Session Three. The third session of the day examined how to lower work and loan burden. **Dr. Sandy Baum**, professor of economics at Skidmore College, discussed increases in borrowing by low-income students and the impact of debt burden on both access and persistence. In response, **Dr. William Becker**, professor of economics at Indiana University, Bloomington, emphasized the need to use policy levers that the government can control, such as adequate grant aid, rather than those that can not be changed, such as parental education. Finally, **Mr. Tom Mortenson** of *Postsecondary Education OPPORTUNITY* urged participants to consider the stratification of higher education by income, and noted that such stratification will likely increase given current work-loan burden levels and projected changes in student demographics.

Session Four. In the final session of the symposium, **Dr. John Lee**, president of JBL Associates, presented strategies for enhancing degree completion. In discussing factors that influence student persistence, Dr. Lee noted that low-income students exhibit rational behavior in their enrollment and completion patterns, given the financial barriers to college. He advocated in favor of "increasing state pressure to improve persistence among at-risk populations."

In response, **Dr. David Breneman**, professor and dean of the Curry School of Education at the University of Virginia, noted that finances are even more important to access and persistence than scholars and policymakers may have initially thought and emphasized the enrollment and persistence challenges occurring on the state-level. **Ms. Colleen O'Brien**, director of the Pell Institute for the Study of Opportunity in Higher Education, highlighted the important role that institutions play in ensuring degree completion.

Finally, **Dr. Edward St. John**, professor of education in the Center for Higher and Postsecondary Education at the University of Michigan, commented on the challenges associated with conducting successful policy research on persistence and degree completion, and suggested using a "balanced access model" that incorporates both academic and financial variables.

The Higher Education Act (HEA) was signed into law on November 8, 1965 by President Lyndon Johnson. Its original intent was in large part to provide greater educational opportunity for needy students. At that time, millions of low-income students were completing high school prepared to attend college but, unlike their wealthier peers, could not afford to participate in the dream of higher education. Over the last 40 years, due largely to HEA, tens of millions of low- and moderate-income students have benefited from higher education who would otherwise not have been able to do so. I would suggest that the best way to honor HEA's accomplishments is by promising to continue the fight until its original intent is fully achieved.

Despite our best efforts, however, the access crisis that gave rise to HEA 40 years ago is unfortunately still with us today. Out of every one hundred 8th graders from low-income families, fewer than 10 will earn a bachelor's degree. In contrast, their peers from high-income families will succeed in doing so five times more often. Despite our hard work and best intentions, we continue to live in a society in which educational attainment, and all of the huge private and public benefits that derive from it, depend on family income—perhaps as strongly as ever. More distressing, there is little reason for confidence that this wide divergence in educational opportunity will narrow anytime soon and reason to fear that it might worsen.

One of the most rewarding things I have ever done was to have served on the Advisory Committee on Student Financial Assistance, especially as chairperson during the release of two outstanding publications: *Access Denied* and *Empty Promises*. This allowed me to see first hand how policy research can inform student aid policy and advance the cause of access and persistence for low- and moderate-income students. The majority of you are here today because of your past and continuing contributions to policy research in higher education and student aid. I encourage you to keep up the good work, and assure you that what you do matters greatly.

Why do I say this? Because there are two battles being waged on behalf of low-income students, neither of which we can afford to lose. The first battle is the familiar one: the never-ending fight for authorizations and appropriations in Washington and state capitals. As you know, we are in the middle of a tough HEA reauthorization and many of us will be satisfied just to hang on to what we have, while making marginal improvements for low-income students. We cannot afford to lose this struggle. The second and equally important battle is the one being waged for the hearts and minds of policymakers and the American people. That battle—to persuade all concerned of the importance of

college access and persistence—is one we cannot afford to lose either. And that is where you as policy researchers come in. We need your help to win that battle as well.

In that regard, one of the most important steps that you can take as policy researchers is to reject overly simple definitions of the problems we face, and the simplistic policy solutions that go along with them. As you know, access and persistence behavior is very complex: a sequential process beginning before middle school with numerous factors involved, many of which are interrelated. These factors, of course, include: family income and background, including parents' education; level of academic preparation, and adequate counseling and mentoring; quality and timing of information; the delivery system, including application forms and processes; and, last but not least, financial aid. Indeed, the behavior is so complex, the factors so numerous, their interactions often so inscrutable, that we will never know for sure exactly what factor affects what outcome for whom and how.

When we were writing the *Empty Promises* report in 2002, we tried to cut through this complexity by focusing on a subset of students: college-qualified high school graduates, as defined by NCES. We did this to control, as best we could, for all of the other factors that affect access *except* financial aid. The students we included in our estimates of losses were the cream of the K-12, low- and moderate-income student crop, all aspiring to attend a four-year college. There was no evidence that their decision to enroll or not in a four-year college was adversely affected by inadequate academic preparation, poor information or counseling, or the complexity of the aid application process. It appeared that their decision not to attend was primarily, if not solely, a function of the record-level financial barriers that they were up against at that time: over \$7,500 in work and loan burden even at public colleges. Those barriers are now approaching \$10,000.

The message of *Empty Promises* is not that financial aid is more important than family background, or parents' education, or academic preparation, or counseling, or information. Rather, the message is that inadequate financial aid, at the margin, has undermined all of our efforts and the hard work of students in all of the other areas, and—all things being equal—will continue to do so.

Let me share an example from my own campus. Recently, we looked at the progress of students at the university who had graduated from their respective high schools in the top ten percent of their class. They were academically prepared, entered right out of high school, and were performing well at our institution. Yet, over a six-year

period when all should have graduated with at least their bachelor's degree, half of them had stopped out due to financial reasons. In a community where barely half of the population over the age of 25 has a high school diploma and only thirteen percent have a bachelor's degree, I am sure you will understand that we cannot afford to lose even one college graduate, especially one who has done all of what we have asked him or her to do.

In its publication, "What Every Student Should Know About Federal Aid," the American Council on Education (ACE) illustrates that the financial aid packages of the lowest-income students living on-campus *at a state university* now includes over \$10,000 in annual work-loan burden. Thus, even if students are able to graduate in four years, cumulative debt could exceed \$30,000, unless hours worked are increased significantly, with likely adverse effects on academics. If it takes six years to graduate, as is often the case, cumulative debt could approach \$50,000. I don't have to tell you that this was not the original intent of HEA. Nor do I have to tell you that such barriers, if not lowered, will undermine all of our efforts in academic preparation, counseling, and information.

Let me close with two success stories—two cases in which available financial aid, combined with extraordinary effort on the part of the student, resulted in success. Alex Salinas is now a graduate student at the University of Texas at Brownsville. In 2004, when our institution went to the voters to ask them to tax themselves to help us grow the campus, Alex shared a story of hardship that sticks with me. When he was a little boy, he traveled with his parents to do migrant farm work. One day, he saw his mother tiredly massage her lower back to ease the strain. Alex said at that moment he decided he would not have to work in the fields, and he would help his parents to have a better life. He knew how important education would be in attaining those dreams, so he worked hard in school and was often sought out to represent students to important people.

When we asked him to meet the Commissioner of Higher Education for lunch, he wore a nice blue suit. Alex told the commissioner that there was a time when his parents bought him a suit to meet important people, but he had to leave the tag on so they could return it. He was proud that after earning his bachelor's degree and starting work, he would not have to return the suit that he was wearing. Alex completed his bachelor's degree with a combination of Pell Grants, loans, scholarships, and part-time work. He was an outstanding student leader who always participated in civic engagement projects so that he could be a role model for other students.

And then there is Jeanette Rosas who, when she was in high school, was told by her father that he wanted her to learn what she *didn't* want to do for the rest of her life. So he sent her to work on farms as a migrant worker in the

summers to earn her own tuition money. He was making the point that college was her one chance to better her life. And it worked. Jeanette recognized that she had to succeed not only for herself, but also to be a role model for her *hermanos* and *primos*. For five years, Jeanette served as a work-study student in the president's office where she has lived up to her reputation as the responsible one. In 2003, Jeanette graduated with a degree in business, a degree that she has put to use immediately in helping to expand her parents' home business, and she is now the full-time accounting technician in my office.

I wish Alex and Jeanette were here to tell you in their own words how extremely important financial aid is—especially grant aid—to the hardest working students. I am sure my friend, Mike McPherson, former president of Macalester College, one of the most selective liberal arts colleges in the nation, will tell you just how critically important the college's \$20,000 need-based grant is to the very best prepared low- and moderate-income students in the country. Just think how important financial aid must be to students like Alex Salinas and Jeanette Rosas.

The bottom line seems to me to be very simple: We can treat all of the other factors currently undermining access and persistence—academic preparation, counseling, and information—but if we continue to require Herculean effort by students like Alex and Jeanette, if we continue to force them to work and borrow as much as is required today, we will be facing the same access and persistence problem two decades from now. The policy research community must not lose sight of this message, must not get bogged down in arguments about which factor is most important: family background, academic preparation, information or financial aid. All of the factors are important and none can be left out, especially financial aid. The nation needs a comprehensive strategy and approach that addresses all the factors simultaneously.

It is important for the policy research community to carry that message forward, and insist that we as a nation must renew our commitment to access and persistence through the kind of partnership that HEA envisions: one led by the federal government working in tandem with states, colleges, and private parties. If we do so, we will indeed achieve HEA's original intent and make good on the promises we made to low-income students 40 years ago.

Dr. Juliet V. García is President of The University of Texas at Brownsville and former Chair and Vice Chair of the Advisory Committee on Student Financial Assistance.



IS FINANCIAL AID ADEQUATE? WHAT DO THE DATA SHOW?

Each year billions of dollars in need-based grant aid are distributed to low- and moderate-income students by the federal government, states, colleges, and private sources. These grants are intended to ensure access and promote persistence among students with demonstrated financial need. Ideally, if grant aid is adequate in helping needy students meet college costs, financial barriers in the form of work and loans will be minimized, and enrollment and degree completion by family income among those who are college qualified will be equalized. But what do the data show?

Steep Financial Barriers

Throughout the 1990s, low-income students faced steep financial barriers *net of all grant aid* at four-year colleges: over \$7,500 at public four-year colleges and over \$11,000 at private colleges (Table 1). For academically prepared, low-income students, who aspired to attain a bachelor's degree, these financial barriers may have discouraged both enrollment and persistence. Even for their peers from families with moderate income, who receive only limited need-based grant aid, financial barriers were comparably high and their effects nearly as serious.

Unequal Access by Family Income

In the face of such barriers, family income remained a powerful determinant of who enrolled in a four-year college throughout the 1990s—even among college-qualified, high school graduates. Table 2 shows that:

- Only **57 percent** of college-qualified, high school graduates from families with incomes less than \$20,000 were able to enroll in a four-year college while **79 percent** of their peers from families with incomes \$50,000 and over were able to do so; and
- **22 percent** from families with incomes less than \$20,000 were unable to enroll in any college compared to only **5 percent** of their peers from families with incomes \$50,000 and over.

Thus, these data show that throughout the 1990s total grant aid from all sources was not sufficient to minimize financial barriers and equalize enrollment opportunities between adequately prepared high school graduates from low- and middle-income families.

Unequal Persistence by Family Income

Large income-related disparities in access—enrollment opportunities by type of college—throughout the 1990s translated into even larger disparities in completion of a bachelor's degree. Table 3 shows that:

- Only **38 percent** of college-qualified, high school graduates from families with incomes less than \$20,000 were able to complete a bachelor's degree, while **71 percent** of their peers from families with incomes \$50,000 and over were able to do so; and
- Even among those students whose parents had attended college, only **41 percent** from families with incomes less than \$20,000 were able to complete a bachelor's degree compared to **74 percent** of their peers from families with incomes \$50,000 and over.

The available empirical evidence strongly suggests that throughout the 1990s unequal access by family income—caused by inadequate total grant aid from all sources—led to unequal persistence by family income, as measured by bachelor's degree attainment among college-qualified, high school graduates. The data also show that the often-heard contention that there is no access problem—just a persistence problem—is fundamentally incorrect.

Financial Barriers in the Future

Current financial barriers net of all grant aid are at an all time high. Table 4 shows that the average work and loan burden facing students from the lowest income families was **\$8,867** in 2004. As net prices rise, the adverse effects on the access and persistence rates of academically prepared and well-informed students from families with incomes under \$50,000 can be expected to increase as well. Thus, significant improvements in academic preparation and information, while needed, will not eliminate income-related differences in educational opportunity without additional grant aid to lower financial barriers.

The potential adverse effects of these barriers on long-term economic growth, income inequality, and national competitiveness in the world economy will be addressed in the Advisory Committee's 2006 report.

**EXHIBIT ONE: THE IMPACT OF FINANCIAL BARRIERS
ON ACCESS AND PERSISTENCE**

**TABLE 1: WORK AND LOAN BURDEN FACING
LOW-INCOME UNDERGRADUATES, IN 1992 AND 1999**

(Constant 1999 Dollars)

Type of College	1992	1999
Public Two-Year College	\$6,238	\$6,391
Public Four-Year (Comprehensive and Baccalaureate College)	\$7,521	\$7,528
Private Four-Year (Comprehensive and Baccalaureate College)	\$11,261	\$11,450

Source: Advisory Committee on Student Financial Assistance, *Empty Promises*, 2002

**TABLE 2: ENROLLMENT PATTERNS OF
COLLEGE-QUALIFIED 1992 HIGH SCHOOL GRADUATES, BY 1994**

Family Income in 1988	Type of First Institution by 1994		
	4-Year	Less Than 4-Year	None
Less than \$20,000	57.2%	20.7%	22.1%
\$20,000 - \$34,999	59.6%	25.7%	14.7%
\$35,000 - \$49,999	65.7%	23.7%	10.6%
\$50,000 and above	78.6%	16.9%	4.5%

Source: NELS:88/92. Analysis by JBL Associates

**TABLE 3: BACHELOR'S DEGREE ATTAINMENT RATES OF
COLLEGE-QUALIFIED 1992 HIGH SCHOOL GRADUATES, BY 2000**

Family Income in 1988	Percent Earning Bachelor's Degrees By 2000		
	All Students	Students Whose Parents Did Not Attend College	Students Whose Parents Did Attend College
Less than \$20,000	38.4%	32.9%	41.1%
\$20,000 - \$34,999	46.1%	38.2%	48.7%
\$35,000 - \$49,999	55.5%	43.9%	59.9%
\$50,000 and above	71.4%	60.5%	73.7%

Source: NELS:88/2000. Analysis by JBL Associates

**TABLE 4: STUDENT WORK/LOAN BURDEN AND FAMILY NET PRICE
FACING DEPENDENT STUDENTS AT 4-YEAR PUBLIC COLLEGES, IN 2004**

Parents' Income	Cost of Attendance	Expected Family Contribution	Total Grants	Student Work/Loan Burden*	Family Net Price**
\$0-9,999	\$15,054	\$ 221	\$5,966	\$8,867	\$9,088
\$10,000-19,999	\$14,191	\$ 655	\$5,841	\$7,695	\$8,350
\$20,000-29,999	\$14,538	\$ 1,542	\$5,300	\$7,696	\$9,238
\$30,000-39,999	\$14,638	\$ 3,016	\$3,697	\$7,925	\$10,941
\$40,000-49,999	\$14,721	\$ 4,869	\$2,531	\$7,321	\$12,190

Source: NPSAS 2004. Analysis by Tom Mortenson

* Cost of attendance minus expected family contribution minus total grants; **Cost of attendance minus total grants

ACSFA RECOMMENDATIONS IN HEA REAUTHORIZATION

The Advisory Committee's recommendations for HEA reauthorization fall into two major categories:

- Simplification, consisting of nine proposals to simplify the aid application process that were a product of a Congressionally mandated study in 2004, and
- A proposal to create a new national access and persistence partnership, as recommended in a letter to the Senate in May 2003.

These ten recommendations were presented together in the Advisory Committee's final report on simplification, *The Student Aid Gauntlet: Making Access to College Simple and Certain*. Both House and Senate authorizing committees have passed reauthorization bills and are now preparing those bills for floor consideration and for conference. The following provides a brief overview of the Advisory Committee recommendations included in each reauthorization bill.

In the House

On Thursday, July 21, 2005, the House Committee on Education and the Workforce passed its HEA reauthorization bill, H.R. 609. During the markup, **Representatives Howard "Buck" McKeon (R-CA), Tim Ryan (D-OH), and John F. Tierney (D-MA)** offered a bipartisan amendment to the bill that included a majority of the Advisory Committee's cost-neutral recommendations from the *Student Aid Gauntlet* report, which was unanimously agreed upon. During the markup, Education and Workforce Committee members commended this amendment, indicating that this legislation would increase access to college by simplifying the aid application process.

H.R. 609 would implement key Advisory Committee recommendations, such as allowing more low-income students to access highly simplified financial aid application forms by creating a paper EZ FAFSA and aligning eligibility for the automatic zero Expected Family Contribution (auto-zero EFC) and the Simplified Needs Test (SNT) with eligibility for other federal means-tested programs, such as food stamps or the free lunch program. The bill would also reduce the "student work penalty," by increasing the Income Protection Allowance (IPA) for dependent students to \$3,000. In addition, it would clarify the definition of

an independent student to include students in foster care, addressing confusion currently created by the use of the term "ward of the court." H.R. 609 would also allow students to submit a FAFSA before January 1 and would reinstate the "early analysis" process, thereby allowing students to receive an estimate of their EFC at any time. Additionally, the bill would tailor FAFSA on the Web to a student's state of residence and increase the availability of electronic forms to low-income students.

Although H.R. 609 includes many of the Advisory Committee's simplification recommendations, it does not include the recommendation to create a new access and persistence partnership.

In the Senate

The Senate HELP Committee passed its HEA reauthorization bill, S. 1614, on September 8, 2005. A substitute of this bill, attached to the HELP Committee's budget reconciliation legislation, was passed out of committee on October 18. The bipartisan bill, sponsored by HELP Committee chairman **Senator Michael Enzi (R-WY)**, and ranking member **Senator Edward M. Kennedy (D-MA)**, includes several key Advisory Committee recommendations. Like the House bill, the Senate's legislation would create a paper EZ FAFSA for low-income students, align eligibility for the auto-zero and SNT with eligibility for other federal means-tested programs, allow students to apply for aid earlier, and improve the on-line FAFSA.

In addition, the Senate bill would allow more low-income students to automatically qualify for the maximum Pell Grant by raising the auto-zero income threshold to \$20,000. It would also reduce the work penalty by raising the IPA for all students and establish a comprehensive system of financial aid information.

Grants for Access and Persistence

The Senate bill would also implement the Advisory Committee's recommendation to create a new national access and persistence partnership. The partnership is designed to leverage federal funds in order to encourage states to create public-private collaborations that increase college enrollment and success for low-income students. The Advisory Committee's partnership proposal was developed in 2003 as a

EXHIBIT 2: ACSFA RECOMMENDATIONS IN HEA REAUTHORIZATION

RECOMMENDATION	Senate Bill	House Bill (H.R. 609)
1. Create a System of Early Financial Aid Information	●	◐
2. Make Federal Need Analysis Transparent, Consistent, and Fair	◐	◐
3. Expand Existing Simplification to More Students	●	◐
4. Allow All Students to Apply for Financial Aid Earlier	◐	◐
5. Make the FAFSA Relevant and Understandable	◐	◐
6. Create a Simpler Paper Form for Low-Income Students	●	●
7. Phase Out the Full Paper Form and Increase Use of Technology	●	◐
8. Simplify and Streamline FAFSA on the Web	●	●
9. Simplify the Verification Process		
10. Create a National Access and Persistence Partnership	●	

◐ = Partial implementation; ● = Full implementation

a comprehensive and viable solution to the inadequate access and persistence rates of low-income students, as demonstrated in the *Access Denied* and *Empty Promises* reports. The partnership proposal is designed to bring together all the various stakeholders in a state dedicated to improving college access and success, including colleges, philanthropic organizations, private corporations, and early intervention or mentoring programs. The partners would pool together their resources in order to provide low-income students with support in all areas that research shows determine greater success in college: adequate grant aid, an early notification of their eligibility for such aid, and mentoring and support services. Modeled after existing successful state programs, such as Indiana’s 21st Century Scholars program, the proposal is designed to integrate and strengthen existing programs and more effectively leverage limited federal and state resources for low-income students.

The Senate bill implements this partnership proposal by reinvigorating the Special Leveraging Educational Assistance Partnership (Special LEAP) program with a new program called Grants for Access and Persistence (GAP). GAP was originally included in the Accessing College through Comprehensive Early Outreach and State Partnerships, or ACCESS, Act (S.1029), a bipartisan bill introduced by **Senator Jack Reed** (D-RI) and co-sponsored by **Senators Kennedy, Susan Collins** (R-ME), and **Patty Murray** (D-WA).

Under GAP, the federal government would reward states with higher levels of federal matching dollars than under Special LEAP. Currently, under Special LEAP, the federal government provides \$1 for every \$2 the state provides. Under GAP, states would receive \$1 or \$1.50 in federal matching funds (depending on the size of the partnership) for every \$1 the state contributes. In exchange, states would coordinate partnerships with institutions, philanthropic groups, and private entities in the state to provide low-income students with supplemental grant aid, an early notification of their aid eligibility, and academic mentoring and support. Through the larger federal matching share and the broader partnerships, GAP is designed to strengthen existing early intervention, college access, and financial aid programs, such as those in Indiana, Washington, and Oklahoma.

Next Steps in Reauthorization

Together, the House and Senate HEA reauthorization bills would implement, partially or in full, nine out of the Advisory Committee’s ten recommendations to Congress. As the two bills are modified during the reconciliation process, and undergo changes during floor consideration and in conference, the Advisory Committee will continue to provide technical assistance to both the House and the Senate in resolving major differences between the two reauthorization bills.

NEW LEGISLATIVE CHARGES FOR THE ADVISORY COMMITTEE

The HELP Committee's reauthorization bill also expands the Advisory Committee's role and responsibilities, charging the Committee with two new studies: the first involves an examination of innovative ways to reduce financial barriers and increase bachelor degree attainment rates and the second entails evaluating and analyzing ways to streamline regulations governing federal financial aid.

Innovative Pathways Study

This study, officially titled "The Study of Innovative Pathways to Baccalaureate Degree Attainment," asks the Advisory Committee to examine new or existing programs designed to increase the number of students who earn bachelor's degrees. In conducting the study, the Advisory Committee may examine:

- Programs that allow high school students to receive college credit, such as dual enrollment programs and early college high schools;
- Initiatives at community colleges designed to increase baccalaureate degree attainment, such as those that allow two-year institutions to offer bachelor's degrees and that encourage matriculation from two-year to four-year colleges;
- Articulation agreements, and compressed or modular scheduling; and
- Simplification of the need analysis process or changes to the Pell Grant program.

The Senate bill outlines four primary objectives for this study, including determining:

- "The impact of such programs on baccalaureate degree attainment rates;
- The degree to which a student's total cost of attaining a baccalaureate degree can be reduced by such programs;
- The ways in which non-traditional students can be specifically targeted by such programs; and
- The cost-effectiveness for the Federal Government, States, and institutions of higher education to implement such programs."

Recommendations based on the findings of this study will be delivered in a final report to Congress and the Secretary of Education three years after the HEA reauthorization bill is enacted into law.

Title IV Deregulation Initiative

The Senate bill also asks the Advisory Committee to evaluate and analyze regulations governing federal financial aid and determine how to streamline such regulations. This initiative was originally included in the Higher Education Simplification and Deregulation Act of 2005 (S. 1261), introduced by **Senator Lamar Alexander** (R-TN) in June.

The Senate reauthorization legislation modifies the provisions in S. 1261 and charges the Advisory Committee with convening at least two expert panels in order to review and analyze Title IV regulations and make recommendations to Congress and the Secretary on action that could be taken to reduce unnecessary regulations. According to the Senate's bill, the expert panels would work with the Advisory Committee to determine whether a regulation is duplicative, no longer necessary, inconsistent with other federal requirements, or overly burdensome.

The expert panels would be made up of representatives of groups directly involved in Title IV student financial aid programs, such as loan, grant, work-study, and early intervention programs, and of individuals that have experience in related areas, such as: financial assistance operations, institutional eligibility requirements, and regulations for the dissemination of financial aid information to students.

Following the completion of the negotiated rulemaking process for amendments made to HEA during this reauthorization, the Advisory Committee will submit a report to Congress and the Secretary detailing the expert panels' findings and recommendations for reducing unnecessary or overly burdensome Title IV regulations.

The Advisory Committee will conduct the regulatory review and analysis while continuing to fulfill its other responsibilities to Congress related to access and persistence for low- and moderate-income students, and while completing its other charge from the Senate related to innovative pathways to degree attainment.

NEW POLICY RESEARCH INITIATIVES

The Advisory Committee has launched two exciting initiatives that will aid K-12 and postsecondary efforts to increase college access and persistence for low- and moderate-income students. One project is designed to improve access strategies that target high school students. This initiative, “Linking Early Information to High School Reform,” aims to identify innovative strategies for integrating early financial aid information and awareness into high school reform efforts. The second project, “A Primer on Modeling in Access and Persistence for Low-Income Students,” is designed to provide the policy research community with a guidebook that identifies the underlying nature of access and persistence behavior, common methodological errors made in research, and appropriate modeling and analytical techniques.

Early Information and High School Reform

Across the nation, K-12 educators are involved in high school reform efforts that typically focus on school accountability and student achievement. In several school districts, administrators have linked these efforts to improve student achievement and high school graduation rates with district-wide efforts to develop a college-going culture among all students.

Through examining these district-wide college access models, the Advisory Committee will:

- Highlight early awareness initiatives that provide age-appropriate financial aid information to high school students, and
- Analyze efforts to systematically integrate financial aid information and early notification of aid eligibility into district-level college access and high school reform policies and programs.

The Advisory Committee hopes that this research will identify the essential components of a system of early financial aid information and appropriate strategies for implementing such a system. The purpose of this study is to answer some important research questions about the role of early financial aid information in college access. By the end of the study, we expect to provide superintendents and middle and high school leaders with “best practices” for integrating early financial aid information programs into their high school reform agendas. The Advisory Committee will

coordinate the project and will commission experts and researchers in high school reform and college access to complete its components.

Primer on Modeling in Access and Persistence

Within the next decade, the number of high school graduates is expected to swell to unprecedented levels, thereby increasing the demand for postsecondary education. Demographic trends suggest that a substantial proportion of these students will be from low- and moderate-income backgrounds. Given these two realities—increasing demand for postsecondary education and the increasing number of college-qualified high school graduates—the importance of policy research in analyzing access and persistence for low- and moderate-income students is critical.

As a contribution to the policy research community, the Advisory Committee will develop a guidebook, “A Primer on Modeling in Access and Persistence for Low-Income Students.” Building upon generations of research that have advanced the study of college access and persistence, this guidebook will:

- Suggest new policy research questions;
- Review common methodological errors; and
- Outline appropriate methodological techniques.

Taken together, these three components will help policy researchers formulate appropriate research strategies for studying emerging cohorts of low- and moderate-income students. The primer will be made available electronically at no cost to the policy research community and to relevant graduate programs. The Advisory Committee plans to contract with three prominent researchers to produce the primer:

- Dr. William Becker, professor of economics at Indiana University, Bloomington
- Dr. Edward St. John, professor of higher education at the University of Michigan
- Dr. Donald Heller, associate professor of higher education at The Pennsylvania State University

The primer will be the centerpiece of a series of seminars, held at graduate school programs in higher education administration and policy research across the country, dedicated to improving the quality and policy relevance of access and persistence analyses.

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members and staff

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Dr. Claude O. Pressnell, Jr.
**President, Tennessee Independent
Colleges and Universities Association (TICUA)**

Dr. Claude Pressnell, first appointed to the Committee in 2003 by the United States Senate, is a native Kansan and has spent nearly 20 years in higher education administration. As the president of TICUA (www.ticua.org) and founder and CEO of the Tennessee Student Aid Alliance, Dr. Pressnell engages Tennessee's private colleges and universities to work collaboratively in areas of public policy, cost containment, and professional development in order to better serve the state and its citizens. In doing so, he works closely with TICUA's Board of Directors, comprised of member college presidents and corporate and civic leaders. Under Dr. Pressnell's leadership over the past five years, TICUA has worked to increase annual state funding of need- and merit-based student aid for students attending private colleges and universities by over \$30 million per year, provided over \$4 million in cost savings, and raised over \$3 million in general support for its members.

Prior to joining TICUA, Dr. Pressnell served as director of admissions, marketing, and student affairs at Southwest Baptist University in Missouri. He is the author of numerous publications on higher education and holds a Doctorate in Higher Education Administration/Educational Leadership from Vanderbilt University (Peabody College). While attending Vanderbilt, he served as the director of financial assistance and assistant professor of religion at Belmont University. Dr. Pressnell was founding executive director of the Institute for Family Studies and executive director of the Tennessee Foundation for Independent Colleges. He currently serves as an advisor on higher education reform in the Balkan region of Europe and on the Strategic Planning Team for the University of Prishtina, Kosovo. Dr. Pressnell is married to the former Kristina Falcone and is the father of five children.

ACCSFA Announcements

- On September 26, in a unanimous vote, **Mr. Clare M. Cotton** and **Ms. Judith N. Flink** were re-elected as Committee chair and vice chair.
- **Dr. Claude O. Pressnell, Jr.** was recently reappointed to the Advisory Committee to serve a three-year term that expires in September 2008.
- The Advisory Committee will issue its **next report** in early 2006.
- The Advisory Committee is currently seeking to hire one or more **Assistant Directors** and **Policy Interns** to work with the Executive Director and Deputy Director as part of a small multidisciplinary team in support of the Committee's priorities and objectives. For more information, please see the job descriptions on our website (below).

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