

Access & Persistence



ADVISORY COMMITTEE ON STUDENT FINANCIAL ASSISTANCE



MESSAGE FROM THE CHAIR

As issues of college affordability continue to drive the policymaking agenda, the Advisory Committee is actively engaged in efforts to ensure that policymakers and postsecondary leaders acknowledge the financial challenges low- and moderate-income students encounter, and that they create policies to reduce these barriers. The Committee is currently monitoring student aid proposals that have been introduced by Congress and the Administration. We look forward to assisting Congress as members work to reauthorize the Higher Education Act and on other efforts to reduce financial barriers for low- and moderate-income students.

The Committee's most recent report, *Mortgaging Our Future: How Financial Barriers to College Undercut America's Global Competitiveness*, continues to receive positive attention from members of Congress, the higher education community, and the media. In recent months, Advisory Committee members and staff have had numerous opportunities to discuss the report's findings and implications with congressional staff, the Coalition of Higher Education Assistance Organizations (COHEAO), the Tennessee Higher Education Commission (THEC), and the Southern Association of Student Financial Aid Administrators (SASFAA), to name a few. It is truly energizing that so many of our nation's postsecondary leaders recognize the need to do their part to reduce financial barriers to college, especially for college-qualified low- and moderate-income students.

The Committee is also involved in three congressionally requested studies, the topics of which are college textbook costs, simplification of the expected family contribution (EFC), and early financial aid information. The textbook affordability study was requested by Rep. Howard P. "Buck" McKeon (R-CA), former Chair of the House Education and Labor Committee, and Rep. David Wu (D-OR). In December, the first field hearing for the textbook study was hosted at my home institution, the University of Illinois at Chicago. This hearing also featured an afternoon panel of postsecondary leaders from Illinois, who gathered to discuss the implications from our report, *Mortgaging Our Future*, on postsecondary planning and policy within the state. In this issue of *Access & Persistence*, we provide a summary of the Chicago field hearing. The Advisory Committee is holding two additional textbook hearings in the districts of Reps. McKeon and Wu—the Santa Clarita, California hearing was held on March 5, and the Portland, Oregon hearing will be held on April 13. The EFC simplification and early financial aid information studies fall under the umbrella of the Committee's Innovative Pathways to Baccalaureate Degree Study (IP). We are making significant progress on both. Recent activities related to the early financial aid information study are detailed in this issue. All three will be featured at the Committee's national hearing in June 2007 in Washington DC. ♦

WINTER 2007

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TEXTBOOK STUDY HEARING AGENDA: SANTA CLARITA, CALIFORNIA

In May 2006, U.S. Representatives Howard P. “Buck” McKeon (R-CA) and David Wu (D-OR) asked the Advisory Committee to conduct a one-year study with three objectives: to investigate further the problem of rising textbook prices; to determine the impact of rising textbook prices on students’ ability to afford a postsecondary education; and to make recommendations to Congress, the Secretary, and other stakeholders on what can be done to make textbooks more affordable for students.

As part of the study, the Advisory Committee hosted the second of three public hearings on Monday, March 5, 2007 at College of the Canyons in Santa Clarita, California. The first hearing was held at the University of Illinois at Chicago on December 18, 2006, and the third will be held at Portland State University in Portland, Oregon on April 13, 2007. The Santa Clarita, California hearing included testimony from organizations and individuals from around the country who are currently working to make textbooks more affordable. See the chart below for a brief description of the sessions and the panelists. Information gathered will be used to inform recommendations in the final report, due to Congress by May 2007. A summaries of the California and Oregon field hearings will be included in the Spring issue of *Access and Persistence*. ♦

SESSION I

Congressionally Requested Study to Make College Textbooks More Affordable

This session featured presentations by stakeholders working in a variety of ways to make textbooks more affordable.

Dr. Steven Boilard, Director of Higher Education, California Legislative Analyst’s Office

Mr. Hal Plotkin, President, Board of Trustees, Foothill-De Anza Community College District

Dr. Martha Kanter, Chancellor, Foothill-De Anza Community College District

Mr. Robert Strong, General Manager, San Francisco State University Bookstore, San Francisco State University

Ms. Beth Asmus, Dean of Special Programs, Financial Aid Office, College of the Canyons

Mr. Thomas Scotty, Vice President, Sales and Operations, Bedford, Freeman, and Worth Publishing Group

Mr. Thomas Bauer, Director of Auxiliary Services, San Mateo County Community College District

SESSION II

Public Comment

This session was devoted to presentations by members of the public who wished to provide comment on issues related to the textbook study.

Mr. Leon Marzillier, President, District Academic Senate, Los Angeles Community College District

Mr. Jeremy Mills, Chair, Legislative Affairs, California State Student Association

Ms. Aimee Marie Munoz-Lopez, Chair, Textbook Affordability Committee, Associated Students of UC Davis & Co-Coordinator of the Affordable Textbooks Campaign, California Public Interest Research Group

Don Newton, General Manager, City College of San Francisco Bookstores

Mr. Sean W. Wakely, President, Thomson Arts & Sciences

Dr. Diana Watkins, Computer Networking Professor, College of the Canyons

TEXTBOOK STUDY HEARING SUMMARY: CHICAGO, ILLINOIS

The first of three field hearings to gather information and commentary on the Advisory Committee's congressionally requested textbook study was held at the University of Illinois at Chicago on December 18, 2006. In addition to sessions on the textbook study, the Chicago field hearing devoted its final session to commentary on its recently released report, *Mortgaging Our Future: How Financial Barriers to College Undercut America's Global Competitiveness*. The hearing's first session brought together administrators, faculty, students, and other postsecondary personnel, as well as publishers, policy analysts, and state higher education representatives to ensure that a broad range of perspectives was heard on what can be done, and is being done, by different stakeholders to reduce the financial burden of textbooks on students. The second session of the hearing allowed various stakeholders to provide additional points of view on textbook costs to Advisory Committee members. The hearing's third session offered members of the higher education community an opportunity to provide feedback on *Mortgaging Our Future*.

Session I: Congressionally Requested Textbook Study

Ms. Bonita "Bonnie" Elmore, Assistant Manager, Textbook Services, Southern Illinois University, Edwardsville (SIUE), described SIUE's undergraduate rental program, established in 1957. All students are charged a mandatory rental fee on their tuition bill. Of the revenue generated, 85 percent is used to purchase rental books, and the remaining 15 percent pays for administrative expenses. Three-year course adoptions help to reduce expenses; however, the startup costs for a similar system would be \$800 to \$1,000 per student.

Mr. Robert P. Carlock, Vice President of Finance and Administration, Rend Lake College, discussed the textbook rental system launched there in 1998 in response to student concerns. Rend Lake charges students per book, rather than levying a mandatory fee, but the semester cost to students is comparable to that of SIUE. Also similar is the course adoption period of three years. The rental system has made textbooks more accessible to students: in the past, many students had not purchased textbooks or had shared them.

Ms. Carolyn Kruse, Director and Senior Academic Librarian, College Library, University of Wisconsin, Madison, spoke on the role of libraries and course reserves in offsetting textbook costs. In the spring of 2005, a taskforce at the university launched an initiative to provide more reserve copies of high cost course textbooks, that is, defined as those priced at more than \$100. To fund this, the library has worked with the development office to identify appropriate gift funds. The cost per semester

has ranged from \$1,500 to \$3,000, with cumulative costs of \$10,000. Student reserve use has increased.

Dr. Craig Martin, Ecological Plant Physiology Professor and Chair, Ecology and Evolutionary Biology Department, University of Kansas, spoke about his efforts as a faculty member to reduce textbook costs. Multiple strategies have been used, among them library reserves, custom textbooks, and e-reserve sites; however, the most successful was bargaining with multiple publishers over a text for a large survey course. After several rounds of negotiation, the cost of the desired text was reduced from \$90 to \$49, although Dr. Martin was required to sign a three-year contract and agreed to let the text be issued as a special edition.

Mr. Tom Doran, Co-Founder and CEO of Freeload Press, presented information on his company, which provides free downloads of e-textbooks. Technology is in place to change the delivery model of textbooks, including near-universal computer access, broadband, and the systems precedent of the music industry. In addition, advertisers want to reach college students, who represent complicated media buys. The solutions Freeload Press offers are free e-textbooks supported by advertisers, as well as inexpensive ad-free options. Advertisement is limited to full-page ads placed at appropriate breaks in the text; there are no pop-ups or fly-ins. E-textbooks are attractive to advertisers because they are required reading, are heavily trafficked by users, and can offer interactive features.

Dr. Cheryl Maplethorpe, Director, Financial Aid Division, and Ms. Emily Kissane, Policy Analyst, Minnesota Office of Higher Education, made a joint presentation on the development of the Minnesota Textbook Taskforce, which began operation during the 2006 legislative session in response to student lobbying efforts. A report was released in February 2007 that focused on best practices. The report explains the dimensions of the cost issue, marketplace workings, and the importance of faculty in the purchasing process.

Mr. Donald Sevener, Director of External Relations, Illinois Board of Higher Education, provided information on the textbook study underway in Illinois, which is examining the financial feasibility of rental programs at public colleges and universities. Among the draft report's principal findings are that successful rental programs must

charge mandatory fees to cover annual operating costs, and initial funding must meet the costs of implementing a rental program at all Illinois public colleges, estimated at \$200 million. The draft report is now available on the Board of Higher Education's website.

Ms. Ashley Dearborn, Student, Wilbur Wright College, offered insight into community college efforts to make textbooks more affordable. The most significant initiative implemented at Wilbur Wright has been placing ISBNs in most class schedules, especially those with high cost books, giving students time to comparison shop. In addition, the campus sponsors various raffles for which the prizes are \$100 book vouchers. Other efforts include student book exchanges and posting textbook resources on campus websites.

Session II: Public Comment and Discussion

Mr. Matthew DeRosa, Student Board Member, Illinois Board of Higher Education, discussed the 2005 textbook cost report of the board's student advisory committee, which recommended that institutions explore rental programs, post syllabi prior to the beginning of the semester, expand reserve collections, and encourage earlier submission of book orders. Recommendations for the state included requiring publishers to sell products unbundled and sell scaled-down versions of texts, as well as eliminating sales tax on textbooks. The report found that the most effective means of reducing costs is requiring disclosure of retail prices and edition change details by publishers.

Mr. Nathan Lustig, Co-Owner, ExchangeHut.com, provided information on his student-run online book-swap website that originated at the University of Wisconsin, Madison. The site acts as an interface between students offering books for sale and those looking for books to buy. When an offer is selected, ExchangeHut emails contact information to both parties, and the students complete the transaction. In August 2006, ExchangeHut expanded to 39 schools around the country. In January 2007, three new features will be added, including a national student-to-student textbook exchange, links to affiliate websites, and an inventory search of local bookstores. Through ExchangeHut, students can save

35 percent over bookstores, and 10 percent over other online vendors.

Mr. Scott Formo, President, Minnesota State College Student Association (MSCSA), discussed MSCSA's work as part of Minnesota's taskforce on textbook costs, chiefly projects such as public forums and surveys. Through forums, two schools are attempting pilot programs in book exchange and book rental. In addition, MSCSA conducted a textbook survey at its fall 2006 leadership conference that found that over 50 percent surveyed prefer electronic texts, and the same percentage want textbook costs included in overall college tuition. A report based on the MSCSA survey will be posted on its website.

Mr. Barry Major, President, Used Textbook Association, spoke on his organization's mission to increase the supply of used textbooks through market-based solutions fostering competition and consumer choice. Used textbook supplies can be raised and costs lowered if textbook adoptions are timelier, unnecessary new editions are limited, and bundling is eliminated. Built-in obsolescence should also be reduced, including tear-out material, embossed covers, and unbound textbooks, as there is no buy-back value for these items.

Mr. Trevor Montgomery, President, Students for Access and Affordability in Higher Education, University of Illinois

at Chicago, presented recommendations for faculty from a committee formed in February 2006 to examine textbook costs. Among these were raising faculty awareness of prices, especially of bundled materials and commercial websites. Timely submission of book orders was emphasized, and faculty were advised to place orders through campus bookstores as those profits reduce student fees. In closing, Mr. Montgomery urged the Advisory Committee to look into the feasibility of federal disclosure legislation as a means of providing faculty with appropriate information on textbooks.

Mr. Edward Stanford, President, McGraw-Hill Higher Education, spoke on best practices by educational publishers, which include research on student work flow in order to understand use patterns, and on adaptation to different learning styles and abilities. Publishers must continue to work with a national community of instructors in order to maintain faculty course standards. However, publishers should also continue to maintain and expand options such as e-books, custom books, and no-frills editions.

Session III: *Mortgaging Our Future*

Dr. Barbara Henley, Vice Chancellor for Student Affairs, University of Illinois at Chicago (UIC), said that the losses described in *Mortgaging Our Future* are alarming and must be stemmed. To increase access, UIC allocates a proportion of each tuition increase for student financial aid. Higher education leaders must work together to show the public that higher education is a societal good.

Mr. Larry Matejka, Executive Director, Illinois Student Assistance Commission (ISAC), and former Assistant Vice Chancellor at the University of Illinois, Urbana-Champaign, noted that the title of the Committee's report is an apt description of the current state of higher education. Despite targeting resources carefully, ISAC has had to focus on the primary charge of its legislative mandate, providing access to higher education for those who could not otherwise attend, rather than its secondary charge to provide choice among institutions.

Dr. Z. Clara Brennan, President, St. Augustine College, noted that, in line with the policy implications of *Mortgaging Our Future*, St. Augustine has not raised tuition for the last three years in order to contain costs for students. As a minority-serving institution, St. Augustine is concerned that as Hispanic populations increase in size in Illinois and many are unable to attain a postsecondary degree, education levels will decline, as will tax revenues, and economic competitiveness will be affected.

Dr. Jerry Weber, President, Kankakee Community College (KCC) identified three policy implications in *Mortgaging Our Future* relevant to community colleges: strengthening early intervention programs, reducing barriers to transfer, and reinvigorating the access

partnership. He suggested further research into the number of two-year college students who find gainful employment upon graduation, as well as the cost/benefit of two-year colleges providing capstone degrees.

Dr. Steven Timmermans, President, Trinity Christian College, urged use in the report of the term "developmental education" in place of "remedial education" because of the negative connotations of the latter. He also observed that many merit-based scholarships are designed to target families making just above \$38,000, and suggested the report's language should state that universities direct more merit-based aid toward the gap area.

Mr. Alan Robertson, Vice President for Administration and Financial Affairs, Chicago State University (CSU), said that data from *Mortgaging Our Future* shows why CSU has always had low graduation rates. Graduation rates are tracked among first-time, full-time freshman, who number only 500 of every 1,000 graduating students at CSU, yet many students who fail to graduate from CSU eventually graduate from other institutions.

Mr. David W. Tretter, President, The Federation of Independent Illinois Colleges and Universities, said that in Illinois many students assess the financial aid packages offered them at even the lowest cost institutions and walk away. Illinois is having a difficult time producing enough graduates qualified to meet the needs of major employers, provoking concerns about economic competitiveness. ♦

A more detailed summary of the hearing can be accessed on the Advisory Committee's website at www.ed.gov/ACSFA.

UPCOMING ADVISORY COMMITTEE HEARINGS

To complete the congressionally requested textbook study, the Advisory Committee will hold an additional field hearing in April 2007, and will present its final report on the subject at its biannual meeting in June 2007. The Committee's first field hearing on the textbook study was held on December 18, 2006 in Chicago, Illinois and is summarized on pages three through five of this issue of *Access and Persistence*. The second field hearing, at College of the Canyons in Santa Clarita, California, was held on March 5, 2007, and a hearing agenda is posted on page two of this issue; a summary will appear in the next issue. Details on the final hearings relative to the textbook study are below. Please check the Advisory Committee's website for registration details as they become available: www.ed.gov/acsfa. ♦

Portland, Oregon Hearing

Portland State
University

Friday
April 13, 2007

Save the Date

In this third and final regional hearing for the congressionally requested textbook study, the Advisory Committee will hear from a range of stakeholders who are working to make textbooks more affordable. Congressman Wu will provide the keynote address for this hearing in his district.

Save the Date

At the biannual Advisory Committee public hearing, one session will be dedicated to discussing the final report on the textbook study, which will be delivered to Congress prior to the hearing. Leaders from the higher education community and textbook industry will respond to the report. Additional hearing sessions will focus on two components of the Advisory Committee's three-year Innovative Pathways Study: the EFC study and the early financial information study.

Washington DC Hearing

Holiday Inn
on the Hill

Tuesday
June 5, 2007

INNOVATIVE PATHWAYS UPDATE: EARLY INFORMATION STUDY

Low- and moderate-income students and families need essential financial aid information early enough to help them plan for college. In an effort to improve the quality, timing, and dissemination of early financial aid information, the Advisory Committee is examining promising practices in high schools and early intervention programs across the nation. The goal of the Early Financial Aid Information Study is to develop a model for policymakers and practitioners to adopt when establishing an effective system to provide early financial aid information.

Framework of Financial Aid Information

Through an extensive literature review and in-depth interviews with college access providers from a variety of programs, the Committee has developed a framework of four key financial aid information elements that it believes vital to share with students and families before they begin the college application process:

- **Benefits of Higher Education:** the economic and social benefits associated with higher education and various professions, including increased income, improved health, and greater civic involvement.
- **Costs of College:** alleviation of the confusion surrounding college costs and reduction of the negative impact a lack of information has on college enrollment and persistence.
- **Paying for College:** funding an education requires

a reliance on many sources—federal and state governments, institutions, private scholarships, and personal financial resources.

- **Timing and Process:** ensuring college affordability requires a firm knowledge of the steps necessary to receive financial aid.

The Advisory Committee believes that providing the information in each of these categories will ensure that every student has a realistic understanding of the advantages and costs associated with attending higher education as well as the knowledge necessary to finance it. An integrated, systematic method of delivering complete information about financing a postsecondary education is more effective than the current system of informing families about some of these vital components but excluding others.

Partnership with the National College Advising Corps

The Advisory Committee is also collaborating with the National College Advising Corps, comprised of recent college graduates, who will serve as full-time college counselors in public secondary schools in an effort to raise the college-going rate. The program is modeled after the University of Virginia's College Guides Program, and is supported by the Jack Kent Cooke Foundation and the National College Access Network. The Advisory Committee's Framework of Financial Aid Information will be used to train the Corps members on financial aid information and processes during a summer training institute. These counselors, in turn, will apply the

knowledge outlined in the framework to educate students and families on college readiness, specifically as it relates to financial aid. Additional training resources were gathered through focus group conversations with college access practitioners. These individuals, representing access programs sponsored by high schools, school districts, guaranty agencies, postsecondary institutions, federal and state organizations, and other non-profit groups, shared insight on the appropriate timing and delivery of early financial aid information and effective implementation strategies.

The study's final report will provide policymakers and practitioners with recommendations to enhance the quality and timing of early financial aid information. It will include the necessary framework of information for practitioners, resources for programs to use, and promising practices. The final report will present the National College Advising Corps as an effective model for providing early financial aid information. ♦

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Ms. Norine Fuller

Executive Director

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Washington DC Office

Ms. Norine Fuller was appointed by the Speaker of the House in December 2001 and reappointed in October 2004 for a term that expires in September 2007. Ms. Fuller is currently Executive Director of the FIDM Washington DC office, as well as Executive Director of Student Financial Services for all four of FIDM's California campuses. FIDM is a co-educational, specialized, private college dedicated to educating students for the fashion, graphics, interior design, and entertainment industries. FIDM offers 15 majors, a two-year associate of arts degree, and advanced programs. It serves 5,500 full-time students and 250 faculty, providing flexible schedules for students pursuing study abroad. FIDM also sponsors an annual nationally televised and internationally webcast debut fashion show. Ms. Fuller currently serves as a member of the Kennedy Center's National Committee for the Performing Arts, on which she represents the state of Virginia. She has been a two-term Secretary of Education appointee to the National Advisory Committee on Accreditation and Institutional Eligibility. She has also developed and funded national student loan default management seminars, books, and videos with educators, lenders, guaranty agencies, and the U.S. Department of Education. Ms. Fuller has testified on higher education issues before the U.S. House of Representatives and the U.S. Senate. She has been a member of several professional organizations, including the Coalition of Higher Education Assistance Organizations (COHEAO), and the U.S. Department of Education Negotiated Rulemaking Team. She holds a BA in sociology from the University of California, Los Angeles. ♦

ACSFA Announcements

- On February 28, 2007, Mr. Juan O'Connell, a fourth-year student at Georgia Institute of Technology, was appointed by the Secretary of Education to the Advisory Committee to serve a three-year term ending September 30, 2009.
- On February 1, 2007, Don Bouc, President Emeritus of the National Education Loan Network (Nelnet) resigned from the Advisory Committee on Student Financial Assistance. Mr. Bouc, a Secretary of Education appointee, began his service on October 1, 2001. His efforts over the past six years added significantly to the Committee's ability to discharge its responsibilities across a broad range of policy issues, particularly those relating to access and persistence to postsecondary education for low- and moderate-income students. We will miss his presence as a member of the Committee and wish him continued success.
- ACSFA is seeking to hire an **Assistant Director** and **Graduate Research Assistant** to work as part of a small multi-disciplinary team. For more information, please see the job descriptions on our website.

The Advisory Committee on Student Financial Assistance (Advisory Committee) is a Federal advisory committee chartered by Congress, operating under the Federal Advisory Committee Act (FACA); 5 U.S.C., App. 2. The Advisory Committee provides advice to the Secretary of the U.S. Department of Education on student financial aid policy. The findings and recommendations of the Advisory Committee do not represent the views of the Agency, and this document does not represent information approved or disseminated by the Department of Education.

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