

Access & Persistence



ADVISORY COMMITTEE ON STUDENT FINANCIAL ASSISTANCE



MESSAGE FROM THE CHAIR

Over the past several months there has been significant activity in higher education. President Obama's new Secretary of Education Arne Duncan laid out the Administration's priorities for student financial assistance, and Congress began the process of enacting these into legislation. The recently passed *American Recovery and Reinvestment Act of 2009* allocates significant funds for student aid that will enhance the ability of low- and moderate-income students to afford and remain in college. Community colleges are expected to benefit greatly from aid that may be available through the *Workforce Investment Act*. The efforts of community colleges to encourage access and persistence among low- and moderate-income students who aspire to an eventual bachelor's degree have been a focus of two Advisory Committee reports in the *Innovative Pathways* series. As the spring and summer progress, the Committee will review and monitor these policy priorities and the manner in which they affect Committee charges and studies.

The past several months have seen considerable activity by the Committee as well. The Advisory Committee is moving forward with two charges that require significant public outreach—the *Higher Education Regulations Study* (HERS) and the *Condition of Access and Persistence Study* (CAPS). While the congressional directives for HERS require the establishment of review panels for community input on higher education regulations, CAPS requires an analysis of available data on access and persistence at the federal and state levels. The Advisory Committee is currently contacting state agencies and reviewing the collection parameters of various state and federal databases. The Committee's goal is to correlate parallel data in order to produce findings on access and persistence that are as accurate as possible. An article in this issue of *Access & Persistence* describes the Committee's progress to date.

The Committee has also moved forward with the formation of regulations review panels composed of representatives from various sectors of the higher education community required for the HERS study. This issue contains an overview of review panel members. In addition, this issue of *Access & Persistence* also describes the Committee's approach to simplification initiatives at the Department of Education that the Committee is charged to monitor.

These activities will require significant engagement with and by the higher education community, and the Committee looks forward to the opportunity to actively engage both policymakers and practitioners. The Committee will also continue to monitor issues related to the impact of the current economic crisis on student aid, including the effects of the stimulus. And, as always, the Committee stands ready to serve the informational and technical assistance needs of the new Administration and Congress. ♦

WINTER 2009

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UPDATE: HERS REVIEW PANELS

Through the *Higher Education Opportunity Act*, the Advisory Committee has been charged with conducting a review and analysis of higher education regulations and with delivering a report and periodic updates to Congress over a three-year period. The resulting study will be called the *Higher Education Regulations Study* (HERS), and the statutory language describing the study in general calls for recommendations to help streamline regulations from all sectors. However, HERS will be informed by multiple, interrelated requirements that will include: monitoring future regulations, developing a website for the purpose of information sharing among stakeholders, convening review panels, providing the report and updates, and consulting with relevant parties.

The provision to convene review panels specifies that the Committee is to convene at least two review panels of higher education representatives, including individuals involved in Title IV student financial assistance programs who have experience with federal regulations that affect all sectors of higher education. The panels will be charged with reviewing current regulations and providing recommendations to the Committee with respect to streamlining regulations. In addition, review panelists will reach out to their various constituencies for suggestions and ideas about particular regulations that need to be streamlined.

The Advisory Committee is currently in the process of convening the first panel, which will review Title IV regulations and will meet in 2009. The Committee has confirmed the following panelists who, collectively, represent the interests of major stakeholders in higher education.

HERS Review Panel: Title IV Regulations

Student Representative

Angela Peoples

Legislative Director

United States Student Association

Four Year Public Institutions

Sarah Bauder

Director of Student Financial Aid

University of Maryland, College Park

Four Year Private Institutions

Dr. Terri Standish-Kuon

Vice President, Communications & Administration

Commission on Independent Colleges and Universities

Community Colleges

Linda Michalowski

Vice Chancellor of Student Services & Special Programs

California Community Colleges Systems Office

Proprietary Institutions

Richard (Rick) Jerue

President

Art Institute of Charleston

State Grant Program Agency

Ms. Christine Zuzack

Vice President for State & Special Grant Programs

Pennsylvania Higher Education Assistance Agency

The Advisory Committee looks forward to working with the Title IV review panel to seek its recommendations on streamlining higher education regulations in order to inform the final HERS report, which is due to Congress no later than two years after the negotiated rulemaking process for the Higher Education Act reauthorization is complete. Periodic updates on HERS will be released during that time period. ♦

APPROACH TO SIMPLIFICATION CHARGES

In its 2005 report, *The Student Aid Gauntlet: Making Access to College Simple and Certain*, the Advisory Committee outlined ten simplification recommendations, nine of which have been adopted in legislation. More recently, the *Higher Education Opportunity Act of 2008* provides for a continued role for the Committee in the simplification of student aid in that the Secretary of Education is directed to consult, as appropriate, with the Committee in carrying out two efforts.

Early Application and Estimated Award Demonstration Program

- ◆ This program would allow dependent students to apply for federal, state, and institutional financial aid using information from two years prior to enrollment, and receive an estimated determination of such aid no later than one year prior to their planned enrollment in an institution of higher education.
- ◆ The demonstration program would measure the benefits of early application in terms of student aspirations and plans to attend college, and any adverse effects in program costs, integrity, distribution, and delivery of financial aid.
- ◆ The Secretary must implement this program no later than two years after the enactment of the *Higher Education Opportunity Act*.

Reduction of Income and Asset Information to Determine Eligibility for Student Aid

- ◆ The Government Accountability Office (GAO) will lead this study and convene a study group consisting of the following persons: Secretary of Education, Secretary of the Treasury, Director of the Office of Management and Budget (OMB), Director of Congressional Budget Office (CBO), higher education officials, state chief executive officers, and other designated officials.
- ◆ Together, this group will work to meet the study's specific objectives: to make the FAFSA easier to complete, to identify formula changes that reduce the required amount of financial aid information without significantly redistributing federal aid, and to review and propose ways to address state and institutional data needs.
- ◆ In addition, prior to the completion of the study, the Secretary is directed to continue to examine whether data from the IRS could be used to pre-populate the FAFSA or generate an EFC without additional action from the student and taxpayer.

Advisory Committee staff will provide technical assistance to Department of Education staff, as appropriate, in the design, implementation, analysis, and recommendations of these two efforts. The Committee's approach to simplification is grounded in the realization that there is an interdependency among system components and changes, meaning that a seemingly simple change can trigger a chain reaction that might result in increases in program costs, redistribution effects, issues with program integrity, and complexity for students and families. Therefore, in monitoring and evaluating the technical aspects of simplification proposals, the Committee will consider multiple implementation outcomes, such as whether the proposal would benefit students and families, increase or decrease program costs, redistribute program funds, enhance or undermine program integrity, and/or improve or reduce delivery efficiency.

Progress on the abovementioned projects and other student aid simplification initiatives will be reported to Congress periodically. Next steps for the Department, the Committee, and the higher education community involve feasibility testing of proposals; formation of a current picture of the aid application process; and the involvement of states and institutions in the design, execution, and interpretation of these proposals and evaluations. ◆

CAPS: TRENDS IN ACCESS AND PERSISTENCE

In 2006, the Advisory Committee delivered a report to Congress and the Secretary of Education entitled *Mortgaging Our Future* (MOF) that described how financial barriers to college undercut America's global competitiveness. The report projected that record-high prices for four-year public colleges net of all grant aid could lead to as many as **2.4 million** bachelor's degrees being lost this decade, as the number of high school graduates increases and academic preparation improves. An update in May 2008 revised the estimate upward to **3.2 million**. The Committee's *Condition of Access and Persistence Study* (CAPS), the result of HEA reauthorization, is based upon these earlier findings.

Emerging Trends

The MOF report noted that bachelor's degree losses could prove to be lower than projected if net prices fall for the rest of the decade, or improved academic preparation leads to higher enrollment and/or persistence rates at four-year colleges.

Trends in Net Price—While the latest data on net prices will not be available from the National Center for Education Statistics (NCES) until later this spring, data on tuition and fees from the College Board's 2008 *Trends in College Pricing* show that average tuition and fees at a four-year public institution rose from \$5,600 in 2003-04 to \$6,600 in 2008-09. If grant aid from all sources does not fully offset these increases for low- and moderate-income students, then net prices are unlikely to fall this decade and may actually rise.

Trends in Enrollment—The MOF update in 2008 announced final enrollment data for the high school class of 2004. It found that between 1992 and 2004, a major shift in enrollment away from four-year colleges and toward two-year colleges occurred among college-qualified low- and moderate-income families.

Trends in Persistence—Preliminary estimates calculated using NCES data on beginning postsecondary students suggest that persistence of low- and moderate-income college-qualified students may not have improved from the 1990s through the current decade. In fact, for low-income students who had begun at a four-year institution and had taken at least Algebra II, the three-year persistence rate appears to have fallen from 86 percent to 81 percent; for those who had taken at least Trigonometry, the rate appears to have fallen from 91 percent to 82 percent.

So far, the current trends in net price, enrollment, and persistence appear troublesome, and the situation could become even worse given the current economic climate.

The Condition of Access and Persistence Study (CAPS)

The *Higher Education Opportunity Act of 2008* (HEOA) directs the Advisory Committee to continue to monitor these trends. Fulfilling this charge will entail monitoring federal, state, and institutional databases; reviewing research efforts on the adequacy of grant aid, enrollment, and persistence; analyzing recent data on college enrollment and persistence; and developing recommendations to advance access and persistence across institutions. HEOA also directs the Advisory Committee to report annually from 2009 through 2014 to provide Congress and the Secretary of Education a snapshot of the current condition of access and persistence. ♦

TECHNICAL ASSISTANCE: ROLE OF ACSFA

For over twenty years, the Advisory Committee has provided expert, nonpartisan advice and technical assistance to both Congress and the Secretary of Education. The Committee was established by the United States Congress as part of the 1986 reauthorization of the Higher Education Act (HEA), and it serves as an independent source of advice and counsel to Congress and the Secretary of Education on student financial aid policy, particularly as related to federal policy under Title IV of the HEA. The Committee provides nonpartisan expertise and advice on multiple matters related to student aid, with a particular emphasis on the maintenance of access to college for low- and moderate-income students.

Advisory Committee members and staff provide relevant expertise on a wide range of topics, including:

- ◆ Federal, state, and institutional programs of postsecondary student assistance
- ◆ Systems of need analysis and application forms
- ◆ Standards by which financial need is measured in determining eligibility
- ◆ Student aid delivery
- ◆ Modernization of student financial aid systems and use of technology
- ◆ Student financial aid information resources and services
- ◆ Data collection needs and student information requirements
- ◆ Early intervention programs
- ◆ Studies, surveys, and analyses of student aid programs, policies, and practices
- ◆ Partnerships: federal and state governments, institutions, and private entities
- ◆ Legislative and administrative policy proposals
- ◆ Federal regulations and proposed regulations.

In addition to routine support for ongoing matters and by congressional request, the Advisory Committee has provided technical assistance through three reauthorizations of the Higher Education Act. As a result of the most recent reauthorization of the HEA, the Committee has been charged with multiple new studies and tasks described in previous issues of *Access & Persistence*. The Committee stands ready to assist both the new Congress and the incoming Secretary with any technical assistance needs relative to student financial assistance. ◆

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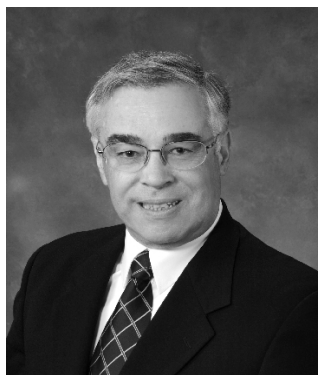
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MEET AN ADVISORY COMMITTEE MEMBER



Mr. Joseph A. Russo Director Student Financial Strategies University of Notre Dame

Mr. Joseph Russo was appointed by the Secretary of Education in October 2007 to serve a term that expires in September 2010. He currently serves as the Director, Student Financial Strategies at the University of Notre Dame (Notre Dame) and was appointed Director of Financial Aid at Notre Dame in 1978 after serving in similar capacities at Le Moyne College and Genesee Community College in upstate New York. Mr. Russo, now in his 43rd year as a financial aid administrator, has served as a consultant to a number of organizations, including The College Board and the U.S. Department of Education, and was the Editor of the National Association of Student Financial Aid Administrators' *Journal of Student Financial Aid* from 1986 until 2007. He has coauthored two books on student aid for Random House and another book, entitled *Student Financial Aid: Lessons for the UK from the US*, was published in 2007 by The Centre for Higher Education Studies at Oxford. He was a charter member of the NCAA Committee on Financial Aid and Amateurism and serves on the Board of Directors for the Marine Corps Scholarship Foundation, The Independent 529 Plan, and Scholarship America. In addition, he has testified before the U.S. Senate and U.S. House of Representatives on major public policy issues related to student aid. In 2004, The College Board inducted him into the College Scholarship Service's Hall of Fame, and, in the summer of 2006, he served as a fellow at New College, Oxford University and as a consultant for higher education pricing and student aid policies for the United Kingdom. He is a graduate of Le Moyne College and Syracuse University and was named an honorary alumnus of Notre Dame in 1992. ♦

ACSFA Announcements

The Advisory Committee is pleased to welcome two new staff members: **Mr. Wendell D. Hall** as Associate Director and **Mr. Brent Madoo** as Assistant Director. Mr. Hall is currently completing his doctorate in education policy and leadership, specializing in higher education, at the University of Maryland, College Park. Mr. Madoo received a master of public policy degree from George Mason University in 2007 and has worked, most recently, as a policy and data analyst for the New York City Department of Education.

Mr. Robert Shireman has resigned as a member of the Advisory Committee in order to serve as a consultant in higher education to the new U.S. Secretary of Education, Arne Duncan. We will miss his contributions to the Committee, but wish him success with his new responsibilities and in his future endeavors.

Staff member **Ms. Julie Johnson** left the Committee in January to take the position of Deputy Director of the Community College Initiative, University of the District of Columbia. We wish her the best in her new position.

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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