

Access & Persistence



ADVISORY COMMITTEE ON STUDENT FINANCIAL ASSISTANCE



SPRING 2009

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Available for
Public Comment

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MESSAGE FROM THE CHAIR

As the summer progresses, the Advisory Committee will be preparing materials for Congress related to the *Higher Education Regulations Study* and the *Condition of Access and Persistence Study*. Charges for both studies stem from the *Higher Education Opportunity Act* (HEOA). The Committee hopes this information will prove valuable to Congress as it prepares legislation to assist America's needy students.

The congressional directives for the regulations study require the establishment of review panels and a website for community input on higher education regulations. The first review panel, on Title IV regulations, met on April 9, 2009, in Washington DC to discuss the approach to these tasks. The panel, composed of representatives from all sectors of the higher education community, developed parameters for a website to collect public comment on regulatory streamlining, [a website that is now live](#). The first phase of public comment will end on July 15, 2009. At that point, the Committee will gather what it has learned and assess how to move forward. This issue of *Access and Persistence* contains information on the higher education regulations website.

Also contained in this issue are details of the Committee's progress to date on its mandated access and persistence study. The Committee will utilize eleven federal longitudinal databases from the National Center for Education Statistics (NCES) to analyze trends in enrollment, persistence, and net price for low- and moderate-income students. Specifically, these data build upon the analyses conducted in the Committee's prior report, *Mortgaging Our Future: How Financial Barriers to College Undercut America's Global Competitiveness* (2006). The findings will be used to develop recommendations for Congress, annually through 2014, to advance access and persistence to higher education. This issue describes the databases the Committee plans to use to complete its first report.

Given the current economic climate, low- and moderate-income students confront even more challenges as they attempt to enroll and persist in college. The budget process, which contains numerous higher education provisions, is currently underway. An article describing the major proposals of and timeline for the FY2010 budget process, as well as an update on negotiated rulemaking, can be found in this issue.

The President and Congress face many challenges as the budget process moves ahead, and these deliberations will influence Title IV student assistance for years to come. Throughout both the budget process and the implementation phase of HEOA, the Committee is prepared to provide informational and technical assistance, as necessary, to Congress and the Administration on student aid issues. ♦

HERS REGULATORY REVIEW WEBSITE AVAILABLE FOR PUBLIC COMMENT

On May 20, 2009, the Advisory Committee on Student Financial Assistance launched the *Higher Education Regulations Study* website, mandated through the *Higher Education Opportunity Act*, in which Congress directed the Advisory Committee to collect public comment on higher education regulations. The purpose of the regulations study, which consists of multiple components, is to identify those regulations in higher education that are duplicative, no longer necessary, inconsistent with other federal regulations, and/or overly burdensome. The website is part of a broader congressional charge that the Advisory Committee conduct a thorough review and analysis of higher education regulations and deliver periodic updates to Congress over a three-year period.

Background on Public Comment Website

The Advisory Committee is encouraging the public to help identify Title IV higher education regulations that are duplicative, no longer necessary, inconsistent with other federal regulations, and/or overly burdensome by visiting the following site:

[Community Suggestions Website](#)

The Advisory Committee will use this information to provide a comprehensive report to Congress and the Secretary of Education on streamlining regulations from all sectors in higher education. The initial focus of this review will be on Title IV. Preliminary analysis of public comment on Title IV regulations will begin on July 15, 2009.

In addition to the public forum on the website, the Advisory Committee has convened a review panel of experts from the higher education community who are experienced with federal regulations to aid the study. Collectively, the panelists have experience within the major sectors in higher education: students, community colleges, four-year public colleges, four-year private colleges, proprietary schools, and state grant programs. Panelists were selected for their expertise and their ability to reach out to and stimulate broad involvement of the higher education community. The Committee has asked that each panelist reach out to his or her community for suggestions and ideas about particular regulations. A list of the panelists, including brief bios, can be found on the following page.

The Advisory Committee's charge is not the first federal regulatory review of higher education. In 1999, an initiative of the Department of Education was conducted, entitled *Student Financial Assistance Regulatory Review*. In 2001, *Upping the Effectiveness of our Federal Student Aid Programs* (FED UP) was initiated by Representatives Howard P. (Buck) McKeon and Patsy Mink. These two reviews covered only regulations created in the 1990s and the early part of this decade, and significant pieces of legislation related to higher education have passed into law since then, on which the current Committee analysis will focus.

The Advisory Committee will provide a full report on the [Higher Education Regulations Study initiative](#) to Congress no later than two years after the Department of Education's negotiated rulemaking process for the *Higher Education Opportunity Act* is complete. This report will detail the review panels' findings and recommendations with respect to the review of regulations prescribed in statute.

Background on Title IV Panelists

Ms. Sarah Bauder, Director of Student Financial Aid, University of Maryland, College Park: Ms. Bauder has worked in financial aid for 17 years. At the University of Maryland, she has been instrumental in the development and implementation of the Maryland Pathways Programs, which provides a debt-free education for needy students. She is a member of NASFAA's Executive Board. Ms. Bauder holds a master's degree in education policy and planning from the University of Maryland.

Mr. Richard Jerue, President, Art Institute of Charleston: Prior to assuming his current position, Mr. Jerue served as Vice President, Government Relations and Corporate Development, for Education Management Corporation (EDMC). In addition he has held a number of positions at the federal and state government levels, including the U.S. House and Senate and the governor's office of the State of Rhode Island. Mr. Jerue holds a BA from Bowdoin College and a JD from Suffolk University Law School.

Ms. Linda Michalowski, Vice Chancellor of Student Services & Special Programs, California Community Colleges Systems Office: Throughout her more than 25-year career at the Chancellor's Office, Ms. Michalowski has been an advocate for the system's colleges and students in the state and federal legislative and policy arenas. She has served on the American Association of Community Colleges and Association of Community College Trustees Joint Commission on Federal Relations.

Ms. Angela Peoples, Legislative Director, United States Student Association: As a student at Western Michigan University, Ms. Peoples worked on issues that affect students, including defeating anti-affirmative action legislation and promoting sexual assault policies and preventions. She also collaborated with universities across Michigan to develop the Student Association of Michigan. Ms. Peoples graduated with a degree in political science and African studies.

Dr. Terri Standish-Kuon, Vice President, Communications & Administration, Commission on Independent Colleges and Universities: Among other responsibilities, Dr. Standish-Kuon coordinates federal relations for the association, which represents the presidents of private, not-for-profit colleges and universities in New York. She worked with member campuses and the New York congressional delegation throughout the most recent HEA reauthorization cycle. She holds a PhD from Rensselaer Polytechnic Institute.

Ms. Christine Zuzack, Vice President for State & Special Grant Programs, Pennsylvania Higher Education Assistance Agency: Over the course of her career, Ms. Zuzack has worked in admissions, financial aid, and veterans affairs. She has served as President of the Eastern Association of Student Financial Aid Administrators, as President of the Pennsylvania Association of Student Financial Aid Administrators, and as a member of the Board of Directors of the National Association of Student Financial Aid Administrators. ♦

For more information on the public website and the regulatory study, contact:

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CAPS PROGRESS: KEY DATABASES

The *Higher Education Opportunity Act of 2008* directs the Advisory Committee to provide an annual report to the authorizing committees containing analyses and policy recommendations regarding the adequacy of need-based grant aid and the postsecondary enrollment and graduation rates of low- and moderate-income students. Implicit in this charge is a recognition that need-based grant aid is a key factor in the enrollment and persistence decisions of needy students and families. Underlying the charge is a concern that a shortage of need-based grant aid may be triggering enrollment and degree completion patterns that are undermining America's global competitiveness and exacerbating income inequality. The result of this congressional charge is the *Condition of Access and Persistence Study* (CAPS).

In order to address questions of this scope and importance, the data used in the report must be: nationally representative, inclusive of all high school graduates, longitudinal in nature and able to track major outcomes of interest, and student-level rich in both demographic and financial detail. Unless data meet each of these requirements, unbiased and valid results will be impossible to produce:

- **Nationally Representative**—This requirement significantly limits the usefulness of both state- and institution-level databases, from which national inferences cannot be drawn.
- **Inclusive of All High School Graduates**—This requirement rules out use of databases that contain information only on financial aid applicants and/or financial aid recipients.
- **Longitudinal: Able to Track Major Outcomes**—This requirement limits the usefulness of data that observe students only over a limited range of the education pipeline, e.g., in college.
- **Student level: Demographic and Financial**—This requirement renders useless databases that do not contain family income, college prices, or financial aid awards.

The databases that best meet these characteristics are those administered by the National Center for Education Statistics (NCES). These will be used to generate the core data for the Advisory Committee's first annual report to Congress:

- **National Postsecondary Student Aid Study (NPSAS)**
- **National Education Longitudinal Study (NELS)**
- **Education Longitudinal Study (ELS)**
- **Beginning Postsecondary Students (BPS)**
- **Integrated Postsecondary Education Data System (PEDS)**

The chart on the following page provides the name, study years, and description for each NCES database. Most data will be generated through the NCES Data Analysis System (DAS) tool, which is also available online (<http://nces.ed.gov/dasol/>).

In addition to these, there are other supplemental databases that may prove useful, including the U.S. Census and those at the state and institutional level. These will be used to amplify and corroborate results where possible. ♦

HOW KEY NCES DATABASES WILL BE USED

Study	Study Years	Description*	Use in CAPS
National Postsecondary Student Aid Study (NPSAS)	89/90 92/93 95/96 99/00 03/04 07/08	A comprehensive nationwide study designed to determine how students and their families pay for postsecondary education, and to describe the demographic and other characteristics of those enrolled.	To measure the net prices (cost of attendance less grant aid) facing low- and moderate-income students at public colleges.
National Education Longitudinal Study (NELS)	88/00	A nationally representative sample of 8 th graders was first surveyed in the spring of 1988. A sample of these respondents was then resurveyed through four follow-ups in 1990, 1992, 1994, and 2000.	To identify a baseline: the full college access and persistence pipeline of the high school class of 1992 through the year 2000.
Education Longitudinal Study (ELS)	02/06	A nationally representative sample of 10 th graders in 2002 that tracks progress through high school and on to postsecondary education and/or the world of work. The first two follow-ups occurred in 2004 and 2006.	To identify the full access and persistence pipeline of the high school class of 2004 thus far, and compare it to the baseline.
Beginning Postsecondary Students (BPS)	96/01 04/06	A longitudinal study designed to collect data related to persistence in and completion of postsecondary education programs. First follow-ups occurred in 1998 and 2006, respectively.	To compare the early (three-year) persistence rates of students last decade to the rates of their peers this decade.
Integrated Postsecondary Education Data System (IPEDS)	07/08	Data collected from providers of postsecondary education including enrollments, program completions, graduation rates, institutional prices, and student financial aid.	To measure the cost of attendance facing students at public colleges, over time and today.

*Database information and descriptions were retrieved from <http://nces.ed.gov/>.

UPDATE: HEOA NEGOTIATED RULEMAKING PROCESS

In December 2008, the U.S. Department of Education announced the establishment of five negotiated rulemaking committees to prepare proposed regulations under Title IV of the *Higher Education Opportunity Act* (HEOA). Through a series of facilitated meetings, stakeholders from the higher education community worked with Department officials to attempt consensus on proposed regulatory language. The Department began the HEOA negotiated rulemaking process in February 2009, and each committee met on three separate occasions, concluding discussion in May. Three committees—Lender and General Loan Issues, School-Based Loan Issues, and Accreditation—were able to reach consensus; however, the General and Non-Loan Programmatic Issues and the Discretionary Grants teams concluded their negotiations without reaching agreement.

The General and Non-Loan Issues team was unable to reach consensus regarding year-round Pell Grants. HEOA amendments allow a student to receive up to two federal Pell Grant awards during a single award year; however, the definition of student acceleration in the proposed regulatory language resulted in debate. The Department's proposed language requires a student to complete all credit hours within the school's defined academic year before receiving a second scheduled Pell Grant award. Stakeholders objected, noting that the requirement would conflict with Pell Grant disbursement and payment protocols during the regular academic year and would create implementation difficulties. Stakeholders also cited concerns that Department language misinterpreted the congressional intent of year-round Pell Grants and would preclude students who enroll less than full time for one or more terms from receiving a second scheduled Pell Grant award. Department negotiators responded that their proposed language ensured accountability standards for federal funds and postsecondary institutions.

The Discretionary Grants team also finished its negotiations without reaching consensus. The issue of allowable costs for Talent Search projects triggered stakeholder concerns. HEOA requires the Department to judge such projects on the basis of the number of participants who successfully complete a rigorous secondary school program. Non-federal stakeholders advocated that projects be allowed to use federal funds to pay a limited amount of tuition for participants to complete courses that are part of a rigorous program. Some stakeholders expressed the belief that many schools served by Talent Search do not offer all of the classes required of a rigorous program. However, data or sufficient evidence to prove the claim was at issue. Department negotiators asserted that projects should assume responsibility for fulfilling outcome criteria by providing financial support for completion of rigorous coursework at a community college or through distance education.

In the end, Department negotiators were opposed to making a regulatory change without statistical data to support negotiators' claims. As a compromise, the Department proposed including language in the preamble of the Notice of Proposed Rulemaking (NPRM) issuing a request for the community to submit data confirming those claims. This alternative did not result in consensus. If consensus is not reached on all issues through facilitated meetings with a particular team, the Department is permitted to continue its rulemaking process without considering input from negotiators.

On May 26, 2009, the Department issued an NPRM allowing the public to submit comment before final HEOA rules are issued. The Department also announced the creation of at least one committee to draft regulations for Title IV programs. The Department anticipates that such committees will begin negotiations in September 2009, meeting in the Washington DC area. Dates and locations will be published in the Federal Register and posted on the Department's website. Advisory Committee staff will continue to monitor the negotiated rulemaking process through completion and implementation. ♦

LEGISLATIVE PROCESS: FY2010 BUDGET

On May 7, 2009, President Barack Obama submitted his \$3.4 trillion detailed budget request to Congress for the fiscal year 2010. The President's request is just one component of the lengthy and complex annual budget process. The President and Congress work through several mandated stages in order to produce the final budget products, which are twelve appropriations bills that become effective at the beginning of the fiscal year, October 1, 2009. The process is currently at its mid-point:

- 1. President submits initial budget request to Congress.** This request does not focus on specific funding levels, but instead includes proposed aggregate levels for federal agencies and programs. The current Administration's request was issued in February of this year.
- 2. Budget resolution process.** In March and April of this year, Congress considered the President's initial budget request. Budget resolution is used to set self-imposed budgetary parameters, also in the aggregate, to serve as guidelines for future spending legislation.
- 3. Budget Conference Report.** The formal result of the budget resolution process, this report is often referred to as a "budget blueprint" because it does not contain specific levels of funding and is non-binding. Congress passed the \$3.5 trillion FY2010 Budget Conference Report on April 29, 2009 by a vote of 223-193 in the House and 53-43 in the Senate.
- 4. President submits detailed budget request to Congress.** This request contains specific line-by-line funding levels for the upcoming fiscal year and proposed aggregate levels for the following five years. The current total request is \$3.4 trillion, submitted on May 7, 2009.
- 5. Appropriations Committees draft bills.** Based on the Budget Conference Report and the President's detailed budget request, the House and Senate Appropriations Committees hold hearings and markups for twelve appropriations bills. In addition, this year, the House and Senate Education Committees were instructed to yield \$1 billion in savings through budget reconciliation. They were given until October 15, 2009 to do so, a deadline that extends into the next fiscal year.
- 6. Appropriations bills voted on and passed.** Though the timeline can change, bills are often passed before the August recess to ensure completion by October 1, the beginning of the new fiscal year. Typically, if appropriations bills are not passed by the start of the fiscal year, the budget will operate under continuing resolution.

Relevant to the Advisory Committee's work, the FY2010 budget request includes significant proposals related to higher education, many of which focus on issues of access and student aid. The President has proposed to shift the Pell Grant program from discretionary to mandatory funding, which would make Pell an entitlement. Under this proposal, the maximum grant award would be set at \$5,500, increasing annually by the consumer price index plus one percent. Also related to access, the budget request would establish a \$2.5 billion "College Access and Completion" fund designed to assist states and other related entities with creating programs focused on access and completion, targeting low- and moderate-income students in particular. The budget request would also make permanent the partially refundable \$2,500 tax credit enacted through the *American Recovery and Reinvestment Act of 2009*.

In terms of the federal student loan programs, the President's budget request would eliminate the bank- and lender-based Federal Family Education Loan program (FFELP) and move all lending to the Ford Federal Direct Lending program. The role that FFELP lenders will play in such a transition is currently under discussion in Congress. In addition, the distribution and servicing methodology of the Perkins Loan program would be altered, and program funding would be increased from \$1.1 billion to \$6 billion.

Advisory Committee staff will continue to monitor the budget process as it relates to higher education through the final steps toward implementation. ♦

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Norm Bedford has worked within the financial aid profession since 1989. He has been the Director of Financial Aid & Scholarships at the University of Nevada, Las Vegas (UNLV) for two years. Prior to joining UNLV, he worked for Bowling Green State University, Eastern Illinois University, and The Ohio State University. In addition to his professional life, Norm enjoys the benefits of living in the Las Vegas area. There is

always something to do in terms of entertainment, dining, or keeping it simple by enjoying a scenic bike ride. Maintaining friendships across the nation is easy while living in Las Vegas. Friends are always visiting as the city is an accessible travel destination. Although Norm considers himself an outdoor person, there is no such thing as “it’s a dry heat” in Las Vegas. When the thermometer indicates 110 degrees, it’s just plain hot and dry.

Outside of his personal life, Norm maintains that the student financial aid programs initially created by the Higher Education Act of 1965 (HEA) provided accessibility to higher education without regard to socioeconomic status, so that individual life aspirations and an educated populace could be achieved. The goals and aspirations of the legislation enacted 44 years ago still hold true today. However, the need has never been greater. Our nation has moved beyond the concept of a national “Great Society” envisioned by the HEA of 1965 toward the necessity that the United States evolve its position within the global community. Our ability to function as a country and our interactions with other nations depend upon an educated work force. Well-constructed financial aid programs will help make this possible. ♦

ACSFA Announcements

The Advisory Committee is encouraging the public to help identify Title IV higher education regulations that are duplicative, no longer necessary, inconsistent with other federal regulations, and/or overly burdensome by visiting the following site: [Community Suggestions Website](#). The Committee will use this information to provide a comprehensive report to Congress and the Secretary of Education on streamlining regulations from all sectors in higher education. Preliminary analysis of public comment on Title IV regulations will begin on July 15, 2009.

For more information on the [regulations study](#), contact Brent Madoo, Assistant Director, at 202-219-2196 or brent.madoo@ed.gov.

Inquiries regarding the [Condition of Access and Persistence Study \(CAPS\)](#) may be directed to Wendell Hall, Associate Director, at 202-219-2230 or wendell.hall@ed.gov.

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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