

## Access & Persistence



### ADVISORY COMMITTEE ON STUDENT FINANCIAL ASSISTANCE



## SPRING 2010

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### MESSAGE FROM THE CHAIR

Along with warmer weather and longer days, spring has brought with it changes for the student aid community and for the Advisory Committee. On March 30, the President signed into law the *Healthcare and Education Reconciliation Act of 2010* (HCERA), P.L. 111-152, which includes landmark investments in federal student aid with the goal of improving America's economic future. The Advisory Committee has long been a proponent of increasing need-based student aid, particularly the Pell Grant, as a means of ensuring access to college for low- and moderate-income students. Higher education provisions of HCERA direct funds to increase the Pell Grant maximum and support college access and success programs. In addition, HCERA converts all new federal lending to the direct loan program, beginning July 1, 2010. An article explaining the main tenets of the new law is included in this issue of *Access and Persistence*.

Changes have also arrived for the Advisory Committee itself. The *Higher Education Opportunity Act* required significant changes to the Committee's eleven-member composition. As these changes have been enacted, seven new members have been appointed to the Committee and six members have departed. This issue contains an overview of these membership changes and a brief introduction to our new members.

With these new complements to the Advisory Committee's membership, the Committee has scheduled a public hearing on June 25 in Washington DC. Over the last year, Committee members and staff have been developing the first report of the [\*Condition of Access and Persistence Study\*](#), which will be presented to the public at the hearing. This report, *The Rising Price of Inequality: How Inadequate Need-Based Grant Aid Limits College Access and Persistence*, quantifies the shift among low- and moderate-income students from four-year to two-year colleges through new analyses of the effect of college costs and financial aid on student access and choice. Sessions at the June 25 hearing will also cover issues and challenges in implementing specific regulations emanating from the *Higher Education Act*, and provide an update on Department of Education activities, such as simplification initiatives. More information on the hearing may be found in this issue.

Committee staff is already hard at work preparing for the June hearing, and the Committee has recently issued an invitation to members of the higher education community and general public to attend. As the summer progresses, staff will use panel testimony and public comment to guide an approach to the multiple studies in which the Committee is immersed. This process is designed to engage the public on topics relevant to Committee business and higher education, including recent presentations at the Coalition of State University Aid Administrators (COSUAA) and Pine Manor College. We look forward to seeing you at the June hearing.

*Allison Jones*

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*An independent committee created by Congress to advise on higher education and student aid policy*

## ACCSFA SUMMER HEARING PREVIEW

The Advisory Committee will hold a public hearing in Washington DC on June 25, 2010 from 9:00 a.m. to 4:30 p.m. at the Washington Court Hotel, 525 New Jersey Avenue NW. The hearing will consist of four sessions, including the initial public presentation of the first report of the [Condition of Access and Persistence Study](#). This report, *The Rising Price of Inequality: How Inadequate Need-Based Grant Aid Limits College Access and Persistence*, quantifies the shift among low- and moderate-income students from four-year to two-year colleges through new analyses of the effect of college costs and financial aid on student access and choice.

A preliminary agenda for all hearing sessions is as follows:

- Session I:** Panel discussion of the first annual report of the *Condition of Access and Persistence Study*, entitled *The Rising Price of Inequality*. This congressionally mandated report assesses the adequacy of total need-based grant aid by examining the enrollment and persistence rates of low- and moderate-income high school graduates, relative to the rates of their middle- and high-income peers, who seek to earn a bachelor's degree and are qualified to gain admission to a four-year college. The report also explores student and family concerns about financing a college education, as well as the impact of those concerns on access, persistence, and degree completion. Participants will be asked to share their perspective on the findings of the report and discuss its implications on ensuring equal educational opportunity and success in higher education.
- Session II:** Devoted to a discussion of key higher education legislation and proposals from the Obama administration and an update on new initiatives in Federal Student Aid.
- Session III:** Update on the progress made since April 2009 and further plans for the [Higher Education Regulations Study](#). With the support of the higher education community, the Committee has identified a preliminary set of burdensome Title IV-related regulations. Further analysis and quantification will follow in the second phase of the study, as the Committee is also required to monitor future federal regulations, including notices of proposed rulemaking, for their impact on higher education. Following the study update, postsecondary education leaders and practitioners, as well as association representatives, will discuss select regulations that have significant impact on higher education.
- Session IV:** Reserved for public comment. This session will be devoted to a discussion of all topics covered at the hearing. Five minutes will be allotted to those who request an opportunity to speak. To participate, send an email to [ACCSFA@ed.gov](mailto:ACCSFA@ed.gov) noting the topic; space will be limited. The Committee also invites the public to submit written comments and recommendations to the same email address: [ACCSFA@ed.gov](mailto:ACCSFA@ed.gov).

Details on hearing registration are located on the next page. All members of the higher education community and general public are invited to attend. ♦

**\*\*REGISTRATION FORM\*\***  
**REGISTRATION DEADLINE: JUNE 14, 2010**

**Hearing of the Advisory Committee on Student Financial Assistance**  
**The Washington Court Hotel**  
**525 New Jersey Avenue NW, Washington DC 20001**  
**June 25, 2010**

**Tentative Time: 9:00 a.m. to 4:30 p.m.**

- TO REGISTER ONLINE:** Click [here](#).
- TO REGISTER BY MAIL OR FAX:** Please complete the registration information below, and mail this form to 80 F Street NW, Suite 413, Washington DC 20202, or fax to (202) 219-3032.
- Individuals requiring special accommodations for a disability** (i.e., interpreting services, assistive listening devices, and/or materials in alternative format) should contact the Advisory Committee at (202) 219-2099 no later than June 14, 2010.
- To request time for public comment:** Either email [ACSFA@ed.gov](mailto:ACSFA@ed.gov), noting your topic, or complete the form below and send by mail or fax. Five minutes will be allotted in order of registration. Advisory Committee staff will contact presenters *prior to the hearing*.
- To provide written comment,** please email [ACSFA@ed.gov](mailto:ACSFA@ed.gov) on or before June 14, 2010.

**PLEASE PRINT**

**NAME:** \_\_\_\_\_

**TITLE:** \_\_\_\_\_

**AFFILIATION:** \_\_\_\_\_

**ADDRESS:** \_\_\_\_\_

**CITY:** \_\_\_\_\_ **STATE:** \_\_\_\_\_

**ZIP CODE:** \_\_\_\_\_ **E-MAIL ADDRESS:** \_\_\_\_\_

**PHONE NO:** \_\_\_\_\_ **FAX:** \_\_\_\_\_

**ARE YOU REQUESTING TIME FOR PUBLIC COMMENT? Yes: \_\_\_ No: \_\_\_**

**IF YES, ON WHAT TOPIC?** \_\_\_\_\_

\_\_\_\_\_

## INCREASING BACHELOR'S DEGREE COMPLETION BY IMPROVING ACADEMIC PREPARATION: AN EXAMPLE

Policy makers and practitioners understandably focus on enhancing academic preparation as a means to improve college access and persistence. But data from the national educational longitudinal studies show that income-related inequalities in access (enrollment) and persistence, if left uncorrected, place significant limits on the extent to which such improvements alone can increase the bachelor's degree completion of low- and moderate-income high school graduates.

**Table 1** illustrates the projected bachelor's degree completion rates of the high school class of 2004, by family income and academic preparation, assuming (conservatively) that they will persist at the same rates as did their peers in the 1992 high school class. Overall bachelor's degree completion rates for 2004 high school graduates (column 7) are projected to be:

- **22** percent for those from low-income families
- **36** percent for those from moderate-income families
- **55** percent for those from middle-income families
- **70** percent for those from high-income families.

Low- and moderate-income high school graduates complete a bachelor's degree at rates lower than their middle-income peers. Three underlying inequalities contribute to these differences: inequality in academic preparation by family income (column 1), inequality in access (enrollment) by family income (columns 2 and 4), and inequality in persistence by family income (columns 3 and 5).

**Table 2** shows the impact on bachelor's degree completion rates of raising the academic profile of low- and moderate-income high school graduates to that of their middle-income peers, while leaving access (enrollment) inequality and persistence inequality unaddressed:

- The rate for low-income students is raised to only **27** percent from **22** percent.
- The rate for moderate-income students is raised to only **39** percent from **36** percent.

Both rates still fall far short of the **55** percent rate for middle-income high school graduates. Similar results occur if either access (enrollment) inequality alone, or persistence inequality alone, is addressed while leaving inequality in the other two factors unaddressed.

If the federal goal is to raise bachelor's degree attainment rates of qualified low- and moderate-income high school graduates to that of their middle-income peers, the data suggest that:

- improving access (enrollment) is as important as improving persistence
- improving either, in turn, is as important as improving academic preparation.

From a policy standpoint, the bottom line is that increasing bachelor's degree attainment requires that federal, state, and institutional policies address all three income-related inequalities simultaneously: academic preparation, access (enrollment), and persistence. ♦

**TABLE 1: PROJECTED RATES OF BACHELOR'S DEGREE ATTAINMENT OF HIGH SCHOOL GRADUATES IN 2004 WHO STARTED AT A 4-YEAR OR 2-YEAR COLLEGE BY YEAR 2012**

**By Family Income, Math Courses Taken, and Initial Enrollment**

Family Income	Academic Preparation		Initial Enrollment				Overall Bachelor's Degree Completion Rate	
			4-Year College		2-Year College			
	1		2	3	4	5	6	7
	Math Courses Taken in High School	% of Class	% Who Enrolled in 4-Year College	4-Year College Bachelor's Degree Completion Rate	% Who Enrolled in 2-Year College	2-Year College Bachelor's Degree Completion Rate	By Family Income and Academic Preparation	By Family Income
Low	Less Than Algebra II	34%	8%	33%	34%	7%	5%	22%
	At Least Algebra II	66%	40%	62%	31%	20%	31%	
Moderate	Less Than Algebra II	25%	16%	38%	34%	12%	10%	36%
	At Least Algebra II	75%	53%	67%	28%	34%	45%	
Middle	Less Than Algebra II	16%	23%	53%	39%	29%	24%	55%
	At Least Algebra II	84%	66%	78%	22%	44%	61%	
High	Less Than Algebra II	10%	33%	65%	46%	33%	37%	70%
	At Least Algebra II	90%	78%	84%	15%	53%	73%	

**TABLE 2: RAISING ACADEMIC PREPARATION OF LOW- AND MODERATE-INCOME HIGH SCHOOL GRADUATES TO THE LEVEL OF THEIR MIDDLE-INCOME PEERS.**

Low	Less Than Algebra II	16%	8%	33%	34%	7%	5%	27%
	At Least Algebra II	84%	40%	62%	31%	20%	31%	
Moderate	Less Than Algebra II	16%	16%	38%	34%	12%	10%	39%
	At Least Algebra II	84%	53%	67%	28%	34%	45%	

Source: Data are from NCES' National Education Longitudinal Study (NELS) and Education Longitudinal Study (ELS).

## LEGISLATIVE UPDATE: HCERA

On March 30, 2010, President Barack Obama signed the *Health Care and Education Reconciliation Act of 2010* (HCERA) into law (P.L. 111-152). In addition to including an overhaul of the U.S. healthcare system, HCERA includes major student aid-related provisions poised to benefit millions of students. Specifically HCERA absorbed the [core elements](#) of what was the *Student Aid and Fiscal Responsibility Act* (SAFRA), which passed in the House on September 17, 2009. SAFRA did not move forward in the Senate due to the then-pending healthcare legislation. Ultimately, in compliance with Senate rules that permit only one reconciliation bill per budget cycle, SAFRA's major tenets were combined with the healthcare bill.

The major education provisions in HCERA include:

- Elimination of the Federal Family Education Loan Program (FFELP) and transfer of all federal student lending to the William D. Ford Direct Loan Program (FDLP). The Congressional Budget Office estimates that this switch will yield \$68 billion dollars in savings over the next 10 years.
- Increased funding for the Pell Grant Program from savings generated by the switch to direct lending. Beginning in academic year 2013-14 and through 2017-18, the Pell Grant will increase annually by the Consumer Price Index.
- Approximately \$13.5 billion to assist in the funding of existing Pell Grant shortfalls.
- An expansion of the Income-Based Repayment Program (IBR) to include students whose repayment is greater than 10 percent of discretionary income, as opposed to 15 percent previously. Loan forgiveness would also occur at an earlier stage—at 20 versus 25 years.
- A total of \$750 million, over five years, for the College Access and Completion Fund, designed to bolster college access and success programs and facilitate partnerships between states and institutions.
- Establishment of a \$2 billion grant program to assist in the development of workforce training programs for community colleges.
- Investment of \$2.55 billion in Minority-Serving Institutions.

HCERA also includes technical assistance funding for college and universities that are switching to the direct lending program. Many colleges and universities made an anticipatory switch to direct lending prior to the passage of HCERA; however, for those who have not yet done so, the law mandates that this switch occur beginning July 1, 2010.

The higher education provisions in HCERA denote not only a significant overhaul in the student lending programs, but also, on a larger scale, a substantial investment in America's future. ♦

## ACSFA MEMBERSHIP UPDATE

In 2008, the *Higher Education Opportunity Act* reauthorized the Advisory Committee through 2014. The law made significant changes to its eleven-member composition. Over the Committee's first two decades, the House and Senate leaderships appointed three members each, with one minority appointment per chamber, and the Secretary of Education appointed five members, one a student. From August 2008 forward, the House and Senate leaderships appoint four members each, evenly divided between the majority and minority, while the Secretary appoints three members, at least one of whom must be a student. In addition, each new member is appointed for a single four-year term, as opposed to the three-year renewable appointments of the past. Under these changes to the Committee's statute, Advisory Committee members may no longer continue to serve until replaced.

Since August 2008, seven new appointments to the Committee have been made:

- **Mr. Norm Bedford**, Director, Financial Aid and Scholarships, University of Nevada, Las Vegas (*Senate appointee*)
- **Dr. Helen Benjamin**, Chancellor, Contra Costa Community College District (*House appointee*)
- **Mr. David Lee Gruen**, Director, Student Financial Aid, University of Wyoming (*Senate appointee*)
- **Mr. Anthony J. Guida Jr.**, Senior Vice President, Strategic Development and Regulatory Affairs, Education Management Corporation (*House appointee*)
- **Ms. Kathleen Hoyer**, student member, The University of Maryland (*Secretarial appointee*)
- **Dr. William T. Luckey Jr.**, President, Lindsey Wilson College (*Senate appointee*)
- **Mr. John McNamara**, Vice President for College Development, Rockford College (*Secretarial appointee*)

The Advisory Committee welcomes these members and looks forward to their contributions. The current complement of nine Committee members ensures that student interests are represented from a wide variety of colleges and universities, including four-year public and private institutions, community colleges, and proprietary schools. Two additional appointments by the House of Representatives are expected over the coming months.

Since reauthorization, the Committee has bid farewell to six members:

- **Mr. René A. Drouin**, President and CEO, New Hampshire Higher Education Assistance Foundation (*Senate appointee*)
- **Dr. Scott Andrew Giles**, Vice President for Policy, Research, and Planning, and Assistant to the Board of Directors, Vermont Student Assistance Corporation (*Secretarial appointee*)
- **Mr. Darryl A. Marshall**, Director, Student Financial Aid, Florida State University (*Secretarial appointee*)
- **Mr. Juan O'Connell**, student member, Georgia Institute of Technology (*Secretarial appointee*)
- **Mr. Joseph A. Russo**, Director, Student Financial Strategies, Office of Student Financial Services, University of Notre Dame (*Secretarial appointee*)
- **Mr. Robert M. Shireman**, former President of The Institute for College Access & Success (*House appointee*).

The Advisory Committee thanks these members for their service and their contributions, and wishes them success in all their future endeavors. ♦

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by Advisory Committee  
members and staff

#### COMMITTEE MEMBERS

**Allison G. Jones**  
Chairperson

Assistant Vice Chancellor  
Academic Affairs  
The California State University

**Norm Bedford**  
Director

Financial Aid & Scholarships  
University of Nevada, Las Vegas

**Helen Benjamin**

Chancellor  
Contra Costa  
Community College District

**Clare M. Cotton**

President Emeritus  
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**David L. Gruen**

Director, Student Financial Aid  
University of Wyoming

**Anthony J. Guida Jr.**

Senior Vice President  
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& Regulatory Affairs  
Education Management Corporation

**Kathleen Hoyer**

Student Member  
University of Maryland

**William T. Luckey Jr.**

President  
Lindsey Wilson College

**John McNamara**

Vice President  
for College Development  
Rockford College

#### COMMITTEE STAFF

**William J. Goggin**

Executive Director

**Wendell D. Hall**

Director of Policy Research

**Anthony Jones**

Senior Policy Analyst

**Tracy D. Jones**

Senior Administrative Officer

**Brent Madoo**

Associate Director

**Megan A. McClean**

Director of Government Relations

**Jeneva E. Stone**

Senior Writer

## FROM THE ARCHIVES

# ACSFA

*From the executive summary of [Empty Promises: The Myth of College Access in America](#), ACSFA, June 2002:*

Most Americans believe that all students have the opportunity to earn a college degree through hard work in high school and college. Yet, this year alone due to record-high financial barriers, nearly one-half of all college-qualified, low- and moderate-income high school graduates—over 400,000 students fully prepared to attend a four-year college—will be unable to do so, and 170,000 of these students will attend no college at all. Over this decade, 4.4 million of these high school graduates will not attend four-year colleges and 2 million will attend no college at all. For these students, the promise of a college education is an empty one. For the nation, the loss of human capital will exact a serious economic and social toll for much of this century.

Our nation invests in student aid in order to ensure that the opportunity to attend college and attain a bachelor's degree does not depend on family income alone. Nevertheless, the financial barriers to a college education have risen sharply due to shifts in policies and priorities at the federal, state, and institutional levels, resulting in a shortage of student aid, and, in particular, need-based grant aid, as well as rising college tuition. As a result, students from low- and moderate-income families who graduate from high school fully prepared to attend a four-year college confront daunting financial barriers with major implications for these students and the nation. ♦

### ACSFA Announcements

The Advisory Committee will hold a **public hearing** in Washington DC on **June 25, 2010** from 9:00 a.m. to 4:30 p.m. at the **Washington Court Hotel**, 525 New Jersey Avenue NW. The hearing will consist of four sessions, including the initial public presentation of the first report of the *Condition of Access and Persistence Study*. To register, click [here](#).

The Committee welcomes its four most recent appointments: **Mr. David L. Gruen**, Director, Student Financial Aid, University of Wyoming; **Ms. Kathleen M. Hoyer**, student member, University of Maryland; **Dr. William T. Luckey Jr.**, President, Lindsey Wilson College, and **Mr. John McNamara**, Vice President for College Development, Rockford College.

**Dr. Wendell D. Hall** has been promoted to **Director of Policy Research**, and **Mr. Brent Madoo** has been promoted to **Associate Director**. Committee members and staff offer congratulations to Wendell and Brent on their new positions.

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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