

Access & Persistence



ADVISORY COMMITTEE ON STUDENT FINANCIAL ASSISTANCE



SUMMER 2011

ACSFA
Fall Hearing:
Preview
and
Registration

Fifteen
Burdensome
Regulations

The President's
FY2012
Budget Request

Member Profile:
Deborah Stanley

ACSFA
Announcements

MESSAGE FROM THE CHAIR

Over the last several months, Congress and the President have grappled with the federal budget and the nation's deficit, recommending programs for elimination or reduction. In terms of higher education, the Obama Administration has described this process as making hard choices to preserve access during difficult times. A summary of key points in the President's higher education budget is included in this issue. The question Congress and the President face is how to arrive at consensus when serving a variety of interests and populations.

In its latest report, [*The Bottom Line: Ensuring that Students and Parents Understand the Net Price of College*](#), the Advisory Committee faced a similar dilemma. The report concerns issues regarding instruments for determining net price, including the implementation of net price calculators, a requirement of the *Higher Education Opportunity Act* (HEOA) for colleges and universities. As might be expected given the range of postsecondary institutions in the United States, how the calculator should be structured was a matter of debate. The Committee attempted to bridge this gap by articulating broad points of consensus: that students and parents need accurate and timely information, that net price calculators and financial aid award letters should be comparable among institutions, and that the calculators may suffer from limitations that warrant further examination. The Committee plans to begin a follow-on report this fall, after the implementation deadline for net price calculators has passed.

Also this fall, the Advisory Committee will hold a [public hearing](#) on September 30 in Washington DC. The hearing will occasion the release of the preliminary findings report of the [Higher Education Regulations Study](#) (HERS). In addition, it will collect information for use with the Committee's nontraditional students report, the third annual report in the congressionally mandated study of adequacy of need-based grant aid for low- and moderate-income students, a study which also includes reporting on enrollment and persistence rates. One session will be devoted to HERS, and one to the nontraditional student study. Details and registration information are in this issue.

Included in this issue is an article related to the HERS survey, an important component of the preliminary and final reports. In it, the Committee describes the 15 burdensome regulations that survey participants were asked to rank. Even after the release of the final HERS report, the Committee will continue to monitor the promulgation of regulations, according to its congressional mandate.

In the meantime, we encourage you to attend the Committee's September 30th hearing. Over the coming weeks, further details about hearing panelists will be posted on our website. We look forward to seeing you in September.

Allison Jones

ACSFA FALL HEARING: PREVIEW AND REGISTRATION

The Advisory Committee will hold a public hearing on September 30, 2011, in Washington DC. This one-day hearing will consist of two sessions focused on the following studies: the [Higher Education Regulations Study](#) (HERS) and the Committee's latest access and persistence study on nontraditional students. The Advisory Committee will release the HERS preliminary findings report at this hearing and collect information for the nontraditional students study.

- **HERS Preliminary Findings Report.** The *Higher Education Opportunity Act* of 2008 (HEOA) charged the Advisory Committee with conducting a review and analysis of regulations affecting higher education to determine the extent to which regulations are overly burdensome and in need of streamlining, improvement, or elimination. Earlier this year, the Committee administered an anonymous, confidential, web-based survey instrument in order to collect campus attitudes and perceptions of regulatory burden, the regulatory development process, and preferences of ways to continue regulatory reform efforts. The report will share preliminary findings from the survey, which will inform the Committee's detailed report due to Congress and the Secretary of Education later this year.
- **Nontraditional Students Study.** The HEOA requires the Committee to [report annually on the adequacy of need-based grant aid](#) for low- and moderate-income students, as well as on their enrollment and persistence rates. To fulfill this mandate, the Committee is designing a report that suggests a federal strategy to improve degree and certificate completion among nontraditional students.

A preliminary agenda for the two hearing sessions is as follows:

- **Session One** will be devoted to a discussion of preliminary findings of the [HERS survey](#) from the perspective of college and university officials regarding individual and overall regulatory burden, the system of regulations under the HEA, and ways forward for continuing regulatory improvements.
- **Session Two (part one)** will be devoted to an understanding of the best practices of states to improve degree and certificate completion among populations of nontraditional students.
- **Session Two (part two)** will address institutional perspectives on best practices to improve degree and certificate completion among nontraditional student populations.

Over the coming weeks, the Advisory Committee will post additional information about the September 30 hearing on our website, including further location details and panelists. Registration information can be found on the following page. We look forward to seeing you at the hearing. ♦



ADVISORY COMMITTEE ON STUDENT FINANCIAL ASSISTANCE



****REGISTRATION FORM****
REGISTRATION DEADLINE: SEPTEMBER 21, 2011

Hearing of the Advisory Committee on Student Financial Assistance
The Washington Court Hotel
525 New Jersey Avenue NW, Washington DC 20001
September 30, 2011

Tentative Time: 9:00 a.m. to 5:00 p.m.

- TO REGISTER ONLINE:** [Click here](#)
- TO REGISTER BY MAIL OR FAX:** Please complete the registration information below, and mail or fax (202-219-3032) this form to the Advisory Committee staff office.
- 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 September 16, 2011.
- To provide written comment**, please email ACSFA@ed.gov indicating in the subject line one or both of the hearing topics. Send comments as an attached file, either .doc, .docx, or .pdf. Comments may also be mailed to: ACSFA, 80 F Street NW, Suite 413, Washington DC 20202-7582. Comments must be received on or before September 21, 2011.

PLEASE PRINT

NAME:

TITLE:

AFFILIATION:

ADDRESS:.....

CITY:**STATE:**.....

ZIP CODE:.....**EMAIL ADDRESS:**

PHONE: **FAX:**

FIFTEEN BURDENSOME REGULATIONS

The *Higher Education Opportunity Act* of 2008 charged the Advisory Committee with conducting a review and analysis of regulations affecting higher education to determine the extent to which regulations are overly burdensome and in need of streamlining, improvement, or elimination. Between May 20 and June 6, 2011, as part of the study, the Advisory Committee [opened a survey of higher education regulatory burden](#) to senior executives and campus administrators at postsecondary institutions across the country. The survey was anonymous, confidential, and web-based, designed to collect campus attitudes and perceptions of regulatory burden and the regulatory development process. Beyond even initial projections, the survey produced a very strong response from the community.

Advisory Committee staff are in the process of analyzing data in preparation of releasing a preliminary report of the survey results by September 30, 2011, in conjunction with the Committee's hearing. A detailed report on the [Higher Education Regulations Study](#) is due to Congress and the Secretary of Education later this year.

The survey questions addressed issues related to the regulatory development process, the level of regulatory burden, alternative approaches to the current regulatory system, methods to reduce burden, and ways to continue regulatory reform efforts. Senior executives were asked to answer 12 questions. Campus administrators were asked to answer 10 questions, as well as rate a set of 15 regulations; the list of regulations can be found below. Additional data on participant response will be included in the preliminary and detailed reports.

Proration of Annual Loan Limits: An institution must prorate the annual loan limits for a student borrower in a program longer than one academic year who is also in a final period of enrollment of less than an academic year.

Example(s) of Burden: Several members of the community believe this rule limits financial assistance, penalizes students who are closest to program completion, leads to unnecessary borrowing from programs with less-beneficial terms, and is an administrative burden.

Volume and Scope of Reporting and Consumer Disclosure Requirements: Current statutory and regulatory language requires institutions to report data or make disclosures of information for consumer awareness on such topics as campus crime, enrollments, fire safety, graduation rates, music downloading, placement rates, and textbook information, as well as a variety of reporting under the Integrated Postsecondary Education Data System (IPEDS) reports.

Example(s) of Burden: Some have suggested that additions to and modification of these requirements over the years have led to an unwieldy volume of reports and disclosures, with some requirements considered irrelevant to participation in federal programs. Others have suggested that this volume is overwhelming for students and families, and contributes to confusion in the application processes. Many have suggested that an overhaul of these requirements is necessary to ensure the most appropriate information and data are being shared as effectively as possible.

Overlapping and Inconsistent Timeframes for Reporting and Consumer Disclosure Requirements: Current statutory and regulatory language requires institutions to report data or make disclosures of information for consumer awareness on such topics as campus crime, enrollments, fire safety, graduation rates, music downloading, placement rates, and textbook information, as well as a variety of reporting under the IPEDS reports.

Example(s) of Burden: Members of the community have suggested that federal reporting and disclosure requirements often overlap and duplicate similar requirements from state agencies and non-government organizations. This includes differences in deadlines for submitting reports and disclosures, as well as timeframes for data collection (e.g., a state report requires calendar year data, yet a federal report on the same issue requires award year data). Others suggested that all consumer disclosure requirements from all sources (including federal and state sources) be combined and standardized in order to minimize overlap, inconsistency, and duplication.

Determining Student Eligibility for Two Federal Pell Grants in One Award Year: Institutions are currently authorized to award up to two Federal Pell Grants in a single award year for students accelerating their programs of study. Although there will be no funding for these provisions for the 2011-12 award year, they were still funded and in effect at the time of the survey. Members of the community indicated an interest in commenting on their perceptions of its regulatory burden.

Example(s) of Burden: Some members of the community have expressed concern over the prescriptive nature of the regulatory definition of acceleration and how eligibility for a second award is determined, especially during payment periods that cross over award years.

Crediting Federal Student Aid to Non-Allowable Institutional Charges: Current regulations require an institution to obtain written authorization from a student (or parent borrower for Parent PLUS Loans) to credit federal student aid to certain charges defined as “non-allowable” institutional charges, such as parking fines, library fines, and student health center charges.

Example(s) of Burden: Members of the community have suggested it is more efficient to replace the requirement to obtain a written authorization for this circumstance with an opt-out provision. In such a case, the school would be authorized to automatically apply federal student aid funds to a student’s allowable and non-allowable charges unless the student notified the school in writing that he or she did not want federal student aid applied to non-allowable institutional charges.

Entrance Counseling for Student Loan Borrowers: Institutions must provide entrance counseling before delivering a disbursement to a first-time student loan borrower in order to inform the student of rights and responsibilities.

Example(s) of Burden: Some members of the community have suggested that this requirement applies one standard to all students and does not address the unique needs of different populations of students; instead of mandated timeframes by which a student must receive entrance loan counseling, administrators should be allowed to determine when to fulfill this counseling requirement based on profiles of their student borrower population. Others have suggested that entrance counseling for Federal Direct Loan borrowers should become part of the master promissory note process, thus creating standard information all applicants receive and allowing schools to supplement the counseling according to the needs of their student borrower population.

Conflicting Information: Current regulations require an institution to have a system in place to resolve any discrepancies among all sources of information related to a student’s application for federal student aid.

Example(s) of Burden: Some have suggested the regulations and guidance are overly prescriptive in what is considered a source of information related to a student’s application, such as requiring campus administrators to judge accuracy of Internal Revenue Service filing requirements.

Prior Award Year Charges: Current regulations provide authority for an institution to apply current award year federal student aid to allowable charges from a prior award year, up to a maximum of \$200.

Example(s) of Burden: Members of the community have suggested that the \$200 cap should be eliminated because a student’s unpaid balance from a prior award year often prevents enrollment in current and future periods of enrollment.

Written Authorization to Open a Bank Account on Behalf of a Student: For an institution with a policy of delivering federal student aid credit balances through electronic means only, current regulations require the institution to obtain written authorization from a student in order to open a bank account on the student’s behalf if the student does not designate a bank account within an established timeframe.

Example(s) of Burden: Members of the community have suggested this requirement is costly and burdensome when written authorization is not received because of check printing and mailing costs, and that electronic payments are delivered more promptly and accurately than paper checks. Others suggested that the institution should be allowed to automatically issue a cost-free electronic financial instrument if the student does not designate an account, with students and parents being able to opt out of this provision.

FSEOG Priority Awarding Criteria: Statutory language requires Federal Supplemental Educational Opportunity Grants (FSEOGs) be awarded to students with the lowest expected family contributions (EFCs).

Example(s) of Burden: Members of the community have suggested the FSEOG awarding priority include students with the highest unmet need, not just those with the lowest EFCs, because significant numbers of students with the lowest EFCs receive grant aid such that their unmet need is lower than students with higher EFCs.

Return of Title IV Funds: When a student withdraws, the institution must determine the amount of Title IV aid (i.e., federal student aid) that must be returned, if any, to the federal student aid programs using a set of formulas and criteria established in the statute and regulations.

Example(s) of Burden: Members of the community have suggested that changes made to these regulations over the years have added significant overall complexity and burden. Others have suggested the process for returning Title IV funds needs to rely less on prescriptive formulas and more on institutional discretion, such as flexibility in the order of return of funds by program. For example, a commenter believed schools should be allowed to return funds to the TEACH Grant (which can become an unsubsidized loan with retroactive capitalization of interest) before other loan programs for students who they know will not be meeting the post-enrollment requirements of the TEACH Grant award.

Return of Uncashed Credit Balance Checks: Current regulations require that a check written to a student or parent for a credit balance of federal student aid funds be negotiated within 240 days of the date of the check or the funds must be returned to the federal programs (as opposed to being allowed to escheat, or revert, to the state).

Example(s) of Burden: Members of the community have suggested this timeframe is too short and needs to be lengthened to at least 365 days to accommodate differing deadlines among states and financial institutions.

Self-Certification of Non-Title IV Student Loans: An institution participating in any federal student aid program must provide an applicant for a non-Title IV student loan (i.e., loans other than those made under the Federal Direct Student Loan and Federal Perkins Loan programs) with the self-certification form required under the Truth in Lending Act, and the information needed to complete the form, to the extent the institution has that information.

Example(s) of Burden: Members of the community expressed concern that this requirement does not apply to all forms of student loans and this treatment creates redundancy, inconsistency, and confusion for groups of students utilizing non-Title IV education loans. Others suggest these loans should be certified by a designated official at the institution rather than by the student.

TEACH Grant Eligibility Rules: The Teacher Education Assistance for College and Higher Education (TEACH) Grant program provides grant assistance to students in exchange for agreeing to teach in a high-need field in an elementary or secondary school serving low-income students. If the student is not able to fulfill all terms of the agreement, the grant converts to an unsubsidized loan, with capitalized interest.

Example(s) of Burden: Several federal student aid programs provide benefits to teachers and some members of the community have suggested that the inconsistency of means through which TEACH Grant benefits can be realized make it difficult to determine whether it is an appropriate award for a particular student. Others have asserted that the intensive counseling and research necessary to administer the program make it burdensome.

Overaward and Overpayment Tolerances: An overaward occurs when a student receives aid in excess of demonstrated need or beyond an amount for which the student is otherwise eligible. Tolerances exist within different federal student aid programs to accommodate situations in which inadvertent overawards occur. Overpayments occur when resolution of an overaward is not feasible. Overpayments can restrict further Title IV eligibility until resolved or satisfactory repayment arrangements are made.

Example(s) of Burden: Members of the community have suggested there should be a standard overall tolerance that applies across all programs (except the Federal Pell Grant Program) to minimize multiple calculations to determine whether an overaward or overpayment exists. ◆

THE PRESIDENT'S FY2012 BUDGET REQUEST

On February 14, 2011, President Barack Obama submitted to Congress his \$3.73 trillion budget request for fiscal year 2012. The President requested \$77.4 billion for the Department of Education, which represents [2.77 percent](#) of his entire budget request, while funding for student financial aid comprises 0.58 percent. Congress and the Administration have engaged in substantive budget discussions this year regarding both the fiscal year 2011 and 2012 budgets, as well as deficit and debt ceiling discussions. As a result of these ongoing debates and the recent passage of the fiscal year 2011 budget, the fiscal year 2012 budget is still in process.

Of the funding requested for student financial aid, the Administration has several significant goals, many of which have implications for increasing access to college among low- and moderate-income students. Among these are a commitment to maintaining the \$5,550 maximum grant for the Pell Grant program, as well as an expansion of the Perkins loan program. The President has also requested that the American Opportunity Tax Credit, which provides a partial refund of up to \$2,500 per student per year, be made permanent. Other imperatives for the Administration include First in the World competitive grants to institutions that show success in enrolling and graduating high-need students, as well as doubling federal loan limits for students at Historically Black Colleges and Universities (HBCUs), intended to improve access to college for minority students.

Maintaining the \$5,550 Maximum Pell Grant. In order to fund what the Administration expects to be an increase in Pell Grant recipients over the next several years, it proposes to make certain specific cuts in federal financial aid programs in order to maintain the current Pell maximum. Elimination of the in-school interest subsidy on federal Stafford loans to graduate, medical, and professional students is the first cost-cutting proposal. The second is letting go of the year-round Pell Grant, which offered students a second grant in the course of one academic year to enable academic acceleration. The Administration's proposed Pell Grant Protection Act would enact both of these cuts, thereby, the Administration calculates, ensuring access to the Pell Grant for what is estimated to be over nine million students.

Expanding the Perkins Loan Program. While the Perkins Loan program is scheduled for elimination in 2014, the Administration proposes to expand it instead, from \$1 billion to \$8.5 billion annually. At the present time, Perkins serves as a way for colleges, at their discretion, to address student unmet need, need that might otherwise be addressed by credit cards or private student loans. To increase the program to serve more students on more campuses, the Administration proposes making certain changes to it, including raising the interest rate and removing the in-school interest subsidy. In addition, the allocation formula would be adjusted to reward schools that show success in graduating low-income students.

First in the World Grants. First in the World is part of a group of initiatives modeled after the President's Race to the Top program for elementary and secondary schools. [First in the World](#) would provide \$150 million in competitive grants to colleges and universities that "test, validate, and scale up effective approaches to improving college access and completion and generating better outcomes for every dollar of investment." As companion performance-based programs, the Administration proposes spending [\\$1.3 billion over five years](#) on "institutions that have demonstrable success in enrolling and graduating more high-need students, preparing them with the skills necessary for successful employment."

Other Tax Credit and Loan Initiatives. Under the President's budget, the American Opportunity Tax Credit would be made permanent for qualifying families. In addition, the budget would, among initiatives designed to promote access to higher education for minority students, double current federal student loan limits for HBCUs.

The Advisory Committee will continue to monitor the higher education provisions in the budget process as both the President and Congress move forward with negotiations. ◆

Access & Persistence
is published quarterly
by Advisory Committee
members and staff

MEET A MEMBER

COMMITTEE MEMBERS

Allison G. Jones
Chair
Senior Fellow
for Postsecondary Engagement
Achieve

Norm Bedford
Vice Chair
Director
Financial Aid & Scholarships
University of Nevada, Las Vegas

Helen Benjamin
Chancellor
Contra Costa
Community College District

David L. Gruen
Past National Chair
National Association of
Student Financial Aid Administrators
Retired

Anthony J. Guida Jr.
Senior Vice President
Strategic Development
& 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

Deborah Stanley
Director of Financial Aid
Bowie State University

Sharon Wurm
Director of Financial Aid,
Scholarships, Student Employment
& Veterans Services
Truckee Meadows Community College

COMMITTEE STAFF

William J. Goggin
Executive Director

Janet Chen
Associate Director
of Special Analyses

Anthony Jones
Director of Policy Research

Tracy D. Jones
Senior Administrative Officer

Jeneva E. Stone
Senior Writer



Deborah Stanley Director of Financial Aid Bowie State University

Ms. Deborah Stanley was appointed by the Speaker of the House in 2010 to serve a term that expires in 2014. Ms. Stanley currently serves as the Director of Financial Aid at the oldest historically black university in Maryland and one of the ten oldest in the country, Bowie State University, located in Bowie, Maryland. Ms. Stanley has more than 20 years of financial aid experience in both the private and public sectors. Over her career in financial aid, she has served in many capacities, including financial aid counselor, assistant director, and, prior to arriving at Bowie State University, as associate director at the University of Baltimore. She is an active member of DE-DC-MD Association of Student Financial Aid Administrators, the Eastern Association of Student Financial Aid Administrators, and the National Association of Student Financial Aid Administrators. Ms. Stanley received her bachelor's degree in psychology and her master's degree in administrative management from Bowie State University. ♦

ACCSFA Announcements

The Advisory Committee will hold a **public hearing** on **September 30, 2011**, in Washington DC. Hearing sessions will be conducted on the Committee's *Higher Education Regulations Study* and its nontraditional students study.

On June 6, 2011, the Advisory Committee released its latest report, *The Bottom Line: Ensuring that Students and Parents Understand the Net Price of College*. The report examines the HEOA requirement for colleges and universities to post net price calculators on their websites, and the likely issues with standardization.

Staff member **Anthony Jones** has been promoted to **Director of Policy Research**. Mr. Jones is also the Director of the Higher Education Regulations Study.

Associate Director of Government Relations **Alison Bane** has accepted the position of Director of Student Programs & Leadership at the College of Arts and Sciences at Boston University. **Ronda Logan**, Program Associate, has left the Committee to start a new business. We wish both of them the best.

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.

ACCSFA, 80 F Street NW, Suite 413, Washington DC 20202-7582
Tel: 202/219-2099 Fax: 202/219-3032 Email: ACCSFA@ed.gov
Please visit our website: www.ed.gov/ACCSFA