



Updates on College Access Programs: Perspectives from Washington, D.C.

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Presentation Roadmap

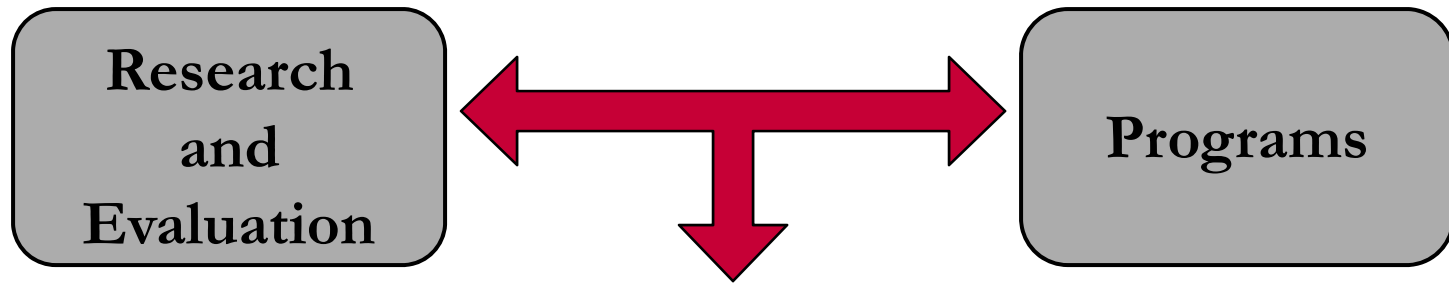
- IHEP Overview: Our Focus, Our Work
- Review select federal college access programs
- Access programs and the FY 2010 federal budget process
 - Stimulus Funds
 - Administration priorities
 - Department of Education priorities
 - Congressional Budget Resolutions
- Strategies for keeping up, discussion, questions

About IHEP

- Independent, non-profit organization whose mission is to increase access and success in postsecondary education around the world through unique research and innovative programs.
- Key activities include policy reports and studies, seminars and meetings, and capacity building.
- Committed to equal opportunity for all and helps low-income, minority, and other historically underrepresented populations gain access and achieve success in higher education.
- Primary audiences for IHEP are those who make or inform decisions about higher education: policymakers, senior institutional leaders, researchers, funders, private sector leaders, and the media.

What We Do

IHEP uses unique **research** and innovative **programs** to inform key decision makers who shape public policy and support economic and social development.



Through research and programs our work involves higher education policy at the U.S. **federal, state, and institutional** levels as well as **international** issues.

Five Areas of Focus

ACCESS AND SUCCESS: Economic and social benefits, student transfer and retention, degree completion, specialized populations, and technology.

ACCOUNTABILITY: Institutional quality measures, non-governmental accreditation, ranking systems, and state coordination and governance.

DIVERSITY: Student demographics and outcomes, admission policies, minority-serving institutions, cultural competence, and workforce diversity.

FINANCE: Cost measurement and management, international comparative finance, private funding sources, student financial aid, and tuition policies.

GLOBAL IMPACT: Access policies, financial aid structures, government funding formulas, and national planning.



Federal Impacts

IHEP has made important contributions to federal policymaking, particularly in the area of college readiness and student aid.



Window of Opportunity:
*Targeting Federal Grant Aid to Students
with the Lowest Incomes*
April 2008



**Corporate Investments in
College Readiness & Access**
June 2008



From Aspiration to Action:
*The Role of Middle School Parents in
Making the Dream of College a Reality*
December 2007



The Future of Private Loans:
Who Is Borrowing and Why?
December 2006

State Impacts



Creating Change One Step At a Time: Efforts to Improve College Access and Success in Indiana (Sept. 2008)

Examined the process Indiana undertook to combine academic preparation, higher education affordability, and a differentiated higher education system to ensuring that more students enrolled in college.

Report highlights the need for a more rigorous high school curriculum, expanded opportunities for need-based financial aid, creation of a statewide community college system, and improved postsecondary completion rates to improve the state's access issues.



Higher Education in Michigan: Overcoming Challenges to Expand Access (March, 2008)

The report looked at access to higher education in underserved regions of Michigan: suburban Macomb County; the city of Saginaw; and six rural counties in the northeastern Lower Peninsula. Michigan residents have found it increasingly difficult to succeed without a college degree.

The policy recommendations, include establish better working relationships among the state's two- and four-year institutions; develop better public transportation systems for residents to reach a postsecondary institution; invest in long-term financial support for college students; and establish or expand healthcare and medical training programs.

Institutional Impacts

IHEP works with colleges and universities to help build both individual and institutional capacity to address disparities in higher education.

- **ALLIANCE FOR EQUITY IN HIGHER EDUCATION** – coalition of the American Indian Higher Education Consortium (AIHEC), the Hispanic Association of Colleges and Universities (HACU), and the National Association for Equal Opportunity in Higher Education (NAFEO) which represents Historically Black Colleges and Universities.
- **SUMMER ACADEMY** - a five-day, team-based planning retreat that helps institutions create transformational campus change plans.
- **THE WAL-MART MINORITY STUDENT SUCCESS INITIATIVE** - Supports select MSIs to improve academic success programs for first-generation students of color.
- **MSI FINANCIAL LITERACY SYMPOSIUM** – Two-day forum to increase financial literacy.
- **MODEL REPLICATION INSTITUTIONS** - Implementing proven strategies to increase participation, retention, and graduation for students of color in science, technology, engineering, and math (STEM) fields.
- **NATN** – The key goal is to increase the numbers of transfer students, particularly students of color, who graduate with baccalaureate degrees.



**Overview of Select Federal
College Access Programs
and FY 2010 Budget
Discussions**

How We Got Here: Evolution of Recent Federal Access Programs

Reauthorization process for the Higher Education Act continues, and continues (2004-2008)



College Cost Reduction and Access Act (Oct. 2007) emerges from budget reconciliation to address postsecondary needs

Higher Education Act Reauthorization completed “quickly” in '08 summer (Aug. 2008)



American Recovery and Reinvestment Act (Feb. 2009): The Stimulus Bill

FY 2010 Budget Process (ongoing)



Key College Access Programs

The CACG and GAP initiatives foster federal-state-institutional-and community partnerships to address the challenges of expanding postsecondary opportunity for specific populations of students.

- **College Cost Reduction and Access Act (CCRAA)**
 - Effective October 1, 2007
 - Budget reconciliation bill addressing education provisions; a precursor to Higher Education Act (HEA) Reauthorization
 - Originating legislation for **College Access Challenge Grants (CACG)**

- **Higher Education Act (HEA) Reauthorization**
 - Effective August 14, 2008
 - Created **Grants for Access and Persistence (GAP)** initiative which replaced Special Leveraging Educational Assistance Partnership (LEAP) Program

College Cost Reduction Act

- Among other provisions, CCRAA created the **College Access Challenge Grants (CACG)** program:
 - Provided a 2:1 matching grant to be spent on efforts to increase college access and success.
 - If states fail to raise their share the Department will reduce the federal award proportionally.
 - \$66 million was authorized to be appropriated for FY 2008 and another \$66 million for FY 2009.
 - Focus on partnerships to address underserved and low-income populations.

Higher Education Act Reauthorization

- The Higher Education Opportunity Act reauthorizes the Higher Education Act of 1965, five years behind schedule.
 - Enacted August 14, 2008
- HEA deals with a number of important areas in postsecondary education including:
 - College costs
 - Accreditation
 - Student financial aid
 - Disclosure and compliance requirements
 - Teacher training provisions
 - International education

Higher Education Act Reauthorization

- Created **Grants for Access and Persistence (GAP)** initiative which replaced Special Leveraging Educational Assistance Partnership (LEAP) Program.
- \$200 million appropriated for FY 2009 and five succeeding years, portions of which are allocated through matching grants to states.
- Federal share is between 50% and 66.6% depending on partner institutions enrollment rates of % of states FTE.
- Similarly focused on partnership grant programs involving states, institutions, and community partners aimed at low-income and underserved populations.

GAP/CACG Comparison

Grants for Access and Persistence	College Access Challenge Grants
<p>Purpose: To expand college access and increase college persistence by making allotments to States to enable the States to undertake the following activities:</p>	<p>Purpose: To provide a two to one matching grant to be spent on efforts to increase college access and success among underserved student populations. Generally grant recipients may use funds to:</p>
<ol style="list-style-type: none"> (1) expand and enhance partnerships with institutions of higher education, early information and intervention, mentoring, or outreach programs, private corporations, philanthropic organizations, and other interested parties, including community-based organizations, in order to provide coordination and cohesion among Federal, State, and local governmental and private efforts that provide financial assistance to help low-income students attend an institution of higher education. (2) provide need-based grants for access and persistence to eligible low-income students. (3) provide early notification to low-income students of the students' eligibility for financial aid. (4) encourage increased participation in early information and intervention, mentoring, or outreach programs. 	<ol style="list-style-type: none"> (1) provide information about the benefits of a college education, college opportunities, college planning, and career planning inform students and families about financing options for college, financial literacy, and debt management. (2) perform outreach activities for students at risk of not continuing their education and assist families in completing the FAFSA. (3) provide need-based grants to students and provide professional development for guidance counselors, financial aid administrators and college admissions counselors at colleges to help them give students better guidance on: college entrance requirements, eligibility requirements for ACG/SMART Grants and other financial assistance that depends on a student's coursework, the college application process, the financial aid application process, activities that increase students' success at colleges, activities that prepare students for college entrance exams. (4) student loan forgiveness, loan repayment, or interest rate reductions for those working in high-need areas.

GAP/CACG Comparison

- The underlining approach of the two programs is similar: to leverage public – private partnerships to enhance access to and persistence in postsecondary education.
- CACG program created as a “bridge” to continue college access programs during the time HEA was meandering through the reauthorization process.
- Commitment remains to the principal of providing federal matching funds to support state and community partnerships to reach underserved populations and low-income students.



Access Programs and the FY 2010 Federal Budget Process

College Access Programs and Federal Budget Discussions

- The American Recovery and Reinvestment Act: Stimulus Funds
- Obama Administration Education Budget priorities
- Department of Education Budget priorities
- Congressional Budget Resolutions

American Recovery and Reinvestment Act

- “The Stimulus Bill” was passed and signed into law in February.
- Allocated \$53.6 billion for a State Stabilization Fund for education.
- \$5 billion to ED for competitive awarding.
- \$48.6 billion to Governors allocated by formula.

State Fiscal Stabilization Fund
\$53.6 billion

Formula

Governors
\$48.6 billion

Competitive

The Secretary
\$5 billion

**Public Elementary,
Secondary, and
Institutions of Higher
Education**
81.8% (\$39.8 billion)

**Education, School
Modernization, Public
Safety, or other
Government Services**
18.2% (\$8.8 billion)

**Race to the Top
(\$4.35 billion)**
**What Works and
Innovation (\$650 million)**

State Fiscal Stabilization Fund for Education: Uses for Institutions of Higher Education

- Higher education institutions may use stimulus funds for:
 - Education and general expenditures such as faculty salaries and operating expenses;
 - To mitigate fee and tuition increases for in-state students;
 - Modernization, renovation, and repair of facilities used for student housing, instruction, and research.

Highlights of President Obama's Budget for Education and Research for the 2010 Fiscal Year

New Programs and Policies			
	Estimated Costs Over 5 Years		
Automatically increase Pell Grants to keep pace with inflation	\$41.8 billion		
<u>Provide funds for states to help low-income students complete college</u>	<u>\$2.1 billion</u>		
Make \$2,5000 tuition tax credit permanent	\$23.3 billion		
Make research and experimentation tax credit permanent	\$28.9 billion		
	Estimated Savings Over 5 Years		
Eliminate subsidies for lenders in federal student loan program	\$24.3 billion		
Overhaul Perkins Loan program	\$3.1 billion		
Limit tax benefits for charitable contributions and other itemized deductions from families earning more than \$250,000	\$60.2 billion		
Other Proposed Spending	Proposal FY2010	Estimated Spending FY2009	Additional Money in Economic Stimulus bill
	\$46.7 billion	\$46.2 billion	\$18.1 billion
National Science Foundation	\$ 7 billion	\$6.9 billion	\$ 3 billion
Cancer research, National Institutes of Health	\$6 billion	N/A	\$10 billion (for cancer and biomedical research)
NASA	\$18.7 billion	\$17.8 billion	\$1 billion
Corporation for National and Community Service	\$1.1 billion	\$ 900 million	\$ 200 million

Priorities of FY2010 Budget: Department of Education

Federal Pell Grants

- Establishes a maximum Pell Grant of \$5,550 for the 2010-11 academic year; then index the maximum grant to grow faster than inflation (at rate equal to the consumer price index plus 1 percentage point).

American Opportunity Tax Credits

- \$2,500 tax credit that is particularly refundable to low-income students.

Student Loans

- End the entitlements for financial institutions that process federal loans; place all new loans in the direct lending program.

Perkins Loans

- Expanded Perkins loan program with \$6 billion in new loan volume, reaching up to 2.7 million new students.

State-Federal Partnership

- Provide a five-year, mandatory 2.5 billion fund to build a federal-state-loan partnership aimed at improving college success and completion.

Simplify the FAFSA

- Propose to streamline the financial aid process so that students can determine their eligibility well in advance.

Keep Tuition Under Control

- Colleges and universities must assume responsibility for controlling their costs.

Source: U.S. Department of Education, April 4, 2009.

Congressional FY 2010 Budget Resolutions

HOUSE

- The House budget resolution provides \$1.089 trillion for discretionary spending in FY 2010.
- House resolution requires the Committee on Education and Labor to find \$1 billion in savings over the next five years under the heading of "Investing in Education".
- Includes language establishing a deficit-neutral reserve fund for college access, affordability, and completion to make "college more affordable or accessible or that increases college enrollment and completion."

SENATE

- The Senate also debated and passed their budget resolution that provides for \$1.081 trillion in discretionary spending.
- The Senate resolution includes similar reserve fund language and several potential changes to student financial aid programs.

Congressional FY 2010 Budget Resolutions

Potential benefits to higher education:

- The combination of (a) the instruction to find \$1 billion in savings and (b) the reserve fund is widely believed to allow the respective Committees dealing with education to produce legislation that will implement President Obama's budget proposals.
- The two key provisions of the President's budget focus on making Pell an entitlement and eliminating the Federal Family Education Loan Program by issuing all future Stafford Loans through the Direct Lending Program after July 1, 2010.
 - Some difference in House/Senate versions on FFELP; unclear what final outcome will be.
- The House and Senate budget negotiators will come together in order to resolve differences between the two resolutions. Since the Congress is on a recess in observance of Easter, the earliest that a formal meeting can take place will be the week of April 20.

Congressional FY 2010 Budget Resolutions

- The general sense is that the \$2.1 – \$2.5 billion fund for to support Federal and State partnerships will reflect priorities outlined in the President's budget.
- Some of these funds will likely maintain the type of work that is funded by CACG and GAP programs; appears to be no intent to renewed programs in their current form.
- Still very early in the process; it is difficult to assess with any certainty what final outcomes will be.

Tracking the Next Steps: Strategies for Keeping Up

- Communicate with government relations offices or officers on the need to inform policymakers of your programs work and success.
 - We know that stories matter.
- Stay abreast of developments through institutional alerts, professional organizations, regional affiliations such as WICHE, and federal websites/publications.
- Appreciate that this is a fluid political process that is subject to action and reaction as circumstances change.

Feedback and Discussion

- What type of Federal-State partnership programs and activities would you recommend be supported by Department of Education (ED) funds moving forward?
- Questions, comments, discussion from the group?



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