



National College Access Network

Building Connections. Advancing Equity. Promoting Success.

1001 Connecticut Avenue NW
Suite 300
Washington, DC 20036
Phone (202) 347-4848
www.collegeaccess.org

Board Members

Marlene Ibsen
Board President
Travelers Foundation

Gloria Nemerowicz, Ph.D.
Board Vice President
Yes We Must Coalition

Steve Colón.
Board Treasurer
Teach for America

Nate Easley, Ph.D.
Board Secretary
Denver Scholarship Foundation

Adam Berg
AEM Corporation

Pranav Kothari
Revolution Impact, LLC

Paul Luna
Helios Education Foundation

Lori McFarling
Discovery Education

Sasha Peterson
TargetX

Jamie Sears
UBS

Stephen M. Smith
Hobsons

Herb Tillery
College Success Foundation –
District of Columbia

Ricardo Torres
National Student Clearinghouse

Executive Director

Kim Cook

The Honorable Lamar Alexander,
Chairman
Senate Health, Education, Labor,
and Pensions Committee
455 Dirksen Senate Office Building
Washington, D.C. 20510

The Honorable Patty Murray, Ranking
Member
Senate Health, Education, Labor,
and Pensions Committee
154 Russell Senate Office Building
Washington, D.C. 20510

February 23, 2018

Dear Chairman Alexander and Ranking Member Murray,

Thank you for the opportunity to provide recommendations for the ongoing reauthorization of the Higher Education Act of 1965. The National College Access Network, founded in 1995, represents more than 400 members across the country that all work toward NCAN's mission to build, strengthen, and empower communities committed to college access and success so that all students, especially those underrepresented in postsecondary education, can achieve their educational dreams. NCAN's members span a broad range of the education, nonprofit, government, and civic sectors, including national and community-based nonprofit organizations, federally funded TRIO and GEAR UP programs, school districts, colleges and universities, foundations, and corporations.

With its members and partners, NCAN develops and supports programs and policy solutions that help more students aspire to, apply to, enter, and succeed in college or other postsecondary training. As our mission states, NCAN and its members are focused on helping historically underrepresented students achieve their educational dreams through any high-quality pathway of postsecondary education. This approach demands that all students be able to choose their pathway forward regardless of where they began in life.

The reauthorized Higher Education Act should:

- 1) Support a strong federal student financial aid system that focuses on need-based aid programs that support access to and completion of all higher education pathways;
- 2) Simplify the financial aid system so that it is easier for students, but without harming affordability; and
- 3) Improve the college choice process through access to meaningful information for students.



A reauthorized Higher Education Act should increase both access to and success in higher education for historically underrepresented student populations. The focus of this reauthorization should be students who would not attend or complete college otherwise. Supporting these students will provide the biggest boon for our economy and do the most to close historical gaps of inequity. Any bill that cannot produce this impact is inadequate. Please see the attached for specific recommendations.

Sincerely,

A handwritten signature in black ink that reads "Kim Cook". The signature is written in a cursive, flowing style.

Kim Cook
Executive Director
National College Access Network

Support a strong federal student financial aid system that focuses on need-based aid programs that support access to and completion of all higher education pathways

An equitable focus on affordability cannot focus on one pathway, forcing low-income students to pick their future career path based on the types of postsecondary education that they can afford. All students should have an affordable option for all postsecondary pathways – whether that be for a high-quality credential, or a two- or four-year degree. Affordability must also be addressed at all points along the college pipeline: enrollment, persistence, graduation, and entry into loan repayment. It cannot be solved through simplification or a focus on debt alone.

Pell Grant program

The Pell Grant is the cornerstone of this country's financial aid system, yet a maximum Pell Grant award now pays for [less than one-third](#) of the cost of attendance at the average public four-year institution. To continue to fulfill the promise of the Pell Grant program, the following changes should be made:

Reinstate the inflationary adjustment: Without an annual increase, the proportion of the cost of a four-year degree covered by the Pell Grant will drop below [23 percent](#) before the current college freshmen graduate. Flatlining the Pell Grant will not prevent tuition increases or the cost of living from getting more expensive. For this reason, the Pell Grant must continue to grow with the growing cost of college in order keep opening the door for low-income students. The maximum Pell Grant award should be adjusted in years when there is an increase in the Consumer Price Index.

Short-term Pell Grants for High-Quality Programs Only: Any expansion of the Pell Grant program to shorter-term programs that would not currently qualify for Pell dollars should apply only to high-quality programs. Strong guardrails to prevent predatory programs must be included. Additionally, clarity is needed both for students and institutions to understand how these programs would affect lifetime eligibility limits for receiving Pell Grant dollars.

Incent Completion within Bonuses Only: The Pell Grant must remain a program focused on need without additional provisions that would increase any merit-based requirements to receive or renew the grant. Any changes to incentive completion should be created as a bonus for those students able to meet those requirements, such as taking 15 credits instead of 12.

Campus-based Aid

Adjust the Allocation Formula – Federal Work-Study and Supplemental Educational Opportunity Grant dollars should be awarded to campuses based on the access and completion of low-income students at those institutions rather than the length of time an institution has spent in the program. Any new formula should be shared in advance for public feedback so that campuses serving large proportions of low-income students are not unintentionally harmed.

Increase Federal Work-Study Expenditures: Students who participate in this program are [more likely to graduate](#). Additional funds should be invested in work-study so that more students are able to access work that supports their studies – not only academically, but logistically. Additionally, increasing the funding will reduce the impact on institutions that may receive fewer funds under a new formula.

Protect the Impact of Supplemental Educational Opportunity Grants (SEOG): The average SEOG award is [\\$607](#), received by more than 1.5 million students annually. This amount, [double](#) the amount shown to affect whether a student is able to stay enrolled in college, is significant to those who receive it. Further, it provides institutions an incentive to invest in need-based aid due to the matching requirement. The program could be improved through a change in the formula allocation so that institutions serving higher proportions of low-income students receive more adequate funding for them. Changes to decrease or eliminate funding from SEOG should reallocate all funding to other lines within the current or new Title IV student aid programs and should at the very least maintain current overall funding levels.

Student Loans

Maintain the Benefit of the Subsidized Loan Program: The subsidized Stafford loan program plays an important role in keeping down the out-of-pocket costs for low-income students must pay to attend college. Currently, a student who takes out the maximum amount of subsidized loans – \$23,000 – would pay an [additional \\$4,350](#) to attend college if this subsidy is lost. This additional amount could sway a student’s decision about whether college is affordable, particularly if it is spelled out in the loan totals and monthly payments as part of additional consumer information on borrowing. While income-based repayment provides a safety net for students who struggle to repay their loans, the upfront subsidy helps make college more affordable. Students should not have to shoulder an additional cost for college. Any efforts to simplify the loan programs should reallocate this support for students to other lines within current or new Title IV student aid programs and should at least maintain current overall funding levels.

Equitable Use of Flexible Loan Limits: Loan limits that provide flexibility to institutions to decrease the amount of a debt a student takes should not be permitted to “redline” students based on family income, zip code, first-generation status, or other categories that can be used to discriminate against specific groups of students.

Simplify the financial aid system without reducing need-based financial aid

Simplification of the financial aid system is one of several steps needed to address the growing college affordability concerns of American families. Changes to the financial system should be focused on making it simpler for students and should not decrease the amount of need-based available from the federal student aid system. Simplification cannot equal a reduction in funding. Specific changes to simplify the federal financial aid process that would benefit low-income students include:

Free Application for Federal Student Aid (FAFSA)

Simplify the FAFSA – The FAFSA should be simplified in a way that allows students to more easily predict – in advance of completing the form – whether they will qualify for a Pell Grant; limits the financial questions for middle-income families; explores the possibility of one-time filing; moves to a mobile FAFSA filing process; and retains the universality of the form for use by states and institutions in their need-based aid programs. NCAN’s specific recommendations for a simplification strategy are in the “Half the FAFSA” report available at www.collegeaccess.org/fixfafsa. This proposal includes recommendations to allow recipients of means-tested benefit programs to receive a full Pell Grant award, allowing them to know their eligibility in advance and removing the requirement that they answer financial questions. To address the needs of middle-income families, two possibilities include limiting financial questions to those available from the IRS Data Retrieval Tool and expanding the Simplified Needs Test to families earning up to \$100,000.

Reduce FAFSA Verification – The FAFSA filing process does not end when the form is submitted, and simplification cannot stop at that point in the process, either. For the 2014-15 application cycle, approximately 25 percent of FAFSA filers were selected for verification. This represents 5.3 million students. Of those students, [5.2 million](#), or 98 percent, were Pell-eligible; low-income students bear the burden of FAFSA verification. However, the IRS [audits](#) less than 1 percent of tax filers, with the highest-income ones bearing the brunt of the burden. NCAN [estimates](#) that each year approximately 90,000 low-income high school seniors do not receive a Pell Grant due to struggles completing the verification process. Possible solutions to explore include: limit financial questions to those available from the IRS Data Retrieval Tool, require further data-sharing among government agencies rather than requiring students to transport endless paperwork, limit the percentage of students an individual campus must verify, require institutions to use a standard verification form and documentation, and move to one-time FAFSA filing for students who maintain enrollment.

Financial Aid Award Letters

Use Standard Terms in Financial Aid Award Letters – Financial aid award letters, not acceptance letters, are the defining moment for low-income students. However, these letters are so varied that making an apples-to-apples comparison can be incredibly difficult. A recent [analysis](#) of more than 11,000 award letters found that one-third did not provide information on total cost. Further, in a subset of 454 letters, the Federal Direct Unsubsidized Stafford Loan was referred to in 143 unique ways, including 26 financial aid award letters that did not label the funds as a “loan.” At the least, colleges should use a set of standard terms with common definitions so that students can more easily make comparisons between their aid offers and understand the total amount they will owe on the first bill. Further, these letters should separate grant aid and self-help funds such as loans and work-study.

Student Loans

Increase Student Loan Counseling: Students do not always understand the impact of the student debt they are committing to, especially over the long-term of their education. To help students better weigh their decisions about which and how much in loans to take out, they should receive an annual notification of their total student loan balance and projected monthly repayment amount. This statement should be similar to the required information on credit card statements that outlines how long it will take to pay off the balance if paying the minimum balance on a card. Language should also be included reminding students that they are not required to borrow the maximum amount for which they are eligible if they do not need the funds.

Consolidate and Simplify Income-Based Repayment Plans: Income-based repayment options are an important safety net for any student with federal loans who is struggling financially or chooses a low-paying occupation. The current range of options, application hurdles, and lack of guidance make it difficult for students to pursue these options meant to help them. The number of plans should be consolidated in a way that does not decrease the benefits to students and makes for an easier application process.

Program Consolidation

Consolidate Grant and Loan Programs ONLY if Need-Based Aid at the Student Level is Maintained: - Any program consolidation must keep all need-based aid funds within the need-based aid programs currently classified in Title IV. Simplification may be easier to understand, but it will harm students if funds are lost. For students who take the maximum allowed \$23,000 in subsidized Stafford loans, they will pay an [additional \\$4350](#) over the life of their loans on the standard repayment plan. This is a significant increase in the cost of college for students with these loans. For the average SEOG award recipient of \$607, they could lose out on over \$2400 in grant aid over the course of a four-year degree. Without an equitable increase in their need-based grant aid, they could need to add to this amount to their loan burden, which will then be even greater lost as they pay interest on it.

Low-income students currently use many puzzle pieces to pay for college: the Pell Grant, SEOG, Federal Work-Study, subsidized loans, unsubsidized loans, state grants, state loans, scholarships, and institutional aid. This system certainly is complicated. [Analysis](#) from NCAN demonstrates that in most states, low-income students receiving the average Pell Grant struggle to afford their public four-year colleges. To address this growing problem, the Higher Education Act should increase affordability, not just focus on maintaining the status quo. Removing any of the programs listed here would make financing college easier to understand, but without equal or greater growth, the program removal will exacerbate, not improve, college affordability.

Improve the College Choice Process through Access to Meaningful Information for Students

Currently there is a great deal of data available on colleges, their financial aid programs, and their outcomes. However, not much of it is translated into helpful information to students. Students need to know whether others like them will graduate from a given program, whether they are likely to get a job, and how much they might earn. The current data system makes answering these questions very difficult.

Collect and Report Outcomes Data at the Program Level: – Students should be able to see program-level data outlining graduation rates, job placement, and earnings levels. This will help students make more informed decisions, particularly in places where they may have only one or a few feasible college options. The system to manage these data should be dynamic so that it can adapt to the changing needs of students and policymakers over time.

Collect and Report Outcomes Data by Student Characteristics: – Students should also be able to answer the question “how will a student like me do at this program?” A majority of students are independent for financial aid purposes. As college students’ average age rises, they are more likely to attend multiple institutions, attend part-time, or transfer. The current federal data system has limited ability to answer questions for these post-traditional students. To make informed decisions, students should have access to this information. The system to manage this data should be dynamic so it can adapt to the changing needs of students and policymakers over time.

Count all Students in Federal Data Collection by Closing Gaps in Completion and Earnings Data: – All students, not just those receiving federal financial aid, should be part of the outcome measures recommended above. *All* students have the right to know what they can expect in return for their investment of time and money, regardless of how they finance their education. Thirty percent of students nationwide do not receive federal financial aid — in fact, only about [62 percent](#) of community college students do. If federal financial aid recipients continue to be the only students counted in outcome measures, many colleges and programs would be unfairly mischaracterized, leading students to make ill-informed decisions about their educational choices.

Improve Publicly Available Aggregate FAFSA Data: – Currently, the U.S. Department of Education’s Federal Student Aid office releases aggregate data on FAFSA completion annually for the award cycle most recently closed. This results in the data being released almost two years after high school seniors complete their first FAFSA. To more adequately aid in FAFSA completion efforts, Federal Student Aid should release the following information quarterly: how many FAFSA filers were new filers vs renewal filers, the number of FAFSAs completed by Expected Family Contribution level, the percentage of FAFSA filers who are Pell eligible, and the percentage of FAFSA filers categorized as independent or dependent students.