



FOR YOUTH DEVELOPMENT
FOR HEALTHY LIVING
FOR SOCIAL RESPONSIBILITY

Challenges Facing Access

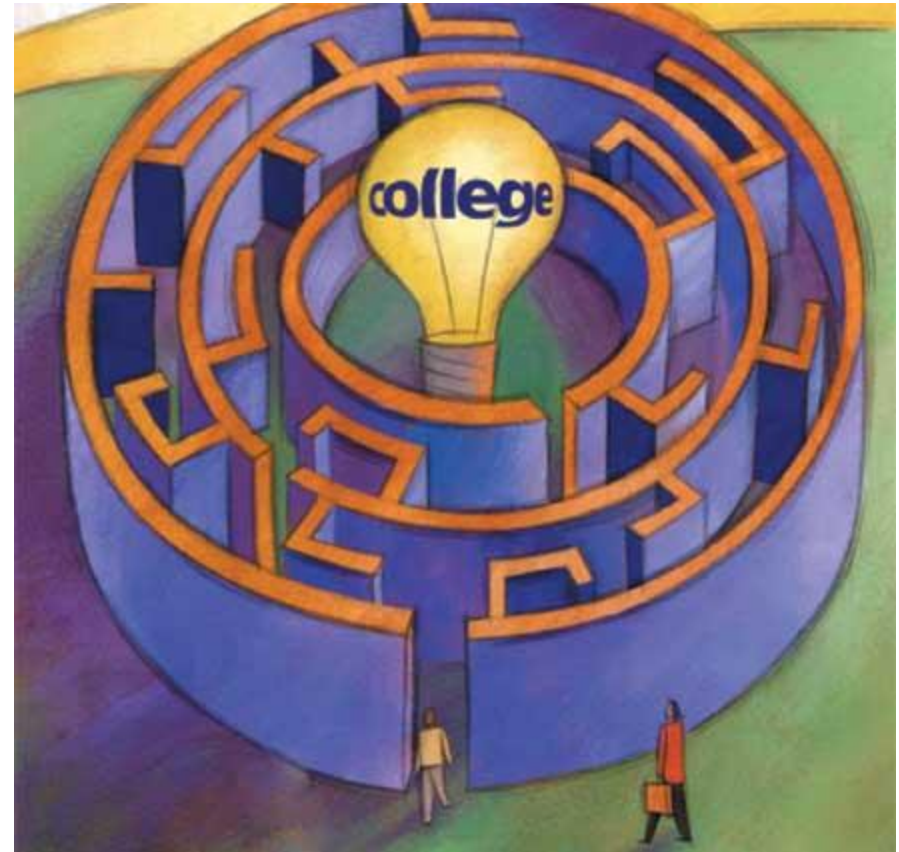
Dr. Claude Pressnell
President

Tennessee Independent Colleges and
Universities Association



Fundamental Keys to Access/Success

- Ensuring the proper fit
- Navigating the process
 - Admission
 - Financial aid
 - Matriculation
- First year adjustments
 - Academic rigor
 - Social adjustments



Policy Shifts

- Influence of Gates and Lumina
 - Race to the Top
 - Student success – college ready
 - Teacher effectiveness
 - Complete College America
 - Outcomes based
 - Retention
 - Transfer
 - Graduation



FAFSA



- Efforts at simplification
 - Question reduction
 - Increasing auto-zero
 - Examining federally means-tested equivalents
 - Challenges with radical simplification
 - Dependent students
 - Independent students
 - State issues



FAFSA

- FAFSA online
 - ACSFA
 - +95% of applications are done online
 - Skip logic technology
- Professional Judgment



State Student Aid

- Move toward more merit aid among states
- Lack of support for state need-based programs
- Federal Threats
 - Loss of LEAP
 - Reduction in SEOG
 - Loss of year-round Pell

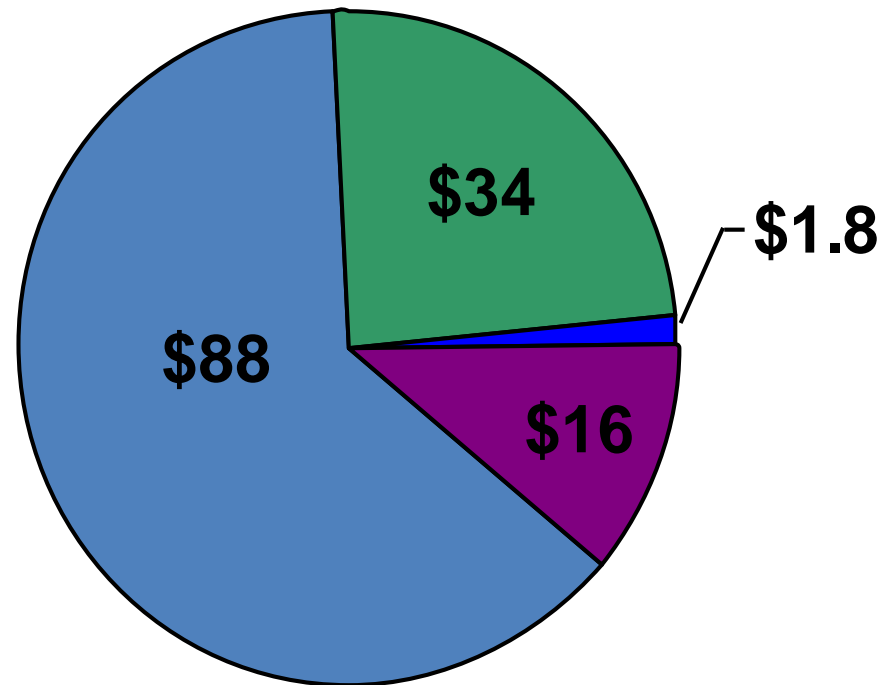
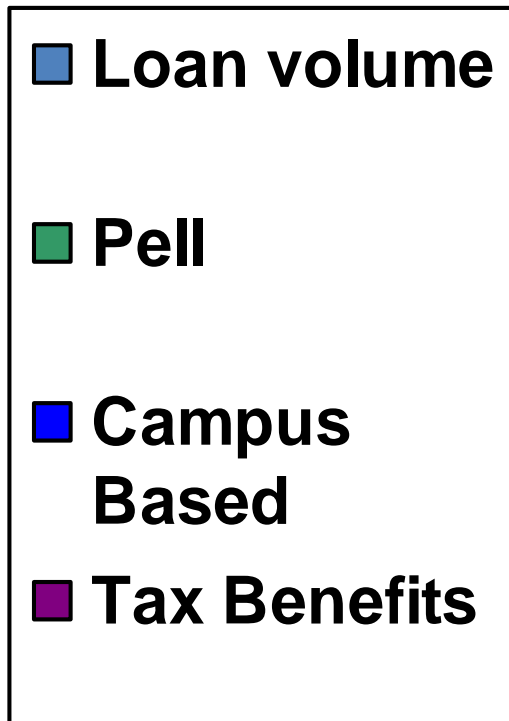


Student Aid

- Institution challenges
 - State campuses facing budget reductions
 - Non-profits and the lack of a true economic recovery
 - Endowment income beginning to recover
 - Donors are still holding tight on resources
 - Increasing competition for limited donor funds
 - Discounting is being reconsidered



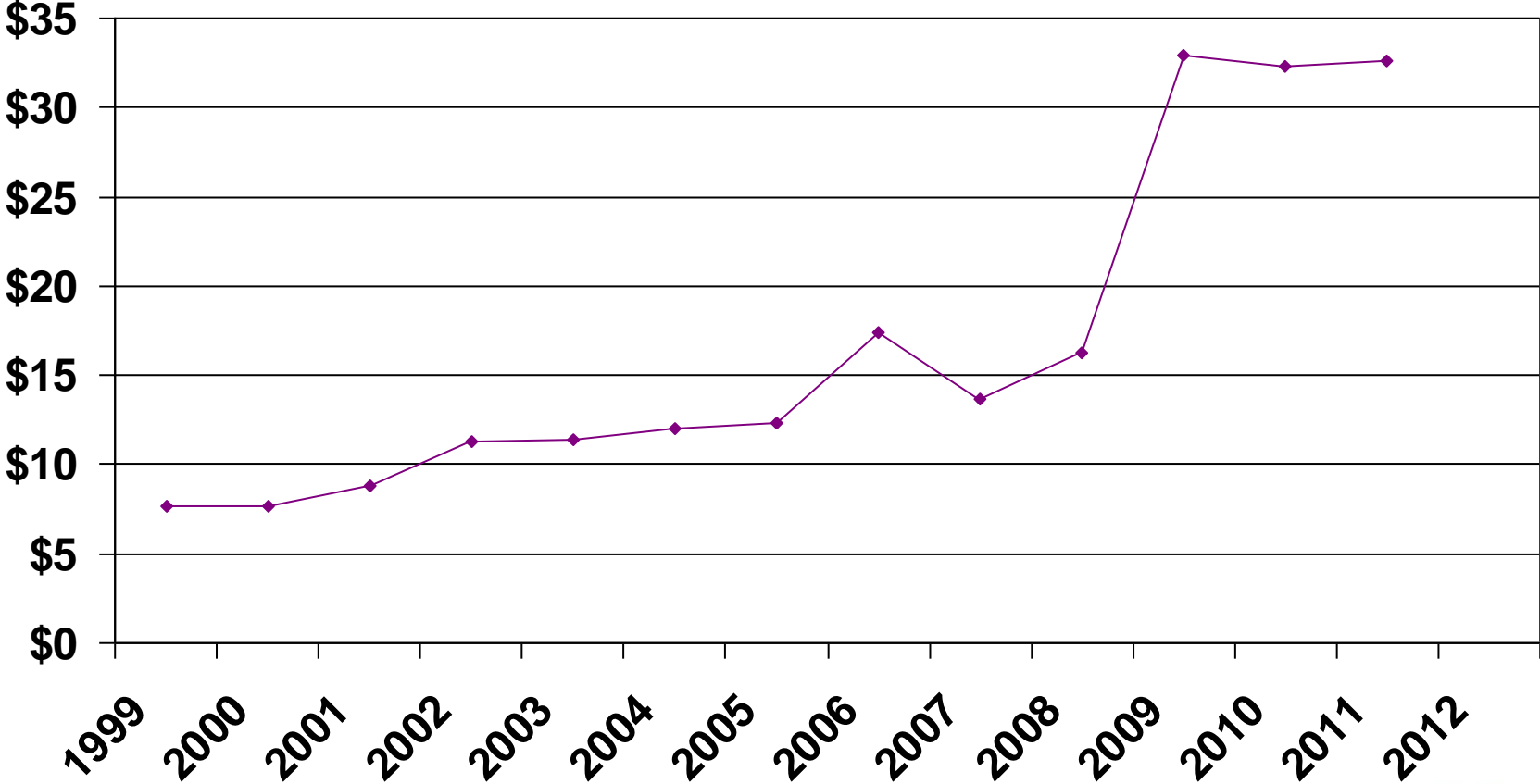
Federal Student Aid = \$140 Billion



FY10 in Billions

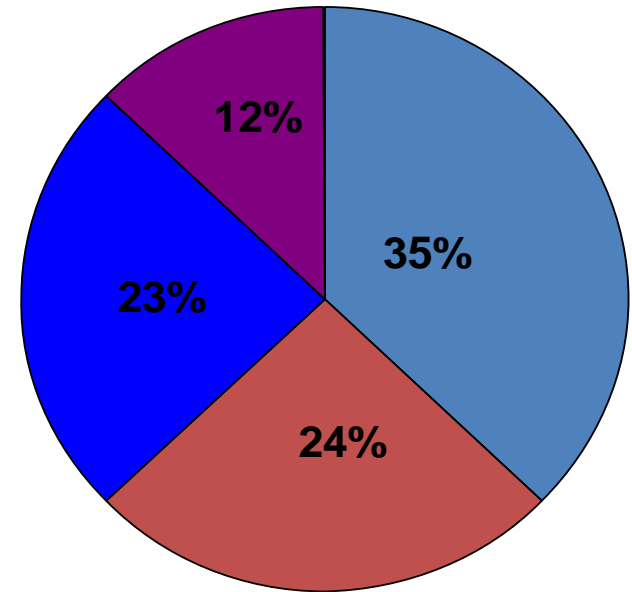


Pell Grant in Billions



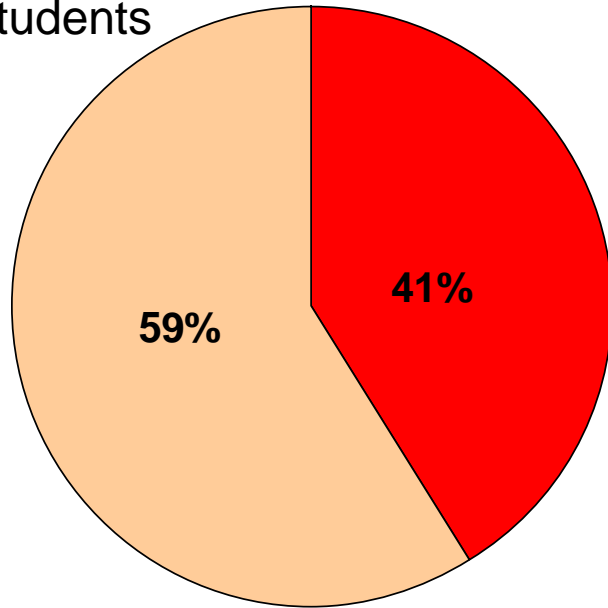
Pell Grant

- \$34 billion
- 8.2 million students
- HR 1
 - Would have cut Pell by \$845
 - Cuts all recipients
- Threats are ominous



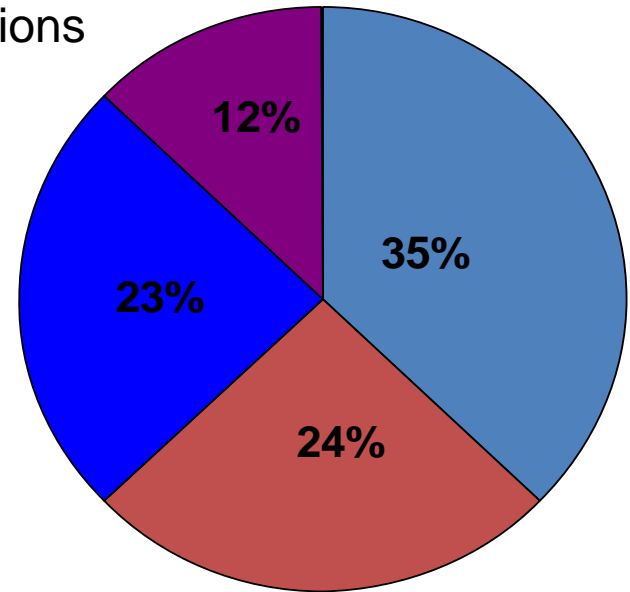
Who Gets Pell Grants?

Students



■ Dependents ■ Independents

Institutions



■ Public 4 ■ Public 2
■ For-Profit ■ Private NP

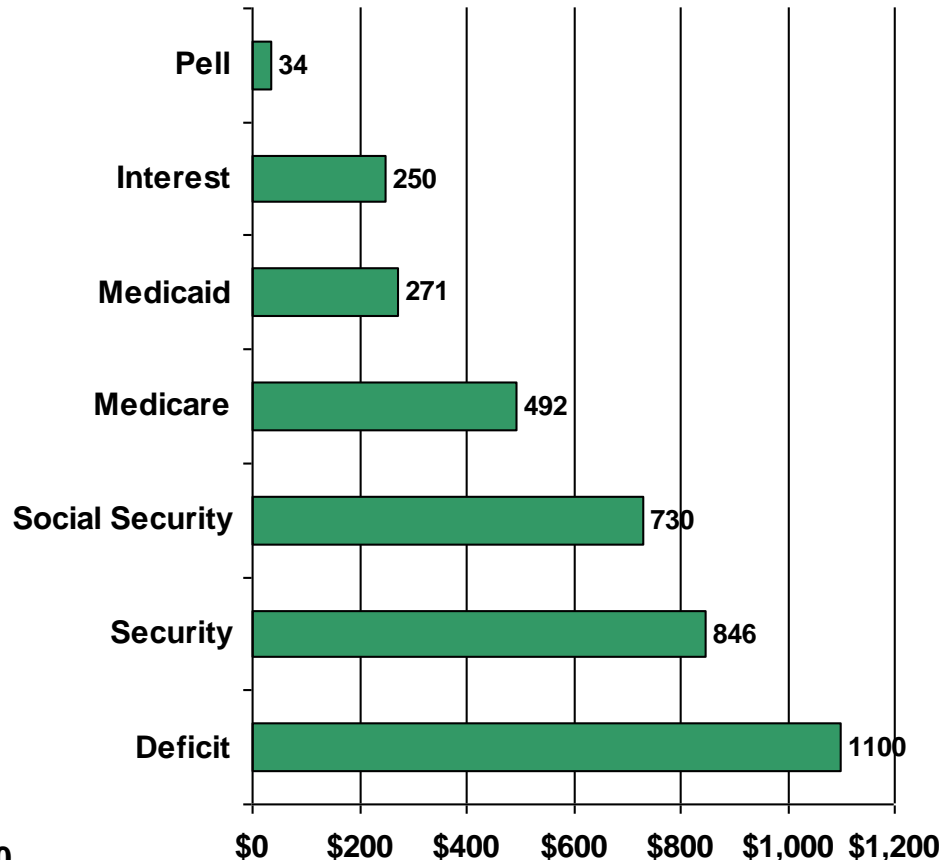
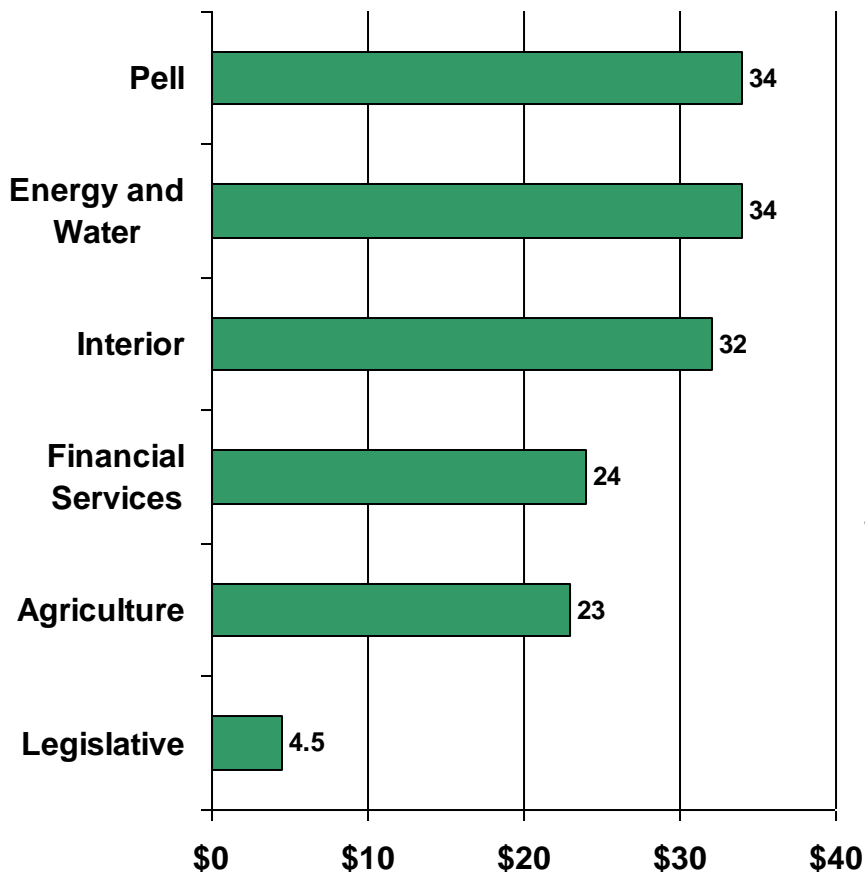


Source: FY 2011 U. S. Department of Education Budget Justification



Perspective on \$34 billion Pell Grant Program

(FY 2011, billions)



Source: U. S. House of Representatives, Committee on Appropriations



Source: FY 2011 President's Budget

Results of FY11 and Outlook for FY12

- Student Aid Targets in Deficit Reduction
 - Eliminate LEAP state grants
 - SEOG
 - Pell: cut maximum grant/eliminate year-round/change eligibility requirements
 - Eliminate in-school interest subsidy for graduate loans
 - Administrative costs



Eliminate LEAP state grants

- Eliminated during the February CR
- Federal contribution to state need-based aid programs
- Challenged the states to create need-based aid programs
- \$64 million
- Served the neediest Pell recipients



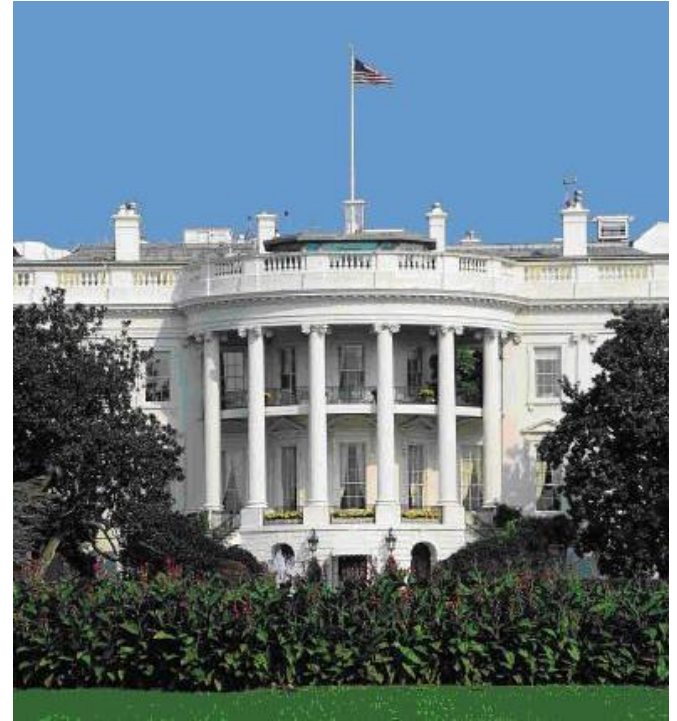
SEOG

- On the chopping block for elimination
- Goes to Pell Recipients
- Campus based aid program
- \$754 million
- 1 million students
- \$20 million reduction



President's Budget

- Desires to keep the Pell maximum at \$5,550
- Eliminate in-school interest subsidy for graduate loans
- Administrative costs





- Define full-time enrollment to correspond with on-time completion
 - 15 hours
 - Graduated amounts
 - Allow for second Pell after 30 hours completed
- Limit years of eligibility
 - Current law – 9 years
 - Move to 6 years





- Maximum Pell
 - Auto zero from \$30,000 back to \$20,000
 - Add 'auto EFC' for other incomes
- Refine eligibility requirements
 - Examine ability to benefit
- Long-term considerations
 - Transparency and simplicity
 - Tying to student success



Conclusion

- College process could become more difficult rather than streamlined
- Student aid will be reconfigured resulting in redistribution impacting affordability
- Students and families will need ongoing assistance to navigate the process and changes





FOR YOUTH DEVELOPMENT
FOR HEALTHY LIVING
FOR SOCIAL RESPONSIBILITY

Challenges Facing Access

Dr. Claude Pressnell
President

Tennessee Independent Colleges and
Universities Association

