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FY2011 BUDGET PROPOSAL:
THOUGHTS AND RECOMMENDATIONS FOR INCREASING COLLEGE ACCESS AND SUCCESS

INSTITUTE FOR HIGHER EDUCATION POLICY

The Institute for Higher Education Policy is an independent, nonprofit organization that is dedicated to increasing access and success in postsecondary education around the world. Established in 1993, the Washington, D.C.-based organization uses unique research and innovative programs to inform key decision makers who shape public policy and support economic and social development.

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The Institute for Higher Education Policy (IHEP) is encouraged by President Obama's commitment to increasing college access and success for all students, as evidenced by the recommendations in his Fiscal Year 2011 budget proposal. Efforts like the Access and Completion Fund, the American Graduation Initiative, the expansion of student loan repayment options, and support for minority-serving institutions (Hispanic-Serving institutions, Historically Black Colleges and Universities, and Tribal Colleges and Universities) will collectively help increase the number of students who successfully enter and complete college. Given IHEP's research and programmatic efforts focused on the various topics referenced in the budget proposal, we provide some recommendations to the existing proposals that will likely 1) aid more eligible students, 2) better target interventions, and 3) encourage partnerships with the federal government.

RECOMMENDATION #1: OFFER MORE AID TO ELIGIBLE STUDENTS

Pell Grants

Research conducted by IHEP and other organizations verifies the important role of Pell Grants for low- and moderate-income students. These grants have helped to make the promise of a college degree a reality for millions of students. Yet, in recent years, the purchasing power of the Pell Grant has not kept pace with the rising cost of college. The budget's proposed plan to increase Pell Grant funding, link future increases to annual inflation, and make funding mandatory will yield positive outcomes. Although Pell Grants currently operate as an entitlement, they are funded through the annual appropriations process. Given the Obama administration's commitment to student aid, cuts to Pell Grants may appear unlikely now. However, future conversations about spending and budget cuts can potentially compromise the Pell Grant program. If the Pell Grant program is not a <u>mandatory</u> program, we risk a reduction in funding in the near future, which places educational opportunity at peril for millions of students.

Recent budget cuts in a couple of states provide clear examples of what can happen when student aid programs are not classified as mandatory spending programs.

RECOMMENDATION #2: BETTER-TARGETED INTERVENTIONS

Campus-Based Aid Programs

The intent of the campus-based aid programs—Federal Work Study (FWS), Perkins Loans, and Federal Supplemental Educational Opportunity Grants (FSEOG)—is to assist needy students with college expenses. Participating institutions play an important role in the operation and dissemination of these aid programs. The formula used to distribute these funds benefit many elite colleges and universities, even though these institutions serve a relatively small proportion of low-income students. The president's budget request proposes to change this formula for the Perkins Loan program, but does not reference changes for FWS or FSEOG. Aiding financially needy students is an important issue that will increase as more "working poor" students, from low- and moderate-income backgrounds enroll in college. To ensure that these students have the financial means to complete college, attention should be given to the campus-based formula allocations. To fulfill the intent of all campus-based aid programs, the allocation of funds to institutions should be based on the aggregate student need, and not on the institution's prior years of involvement in the program.

Federal TRIO and Gaining Early Awareness and Readiness for Undergraduate (GEAR UP) Programs

TRIO programs are designed to identify and provide academic and social supports—from middle school to post baccalaureate—to individuals from disadvantaged backgrounds, including low-income, first-generation, and disabled students. GEAR UP supports college preparation and awareness activities at the state and local levels for low-income elementary and secondary students. The budget proposal recommends level-funding for both programs in FY2011. In order to reach President Obama's goal of having the largest share of college graduates by 2020, programs like TRIO and GEAR UP need to be supported and strengthened. Rather than level-fund these programs, funding should be increased to support ongoing efforts and scale-up successful strategies to reach more eligible students.

RECOMMENDATION #3: FEDERAL GOVERNMENT PARTNERSHIPS

Leveraging Education Assistance Partnerships (LEAP)

Funds that are allocated through LEAP leverage federal dollars with a state match of up to 2-to-1. LEAP grants are need-based and target the poorest students within a state. Nearly 60 percent of LEAP students reported their family income is under $20,000. Although elimination of the LEAP program may appeal to some states that are experiencing financial challenges of their own, the proposed elimination of this program stands to further compromise the public/private partnership we seek to encourage among the federal government, states, institutions, and local communities. Even in the midst of this difficult fiscal climate, we should be thinking of ways to maintain and strengthen this partnership. We should encourage private sector investment in need-based student aid though LEAP, thereby engaging the capacities and resources of the private sector in the case of increasing college opportunity.

College- and Career-Ready Students

The budget proposal adds a new focus on college- and career-readiness. The proposal redirects the Elementary and Secondary Education Act (commonly referred to as "No Child Left Behind") to anchor itself in the goal of graduating all students ready for college and careers. While this recommendation centralizes states and the K–12 community, this discussion of college- and career-readiness provides a unique opportunity for various stakeholders—secondary, postsecondary, employers, state governments, and the federal government—to work collaboratively to ensure that standards are realistic, relevant, and attainable. As discussions on this new budget proposal begins, we must remain cognizant that the current disparities in college preparation, collegiate-level learning, and employment disproportionately affects certain demographic groups—racial/ethnic minorities and lower income families—and targeted interventions must be focused on these groups if we are serious about improving college- and career-readiness for all students.

THIS MINI BRIEF WAS PREPARED BY THE INSTITUTE FOR HIGHER EDUCATION POLICY (IHEP). FOR MORE INFORMATION, VISIT IHEP'S WEB SITE (WWW.IHEP.ORG) TO VIEW AN EXPANSIVE COLLECTION OF HIGHER EDUCATION INFORMATION AVAILABLE FREE OF CHARGE AND GAIN ACCESS TO SOME OF THE MOST RESPECTED PROFESSIONALS IN THE FIELDS OF PUBLIC POLICY AND RESEARCH.

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