

EXECUTIVE SUMMARY

Item Name: **Report on National Higher Education Issues**

Action Item Discussion Item Information Item

Issue: The Board will receive a report on higher education issues at the national level.

Background

In recent weeks, two notable higher education issues of interests have developed.

Free Application for Federal Student Aid Reform

- Each year more than 16 million college students and their families complete the 153 question Free Application for Federal Student Aid (FAFSA) to determine their eligibility for federal financial aid, while another one million students likely to qualify for federal aid fail to complete the application.
- In early September, President Obama’s Council of Economic Advisors and National Economic Council released a report entitled “Simplifying Student Aid: The Case for an Easier, Faster, and More Accurate FAFSA.”
- The Administration’s three-part plan to simplify FAFSA includes a redesign of the online FAFSA form, modifications to allow students to electronically access information from their tax returns, and simplifications to the formula used to calculate the amount of aid students might receive.
- For those states with financial aid programs that require more information than is available on the FAFSA to determine eligibility, the report outlines plans and proposals to collaboratively develop simplified procedures and forms to supplement the FAFSA.

H.R. 3221 – Student Aid and Fiscal Responsibility Act

- Introduced by House Education & Labor Committee Chairman George Miller, the Student Aid and Fiscal Responsibility Act includes provisions to enact President Obama’s education initiatives announced in early July.
- The bill was favorably reported out of the House Education & Labor Committee July 27.

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- Notably, the Act includes provisions that:
 - Authorize the full funding of the maximum Pell Grant amounts, beginning in FY2010 and ties future increases to the Consumer Price Index;
 - Create a new College Access and Completion Innovation Fund to fund programs to improve college completion rates and development of statewide longitudinal data systems;
 - Make revisions to student need analyses (implementing FAFSA reform mentioned above), which become effective after June 2011.
 - Replace the Federal Family Education Loan Program (FFELP) and the Perkins Loans Program with direct loan programs;
 - Provide for state grants to modernize, renovate, or repair public school facilities;
 - Provide for state grants to construct, modernize, renovate, or repair public school facilities community college facilities;
 - Establish grant programs for early childhood education;
 - Authorize and appropriate funds for the American Graduation Initiative, comprised of competitive higher education grant programs.

Discussion

- The Board will receive a report on higher education issues at the national level pertinent to Arizona.

Recommendation to the Board

- This report is provided for the Board's information.