

Fulfilling the Commitment:

Recommendations for Reforming Federal Student Aid



Financial barriers prevent many qualified low- and moderate-income high school graduates from enrolling in four-year colleges. And for those who do enroll, their degree-completion rates are low compared to their more affluent peers. This suggests that there is a need for a more effective financial aid system to promote increased access to college and degree attainment.

“We believe that the most important purpose of student aid is to expand the educational opportunities available to those young people and adults who face financial barriers to college enrollment and success.”

— *Rethinking Student Aid Study Group*



To learn more about the Rethinking Student Aid study group and download its report, visit www.collegeboard.com/rethinkingstudentaid.

Research shows that many students from low-socioeconomic backgrounds and their families do not clearly understand the economic and social benefits of a college education, nor are they aware of the availability of financial aid to help pay for college. This lack of understanding can inhibit and undermine students' educational aspirations.

The Report from the Rethinking Student Aid Study Group

The Rethinking Student Aid study group was brought together by the College Board, with the support of Lumina Foundation for Education, the Spencer Foundation and the Andrew W. Mellon Foundation, to develop ideas for improving the federal student aid system. Policy experts, academic researchers and higher education professionals spent two years studying and discussing the current system and ways to make it more effective for students. In September 2008, the group issued *Fulfilling the Commitment: Recommendations for Reforming Federal Student Aid*, which outlined principle-based recommendations intended to expand educational opportunities and increase both the equity and the efficiency of the federal investment in higher education.

Since the study group issued its call for reform, President Barack Obama's administration and the National Association of Student Financial Aid Administrators have issued their own proposals, many of which are based on the same principles as those of the Rethinking Student Aid study group.

“The College Board study group has provided a great service to the higher education community. Most of us have tried to improve the impossibly complex federal financial aid system by tinkering around the edges. Baum, McPherson and their colleagues, however, have taken the right approach — to rethink the entire approach to financial aid.”

— *David Longanecker, President, Western Interstate Commission for Higher Education*

“The reforms recommended by the Rethinking Student Aid study group would make federal student aid simpler and more predictable, and would inspire families to start thinking about their children’s college education from an early age. These are important steps in the right direction and they deserve our support.”

— Catharine B. Hill, President, Vassar College



Building Support and Sustaining Momentum

Since issuing its final report, the study group has been conferring with federal and state policymakers, higher education professionals, school counselors, college access specialists, higher education associations and other researchers to gain their support for the need for reform of the federal student aid system. In addition, the study group organized a series of public policy discussions, titled “Rethinking Student Aid: Why Simple Doesn’t Have to Be Hard ... And Why Our Future Depends on It,” at California State University, East Bay; the University of Nevada, Las Vegas; and Northeastern University. The policy roundtables sparked provocative discussions among students, financial aid officers, college and career counselors, higher education leaders, policymakers and advocates for educational opportunity.

This fall, the College Board will conduct research to explore parents’ and students’ understanding of and attitudes about the study group’s recommendations. In addition, with generous support from Lumina Foundation for Education, the College Board will work with states to help them model the impact of determining eligibility for state-funded, need-based grants using less financial data.

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Principles Underlying the Recommendations

We believe that the most important purpose of student aid is to expand the educational opportunities available to those young people and adults who face financial barriers to college enrollment and success. We believe that publicly funded aid to students should:

1. Have as its main purpose helping those who are unlikely to meet their educational goals without financial help;
2. Provide federal grant aid that, in combination with a reasonable amount of work and loans, is adequate to make completion of a four-year degree financially possible for all qualified students;
3. Be provided as clearly, transparently, and simply as possible; communication with families and students about college opportunity should be early, proactive, encouraging, sustained, and accurate;
4. Be predictable so that individuals and families in given economic circumstances can anticipate confidently the resources that will be available to meet their needs;
5. Be oriented first and foremost to helping students, with concerns about the impact of policy changes on particular institutions such as colleges, banks, or government agencies distinctly in second place;
6. Help students not only to begin postsecondary education but also to succeed after they arrive; and
7. Use taxpayer funds as efficiently as possible in advancing the principles set out above.

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