



**National  
College  
Access  
Network**

*Building Connections. Advancing Equity. Promoting Success.*

**TO:** 2020 Presidential Campaigns

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**RE:** **Recommendations for Improving College Access and Affordability**

The next president of the United States has an unprecedented opportunity to respond to the complexities of paying for a college education. Our nation needs [60% of adults](#) to hold a high-quality degree or credential by 2025 to ensure a well-educated workforce that is prepared to take on the jobs of tomorrow. Filling these jobs benefits both the individual and society.

College graduates earn significantly more over their lifetime than those with only a high school education. In addition to higher future earnings, college graduates have lower unemployment rates. Individuals without a college degree were most likely to be laid off during the Great Recession. College degree attainment is essential to turning around the economic fortunes of many low-income individuals in this country. However, these long-term benefits are being lost in the conversation about higher education, overshadowed by the increasing prospect of student debt. In short, the cost of college is driving individuals away from pursuing postsecondary education.

Students who *are* attempting to pay for college are faced with a financial aid application form of over 100 questions and the prospect – nearly 1 in 2 for Pell grant recipients – of going through a tedious process to confirm the accuracy of the information they submit. Once a student gets through the verification process, they encounter a confusing web of college aid offers. These aid offers are filled with jargon, which can unintentionally mislead students about whether aid has to be repaid (grants vs. loans), and what is the true, complete cost to attend a school. And those students from low-income backgrounds who complete the verification process are faced with this: the Pell Grant's purchasing power is at a lifetime low for public institutions. In the late 1970s, the Pell Grant funded over 75% of a public college bachelor's degree, but now it covers less than 30% (which amounts to less than the cost of tuition and fees).

These are real challenges our students are facing today. In fact, American voters agree these problems are key issues to be addressed, with 86% [saying](#) it is important for Congress to tackle the cost of college.

The National College Access Network (NCAN) is a membership association dedicated to closing equity gaps in postsecondary attainment for all students. With hundreds of organizational members serving more than 2 million students annually in every U.S. state, NCAN advances programs, policies, and systems change that give students the support they need to apply to, enter, and succeed in postsecondary education. NCAN members prove that, with the right guidance, preparation, and financial aid, students from low-income backgrounds, students of color, and first-generation college-goers can complete higher education at a high rate.

NCAN members know that low-income students who apply for financial aid and receive federal grants are much more likely to enroll in and complete postsecondary education. But fully close the attainment gap between students from low-income families and their upper-income peers, we need equitable, practical solutions to make higher education more affordable.

This memorandum provides recommendations to respond to these challenges faced by our nation's current and prospective college students. We welcome the opportunity to discuss any of these recommendations with you or to connect you with students and families and our advisers working with them around the country. *For more information, please contact: Carrie Warick, Director of Policy and Advocacy, NCAN, at 202-347-4848 ext. 203, [WarickC@collegeaccess.org](mailto:WarickC@collegeaccess.org) or [@CarrieWarick](https://twitter.com/CarrieWarick) on Twitter.*



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## **Recommendations for Improving College Access and Affordability**

### **Pell Grant Investment**

The need-based Pell Grant program is the cornerstone of federal student aid. The program is currently funded through a combination of mandatory and discretionary funding at the federal level, and the maximum Pell Grant for the 2020-21 school year is \$6,345. While Congress has grown the Pell Grant through a combination of inflationary and other increases in recent years, it is still dramatically short of its historical high in terms of purchasing power. Today, the maximum grant award covers less than 30% of the cost of attending a four-year public institution.

To ensure students from low-income backgrounds have the resources they need to go to college without taking on unmanageable amounts of student loan debt or struggling with basic needs like food and shelter, NCAN supports several improvements to the Pell Grant program. Collectively, these improvements may be the single most important investment to help first-generation college-goers and students from low-income backgrounds obtain a postsecondary education:

- 1. Increase the maximum grant by 50%.** Congress should put the Pell Grant program on a path that will restore the purchasing power of the grant. NCAN recommends ramping up Pell spending over the next 10 years (2020 through 2029) so that the maximum grant covers 50% of the cost of attendance at a four-year public university. This recommendation will slightly more than double the award. Our specific recommendations on the ramp-up schedule for the Pell Grant can be found [here](#).
- 2. Index Pell to inflation.** The 2017-18 award year was the last time the Higher Education Act (HEA) required the maximum Pell Grant award to be increased to keep up with the cost of inflation. The expiration of this annual inflationary increase has led to further erosion to the purchasing power of Pell. NCAN recommends that Pell be indexed to inflation upon reaching the threshold of covering 50% of the cost of attendance at a public university. After increasing Pell's purchasing power, it would be shortsighted to renew the erosion of Pell's value – indexing this increased maximum grant amount will ensure this does not happen.
- 3. Thoughtfully expand Pell to cover short-term and workforce-based credentials.** NCAN recognizes that students will at times need a postsecondary credential in addition to or instead of a college degree to obtain the skills and training to get their foot in the door or get promoted in their place of employment. This group of students are more likely comprised of adult learners and not NCAN's population of students immediately leaving high school. These credentials, often requiring less than 600 hours of instruction, are not presently covered by Pell Grants. NCAN recommends that any expansion of Pell Grant eligibility to cover these short-term credentials requires the programs to provide high-value, stackable credentials that enable individuals to obtain or improve their employment.



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## **FAFSA Simplification**

The Free Application for Federal Student Aid (FAFSA) is a confusing and lengthy form. Only 61% of all high school seniors complete the FAFSA, in part due to this complexity, leaving \$24 billion in federal college aid unclaimed. Students from low-income backgrounds in particular have a FAFSA completion rate of barely over 50%.

NCAN recommends a dramatic simplification of the FAFSA as well as the process the U.S. Department of Education (ED) uses to collect information to determine student aid eligibility. The FAFSA asks unnecessary questions of too many students, with only 1% of filers having an answer other than “\$0” to 25% of the questions on the form. Specifically, NCAN recommends a tiered approach that ensures the lowest-income aid applicants answer the fewest questions. To streamline the process, we encourage data sharing between ED and other federal agencies. The recently passed FUTURE Act makes this possible between the Departments of Education and Treasury. We recommend building on this momentum for data sharing across additional agencies, particularly to verify means-tested benefits, which will eliminate the need for applicants to supply income and other information to the government multiple times. You can find our specific recommendations in the following report: [“Half the FAFSA: Cutting the Red Tape to Postsecondary Student Aid.”](#)

## **FAFSA Verification**

Current ED regulations require the verification of the information submitted by a portion of FAFSA filers. This audit-like process affects up to 30% of all aid applicants, but at some institutions up to 70% of students may be flagged for verification. Unfortunately, these verification requirements create significant barriers to continued enrollment by Pell-eligible students. Complications are worse when students have parents who do not file tax returns or are undocumented. Roughly half of all filers eligible for a Pell Grant are flagged for verification (contrast this with the fact that the IRS audits less than 1% of all tax filers with income up to \$500,000). According to NCAN’s calculations, as many as 1 in 4 of Pell-eligible applicants who are flagged for verification do not complete the process, preventing them from accessing a Pell Grant. Further work by NCAN documenting this “verification melt” can be found [here](#).

NCAN recommends that no more than 30% of FAFSA filers at any one institution be flagged for verification. This commonsense limit would provide a sufficient sample size while also ensuring that both an institution and its overall student body are not overwhelmed by the logistics of attesting to the validity of their financial situation. In addition, this threshold (across FAFSA filers as a whole) was used by ED as part of its own quality assurance efforts to ensure sufficient controls exist to reduce fraudulent receipt of Pell.

## **Financial Aid Offers**

Financial aid offers from institutions of higher education are often difficult to understand and compare. These offers frequently fail to clearly present the differences between grant and loan aid, accurately display the complete cost of attending an institution, and describe what is involved with receiving aid like federal Work-Study. NCAN recommends the proposals advanced as part of New America’s [“Decoding the Cost of College”](#) be followed to bring much-needed clarity to this area. Specifically, we support using standard terms and definitions as well as regulating certain formatting elements (such as separating grants and loans) of any aid offer. We believe this approach will serve students better than a completely standardized form, which institutions could treat as a disclosure requirement that is attached to their “real” aid offer.