



INDIANA STUDENT FINANCIAL AID ASSOCIATION

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To the Honorable Members of the Indiana Congressional Delegation:

The Indiana Student Financial Aid Association (ISFAA) is grateful for the opportunity to present the following student aid issues for your review. ISFAA is an association whose regular membership consists of college and university financial aid administrators dedicated to helping Indiana students fund their educational dreams. Additionally associate members from organizations engaged with aid delivery help with our cause.

On behalf of the approximately 370,000 Indiana postsecondary education students, the ISFAA leadership asks you to consider the following issues:

Key Issues

- Awarding rules for non-traditional educational programs
- Stabilize Federal Pell Grant funding
- Continued funding for campus based financial aid
- Provide understandable and consistent consumer information to make informed decisions

Delivery of Financial Aid

The concept of 'seat time' is a Carnegie measurement that was created to assist instructors and colleges in determining instructor's status as fulltime, not as a measure of learning. The assumption that if a student is sitting in a seat for an hour s/he is learning concepts is not valid. Today's students learn in many asynchronous ways. Self-paced or assessment learning has shown that students do and can learn 'outside the seat' and tying the payment of aid to a concept of 'credit hour' or 'seat time' is not an accurate way to determine learning or growth and actually hinders students from accelerating and completing degrees and programs quicker and better.

Federal Pell Grant Funding

Funding for the Federal Pell Program has become more challenging in the past several years. The growth of nontraditional students; changes in college readiness; the expansion of innovative learning models; an increasing need for vocational education; and a renewed focus on persistence and completion, have all put pressure on the Pell Grant Program. Funding must be preserved as it ensures that our highest need students have access to acquire the skills necessary to achieve economic viability and to contribute to the economy throughout their lifetime.

Campus Based Funding

FSEOG and FWS have been level funded for several years. We encourage consideration for retaining and maintaining current funding to these programs as need-based grants and work-study have been shown to increase persistence of low-income students in obtaining their degrees. Rather than transforming the current Perkins loan in to a super unsubsidized loan, consideration should be given to retaining low interest programs with loan forgiveness options. Institutions highly value these programs because they allow discretion to address areas of need specific to individual students.

Consumer Information Requirements

We strongly encourage a comprehensive review of existing disclosures in order to determine which are most helpful to students and their parents via consumer testing, and then to streamline these tools. Multiple consumer disclosure proposals from separate entities have been introduced, including the College Scorecard, College Shopping Sheet, College Cost Comparison Worksheet, and several related bills in Congress. While these proposals are well-intended, when taken together, they are generally duplicative and lack coordination among each other and existing consumer disclosure requirements. Perhaps more importantly, all of these proposals also lack a thorough consumer testing process to make sure that the information is indeed helpful to its targeted population – students and families.

Excessive regulations create administrative burden, especially when not tied directly to the process of providing educational access and financial support. If time were not required on implementing duplicative regulations, more resources could be dedicated to counseling students with the end goal of increasing completion, reducing debt and creating better consumers. We advise caution when creating or implementing a college rating system that incentivizes completion with the unintended consequences and loss of access.

In conclusion, ISFAA is pleased to share these thoughts and concerns. Our goal is to work with Congress and the U.S. Department of Education to insure students have access to federal and state financial aid programs to be able to pursue their goal of a college education.

Sincerely,

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