An America Built to Last

Martha Kanter, Under Secretary
Virginia Community College System
2012 Chancellor’s Planning Retreat
August 7, 2012
“By 2020, America will once again have the highest proportion of college graduates in the world... So tonight I ask every American to commit to at least one year or more of higher education or career training... every American will need to get more than a high school diploma.”

President Barack Obama
Address to Joint Session of Congress
February 24, 2009

“America cannot lead in the 21st Century unless we have the best educated, most competitive workforce in the world.”

President Barack Obama
Remarks on Higher Education
April 24, 2009

“Community colleges are an essential part of our recovery in the present -- and our prosperity in the future.”

President Barack Obama
Remarks on the American Graduation Initiative
July 14, 2009
President Obama’s 2020 Goal

Goal
• 10 million more graduates from community colleges, four-year colleges and universities by 2020 (beyond 2+ million expected due to growth)

Goal
• Every American completes one year or more of higher education or advanced training in his/her lifetime

Result
• “Best educated, most competitive workforce in the world”
Tuition and Fee Growth is Outpacing Income but Community Colleges Remain Affordable

Changes in Cost and Income: 1995-96 to 2007-08

- Average Price: +33%
- Average Net Price: +28%
- 4-Year Public Net Price: +18%
- Median Income: 7%

Declining State Support for Higher Education

One-Year Percent Changes in State Fiscal Support for Higher Education (FY2012 - FY2013)

- New Hampshire: -39.4%
- Arizona: -25.1%
- Louisiana: -18.5%
- North Dakota: 10.4%
- Illinois: 12.1%
- Alaska: 3.8%
- Texas: 3.1%
- West Virginia: 1.7%
- Maryland: 0.6%
- Delaware: 0.3%
- Hawaii: 0.2%

Illinois State University Center for the Study of Education Policy
Grapevine Fiscal Year 2011-12 Data – Updated March 15, 2012
The Administration’s Blueprint

Addressing college access, affordability, quality and completion

• Make landmark federal investments in higher education

• Galvanize the shared responsibility of States, institutions and the federal government

• Provide students and families with the tools they need to plan for and afford college
Voices from the Field

• ED is continually seeking input from stakeholders to better understand the challenges facing higher education
  • Conducted dozens of summits, roundtables, town halls
  • Engaged with students, parents, faculty, associations, presidents, administrators, business leaders, policymakers and philanthropies dedicated to transforming higher education

Vice President Biden and Under Secretary Kanter meet with College Presidents at the White House

December, 2011
Maintain and Modernize Investments

• **Increasing Pell Grants**
  • President Obama has raised the maximum Pell Grant award to $5,635 for the 2013-14 award year
  • Total Pell Grant recipients have increased by 50% since 2008 – from 6 million students in 2008 to more than 9 million today

• **Direct Savings to Help Students**
  • Conversion to Direct Loans saved $68 billion dollars over 11 years, of which $40 billion has gone directly to students

• **College Access Challenge Grants**
  • Funding to help low-income students and families learn about, prepare for, and finance higher education. The program fosters partnerships among federal, state, and local governments, philanthropic organizations and others through matching grants
Maintain and Modernize Investments

- **Help Students Manage Debt**
  - Income-Based Repayment will allow students to cap repayment of loans at 10% of monthly income
  - Public Service Loan Forgiveness supports students pursuing public service careers
  - The President has called on Congress to freeze student interest rates at 3.4%

- **Campus-Based Aid Reform**
  - The expansion and revision of the campus-based aid program to provide $10 billion in aid for use at colleges that most effectively serve students, contain costs, and demonstrate positive educational and employment outcomes

- **Race to the Top – College Affordability and Completion**
  - A $1 billion competition that will drive systemic State reforms that lead to increased affordability, quality and productivity at colleges of all levels
Innovation, Capacity and Outcomes

• **Trade Adjustment Assistance Community College Career Training Initiative (TAACCCT)**
  • A partnership between ED and the Department of Labor to distribute $2 billion in competitive grants to help community colleges, in partnership with industry, to strengthen the transfer and completion pipeline across an entire region or industry sector

• **First in the World Innovation Fund**
  • A $55 million investment in individual colleges and nonprofit organizations designed to develop, validate or scale up innovative and effective strategies for boosting productivity and enhancing quality on campus
**Students and Families**

- **College Affordability and Transparency Center**
  - New data system through College Navigator

- **College Scorecard**
  - An online tool that will make it easier for students and families to compare colleges by comparing information such as graduation rates, net price, and earnings data.

**Comment at:** [www.whitehouse.gov](http://www.whitehouse.gov)
# Financial Aid Shopping Sheet

## Student Specific Information:

- Elements of cost of attendance appropriate for the specific student
- Grant aid (does not have to be repaid or earned)
- Net price after grants
- Aid awarded but earned thru work
- School recommended loan amounts under Federal loan programs
- List of other funds for net costs (including EFC)
- Space for institution to send custom message

## Institutional Performance Metrics:

- Student Right-to-Know graduation rate at 150% of normal time
- Most recent cohort default rate
- Median debt for completers
- Contact information: Where to go for more info

### University of the United States (UUS)

#### Costs in the 2013-14 year

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost/Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimated Cost of Attendance for full-time enrollment</td>
<td>$XX,XXX</td>
</tr>
<tr>
<td>Tuition and fees</td>
<td>$XX,XXX</td>
</tr>
<tr>
<td>Room and meals</td>
<td>$XXX</td>
</tr>
<tr>
<td>Books and supplies</td>
<td>$XXX</td>
</tr>
<tr>
<td>Transportation</td>
<td>$XXX</td>
</tr>
<tr>
<td>Other educational costs</td>
<td>$XXX</td>
</tr>
</tbody>
</table>

#### Grants and scholarships to pay for college

<table>
<thead>
<tr>
<th>Category</th>
<th>Cost/Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grants from your school</td>
<td>$XX,XXX</td>
</tr>
<tr>
<td>Federal Pell Grant</td>
<td>$XX,XXX</td>
</tr>
<tr>
<td>Grants from your state</td>
<td>$XX,XXX</td>
</tr>
<tr>
<td>Other scholarships you can earn</td>
<td>$XX,XXX</td>
</tr>
</tbody>
</table>

#### What you will pay for the 2013-14 year

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost/Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not Costs</td>
<td>$XX,XXX</td>
</tr>
</tbody>
</table>

#### Options to pay net costs

- Work options
  - Work/study/Federal state, or individual: $XXX

#### Loan options

- Federal Perkins Loan: $XXX
- Federal Direct Subsidized Loan: $XXX
- Federal Direct Unsubsidized Loan: $XXX
- Federal Direct PLUS Loan: $XXX

#### Other options

- Parent PLUS Loan
- Non-Federal private education loan
- Military and/or National Service benefits

#### Graduation Rate

- Percentage of all students who graduated after 6 years
- Low: 3%
- High: 8%
- Median: 5%

#### Loan Default Rate

- Percentage of borrowers within 3 years of leaving school
- Low: 2%
- High: 7%

#### Median Borrowing

- Average: $XX,XXX
- Standard deviation: $XX,XXX

#### Repaying your loans

To learn about loan repayment options and work out your Federal loan monthly payment, go to:

[link](http://www.fafsa.ed.gov)

For more information and next steps:

University of the United States (UUS)

Financial Aid Office

123 Main Street

Phone: (123) 456-7890

Email: finance@uus.edu

Customized Information from UUS
A vibrant and prosperous America – An America Built to Last - depends on its educational system – in fact, the future of our democracy depends on the positive contributions of critical thinkers and engaged citizens.