

Action Item

Governmental Relations Committee

**Approval of Guiding Principles for Reauthorization
of the Higher Education Act**

During the last meeting of the Governmental Relations Committee (GRC), Committee Members were presented with a revised draft of the Commission's Guiding Principles for Reauthorization to be used during this round of Reauthorization negotiations. During the meeting, Committee Members provided input which has been incorporated. Additionally, the California Student Aid Commission (CSAC) solicited EDFUND for input.

A draft copy of the Guiding Principles for Reauthorization, which includes proposed edits from EDFUND, is provided for your consideration and approval.

Recommended Action: Approval of Guiding Principles for Reauthorization

Responsible Staff: Mark Grisby, Chief
Federal Policy and Programs Division

Michael Bolden, Federal Policy Liaison
Federal Policy and Programs Division

Guiding Principles for Reauthorization of the Higher Education Act 2005

Underlined and **bold** items are proposed edits from EDFUND.

As the principal California agency responsible for administering state financial aid programs for students attending public and private universities, colleges, and vocational schools in California, the Student Aid Commission and its auxiliary EDFUND; which provides guarantee services throughout the country, have developed the following guiding principles for evaluating policies, programs, and proposals for the Reauthorization of the Higher Education Act.

The Commission and EDFUND have never wavered from their central mission – making education beyond high school financially accessible. Toward that end, the Commission and EDFUND believe that:

- *Federal student financial aid programs should expand college opportunity with added focus on promoting access, choice, and program completion.*
- *Federal and state policies and programs should provide early information and services to young people and families as a cornerstone of family college-planning efforts.*
- *Federal financial aid funding should focus on providing a more balanced reliance on grant as well as loan aid to help meet the increased costs of higher education.* **Federal financial aid funding should focus on providing greater balance between reliance on different forms of aid such as grants and loans to help meet the increased costs of higher education.**
- *The Pell Grant program should be funded at its authorized level to ensure that financially needy students have the critical grant resources needed to enroll.*
- *Federal grant programs should focus their resources on students with demonstrated financial need.*
- *Federal financial aid policies should support federal-state partnerships for leveraging greater grant funding **while continuing to encourage innovation in state-private sector alliances***
- *Federal financial aid programs should be structured to provide the greatest benefit to students at the lowest cost to students and taxpayers. **Federal policy should encourage improvement of service delivery and quality, providing to eligible students the maximum benefit with the simplest delivery system at the lowest cost to the students and taxpayers.***

Underlined and **bold** items are proposed edits from EDFUND.

- *Federal financial aid programs should rely less on prescriptive regulations and more on incentives to ensure proper behavior by all parties in the financial aid process – students, institutions, state and federal government, and lenders.*
- *Federal policy should encourage continued improvement in the speed, convenience, cost, and quality of the financial aid delivery system through the use of promising new technologies.*
- *Federal financial aid policies should promote choice and competition between FFELP and direct lending and among the different providers of FFELP student loans **in order to ensure that students and schools receive the best possible customer service.***
- **Federal policy should focus on establishing strong program gatekeeping and audit functions to screen out high-risk institutions and promote self-regulation by all participants in the financial aid community.**