CollegeBoard

Redesigning the Pell Grant Program to Boost Access and Completion

The federal Pell Grant Program invests billions of dollars annually in financial support to underserved students pursuing their college dreams. Millions of students attend and complete college as a result of this federal investment. We must ensure that the program fulfills the promise of a college opportunity for these students and for the economic health of the nation. We believe enhancing the program to include early information, supplemental education savings accounts, a simpler and more predictable formula and application process, support services, and completion incentives will strengthen that promise and ensure that the federal funds are used as effectively as possible.

Leading up to the Reauthorization of the Higher Education Act, the Bill & Melinda Gates Foundation funded 16 national organizations to examine the federal financial aid system and make recommendations to reimagine aid design and delivery. The 2012-13 Reimagining Aid Design and Delivery (RADD) project resulted in a variety of white papers and meetings exploring common themes and possible system improvements to remove barriers and increase success for low-income students.

The Gates Foundation provided a second round of funding to support five consortia in developing consensus recommendations related to common ideas and themes. The College Board joined four organizations[1] to focus on making the federal grant and work-study programs more effective in increasing opportunity for low-income students.

The College Board has developed the following strategies, described in detail in this paper, to improve the effectiveness of the Pell Grant Program:

- Create a simpler federal financial aid application process;
- Develop a more transparent federal aid eligibility determination;
- Increase opportunity through early information, guidance and support services, and federally funded education accounts; and
- Design student and institutional incentives to help Pell Grant Program recipients complete their postsecondary credentials.

1. The other organizations in the consortium are the Committee for Economic Development (CED), the Center for Law and Social Policy (CLASP), *Excelencia* in Education (*Excelencia*), and the National Urban League (NUL). A second consortium, led by The Education Trust, is also focused on improving federal grant and work-study programs.

A Simpler Federal Financial Aid Application Process

To receive federal student aid, students and families must complete the Free Application for Federal Student Aid (FAFSA). Although the U.S. Department of Education (ED) has made good progress in recent years in developing a simpler online application, requiring only information appropriate to each student's circumstances, many students do not complete the application because of its perceived complexity. Novak and McKinney (2011) estimate that 2.3 million students do not file a FAFSA but would qualify for federal student aid if they applied. Some of these students never enroll in postsecondary education. Those who do manage to enroll, many from very low-income backgrounds, often need to work to pay their education and living expenses, reducing the probability that they will complete their education programs.

The IRS has cooperated with the U.S. Department of Education to further simplify the process, permitting students and parents to access their tax data and populate their FAFSA with the required information. This IRS Data Retrieval Tool allows applicants to skip certain required verification steps that have proven a barrier to completing the FAFSA for low-income students. However, because eligibility is currently based on income information from the year immediately preceding enrollment, early financial aid application deadlines, particularly for first-time applicants, mean that tax data are not yet available. As a result, many students must estimate answers to the financial questions on the FAFSA and subsequently must take steps to submit tax documents to complete the federal verification process.

There is clear evidence that the current FAFSA process creates barriers for students (Bettinger, Long, Oreopoulos, & Sanbonmatsu, 2012). The benefits of simplifying the formula to rely solely on a few pieces of data from federal income tax forms would disproportionately help low-income students in overcoming these barriers. Several studies have found that simplifying the formula in this way would have little impact on eligibility for low-income students and the distribution of Pell Grant funds (Dynarski & Scott-Clayton, 2007; Baum, Little, Ma, & Sturtevant, 2012; Dynarski, Scott-Clayton, & Wiederspan, 2013). In fact, the vast majority of families for whom additional data are necessary to evaluate assets or complex sources of income would not likely be eligible to receive a Pell Grant.

Although the online application and IRS Data Retrieval Tool have simplified the federal application process, there is opportunity to design a more effective system. We recommend the following improvements:

1. Create a more transparent federal eligibility determination by limiting the required financial data to just two elements: Adjusted Gross Income (AGI) and number of exemptions (family size) — information readily available from the IRS.

2. Allow applicants whose parents or who themselves are not required to file a federal tax form to qualify for the maximum Pell Grant award without requiring them to provide financial data on the FAFSA.

3. Base eligibility on "prior-prior year" (PPY) tax data (data from the year before the year currently used to determine federal aid eligibility).

4. Allow students who have experienced unusual changes in their family circumstances — for example, the death of a parent or working spouse — to appeal the original eligibility determination.

Use of Prior-Prior Year Data

Federal aid eligibility is currently based on income information from the year immediately preceding enrollment. The timing of available income data is particularly acute for first-time applicants. For example, a freshman applying for assistance for the fall of 2014 must provide 2013 income and tax data in the spring of 2014, often long before their required filings to the IRS. Relying on "prior-prior year" (PPY) data would ensure that the majority of tax filers could populate FAFSA financial fields with accurate IRS data. In addition, students would be able to apply earlier for financial aid, potentially as early as the spring of their junior year in high school. This would allow them to receive information about their financial aid eligibility earlier, enabling them to plan ahead and make more appropriate college choices. Further, required verification would be eliminated for most applicants, removing a barrier to application completion and freeing up aid administrators to work directly with students and their families and to handle appeals.

In 2013, the National Association of Student Financial Aid Administrators (NASFAA) conducted a study of the impact of using PPY data on determining eligibility for federal student aid and on Pell Grant awards. Based on five years of data from more than 70,000 student records, NASFAA concluded that the U.S. Department of Education (ED) should use the authority granted under the Higher Education Opportunity Act to fully implement a PPY system to simplify the process. This change would benefit the neediest students the most. Recognizing that such a change would not benefit all groups of students equally — the study found that independent students without dependents did not fare as well under a PPY system as other students — the organization also recommended that ED ensure that the system take into account the most current financial circumstances of applicants who had experienced significant changes from their PPY income to their income at the point of enrollment.

A More Transparent Federal Eligibility Determination

The challenges in completing the FAFSA and the federal verification requirements are not the only problems with the financial aid system. The complexity of the formula used to determine eligibility for federal financial aid is confusing and opaque. It is difficult for students and families to estimate the amount of student aid for which they will be eligible because of the number of data elements that go into the formula and because of the underlying calculations that are applied to the data. To estimate the amount of a student's Pell Grant under the current system, it is necessary to know with some degree of certainty the student's expected family contribution (EFC). The Federal Methodology (FM) formula, which is used to calculate the EFC, changes each year as key allowances, such as the Income Protection Allowance, are updated. As a result, most first-year students do not learn about their financial aid eligibility until after they have been admitted to a postsecondary institution.

We believe that the eligibility formula needs to be simplified to help students from low- and moderate-income backgrounds understand early in their college-preparation years how much financial aid they are likely to receive. Our specific proposals are detailed below:

1. For most students, Pell Grant eligibility should be based on Adjusted Gross Income (AGI) and family size (number of exemptions).

   – Parents' tax information would be required for dependent students; student's and spouse's tax information would be used for independent students.

   – The eligibility system would not take into account certain data used in the current EFC formula: the number of siblings or family members in college, family assets, or in the case of dependent filers, student income and assets. (Nontax filers would not be required to provide financial data; they would automatically qualify for the maximum Pell Grant award.)

2. There are tax filers with more complex financial circumstances for whom using AGI and number of exemptions does not make sense. For this population, using only these two data elements could result in a Pell Grant eligibility determination that does not reflect the student's or parents' financial strength. However, because relatively few applicants demonstrate such circumstances, requiring additional financial data and a more complex eligibility determination for all filers is not justified. To solve this problem, we propose using IRS triggers to identify those filers based on key data elements such as a negative AGI or the tax schedules they file (Schedules B, C, D, E, and F). For these tax filers, the Department of Education could access more detailed IRS information to determine Pell Grant eligibility. With more detailed IRS information, it would be possible to adjust the AGI for tax filers whose reported AGI is negative but who do not fit the definition of *low income*. (Currently, negative AGI is treated as zero in the FAFSA processing system.)

   – Based on earlier modeling done by the Urban-Brookings Tax Policy Center, 17% of FAFSA filers or their families completed the specified tax schedules. There may be additional filters that would limit the number of filers for whom more detailed information would be used to determine eligibility.

   – The Urban-Brookings Tax Policy Center also found that in 2007-08, among students with negative family AGI, 86% filed at least one supplementary tax schedule and 42% filed at least two.

3. As recommended by the Rethinking Pell Grants Study Group, the Pell Grant award schedule should be restructured to ensure that it targets grants more effectively to low- and moderate-income students. Under the current formula, when the maximum award increases, students from higher-income families become eligible for a grant. The Pell Grant award table should be restructured so that Pell Grants are focused only on students from families with incomes below a specified level. The eligibility levels could be calibrated to the poverty guidelines and adjusted to be more generous if program funding permits. However, the eligibility thresholds should — at a minimum — include those modeled under the Rethinking Pell Grants Study Group's proposal, which awarded the maximum to students with family income at or below 100% of the poverty line and limited eligibility to students with family income lower than 200% of the poverty line. Tying eligibility to the poverty line, which is indexed for inflation annually, would mean that Pell Grant awards for students at different income levels would rise as prices

in the economy rise. Detailed information about how such an award table could be constructed can be found in **Rethinking Pell Grants**.[2]

4. To increase the predictability of Pell awards, the maximum award should be adjusted each year by the increase in the consumer price index (CPI) plus 1%.

5. By moving to a very simple Pell Grant eligibility determination based on AGI and family size, award lookup tables would allow low- and moderate-income students to predict their Pell Grant awards well in advance of applying for aid. Lookup tables could be easily accessible on school, college, and government websites. (The lookup tables would make it clear that applicants or their parents who file specified tax schedules or report negative AGI could not rely on these Pell Grant estimates.)

Meeting the Data Needs of States and Institutions

While many states and institutions support the goal of a simpler application and eligibility determination, there are concerns that less data will result in increased eligibility for their own need-based aid programs that in most cases are inadequate to meet the needs of current students. In addition, many worry about the ability to target their limited need-based aid equitably if they have less information with which to evaluate family financial strength.

To support the needs of these states and institutions, we recommend that more detailed IRS financial data be used to drive an economically sound need-analysis formula that will help users evaluate the financial strength of applicants whose family income makes them ineligible for Pell Grants. Only data captured by the IRS would be used to calculate the EFC; as a result, number of family members in college, as well as dependent student income and assets, would be ignored in the formula. At a minimum, all data elements reported on pages 1 and 2 of the IRS tax return would be reported to states and institutions that require more detailed information. To ensure that this requirement does not add complexity for students and families, these data would be from the prior-prior year and would be made available by the IRS using a modified version of the Data Retrieval Tool. Ideally, the need-analysis formula would be developed and updated by the U.S. Department of Education in collaboration with representatives of state higher education agencies and institutions.

In support of the Rethinking Pell Grants Study Group's proposal to make such a need-analysis system available, the Urban-Brookings Tax Policy Center simulated the results of using more detailed IRS data to determine the family contribution. The modeled formula defined income as AGI minus capital gains plus losses (capital, business, farm, other). It did not allow for negative AGI. It imputed assets by assuming that reported interest and dividends represented 5% rates of return. Allowances and assessment rates were similar, but not identical, to those used in the existing Federal Methodology (FM). The simulation results made it clear that it would be possible to develop a formula that would yield a distribution of expected contributions similar to current policy.[3]

2. Rethinking Pell Grants is a project convened by the College Board and funded by the Bill & Melinda Gates Foundation and the Lumina Foundation. Detailed information and background research on the recommendations of the Rethinking Pell Grants Study Group can be found at http://advocacy.collegeboard.org/college-affordability-financial-aid/rethinking-pell-grants.

3. Details of the simulation can be found in **Rethinking Pell Grants** at http://advocacy.collegeboard.org/college-affordability-financial-aid/rethinking-pell-grants.

Several simulation results suggest that a formula that uses more detailed IRS data would produce EFCs more reflective of family financial capacity. For example:

- Subtracting capital and other gains from income and adding back losses would increase significantly the average parent contributions (PCs) of the small number of filers with negative AGI (PCs for this group averaged $6,657 compared to $2,500 under FM). For independent applicants with negative AGI, the average contribution under the simulated formula was $2,176 compared to $101 under the current FM.
- Dependent applicants with family income of $125,000 or less would pay somewhat less under the simulated formula: $6,949 on average compared to $7,576 under FM. Independent applicants would pay about $300 more ($4,727 compared to $4,454). Of course, adjustments to the formula could achieve results more in line with current FM if this were the desired outcome.
- Applicants who reported family income higher than $125,000 would be required to pay more under the simulated formula: on average $41,497 compared to $37,765 for parents of dependent students; $37,174 compared to $30,411 for independent students.

Opportunity for Further Simplification

Beyond the recommendations outlined, there is considerable interest among consortium members in eliminating the requirement for low-income students to reapply for financial aid each year because many continuing students miss state and institutional application deadlines and fail to complete the verification process. To deal with this problem, economists Sandy Baum and Judith Scott-Clayton recommended in their paper on Pell Grant reform (funded by the Hamilton Project) that eligibility be based on the three most recent years of IRS data, limiting the extent to which aid eligibility is affected by short-term income fluctuations. Under their proposal, eligibility would be fixed at the point of initial application, and students would not need to reapply each year. Income information would be accessed via the IRS Data Retrieval Tool so as not to complicate the process for students.

Unfortunately, because accessing the most recent three years of income data would require significant changes to the IRS Data Retrieval Tool, it is unlikely that such a change could be implemented in the near future. As a result, we are not recommending eliminating the reapplication requirement because income from a single year may not reflect the student's long-term financial situation. However, we believe that the approach described by Baum and Scott-Clayton offers interesting possibilities for further simplification of the application process, and we recommend that it be explored by ED in partnership with the IRS. As part of that effort, we recommend a pilot study to determine whether the requirement to reapply for federal student aid each year could be eliminated in the future.

Increasing Opportunity Through Early Information and Advising

Early Communications

Many students, especially those from low-income backgrounds, do not get information early enough about postsecondary opportunities and the financial aid for which they may be eligible. Students and families often overestimate the cost of attending college, basing any information they might have on published prices rather than net prices. As a result, they do not believe that college is a possible future pathway toward a career and do not take the steps necessary to prepare academically. By middle school, students begin to make critical choices about their academic future. To help them make the most informed choices possible, they and their parents need specific information, presented in simple language, about postsecondary options and financial aid eligibility.

Federally funded programs such as GEAR UP and TRIO only provide early information to a targeted group of low-income students. In addition, school student-counselor ratios, reported to be 471:1 in public secondary schools in 2010-11, make it difficult if not impossible for students to receive important guidance about applying to and paying for college. The problem is more daunting for older adults who do not often have access to programs such as GEAR UP or to school counselors to help them make informed choices about education programs or institutions.

There is considerable evidence that early awareness of funding available to pay for college can have a positive impact on academic preparation and planning for college. To test the impact of providing specific information about net price to parents, the College Board completed a research study in 2012, partnering with the College Foundation of North Carolina (CFNC), to determine the impact of providing to low-income parents of middle school students, clear and simple information about how to pay for college. The study found that clear information specific to the family's circumstances made a substantial difference in their understanding of financial aid eligibility and college prices. In particular, parents in the randomly assigned test group demonstrated significantly greater understanding of college costs, net price, and grant eligibility than did parents in the control group.

To ensure that all students and families are aware of the importance of postsecondary education and the associated benefits, we recommend that the federal government provide college information annually, customized to the family's financial circumstances. The process, modeled on estimates of retirement income delivered to adults by the Social Security Administration, should be automated, taking advantage of the IRS/U.S. Department of Education (ED) partnership, and should begin when the child begins school at age five. Families would check a new box on the IRS form each year, giving permission to the IRS to release information to ED, which would send information about the importance of college, paying for college, and financial aid eligibility. Families who receive public benefits would receive similar information through their providers.

Sending all families such information long before their children are old enough for college will encourage low- and moderate-income families to view college as affordable and provide more affluent parents with information to encourage precollege planning and saving. Information about the financial aid and admission application process would become more detailed when each child entered high school.

The annual communication could include the following types of information:

– Individual and societal benefits of postsecondary education

– Importance of academic preparation

– Available postsecondary options

– Prices of public institutions in the family's state of residence — both average published and net prices

– Pell Grant amount for which the child would be eligible if enrolled in college now

– Information about state need-based grant aid, and if possible, estimated eligibility

– Advantages of wise borrowing

– Importance of college savings

– Eligibility for tax benefits

Federal Education Accounts

There is a growing body of research on the positive behavioral impact of providing information and dedicated financial resources to students at a young age. With little confidence that they will be able to pay for college, many low-income youth fail to prepare academically for postsecondary studies. Early promises of college funding can have a measurable impact on college enrollment among low-income students. Education savings accounts have the potential to give students from low-income backgrounds and their parents the confidence that college is within reach.

To help level the playing field between young people from low-income families and those from more affluent backgrounds whose parents expect them to go to college, the federal government should fund education accounts for children whose parents' financial circumstances would make them eligible for a Pell Grant if enrolled in college. Annual deposits would begin when eligible children are age 11 or 12, at the time families are making an early determination about whether college is within their financial reach. Funds in the education accounts would not affect students' eligibility for Pell Grants but instead would supplement the grants, recognizing that students who grow up in very low-income circumstances often have additional expenses that most colleges and universities are not able to fund — clothing and laptop computers, for example.

Eligibility for the education accounts would be based on the Pell eligibility formula described earlier in this paper. Adjusted gross income and family size (number of exemptions) obtained from the IRS would be tested against a specified level of the poverty line. Children whose parents participate in certain means-tested programs, such as TANF, Section 8 housing benefits, and SSI, would automatically be eligible for the education accounts, but parents would need to apply to participate through their social service agency. Parents with incomes too low to be required to file federal tax returns should be encouraged to file in order to qualify their children for these accounts and also to benefit from the Earned Income Tax Credit.

Each year, eligible children would receive federal deposits into their accounts equal to 5% or 10% of that year's maximum Pell Grant. The amount of the deposit could be adjusted to accommodate funding increases or limitations. For example, to reduce program costs, deposits could be based on the prior year's *average* Pell Grant instead of the current year's maximum; the percentage used to calculate the deposit could be higher or lower than 5% or 10%.

The funds in the education accounts would accrue interest only until the child reaches age 18, increasing the incentive for students to enroll as soon as possible after high school. Funds would be available to pay college expenses until the student reached age 24. However, in no case would the student be permitted to withdraw more than 25% annually if enrolled in a bachelor's degree program, or 50% if enrolled in an associate degree program. Such limits on withdrawals are intended to encourage continued enrollment and eventual completion, as well as to reduce program abuse. The account would be available until the holder reaches the age of 24, at which point any remaining funds would return to the federal treasury. For that reason, no parent match would be permitted.

Children and their parents would receive a communication annually, providing the amount of funds available in their accounts and information about how the funds can be used. These communications would also include the type of information provided to all families, as outlined above.

Funds would be credited to each child's account annually. However, federal expenditures would not occur until the account holder enrolled in college. Once the program has matured, when youth who have been eligible since age 11 or 12 are entering college, the annual cost would be about $6.5 billion. This is assuming 10% of the maximum Pell Grant is deposited annually beginning at age 11, and an annual 25% withdrawal limit is placed on students. If only 5% of the maximum Pell Grant is deposited each year, the estimated annual cost would be about half, or approximately $3.25 billion. If 10% of the average Pell Grant is deposited annually, the estimated cost would be about $3.5 billion.

Guidance and Support Services

In order to support increasing completion rates for low-income students, the Pell Grant Program should be expanded to provide guidance and support services for recipients. Potential students should receive information about the educational programs and institutions at which they have a good chance of succeeding, about the employment options likely to be available upon program completion, and about the costs they will incur, including likely student debt levels.

High school students and independent students with work and family responsibilities need different types of information and face different barriers in accessing that information. As a result, advising support should be designed recognizing these differences. While high school students have access to school counselors, at most high schools with significant numbers of low-income students, the student-counselor ratio is too high for counselors to provide the kind of individual guidance about college choice and financing that many first-generation college students need. Most older students considering postsecondary education do not have access to school counselors, peers enrolling in college, federal TRIO programs, or other resources available to younger students.

There is strong evidence that career assessment and counseling services greatly improve the effectiveness of training programs for unemployed adults. Benefits resulting from better student choices include increased earnings and tax revenues and reduced unemployment compensation. It is likely, therefore, that the benefits would outweigh the costs of such services.

To supplement the Pell Grant Program, low-income high school students — those who qualify for free- or reduced-price lunch — should have access to a federally funded college-coaching service from the time they apply for admission and financial aid through their first year of enrollment. The design of the coaching service, portions of which could be automated, should be subject to

discussion, and pilot programs should be evaluated before full-scale implementation.

Pell Grant recipients ages 24 and older should be encouraged to use the services of an independent third-party career counselor before enrolling. Counseling services should include information about the best college options, career assessment and opportunity, and financing. It should also include assistance with accessing federal, state, and local income support programs such as TANF, child care assistance, Section 8 housing subsidies, and Supplemental Nutrition Assistance Program (SNAP) to allow students to support themselves and their families while pursuing educational credentials. The design of these counseling services will require experimentation and evaluation of alternative models.

Institutions should be required to provide academic and career guidance to all Pell recipients, once they enroll, to ensure that they are progressing satisfactorily toward completion of their planned credentials.

Student and Institutional Incentives to Support Completion

Student Incentives

The structure of the Pell Grant Program should embed behavioral incentives designed to encourage students to complete their degrees or credentials in a timely manner. This is not the case today.

Under current rules, students can receive Pell Grants for two semesters or three quarters during the academic year, but they cannot receive additional funds if they enroll in a summer term. In addition, the current program defines full-time enrollment as 12 credit hours per term. However, timely completion requires an average of 15 credit hours per term. If a student completes only 12 credit hours each term, he or she will not complete an associate degree in two years or a bachelor's degree in four years, resulting in increased educational costs, higher loan debt, and loss of wages in the job market.

Students should be encouraged to complete as many credits and as many terms per year as is appropriate for them, and the Pell Grant Program should be modified to support timely completion and student success. Because competing priorities and family demands sometimes prevent low-income students from completing more than 12 credits per term, *full time* for financial aid eligibility purposes should continue to be defined as 12 credits per term, with a limit of six academic years of full-time Pell Grant eligibility. In addition, no change should be made to the current definition of three-quarter or half-time status or the lifetime eligibility limits for part-time students. However, to encourage on-time completion, students who enroll in 15 or more credits per term should receive a "bonus" equal to one-quarter of their Pell Grant. Furthermore, Pell Grants should be reinstated for summer terms and should be awarded in the same way as during any other academic term without any unique institutional reporting requirements. This program improvement would allow students who enroll in only 12 credits per term during the regular academic year to make up credits during the summer.

To implement this change, it will be necessary to remove the annual grant limit. Students who enroll in 12 credits per academic year term would receive a full Pell Grant up to the legislated maximum. Students who enroll in 15 or more credits per term would receive more than the legislated maximum. Students who enroll in the summer term would also receive more than the

legislated maximum.

Although this program improvement would have short-term budget implications, it is clear that long-term Pell Grant savings could be achieved, because it is likely that more students would complete associate degrees in two years and bachelor's degrees in four years, and would not require Pell funding in years five or six. Furthermore, students would enter the job market sooner and would pay federal and state taxes earlier than if they required five or six years to complete their credentials.

Institutional Incentives

To increase student attainment, institutions must provide effective support services to Pell Grant recipients. The federal government should direct funding to institutions through a new incentives program to help them develop supports designed to improve the rates at which low-income students complete their educational programs.

This program would provide subsidies to institutions based on the number of Pell Grant recipients who demonstrate academic success by moving to second-year status or beyond, transferring from two-year to four-year institutions, or completing degrees or certificates requiring more than one year of full-time study. The amount of the subsidy would be calculated as a percentage of the Pell Grant awards received by the students who demonstrated such success. A portion of the funding available through the incentives program would be used to support experiments designed to improve the success rates of low-income students.

Institutions would determine the best use of the incentive funds based on the characteristics and needs of their Pell Grant recipients. For example, they could decide to increase need-based grant aid, create an emergency loan program, expand child care services, or implement a new mentoring program. The government would support evaluation of institutional strategies and communication about successful approaches.

Not all institutions that qualify to participate in Title IV student aid programs would be eligible to receive funds under this incentives program. Participation in the program would be limited to institutions that meet established criteria related to positive student outcomes such as loan repayment, completion, and employment rates, for example.

Conclusion

As the centerpiece of the federal financial aid system, the Pell Grant Program must be redesigned to meet the needs of a new generation of students. A simplified process with a clearer eligibility formula, coupled with early information, will ensure that families eligible to receive a Pell Grant will know sooner and can plan accordingly. A savings account is a tangible investment in these students that will be lost if they choose not to pursue a postsecondary education. Providing incentives to complete degrees and credentials more quickly will boost a student's motivation to graduate quickly and reap the benefits of their education. Support in selecting the best program and institution and assistance in reaching the finish line are essential for students who need guidance throughout the process. The main goal of our proposals is to eliminate barriers and ensure that students are aware at an early age of the financial aid available to them and can follow a simple, transparent path to access it. The proposed changes to the Pell Grant Program will guarantee its effectiveness for the millions of students who rely on it to finance their postsecondary goals.

Resources

Baum, S., Little, K., Ma, J., & Sturtevant, A. (2012). *Student Aid: What It Would Mean for States. New York:* The College Board.

Bettinger, E., Long, B.T., Oreopoulos, P., and Sanbonmatsu, L.. (2012). The Role of Application Assistance and Information in College Decisions: Results from the H&R Block FAFSA Experiment. *Quarterly Journal of Economics,* 127(3). Also available as National Bureau of Economic Research (NBER) Working Paper No. 15361.

Committee for Economic Development (CED)

Center for Law and Social Policy (CLASP)

Destin, M, & Oyserman, D. (2009). From Assets to School Outcomes: How Finances Shape Children's Perceived Possibilities and Intentions. *Psychological Science*, 20, no. 4: 414–418.

Dynarski, S.M., & Scott-Clayton, J.E. (2008). Complexity and Targeting in Federal Student Aid: A Quantitative Analysis. *Tax Policy and the Economy*, 22, University of Chicago Press (pp. 109–150).

Dynarski, S. M., Scott-Clayton, J. E., & Wiederspan, M. (2013). Simplifying Tax Incentives and Aid for College: Progress and Prospects. *Tax Policy and the Economy*, 27.

Elliot, W., Choi, E.H., Destin, M, & Kim, K.H. (2011). The Age Old Question, Which Comes First? A Simultaneous Test of Children's Savings and Children's College-Bound Identity. *Children & Youth Services Review*, 33, no. 7: 1101–1011.

Excelencia in Education (*Excelencia*)

Hershbein, B.J. (2013). *A Second Look at Enrollment Changes After the Kalamazoo Promise*. Upjohn Institute Working Paper No. 13-200.

Jacobson, L.S. (2009). *Strengthening One-Stop Career Centers: Helping More Unemployed Workers Find Jobs and Build Skills* (Policy Brief No. 2009-01). Washington, DC: The Hamilton Project, Brookings Institution.

National Urban League (NUL)

Novak, H, & McKinney, L. (2011). The Consequences of Leaving Money on the Table: Examining Persistence Among Students Who Do Not File a FAFSA. *Journal of Student Financial Aid,* 1, no. 3. National Association of Student Financial Aid Administrators (NASFAA).

The Education Trust

14b-9081a