

Charter: Task Force Examining One Grant/One Loan

August 2015



Timeline & Commitment

Start date: August 2015
End date: March 2016

The task force will exist from August 2015 through March 2016. Throughout this period the group can expect to meet regularly by telephone and for at least one in-person meeting in Washington, DC.

Composition

- Chair: Angela Johnson, Cuyahoga Community College District Campus
- Commission Director: Keith Williams, Michigan State University
- Jamie Schulang, Salus University
- Theodore Malone, Purdue University
- Mark Bandre, Kansas Wesleyan University
- Jacqueline Williams, University of North Carolina at Charlotte
- JoEllen Soucier, Houston Community College System
- Barbara Bickett, DeVry University
- Scott Cline, California College of the Arts
- NASFAA Staff Liaisons: Karen McCarthy and Stephen Payne

Background & Purpose

Although the concept of “one grant/one loan” is not new, the recent focus on simplification of the Title IV aid programs has brought it back to the forefront of conversation in the financial aid community. As Congress gets closer to reauthorization of the Higher Education Act (HEA), discourse surrounding “one grant/one loan” has surfaced among key policymakers.

In June of 2014, the House Committee on Education and the Workforce released a white paper entitled, “Strengthening America’s Higher Education System: Republican Priorities for Reauthorizing the Higher Education Act.” A portion of the paper is dedicated to exploring a “One Grant, One Loan, and One Work-Study Program” proposal. The paper notes the nation’s “patchwork system of federal student aid has left many students confused about the best options available to responsibly pay for their college education.”

In the Senate, the education committee’s chairman, Sen. Lamar Alexander (R-TN), along with Senator Michael Bennet (D-CO), re-introduced the bipartisan Financial Aid Simplification and Transparency (FAST) Act. The FAST Act includes a provision establishing a “one grant/one loan” model. This bill may serve as a cornerstone for the Senate’s efforts moving forward.

While NASFAA’s reauthorization proposals do not support a move to one grant, one loan, we also want to be in a position to shape policy appropriately if Congress moves forward with this model. Understanding the potential implications of such a change remain essential to the debate over HEA.

The primary purpose of the One Grant/One Loan Task Force is to:

- Discuss the different possible structures of a one grant/one loan model and the implications of each
- Identify the trade-offs of a one grant/one loan model related to simplification, targeting, transparency, etc.
- Discuss the school’s role in a one grant/one loan model
- Consider other implications of a one grant/one loan model, such as consumer information and loan servicing
- Examine the potential impacts to existing campus-based aid programs
- Provide recommendations and considerations to the NASFAA board in a report if we move to a one grant/one loan model

Task Force Members' Duties & Responsibilities

- Attend all committee meetings and participate in the deliberations. Notify the committee Chair and the staff liaison if circumstances prevent attendance at a particular meeting.
- Adhere to deadlines for submission of committee assignments;
- Review all agenda items and background documents prior to each meeting and come prepared for the discussions;
- Serve as recording secretary for a committee meeting if requested by the task force chair; and
- Utilize the most economical means of transportation when attending a meeting and promptly file a travel reimbursement request

Indicators of Success & Outcomes

The Task Force will produce a report to the NASFAA Board of Directors with their findings at the Board's March 2016 meeting.

With Board approval, findings will be presented to the Membership at the July 2016 National Conference and then distributed accordingly to congressional staff.

Budget

Planned expenditures are roughly \$12,000 from NASFAA's operating budget, or board designated, public policy funding as necessary.