

“A Better Bargain for the Middle Class”

President Obama’s Plan to Make College More Affordable

Paying Colleges and Students for Performance

- Tie financial aid to college value
- Challenge states to fund public colleges based on performance
- Hold colleges and students receiving aid responsible for making progress towards a degree

Promoting Innovation and Competition

- Challenge colleges to offer students a greater range of affordable, high-quality options
- Provide clear, transparent information on college performance to help students make appropriate decisions
- Encourage innovation by addressing unnecessary regulations

Ensuring Student Debt Remains Affordable

- Help ensure borrowers can afford federal student loan debt by setting a cap for payments at 10 percent of their monthly income
- Increase the awareness and inform struggling borrowers of the availability of flexible repayment options

Pay Colleges and Students for Performance

**Tie
Financial
Aid to
College
Value**

- New College Ratings Before 2015
- Base Student Aid on College Value by 2018

Pay Colleges and Students for Performance

**Challenge
States to
Fund Public
Colleges
Based on
Performance**

- Engage States with a Race to the Top for Higher Education that has a Higher Value and Lower Costs

Pay Colleges and Students for Performance

**Hold
Colleges
and Students
Receiving
Aid
Responsible
for Making
Progress
Toward a
Degree**

- Reward Colleges for Results with Pell Bonus and Higher Accountability
- Demand Student Responsibility for Academic Performance

Promote Innovation and Competition

**Challenge
Colleges to
Offer
Students a
Greater
Range of
Affordable,
High-
Quality
Options**

- Award Credits Based on Learning, Not Seat Time
- Use Technology to Redesign Courses
- Use Technology for Student Services
- Recognize Prior Learning and Promote Dual Enrollment

Promote Innovation and Competition

**Provide
Clear,
Transparent
Information
on College
Performance
to Help
Students
Make
Appropriate
Decisions**

- Empower Students with Information
- Seed Innovation and Measure What Works

Promote Innovation and Competition

**Encourage
Innovation by
Addressing
Unnecessary
Regulations**

- Reduce Regulatory Barriers
- Partnerships

Ensuring Student Debt is Affordable

**Help
Ensure
Borrowers
Can Afford
Federal
Student**

&

**Increase
Awareness
About
Flexible
Repayment
Options**

- **Make All Borrowers Eligible for Pay As You Earn**
- **Launch an Enrollment Campaign for Pay As You Earn**