

# nassgap

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**national association of state student grant and aid programs**

May 24, 2000

Helen under NASSGAP/Cameron 2000 Summary

Mr. Cameron Ishaq  
United State Department of Education  
7<sup>th</sup> and D Streets SW  
ROB 3  
Washington, DC 20202

Dear Cameron:

Attached is an abbreviated overview of the National Association of State Student Grant and Aid Programs (NASSGAP), its member states and the need for U.S. Department of Education recognition. Each list is incomplete, though they do fairly represent issues that are of mutual interest to states and the federal government. There are other inherent relationships that exist in this partnership. I encourage you to circulate it as you see fit. I have also included a copy of NASSGAP 30<sup>th</sup> Annual Survey that was published last month. It is the most exhaustive account of financial aid programs administered by state agencies.

The Department has used the word "partners" when referring to the entities that are affected by federal aid programs, policies and procedures. I believe this word correctly frames the relationship that is necessary for the successful delivery of financial aid to students. States consider themselves partners and want to participate in discussions that are of interest to them and of consequence to others. NASSGAP is ready to participate in this effort to strengthen the financial aid delivery system, and asks that the Department recognize states' roles in this regard.

I hope this has been helpful to you in understanding our organization and the role states play in helping families finance higher education. I appreciate your interest in working with state grant agencies. Your efforts in this regard have been impressive and your responsiveness has not gone unnoticed.

Sincerely,

Dennis Obergfell  
President, NASSGAP

cc NASSGAP Executive Committee  
Greg Woods

President  
**Dennis A. Obergfell**  
State Student Assistance  
Commission of Indiana  
150 W. Market Street  
Suite 500  
Indianapolis, IN 46204  
(317) 232-2353  
Fax: (317) 232-3260  
dobergfe@ssaci.state.in.us

President-Elect  
**Cheryl Maplethorpe**  
Minnesota Higher Education  
Services Office  
1450 Energy Park Road  
Suite 350  
St. Paul, MN 55108  
(651) 642-0533 Ex. 3460  
Fax: (651) 642-0675  
maplethorpe@heso.state.mn.us

Secretary  
**Mary Ann Welch**  
Rhode Island Higher  
Education Assistance  
Authority  
560 Jefferson  
Boulevard  
Warwick, RI 02886  
(401) 736-1171  
Fax: (401) 732-3541  
mawelch@riheaa.org

Treasurer  
**John J. Siegrist**  
Connecticut  
Department of Higher  
Education  
61 Woodland Street  
Hartford, CT 06105  
(860) 947-1856  
Fax: (860) 947-1311  
jsiegrist@commnet.edu

Past President  
**Ron Gambill**  
Tennessee Student  
Assistance Corp.  
Suite 1950  
Parkway Towers  
404 James Robertson  
Parkway  
Nashville, TN 37243  
(615) 741-1346  
Fax: (615) 741-6101  
rgambill@tbr.state.tn.us

Member-at-Large  
**Jim Garcia**  
California Student  
Aid Commission  
P.O. Box 419026  
Rancho Cordova,  
CA 95741  
(916) 526-7982  
Fax: (916) 526-8001  
jgarcia@csac.ca.gov

Member-at-Large  
**John Klacik**  
Higher Education  
Coordinating Board  
P.O. Box 43430  
Olympia, WA 98504  
(360) 753-7851  
Fax: (360) 753-7808  
johnk@h.com

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**national association of state student grant and aid programs** [www.nassgap.org](http://www.nassgap.org)

Contact: Dennis Obergfell  
President,  
NASSGAP  
[dobergfe@ssaci.state.in.us](mailto:dobergfe@ssaci.state.in.us)  
[317-232-2097](tel:317-232-2097)

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## AN ABBREVIATED OVERVIEW OF NASSGAP, ITS MEMBER STATES AND THE NEED FOR U.S. DEPARTMENT OF EDUCATION RECOGNITION AND COOPERATION

The National Association of State Student Grant and Aid Programs (NASSGAP) is an organization of 54 state and territorial agencies that administer postsecondary education student financial assistance programs. This abbreviated one page summary is intended to help Education Department officials understand the important relationship that exists between state agencies and the federal student aid delivery system, and the coordinating role NASSGAP plays in this regard, as well as areas where we need Department cooperation.

### NASSGAP

- Facilitates the development & sharing of ideas & information on student financial assistance.
- Collectively raises reasoned opinion about student financial aid before state and national entities.
- Works to develop, enact and operate simplified student financial aid procedures.
- Represents a national, organized network of states to inform and advocate for federal programs and funding initiatives through the congressional delegations of member states.
- Hosts a national listserv for state grant agencies as well as a national listserv for GEAR UP participants.
- Publishes the only national annual survey of state-funded student aid programs.

### MEMBER STATES

- Awarded \$3.7 billion in state-funded grants and scholarships for over two million students (1998-99).
- Awarded \$500,000 in aid through work-study, conditional loan, and loan forgiveness programs.
- Depend upon the FAFSA and its data, in whole or in part, to determine eligibility for state aid.
- Provide a "one-stop" point of contact to help student gain access to, and completion of higher education through grants, scholarships, guaranteeing student loans, GEAR UP mentoring, college planning, work study programs, loan forgiveness and assumption programs.
- Conduct high school counselor workshops to inform them about state and federal financial aid programs.
- Conduct school program reviews and verification of student FAFSA data.
- Conduct statewide programs and publish and circulate financial aid brochures designed to inform students and families about their federal and state financial aid options.
- Assist students and families in filing the FAFSA (thus reducing the federal government's costs associated with processing corrected SARs).
- Assist the Department with cleaning up incomplete and/or inaccurate FAFSAs via letters advising students to correct their SARs (thus reducing federal government's costs associated with processing corrections).
- Most are not guarantee agencies but some are. Grant agencies do not presume to represent guarantors in the same way that guarantors do not represent state grant agencies. This is a vital distinction

### NEEDS

The following are some of the issues where NASSGAP & member states needs the Department's assistance:

- Provide states with a single source of information contact in the Department and conduct regular meetings.
- Include state grant agencies as full participants in all Modernization Blueprint activities and products.
- Promote the development of an electronic state-specific FAFSA for all students.
- Provide states with the option of assigning remaining Paul Douglas Teacher Scholarships monitoring and collection responsibilities to the Secretary of Education.
- Provide FAFSA "dummy codes" for students eligible for state-sponsored aid programs, but not currently eligible for federal aid, so that ISIR records can be created for such student to facilitate college access.
- Recognize that even minor changes to the FAFSA or to the federal eligibility criteria affect state programs.
- Include NASSGAP in all activities related to FAFSA design to ensure that the needs of states for applicant data are met.
- Recognition by the Department of Education, in words and deeds, that it understands the significance that the federal delivery system and need analysis methodology have on a states' abilities to distribute over \$3.7 billion of state-funded financial aid programs to students.

## Executive Summary of NASSGAP's 30<sup>th</sup> Annual Survey - Published April 2000

The following is a summary of The National Association of State Student Grant and Aid Programs (NASSGAP) 30th Annual Survey Report of state-administered student financial aid available for the 1998-99 academic year. This year's report offers information and statistics such as basic program information and expenditures, longitudinal indicators of student aid funding, and comparisons of student financial aid available in each of the 52 states and territories (Washington, D.C. and Puerto Rico included). The data and tables contained in the Report, which can be ordered at the address listed below, represent actual 1998-99 academic year data (unless otherwise noted).

Federal funding of the State Student Incentive Grant, now known as the Leveraging Educational Assistance Partnership (LEAP) Program, was considerably decreased for the 1998-99 academic year, following an increase for the 1997-98 academic year. Federal funding for this program went from \$50.0 million in the 1997-98 academic year to \$25.0 million in the 1998-99 academic year, a \$25 million or 50% decrease. The SSIG/LEAP program is a dollar-for-dollar federal/state-matching program designed to enable states to offer need-based grant aid to students to attend postsecondary education institutions.

### Student Aid Highlights

- In the 1998-99 academic year, the states awarded \$3.686 billion in need and non-need-based student grant aid to more than two million students, an increase of 8.8% in expenditures over the \$3.389 billion awarded in 1997-98. Of the amount awarded, 81% was need-based grant aid to undergraduate and graduate students, while 19% of it was non-need-based grant aid to undergraduates and graduates. These percentages show a slight change from the 82% and 18% awarded, respectively, in 1997-98.
- Funding for undergraduate need-based grant aid increased 6.6% in the 1998-99 academic year over 1997-98. This increase is slightly higher than the 6.4% increase from 1996-97 to 1997-98.
- Of the \$3.0 billion in need-based grant aid available, 99% went to undergraduates; and, of the \$0.7 billion in non-need-based grant aid awarded, 93% was awarded to undergraduates.
- Five states (California, Illinois, New Jersey, New York, and Pennsylvania) collectively awarded \$1.7 billion in undergraduate need-based grant aid, comprising 58% of the total awarded in this category.
- Over the past five years, state spending (current dollars) on need and non-need-based grant aid to undergraduate and graduate/professional students has increased 47.4%. From 1997-98 to 1998-99, 69% of the states (36) reported an increase in these categories, while 25% (13) reported a decrease, and 6% (3) reported no change.
- Fourteen states reported an increase in need-based grant aid to undergraduates of more than 10% over 1997-98. These states were Arkansas (+ \$2.76 million), California (+ \$47.22 million), Colorado (+ \$10.22 million), Connecticut (+ \$6.75 million), Indiana (+ \$14.46 million), Kansas (+ \$1.36 million), Kentucky (+ \$11.24 million), Massachusetts (+ \$17.78 million), Minnesota (+ \$16.98 million), Missouri (+ \$5.31 million), Nebraska (+ \$0.60 million), New Hampshire (+ \$0.41 million), New Mexico (+ \$1.72 million), and North Carolina (+ \$4.49 million). Nine states reported a decrease in funding of more than 10%. These states were Alaska ( - \$.24 million; eliminated all need-based undergraduate funding), Arizona ( - \$0.43 million), District of Columbia ( - \$0.21 million), Georgia ( - \$0.58 million), Hawaii ( - \$0.10 million), Louisiana ( - \$6.80 million), Mississippi ( - \$0.21 million), Puerto Rico ( - \$7.01 million), and Wyoming ( - \$0.04 million). This compares to 22 states reporting 10% or higher increases and two states reporting 10% or lower decreases in the prior year.
- Two states, Alaska and South Dakota, no longer fund need-based undergraduate programs
- Reporting agencies administered over \$500 million in other aid (e.g., loan forgiveness, work-study, scholarships - see Table Three). States also reported slightly more than \$1.0 billion in aid awarded by other State agencies, a 45% decrease ( - \$840.7 million) from 1997-98.
- Thirty-five states identified state grant programs that have a merit component. These merit programs constituted 29% of the total state grant aid available in these states in 1998-99.
- Thirty-three states identified non-grant programs administered by the responding agency (e.g., loan forgiveness, work-study, scholarships, etc...) that have a merit component. These non-grant merit programs constituted 51% of the total non-grant aid administered by the responding agency that was available in these states in 1998-99 .

In total, states awarded \$1.121 billion through programs containing a merit component. This compares to \$3.122 billion awarded through programs with no merit component.

*You can order a Report by sending \$20 payable to NASSGAP addressed to HECS, 99 Washington Avenue, Room 1704, Albany, NY 12255 - Attention: NASSGAP*