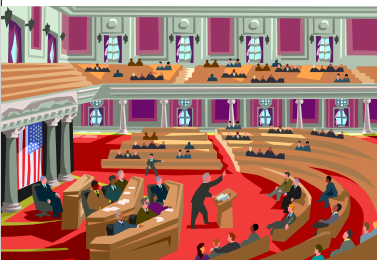


DATELINE: WASHINGTON

Keeping Track

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Dateline Washington –March 8, 2007

Bills, Resolutions, Committees, Studies.

Things are hopping here in Washington!

Besides the scandal surrounding the conditions at Walter Reed Hospital and the Scooter Libby trial (both prove the point that it's not so much the act, but the cover-up that gets you in trouble), there is much going on, and in particular, with higher education.

At last count there were more than a dozen bills already introduced in the Senate and even more than that in the House that affect paying for college. Some bills are specifically tax-related but many are not. There are also three sets of negotiated rulemaking committees dealing with proposed regulations, some of which affect us, some of which do not.

Then there's: (1) the continuing resolution which funded the same amount of money for LEAP as there was in the previous year;; (2) the President's budget (which again had the LEAP program zeroed out but which we hope won't happen);, (3) the Congressional Budget Office's report (which evaluated the advantages and disadvantages of eliminating LEAP);, (4) the Secretary's Commission of the Future of Higher Education recommendations; (5) Sue Dynarski's well-circulated paper touting the possibility of having a post-card FAFSA; (6) the Senate's HELP Committee hearings on college affordability; (7) the Secretary's Summit on Higher Education scheduled for later this month (to which I and some of our colleagues have been invited; and, (8) the Rethinking Student Aid agenda of ED, including the Undersecretary's "secret" meeting with 20 invited financial aid experts (of which NASSGAP provided three).

Looming on the horizon is reauthorization which Senators Kennedy and Enzi are committed to achieving this year. I won't go through all of this activity in this column but instead will focus on

the couple of issues that most affect NASSGAP members.

LEAP/GAP

Let's start with the with the first of two bills about to be introduced by Senator Jack Reed (D-RI) who has long shown his support for need-based aid for students, particularly LEAP. Both bills are very similar to the ones he introduced in the last Congress: one deals with the LEAP Program, and the other with simplification.

The LEAP/GAP bill (the ACCESS Act) is almost the same as the bill he introduced a couple of years ago, with a few changes. In the bill, the SLEAP part of LEAP is replaced by Grants for Access and Persistence (GAP). If you were in San Francisco for our conference in 2005 you got to hear the details about the bill. But for those who were not there, the essence is that the match for LEAP does not have to come exclusively from state revenues. The partnership under the terms of this bill is extended to include institutions, philanthropic organizations, and private companies. And there is greater emphasis on outreach and early awareness, with the states acting as the coordinating body among the partners.

Once the bill's language is finalized, I will send it out to the NASSGAP membership. I hope you'll take the time to look it over. Please be sure to send me any comments you have so they can be addressed with the Senator's staff.

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Simplification

Simplification is dealt with through the **FAFSA Act**. It is similar to the previous one, but there are also some key changes. I want to emphasize that this bill will likely be the basis on which simplification is handled in the Senate's reauthorization bill so we all need to focus our attention on it. NASSGAP President Mary Ann Welch created an ad hoc committee to deal with simplification and Melanie Amrhein, our past president, has graciously agreed to chair it. If you have comments or concerns about this bill or about anything else related to simplification, please address them to her (and be sure to copy me as well). Melanie's email is mamrhein@osfa.state.la.us and mine, of course, is bartastor@cox.net.

Since the primary purpose of the FAFSA Act is to address the complexity of the financial aid process and application, the bill proposes, among other things, a FAFSA EZ form which allows many applicants to skip through many questions; it preserves the states' questions; it attempts to get PIN's more quickly; and, it phases out the paper FAFSA with the savings used to help eliminate the digital divide.

The bill also establishes a demonstration pilot project for which states and institutions can voluntarily sign up which gives students early financial aid awards so they can make college admission decisions. Under the terms of this pilot project, high school juniors would be able to apply for financial aid and get an actual EFC based on the previous year's income data. The difference for the juniors, of course, is that it would be a year and a half prior to their college enrollment (so essentially the EFC would be based on prior/prior year income). Students would be able to update their financial information later on using a simplified reapplication process, but the beauty is these students would know even before they apply for admission just what their financial aid awards would likely be. Presumably then they would be able to make informed decisions about their ability to afford college.

Yes, there are still unanswered questions about how it would work. Those would likely be addressed when ED's Federal Student Aid staff gets involved after the bill is passed. And it's important to keep in mind that this would be a pilot program. Only those states and institutions wishing to participate would do so. After a couple of years it would be evaluated by the Advisory Committee for Student Financial Assistance to see whether it made any difference in enabling more low income students to attend college and if so, at what cost. There is a huge push in Washington, DC to require this early awarding by *all* states and institutions, so easing in with a pilot project that gets evaluated seems to be an appropriate way to determine what problems would result and whether the early application process would have any significant benefits.

As with the ACCESS Act, as soon as this bill is formally introduced I will send it out to the membership for your comments and questions. As I said earlier, much of the two bills Senator Reed is introducing will be in the Senate's reauthorization proposal. We've been fortunate to have been asked for advice in shaping parts of them, and we hope to be able to assist in the fine-tuning of the provisions when they get into the larger bill.

This is an exciting time for all of us in the student aid community and it's particularly gratifying to know the states can be a significant partner in helping students. I look forward to hearing from you with your comments and questions about these bills and about any other Washington, DC issues.

Contact Information

As always, I welcome comments and questions. You can call me at (571) 239-0511 or write to bartastor@cox.net.

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