

DATELINE: WASHINGTON

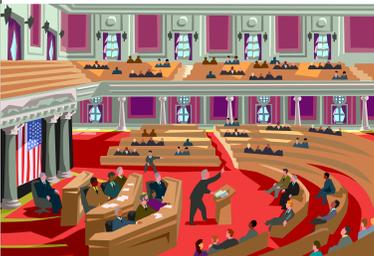
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Dateline Washington – May 4, 2007

This is a tough time for many important student aid partners and even my 93-year old father asks me questions about preferred lender lists and inducements. A retired, former financial aid administrator somehow found my email address and has been writing to me anonymously. Why, I'm not sure – she said she hoped I could do something about the injustices. My reply was to remind her of all the good we do and to support our colleagues, most of whom set up lists and make arrangements with lenders to help students get the best terms. I did it when I was on campus and I know most in the aid community do the same. The fact that so many financial aid offices look to lenders for help says to me that the institutions themselves need to do more to make sure that the financial aid offices have sufficient staffing and resources.

One might think that the issues surrounding student loans is the only game in town. Far from it. In fact, this is an incredibly busy time for financial aid and I'll give you a taste.

Negotiated Rulemaking

First, there were the negotiated rulemaking teams. As NASSGAP president Mary Ann Welch reported earlier, the general provisions team did come to consensus and we will see some new regulations come out fairly soon. You can check the IFAP Web page [www.ifap.ed.gov/IFAPWebApp/index.jsp] for the proposed regs.

Unfortunately, the loan, accreditation, and ACG/SMART Grant “neg reg” teams were not nearly as successful in achieving consensus. Still, we are likely to see new regulations come out in the near future for each of these areas. So ED will be quite busy writing regulations this summer.

Reauthorization

Yes indeed, you can bet the ranch that this year we'll see a reauthorization bill. And, fortunately for us, JD LaRock, the senior member of the Senate HELP committee responsible for reauthorization and Seth Gerson from Senator Jack Reed's office are both speaking at our conference. You don't want to miss this – it's an incredible opportunity to speak directly to two of the key players involved in this legislation.

Word has it that the Senate Committee is done with almost all of the Titles in the HEA with the big exception of Title IV. There is still much in flux with this area but we do know about some things. It looks very likely that the LEAP/GAP proposal from Senator Reed's office will be included in the Senate reauthorization bill, and with most of the provisions as written. We don't know the specifics – we hope to get a draft in the next couple of weeks – but I've been assured that we'll feel pretty good about how the Senate reauthorization bill deals with LEAP.

Simplification is another major area upon which reauthorization will focus. Without a doubt, other than the lender brouhaha, this is the big talk around Washington. There have been numerous ideas bandied about ranging from the Hamilton Project's proposed postcard FAFSA to Senator Reed's FAFSA Act (discussed in the March Washington Update), including the use of the IRS in the front end of the application process (necessitating the use of prior-prior-year data). Soon we will know what the bill includes, but if I had to guess I would say that the bill will go along with Senator Reed's suggestion to have a pilot program that tries to establish a mechanism for using the IRS data and also tries to put the financial aid application process ahead of the admission process.

Once again, with Seth and JD attending the conference, we'll be able to hear directly from the folks most responsible for writing the Senate bill.

I also know that the Senate HELP Committee staff have been in touch with the House Education Committee staff (under the chairmanship of George Miller) that will be developing a House bill. It's still speculative, but my guess is that the two staffs will work out many of the details between them before the two bills get introduced so that once they have to go to conference to get the two bills in synch, it will be relatively easy.

The Senate bill we're told will likely be out before the end of the month (just in time for our conference). The House bill will take a bit longer. But it's very possible that by the end of June we'll see a complete package, ready for the President's signature. Of course, once that happens, ED will have much work ahead to get all the new regulations written by November 1, 2007 so the changes can be enacted by July 1, 2008.

It promises to be a busy summer and fall for our ED friends.

Tidbits

- A good friend of NASSGAP, Erin Renner, has left the Advisory Committee on Student Financial Assistance to go to work for the Senate HELP Committee. Maybe Erin will be able to accompany JD when he speaks to our group later this month.
 - Filling the gap with Erin's departure is Michelle Cooper who assumes the role of Deputy Director of the Advisory Committee. Most of you know Michelle since she's been with the Committee for a while and has attended several of our conferences.
 - A week after our conference (have I reminded you enough that you should push to attend?), the Advisory Committee on Student Financial Assistance will have a hearing. Included in the topics to be discussed is simplification. NASSGAP will be represented and we expect to have an opportunity to testify. Many here believe, falsely, that the states are one of the main barriers to simplification. As you know all too well, we are anything but barriers and indeed, have been one of the strong forces to make the application for the multiple sources of aid transparent to students. We hope to dispel the myth about the states. At the same time we will point out that good stewardship of limited aid dollars requires that we get more information, not less. Unlike Pell Grants which for all intents and purposes has no limit on the amount of funding at the student level, our state grant dollars have very clear limits. Diluting the pool of applicants by including more families who have greater resources hurts the neediest students. We've already seen the maximum award in some states go down because of the funding available. The increase of the auto-zero and simple needs test thresholds will both increase the number of applicants who are eligible. In our testimony we will point out that the state grant programs have limited dollars that would have to be spread farther.
 - The federal budget process for FY08 is well under way, with negotiators in the House and Senate meeting next week to work on a joint budget resolution. The Appropriation Committees in both Houses will then begin their work over the summer.
- After the NASSGAP spring conference ends at noon on Wednesday May 30th, we hope you'll take some time to pay a visit to our Senator or Congressional Representative. The Members will not be in town because they'll be on Memorial Day recess. But the staffs will likely be there and this is a great opportunity to let them know just how important the Federal role is in helping students. All you have to do is call the office to find out who the education staff person is and set up a time. The hotel is just a short walk over to the Hill so you could fit in a couple of visits (15 minutes or so each) and still get to the airport to leave that day. Members from both parties absolutely love hearing from their constituents and they'll love hearing about how the voters back home are helped with the Federal dollars.
 - Finally, It's not too late to sign up or to get a decent hotel rate (see Mary Ann Welch's email about the Orbitz rate). The agenda is outstanding and we're very lucky to have so many great speakers: Kristin Conklin from the Secretary's office will be a luncheon speaker, Bob Shireman from the Project on Student Debt, Brett Lief from NCHelp, Jamie Merisotis from the Institute for Higher Education Policy, Michelle Cooper, the newly named Deputy Director of the Advisory Committee, FSA FAFSA Application staff, the aforementioned JD LaRock and Seth Gerson, Jamie Dushin, the author of the LEAP Study, and several other interesting and important speakers. See you here!

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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