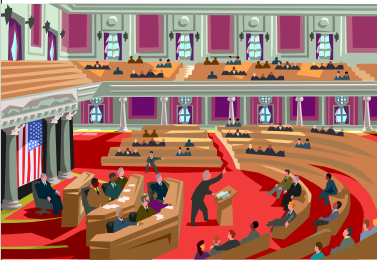


DATELINE: WASHINGTON

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Dateline Washington

It was just a month ago that many of us were together here in our nation's capital for our spring conference. From my perspective — and I think this is true for all who attended — the conference was truly fantastic. Chris Zuzack and Stephanie Butler did such a wonderful job in putting it all together. There were no hitches which, for a conference, is always a challenge. And the program was one of the best ever. We were fortunate to have key legislative staff who updated us on what was coming in the Senate, a lively discussion of simplification, several speakers from the Department of Education, including one from the Under Secretary's office, a session on the LEAP study commissioned by NASSGAP, sharing of individual state programs, and so much more. Having the conference over the Memorial Day holiday had its positives and negatives. On one hand we know that some folks couldn't get away from family obligations and they were missed. On the other hand, some were able to attend the nationally televised celebration on the Capitol Mall just a few blocks away. It was fun seeing some of the celebrities who were performing at the gala hanging around the hotel lobby and having breakfast.

Next spring the conference will again be over the Memorial Day holiday and we hope you'll join us. (fyi, because of the high prices in DC, we were able to get significantly reduced hotel rates over the holiday weekend). But please don't forget that our fall conference will be in Park City, Utah October 21-24. It's a gorgeous spot and we expect the program to be just as inspiring. Make your reservations now.

Reauthorization

It's been a busy month here in Washington. Two separate bills sailed through the Senate Health, Education, Labor, and Pensions (HELP) Committee, the authorizing committee for financial aid programs. One was the Senate's version of the Higher Ed Act Reauthorization which includes

many important provisions that will have major effects on NASSGAP members, including the LEAP/GAP program that was introduced by Senator Reed last year. Here are some of the other key provisions:

- Establishes a greater Federal incentive within LEAP (the Grants for Access and Persistence Program or GAP) to encourage states to form partnerships with colleges, businesses, and philanthropic organizations to provide low-income students with increased need-based grant aid, early information and assurance of aid eligibility, and early intervention, mentoring, and outreach services;
- Establishes a new paper EZ-FAFSA while phasing out the paper FAFSA, using the savings to create a smart FAFSA-on-the-Web;
- Creates a filing by phone application for families without access to the Internet
- Creates a pilot early application program under which students can apply for an aid determination in their junior year of high school (using prior, prior year income);
- Requires the Secretary to implement a real-time data match between the Social Security Administration and ED to minimize the time to obtain a PIN;
- Requires the Secretary, in cooperation with states and schools, to make special efforts to notify students of the approximate amounts of grants, loan assistance, and work-study they are eligible for; and
- Aligns the college admission and financial aid processes by allowing students to fill out the FAFSA prior to January 1st of the student's planned year of enrollment.

The bill passed the Senate HELP Committee with no opposition and has broad support. The full Senate is expected to take up the bill in July. The House is also scheduled to focus on higher ed in July so we should know in a few weeks whether or not we'll have a reauthorization bill this year.

Higher Education Access Act

As a companion to Reauthorization, the Senate HELP Committee also passed the Higher Education Access Act as part of the budget reconciliation. Its terms are far-ranging and focus a great deal on the FFEL program. In addition to the many changes that affect lenders, some of which are highly controversial, the bill includes some provisions that will affect NASSGAP members, including, among other things:

- Establishes a new Promise Grant program for Pell-eligible students as a supplement to other federal, state, and institutional grant aid;
- Increases the auto-zero to \$30,000;
- Increases in the Income Protection Allowance (IPA) to reduce the student work penalty;
- Establishes a new grant to states designed to assist in increasing college participation and access for low-income students in the state; and
- Eliminates the FAFSA question asking if the student has been convicted of drug possession.

These provisions, as well as those affecting FFEL lenders and guaranty agencies, could go into effect with or without passage of the reauthorization bill. Over the summer we'll get a better sense of whether these two bills will get passed by the full Senate, whether comparable bills will pass the House, whether the two chambers can agree on the bills, and whether the President will sign them.

Appropriations

The House Labor-HHS-Education appropriations subcommittee has made its recommendations for the FY08 budget and it includes \$4.2 billion more for education than FY07. However, much of the increase is for Pell Grants. The LEAP program funding is held at the FY07 level, \$65 million. The full House Appropriations committee is expected to mark up the bill on July 9th and bring it to the floor of the House on July 17th.

The Senate Labor-HHS-Education subcommittee on appropriations released its committee report also recommending \$65 million in LEAP funding for FY08.

So while passage in both houses and a signature by the President are not sure things by any measure, there seems to be agreement that the LEAP program has merit and both houses are committed to continue funding. This is an important step, as the authorizing committees generally do not re-authorize programs that are not funded. Later this summer we'll know more about whether the education appropriations bills will pass and we'll report that to the NASSGAP membership when we hear.

Fall Conference

Our fall conference will be held in Park City, Utah on October 21-24 and we hope you'll all make plans to attend. The hotel has set an early deadline so we encourage you to make your hotel reservations soon, even if you're not certain you'll go. You have until the day before to cancel your reservation but you can't get our guaranteed rate of \$159 after September 5th. A one-day refundable deposit is required at time of reservation.

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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