

# nassgap

**national association of state student grant and aid programs**  
*www.nassgap.org*

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June 1, 2009

The Honorable Arne Duncan  
Secretary  
U.S. Department of Education  
400 Maryland Avenue, SW  
Washington, DC 20202

Dear Mr. Secretary,

The National Association of State Student Grant and Aid Programs (NASSGAP) supports President Obama's goal to secure future Pell Grant award amounts and to provide a mechanism to grow the maximum Pell to address the increases in college costs and access challenges of the neediest students.

We particularly support funding for the Leveraging Educational Assistance Program / Grants for Access and Persistence (LEAP/GAP) program because it focuses leveraged, need-based student grants and support services to facilitate access and degree completion using strategies that work at the local level. However, the President's 2010 budget proposes holding the program to its current funding level of \$64 million, despite the increased potential of the new GAP component. This is disappointing for students as the LEAP/GAP program shares the President's goals of increasing access and service to the neediest students. The proven success of LEAP, and the vast proven ability of our states to administer programs that well serve first generation college students and families with incomes at or near the poverty level, would seem to argue for a stronger federal commitment.

We respectfully request the President and Congress to fund LEAP/GAP at its authorized level of \$200 million if it is to become the program that was envisioned under the HEOA. To do otherwise significantly handicaps the potential of the states to broaden services to the neediest students. There are some matters that must be viewed as critical to our nation's economic recovery without the restraint of zero sum appropriations. Certainly the nation's students who are struggling to contribute to that economic recovery need and deserve more.

We understand that many students will also need loan funds to make their contribution to the total cost of education and we concur that it is time to review the current student loan system. However, we have concerns about whether the precipitous review that is underway may have

President

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unintended consequences. With that in mind we offer the following matters for the consideration of the executive and legislative branches of our government:

- Historically, over 75% of institutions decided that the FFELP loan system provides the best option for their students. We believe this occurred because institutions worked with the FFELP state and non-profit lenders, guaranty agencies and servicers to provide exceptional service and borrower benefits. Careful assessment and planning is essential to ensure the continuation of those services and less expensive borrowing.
- Many of the participants in the FFELP system are non-profit organizations, including at least 20 state entities, who spend a substantial amount of funds to provide valuable services to students in the form of enhanced financial literacy counseling, early college awareness information and drop-out intervention, career counseling, default avoidance, and even student grants and scholarships. The elimination of the FFELP system could result in loss of these critical programs and services most needed by low income students whose families do not have the financial, educational and career experiences they hope their children will enjoy that can only be achieved through a postsecondary education.
- The FFELP system currently employs more than 30,000 skilled professionals in higher education financing. It would not serve our nation's students well to eliminate the services and skills of these individuals when the demands on our postsecondary education institutions are increasing because of the economic downturn and the demographics of fast growing segments of our nation's youth.

NASSGAP supports a complete student-centered approach to reviewing the student financial aid process, including student loans, to ensure that the system provides an efficient model providing the best student benefits. However, this review and discussion is too important to be put on a fast track with little time for debate and open dialogue. Higher education is a matter of national importance and no longer is seen solely as a private benefit. Indeed, the public interest is substantial as there are both national prosperity and national security concerns in creating and maintaining a quality higher education system that is broadly accessible and affordable.

NASSGAP supports activities to improve access to higher education and degree completion and each of its state agency members is looking for the President and Congress to devise solutions which will ensure that the agencies' related support services can viably continue.

Respectfully,



Lee Andes  
President

Cc: Mr. Robert Shireman