



nassgap

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

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The Honorable John Kline
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Committee on Education and the Workforce

The Honorable George Miller
Senior Democratic Member
Committee on Education and the Workforce

The Honorable Virginia Foxx
Chairwoman
Subcommittee on Higher Education
and Workforce Training

The Honorable Ruben Hinojosa
Ranking Member
Subcommittee on Higher Education
and Workforce Training

The National Association of State Student Grant and Aid Programs (NASSGAP) thanks you for the opportunity to submit recommendations for consideration as the Committee and Subcommittee continue the process of reauthorizing the Higher Education Act. In the most recent academic year, NASSGAP's members provided over \$9 billion in grant aid to over 4 million students pursuing their higher education goals. For more background information on NASSGAP and its members, I have attached our 43rd Annual Survey Report on State-Sponsored Student Financial Aid. We are proud to include among our members the organizations representing each of your states:

- Minnesota Office of Higher Education
- California Student Aid Commission
- North Carolina State Education Assistance Authority
- Texas Higher Education Coordinating Board

Strengthen Federal-State Partnerships to Improve Higher Education Access and Completion

- Make permanent the funding for College Access Challenge Grants (CACG) – the mandatory funding for CACG ends in 2014. Since its inception, the CACG program has allowed states to identify and customize innovative strategies to prepare students for a college education and giving them the tools and skills to successfully complete college.
- Restore funding for the Leveraging Educational Assistance Partnerships (LEAP) program, with states being responsible for identifying the approaches that best complement the need-based aid packages of students in their states.

Provide More Transparent Data with Regard to At-Risk Students

- Develop graduation rate and cohort default rate data for Pell recipients by institution attended – the existing data approach of measuring institutions against national averages or other metrics that do not reflect the composition of the student body could deter colleges from admitting at-risk students.
- Enhance graduation rate data to reflect successful completion at another institution to better reflect successful transitions out of community colleges.
- These enhancements would help both federal and state agencies better measure their returns on public investment in higher education and identify those institutions that are more successful at graduating at-risk students.



Enhance Financial Literacy Training for Pell Grant Recipients and for Students and Parents Taking Out Federal Direct Loans

- Provide students receiving Title IV aid and parent borrowers with entrance (or debt) counseling and/or a financial literacy course/webinar. Content could also include budgeting concepts to ensure students are able to manage aid proceeds to cover all expenses throughout the academic period.
- Verify comprehension of loan terms and conditions, including repayment and forgiveness options, prior to loan disbursement.
- Providing this counseling will ensure that students and parents have fully considered all non-loan options available to pay for college; if provided by state financial aid agencies, it would ensure that families that completed the FAFSA would also be aware of the state financial aid process if not already linked to the FAFSA. Verifying comprehension will ensure that students and parents fully understand loan terms, conditions, and payment options, and that they weren't distracted while the webinar was presented. A recent Young Invincibles study found that many students claimed they did not receive any entrance counseling on their federal loans.
- Funding for these programs could be derived from the estimated \$700+ million generated by the recent bipartisan HR 1911 as amended. These modules could also be made available more broadly to high school students and their parents as well as students not receiving Title IV aid.

Allow/Require Colleges to Provide Information on State Aid Programs and Links to State Financial Aid Agency on Their Financial Aid and/or College Cost Calculator Web Pages

- Help ensure students and parents are aware of state financial aid resources and opportunities. Last year, states provided over \$9 billion in grant and scholarship aid to students. We should pursue every available avenue to ensure that all students are aware of these programs and are able to apply for all forms of grant and scholarship aid.
- Many schools are reluctant to provide such information and links because some state agencies also offer loans and institutions are concerned about violating "preferred lender arrangement" rules in Higher Education Opportunity Act. This concern should not preclude students and parents from learning about state grant programs.

Update and Modernize Collaboration and Tools to Enhance Student/Borrower Communications

- Many borrowers needlessly default on their federal student loans, severely damaging their credit, and making them ineligible for future Title IV aid, simply because FFELP and FDLP loan servicers and guaranty agencies are not able to reach borrowers to inform them of their payment, deferment, and forbearance options, especially Income-Based Repayment.
- Communication is especially difficult with recent graduates and students who have withdrawn without completing their program of study, who are often changing addresses and rarely have landlines. Communication with students who have withdrawn without completing is especially critical, as they are far more likely to default on their loans, making future degree completion far more challenging once aid eligibility is lost. Specific steps that could be taken to resolve these challenges include:
 - Provide address-matching interface with the IRS for "skip" borrowers
 - Allow communications with borrowers via cell phone, email, and text messages; also authorize use of future technologies

NASSGAP greatly appreciates your consideration of these suggestions. We are also very interested in working with you and the Department of Education on further FAFSA simplification initiatives. Because each state is different and the financial aid programs we manage are often subject to state statute, we work carefully with our members to ensure that FAFSA simplification initiatives do not create additional application steps for students and parents in the state financial aid process. We are generally supportive of the proposed "prior prior year income" concept of using this data to expedite completion of the FAFSA, and are surveying state programs to identify whether any state laws would currently preclude that approach. We would be happy to meet with you to discuss any further FAFSA simplification initiatives you plan to include in legislation so that we can expedite evaluation of the impact on the application process for students and parents in our respective states.



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We would be happy to discuss with you in further detail any of the concepts or recommendations in this letter. Please feel free to contact me at (402)471-0032 or Ritchie.Morrow@nebraska.gov; you can also contact our federal liaison, Frank Ballmann, in our Washington, DC office at 202-721-1186 or frank@nassgap.org.

Best regards,

A handwritten signature in cursive script that reads 'J Ritchie Morrow'.

J Ritchie Morrow
President
NASSGAP