

**NASSGAP 2006 SPRING CONFERENCE  
JURY'S WASHINGTON HOTEL – WASHINGTON, DC  
JUNE 4-7 2006**

**STATE UPDATE**

<b>ALABAMA</b>	
<b>ALASKA</b>	<p>Here are some bullet points on the Alaska state issues keeping us busy (with the first one being the biggest challenge):</p> <ul style="list-style-type: none"> <li>-- Addressing options to not miss out on ACG grant monies due to Alaska's not having identified a rigorous high school academic curriculum</li> <li>-- Keeping up with HEA changes in financial aid operations and financing</li> <li>-- Exploring options to create an endowment to fund the AlaskAdvantage Education Grant (LEAP match) in perpetuity</li> <li>-- Automating the school certification process for the AlaskAdvantage Education Grant</li> <li>-- Reviewing year one of LEAP participation and implementing efficiencies for year two</li> <li>-- Identifying options to expand higher education outreach to rural communities, using a combination of distance delivery and local mentors</li> <li>-- Opening ARCHES, the AlaskAdvantage Resource Center for Higher Education Success</li> <li>-- Creating the administrative structure necessary to accept donations to fund outreach activities and grants</li> <li>-- Operations in general in climate of budget uncertainty</li> </ul>
<b>ARIZONA</b>	
<b>ARKANSAS</b>	<p>1. The state has been in and out of court for several years over K-12 education and was back in court this past year. The legislature had addressed the problems during the 2005 legislative session, but plaintiffs returned to court and the court ruled that the solutions were insufficient. The governor called a special session in April, during which spending was increased. Only time will tell if that's enough.</p> <p>2. In December, the voters defeated two bond proposals, one for highway bonds and one for higher education bonds. The higher education bonds were for new construction and renovation/repair of existing buildings. The major complaint, especially the highway bonds, was that the authority to issue and reissue bonds would be granted to the highway commission with no provision for public approval subsequent bond issues. The vote on higher education bonds was very close, but the highway bonds margin was large and having both on the same ballot may have contributed to the defeat of the higher ed bond issue. It's interesting that the higher ed bond issue was defeated in the counties where two of our largest public universities are located.</p>
<b>CALIFORNIA</b>	<ul style="list-style-type: none"> <li>• <u>Cal Grant Programs</u> - The Legislature and the Governor continue to support California's need-based programs. (Grown to nearly \$900 million in FY 06/07 and more than one-quarter million students in the programs). The Legislature continues to support the Cal Grant programs and is currently considering increasing the maximum Cal Grant award for students at independent colleges and universities from \$8,322 to \$9,708. Other proposals being considered would increase the number of our Cal Grant competitive awards and making improvements to our Grant Processing System.</li> <li>• <u>Federal Chafee Grant Program</u> - For Foster Youth, program contracted with Social Services, continues receiving strong support (FFY 04/05 - \$7.9 mil – FFY 05/06 - \$8 million); working to secure additional funds to support growing demand; the Legislature is considering adding \$5.7 million in state funds or a loan of same amount to enable the Commission to provide awards prior to the beginning of the school year.</li> <li>• <u>Cal Grant Applications</u> - There is a growing Legislative interest in maximizing timely and complete FAFSAs and GPA submission by all public high school students; (pending legislation requires the Commission, Superintendent of Public Instruction and stakeholders to meet to produce reports on applications and GPAs, by district and secondary school);</li> </ul>

<p><b>CALIFORNIA</b> <b>(Cont.)</b></p>	<ul style="list-style-type: none"> <li>• <u>Other Commission Programs</u> - Continued interest in loan assumption programs; besides existing \$43 million program for teachers, the State is currently considering adding awards for; nursing faculty students who agree to teach 3 consecutive years in specified programs; National Guard members to encourage recruitment and retention; and a new program to encourage teachers to teach in the lowest percentile schools.</li> <li>• <u>Upcoming Election</u> – Along with the current Governor, the Controller and the Treasurer are running for the top post. Many legislators will be running for reelection or moving from the Assembly to the Senate. This may help California to have a closer to on-time budget than usual.</li> <li>▪ <u>California Cash for College workshops</u> – The program resulted in approximately 280 workshops which served over 10,000 students. The workshops are designed to help students fill out their FAFSA and GPA verification forms in order to qualify them for Cal Grant and other financial aid programs. This year, we were able to offer a \$1,000 scholarship to a student at each event, thanks to a generous donation. We received 9,600 surveys</li> </ul>
<p><b>COLORADO</b></p>	
<p><b>CONNECTICUT</b></p>	<p><u>Capitol Scholarship Program</u> – increased by \$2 million or 29 percent over FY 2006. These additional funds will provide nearly 500 more grants to needy students with an average award increase of about \$250.</p> <p><u>“Engineering Connecticut” Loan Reimbursement Program</u> – legislation provides \$250,000 for a new loan reimbursement program for persons with undergraduate or graduate engineering degrees who are newly employed in the state on or after January 1, 2006 as engineers.</p> <p><u>“You Belong” Loan Reimbursement Program</u> – legislation provides \$250,000 for a new loan reimbursement program for graduates of doctoral programs who are newly employed in Connecticut in economically valuable fields.</p>
<p><b>DELAWARE</b></p>	<p>In Delaware, the most exciting program that has been announced is the SEED Scholarship. SEED stands for Student Excellence Equals Degree. Students attending either Delaware Technical Community College or the University of Delaware Associate of Arts program are eligible if they have earned at least a 2.5 GPA, avoid criminal trouble, and graduate from high school within 4 years.</p> <p>The state continues to be fiscally sound so we are not experiencing cuts in our programs.</p>
<p><b>DISTRICT OF COLUMBIA</b></p>	
<p><b>FLORIDA</b></p>	<p><b>OSFA, State Scholarship and Grant Programs: 2005-06 Academic Year</b></p> <p>State-funded financial aid programs expect to disburse 97% of the appropriation of \$527 million for 20 programs during the 2005-06 academic year. Our largest merit program, Florida Bright Futures Scholarships, expects to fund over 139,000 students; the largest need-based program, Florida Student Assistance Grants (FSAG), expects to serve over 100,000 students.</p> <p><b>2006-07 Legislative and Budget Issues</b></p> <p>The 2006 Florida Legislative Session has ended and the Governor has signed the new year budget allocating \$604 million to student financial aid programs. This represents a 14.6% increase in program funds over last year.</p>

<p><b>FLORIDA</b></p> <p>(Cont.)</p>	<p>Several programs were enhanced to include additional benefits for students:</p> <ul style="list-style-type: none"> <li>• Children of Deceased and Disabled Veterans will now also serve spouses.</li> <li>• The Bright Futures Medallion Scholarship award pays 75% of tuition and fees, and will now pay 100% of tuition and fees to those students who choose to attend a public community college for their first two years.</li> </ul> <p>New programs include:</p> <ul style="list-style-type: none"> <li>• First Generation in College Matching Grant Program to fund first generation, resident, undergraduate students with need at public universities.</li> <li>• Institutions have been authorized to include in a student's Cost of Attendance any disability testing fees required for placement in additional services at their institution.</li> <li>• Florida looks forward to participating in the new federal Academic Competitiveness Grant (ACG) and the National Science and Mathematics Access to Retain Talent Grant (SMART).</li> </ul> <p><b>Web Applications at <a href="http://www.FloridaStudentFinancialAid.org">www.FloridaStudentFinancialAid.org</a></b></p> <p>Our customer friendly web homepage invites students to apply online for all programs. We have accepted and evaluated over 90,000 initial applicants. Postsecondary institutions participating in financial aid programs continue to appreciate the web processing of state financial aid and comprehensive reporting capabilities.</p>
<p><b>GEORGIA</b></p>	
<p><b>HAWAII</b></p>	
<p><b>IDAHO</b></p>	
<p><b>ILLINOIS</b></p>	
<p><b>INDIANA</b></p>	<p>Indiana was able to increase the maximum public award for the 2000-07 academic year by 10% to \$5,692 and increased the maximum private award to \$10,272. Indiana had the nation's highest need-based grant award that an individual could receive to attend a private college in 2005-06. We will be preparing our biannual budget request this summer with hopes to increase both caps for the 2007-08 and 2008-09 AYs if possible, but of course everything depends upon the health of the state's economy.</p>
<p><b>IOWA</b></p>	
<p><b>KENTUCKY</b></p>	<ul style="list-style-type: none"> <li>• With the recent retirement of Dr. Joe L. McCormick, KHEAA is seeking an Executive Director to be based in Frankfort, Kentucky, who will also serve as Executive Director of KHESLC or The Student Loan People. A new director is expected to be named by June 30.</li> <li>• For FY 2007, Kentucky's primary need-based grant program maximum award amount will increase by 11.8%, from \$1,700 to \$1,900. The average tuition at public four-year institutions will increase to \$5,510 in FY2007, 11.5% higher than in FY2006.</li> <li>• The 2006 Kentucky General Assembly continued its financial support of the Kentucky Educational Excellence Scholarship (KEES) and the state's two need-based state financial aid programs in the 2006-2008 biennial budget by earmarking 45% of net lottery proceeds to KEES and 55% to the need-based programs.</li> <li>• In the state's 2006 biennial budget, \$10 million was appropriated for a new PharmD program at The University of the Cumberlands in southeastern Kentucky. An additional \$1 million was appropriated for a conversion loan program to assist students attending the new pharmacy school. The constitutionality of providing state funds to a private college has been challenged by some legislators and, as a result, Governor Ernie Fletcher has asked the Kentucky Supreme Court to determine the legality of the funds transfer.</li> <li>• Kentucky's one-stop college planning website, <i>GO Higher KY!</i>, will soon add two new</li> </ul>

<b>KENTUCKY</b>  <b>(Cont.)</b>	<p>features. The Kentucky Department of Education's Individual Learning Plan, that guides students in college preparation and career planning, as well as the high school transcript, will be operational by the end of summer.</p> <ul style="list-style-type: none"> <li>• Kentucky was awarded a \$68 million GEAR UP Grant for 2005-2011. KHEAA and The Student Loan People are active partners with the Kentucky Council on Postsecondary Education in this project.</li> </ul>
<b>LOUISIANA</b>	<ul style="list-style-type: none"> <li>• State revenues are up more than expected and \$4.5M may be appropriated to the Louisiana Office of Student Financial Assistance to pay the 1% Federal Default Fee for borrowers who use this agency to guarantee their student loans. This is to allow this agency to be more competitive in the student loan market, to draw more schools/students to use LOSFA to keep dollars earned through the student loan program to support the administration of our state scholarship/grant programs.</li> <li>• All higher education institutions, with the exception of two technical schools and a few proprietary schools, which were closed for the fall semester due to the effects of Hurricanes Katrina and Rita, have reopened and are completing their academic year. A large number of students returned, but housing is still a huge issue.</li> <li>• Through a Memorandum of Understanding, LOSFA and the LA Board of Regents are in the process of allocating and distributing \$8.5M in federal dollars to schools in Louisiana for a one-time, need based grant to students (max award is \$2,000) under the Higher Education Hurricane Relief Act. Louisiana has named the effort "Return to Learn", as the grants are targeted to displaced students who did not enroll after the hurricane for spring 2006.</li> <li>• On May 20th, the incumbent mayor of New Orleans was re-elected to his position over the current Lt. Governor (whose father had been mayor of New Orleans in the 60's) by a very small margin in an unprecedented and historic election.</li> </ul>
<b>MAINE</b>	<p>For FY 07 the Legislature appropriated an additional \$ 300, 000 for our Teacher Loan Forgiveness Program, although it's a one time only appropriation it will allow us to fund an additional 25 new students and their renewals for 4 years beginning in AY 2006-2007. A major change will be implemented for AY 2006-2007 for the grant &amp; scholarship programs that FAME administers. We are combining the Maine State Grant Program, the NextGen Student Grant Program and the NextGen Access Scholarship Program into one program for administrative purposes to be called the State of Maine Grant Program. Schools will now go to one website to verify students and request payments for this program. The funding sources for these programs will be our state appropriation and our college savings plan. The EFC criteria, full-time and part-time and filing date will determine which funding source that will be used to pay for the grant. Enhancements will be made to the website and internal modifications will be done to provide the ability to track these funds separately. By combining programs and using different sources of revenue FAME was also able to increase the amount of its grant awards by \$ 200 for full-time in-state students and \$ 150 for students attending out-of state institutions. Part-time students received half that increase.</p>
<b>MARYLAND</b>	<p>Funding for Maryland's financial aid programs increased by 12.2% in FY 2007, from \$93.1 million to almost \$110 million. Approximately \$16.5 million was allocated to need-based aid programs to assist full-time, part-time and graduate students. Funding for the Educational Excellence Awards, our largest need-based aid program, increased by 23.5% to \$75.7 million. In addition, the Part-Time Grant program increased to \$6 million and the Graduate and Professional Scholarship increased to \$1.5 million. The Nursing Scholarship Program also received an increase of \$1.1 million.</p> <p>In addition to being able to accommodate more students in the programs, Maryland was able to implement a formula change within its largest need-based aid program to award community college students at a greater percentage of need, 60% versus 40%, and to award students attending 4-year institutions at a greater percentage of need, 40% versus 35%. The maximum award in this program has also increased to \$3,000.</p> <p>During the recently concluded session, legislation passed to establish the Workforce Shortage Student Assistance Grants, which consolidates many of our workforce scholarships and develops a model for identifying critical workforce shortage occupations to be included in the program. With this change, there will now be one scholarship with a set application, set award amounts and one service obligation policy. We will also be able to accommodate new</p>

<p><b>MARYLAND</b>  (Cont.)</p>	<p>occupations in the program without requiring legislative changes. This will enable our office to better meet the workforce needs of the State.</p> <p>Of course, while we were successful in streamlining some programs, legislation also passed to establish the Afghanistan and Iraq Conflict Veterans Scholarship. Funding has not been provided for FY 2007.</p> <p>Funding was provided in the FY 2007 budget for expansion of our outreach efforts, such as our MD Go For It campaign, translating more publications for parents into Spanish, and development of outreach efforts to middle and high school students.</p> <p>Governor Ehrlich also endorsed collaboration between the Health Services Cost Review Commission (HSCRC) and the Maryland Higher Education Commission (MHEC) to administer the Nurse Support Program II. Funding for NSP II is being provided through a 0.1% increase to the rate structure of all hospitals retroactive from July 1, 2005, which generates approximately \$8.8 million annually to be awarded, to promote the program's goal of increasing the number of bedside nurses in Maryland Hospitals by expanding the capacity of Maryland's nursing programs. Initiatives include grants being given to higher education and hospital partnerships to improve retention and increase capacity through collaborative efforts; and financial assistance and fellowships to individuals willing to become nurse faculty members.</p> <p>From a larger policy perspective, MHEC has contracted with a consultant to assist with the development of a postsecondary model for higher education that links tuition, financial aid policy and state appropriations. As you probably know, Maryland is a very high tuition state, and is experiencing significant enrollment growth (as many other states are). The development of this model will address issues of access and affordability.</p>
<p><b>MASSACHUSETTS</b></p>	
<p><b>MICHIGAN</b></p>	<p>In 2004, Governor Jennifer Granholm announced the formation of the Lieutenant Governor's Commission of Higher Education and Economic Growth. The Commission was charged with identifying strategies to double the number of Michigan residents with degrees and other postsecondary credentials of value within ten years. In December of 2004, the Commission gave it's final report which included seventeen recommendations.</p> <p>One such recommendation was to "Set High Expectations for High School Students Through Rigorous Standards and Curriculum". Governor Granholm signed new legislation on April 20, 2006, that sets a rigorous curriculum in place for incoming eighth graders in the fall of 2006.</p> <p>Linked to that is another of the recommendations calling for "A New High School Assessment". Pursuant to that, Governor Granholm signed new legislation that revamps the old Michigan Educational Assessment (MEAP) tests to a newly strengthened Michigan Merit Exam (MME).</p> <p>A third piece of this is linked to the Governor's initiative for a New Merit Award. The current Michigan Merit Award Scholarship program awards \$2,500 to students who demonstrate high academic performance on the state MEAP tests. The awards are merit based only and the aggregate payout per fiscal year is approximately \$120 million. The Governor's initiative would retain the award for those succeeding on their high school test and would provide an additional award for successful completion of two years of postsecondary education. Exam achievers would receive a \$1,000 award in their first year, \$1,000 in their second year and \$2,000 after completion of the second year. This new initiative also seeks to expand the pool of awarded students by giving students an opportunity to receive a Merit award based solely on completion of a least two years (or it's equivalent) of postsecondary education. Student not receiving the award for exam achievement would be eligible for a \$4,000 award after completing two years of postsecondary education.</p> <p>With all of these items, Michigan is advancing its goal to double the number of students completing an associate's degree or equivalent with 10 years. These things have been accomplished during tight budget times in Michigan. Funding for the need-based student financial aid programs has remained level for the last several years.</p>

<b>MINNESOTA</b>	The MN legislature is still in session. By law they must adjourn by May 20. For political reasons there may not be a higher education bill passed this year. They will pass a bonding bill. That means no new financial aid programs or changes to financial aid programs this year but some campus buildings will be built.
<b>MISSISSIPPI</b>	
<b>MISSOURI</b>	<p>In this year's legislative session, legislation has been introduced to create scholarship programs for Associate degree completers who transfer to 4-year institutions, foster care children, and dependents and spouses of military veterans killed in the line of duty.</p> <p>The Governor, state House of Representatives, and state Senate have introduced different proposals to spend approximately \$450 million that would be generated by selling a part of the student loan portfolio from the state's student loan secondary market, MOHELA. Some of the projects being proposed to spend the funds are for capitol improvements, building maintenance, scholarships, endowed professorships, and paying down the state debt.</p> <p>During the 2005-06 academic year the Missouri Department of Higher Education (MDHE) deployed a new comprehensive web-based system that supports the administration of the major state funded student financial aid programs. We continue to enhance the new system and develop new releases for the 2006-07 processing year.</p> <p>Over the past 10 months the MDHE has been working with a State Aid Program Task Force to look at simplification, restructuring, and consolidation of the major state student aid programs administered by the MDHE. A final task force report was adopted by our board in December and the MDHE staff is currently working with all sectors of postsecondary education and the Missouri Legislature to implement some of the recommendations of the task force. The task force continues to meet to address timelines and strategies for the implementation plan.</p> <p>Our 2006 legislative session ends May 12<sup>th</sup>. Therefore, by the June conference, the legislative issues mentioned above will be outdated meaning some may become law, some will have died during the legislative process, and others may be deferred to the 2007 legislative session.</p>
<b>MONTANA</b>	<ul style="list-style-type: none"> <li>Academic Year 2006 was the first year of awards for the new Governor's Postsecondary Scholarship. This is a renewable scholarship program established by the state legislature and Governor Brian Schweitzer. Half the scholarships are awarded based on merit and half based on need. A major focus of the scholarship is to get student to attend one of Montana's two year programs, with specific scholarships being devoted to Health Science and Technology programs. Academic Year 2007 will see a 100% increase in available funding for the program. This is the second major renewable scholarship created by the state in the past couple year. AY05 saw the first recipients of the Montana University System Honor Scholarship, which is a four year renewable tuition waiver.</li> <li>The current administration and legislature continue their efforts to increase financial access to Montana higher education. AY07 will be the second straight year of substantial increase in state sponsored student assistance after a number of years of little to no changes.</li> </ul>
<b>NEBRASKA</b>	Nebraska received a \$300,000 grant from the Western Interstate Commission for Higher Education (WICHE) to implement a State Scholars Initiative program. CCPE is working with Future Force Nebraska, a state business-education partnership, implementing a pilot program in four Nebraska high schools encouraging students to take a more rigorous high school curriculum.
<b>NEVADA</b>	
<b>NEW HAMPSHIRE</b>	
<b>NEW JERSEY</b>	Despite the on-going fiscal constraints facing the State of New Jersey, the Tuition Aid Grant Program, the State's primary need-based program, is expected to receive additional funding for the 2006-07 academic year. These funds will enable the Higher Education Student Assistance Authority to increase awards to students who demonstrate the highest need. Awards for these students will cover 2005-06 tuition charges plus approximately 5% of anticipated 2006-07 tuition increases. All other TAG recipients will receive increased awards based on 2003-04 tuition levels. The Part-Time TAG for County College Students Program is

<p><b>NEW JERSEY</b></p> <p>(Cont.)</p>	<p>also expected to receive increased funding.</p> <p>Two years ago, the NJ STARS Program was implemented. The NJ STARS award, in conjunction with other Federal and State aid received, covers tuition and approved fee charges at the local county college for full-time degree-seeking students who graduate in the top 20% of their high school class.</p> <p>In January 2006, legislation establishing the NJ STARS II Program was signed into law. Beginning with the fall 2006 semester, successful NJ STARS scholars who graduate from their county college with a cumulative grade point average of 3.0 or higher and who are admitted to a NJ four-year public college or university will be able to continue their education without incurring charges for tuition and approved fees. A scholarship of \$2,000 per semester will be paid to the NJ four-year public college or university for each eligible NJ STARS II student for up to four semesters. The institution will waive or provide an institutional scholarship for any remaining tuition and approved fees, for up to 18 credits per semester, not covered by State and/or Federal grants and scholarships.</p> <p>NJ STARS II students must maintain continuous full-time enrollment in a baccalaureate degree program and attain a cumulative grade point average of 3.0 or higher after two semesters of study to qualify for an award for the second year of study.</p>
<p><b>NEW MEXICO</b></p>	
<p><b>NEW YORK</b></p>	<p>New legislation passed in NY this year:</p> <p>(1) Part-time Tuition Assistance Program (TAP) awards will be phased-in starting with the 2006-2007 freshman class (first-time students). Students will have to earn two consecutive semesters of 12 credits each (total of 24 credits) and maintain a "C" average prior to being eligible to receive a partial payment for taking 6 to 11 credits.</p> <p>(2) Students normally receive up to 2 semesters (or three quarter terms) of TAP awards per 12-month year. To qualify for accelerated study and receive more than that, students will need to complete 24 credits, or its equivalent, from "such institution" in the two semesters prior to application.</p> <p>(3) HESC will prepare an annual report on the Tuition Assistance Program to be submitted each February 15th to the Governor and the Legislature. One of the statistics required in the report is the number of credits <u>earned</u> by students receiving TAP at each college.</p> <p>(4) Adjustments in income for TAP purposes will be allowed for: (1) catastrophic illness of the applicant; and, (2) the applicant or the spouse being called to active military duty.</p> <p>(5) The "New York State Math and Science Teaching Incentive Program" was created to provide tuition reimbursement for students (either at the bachelor's and/or master's degree level) who enter into a contract with HESC agreeing to teach on a full-time basis for five years in the fields of math or science in a secondary school in New York State. A maximum of 500 new recipients will be chosen each year. Students are eligible to receive tuition reimbursement for a not more than 4 years of full-time undergraduate study and 1 year of full-time graduate study. The annual tuition reimbursement will be equal to the cost of tuition at SUNY (presently \$4,350 annually). Recipients that fail to comply with the terms of the contract will have the value of their awards converted to a student loan.</p>
<p><b>NORTH CAROLINA</b></p>	<p>NC has many new bills introduced for scholarship/loan programs for students pursuing degrees in nursing and teaching, but of course not enough money to fund all the ideas. Development of the new Education Lottery Scholarship is underway and it is expected that the first awards will be made for the fall 2007 semester.</p> <p>Everything else is pretty status quo....</p>
<p><b>NORTH DAKOTA</b></p>	
<p><b>OHIO</b></p>	
<p><b>OKLAHOMA</b></p>	<p>The Oklahoma Legislature adjourned on May 26, per constitutional mandate, without having passed a budget for FY 2007. The Governor has called a special session of the Legislature to ensure that lawmakers complete state appropriations work before the new fiscal year</p>

<p><b>OKLAHOMA</b> <b>(Cont.)</b></p>	<p>begins in July. Without a higher education appropriation, OSRHE cannot confirm funding levels for public institutions who in turn cannot determine tuition increases for the 2006-2007 academic year.</p> <p>The State Regents' budget for higher education includes a request for \$18.6 million in additional funding for scholarship and grant programs. \$4.8 in additional funding was requested for the Oklahoma Tuition Aid Grant Program for the purpose of increasing the maximum award amount for students attending public institutions which has remained \$1,000 since 1982. An additional \$10 million was requested for Oklahoma's Promise - Oklahoma Higher Learning Access Program (OHLAP) to meet scholarship obligations already committed to eligible students.</p> <p>Legislation was introduced to increase the maximum family income for OHLAP eligibility from \$50,000 to \$75,000; however, the measure failed to pass.</p>
<p><b>OREGON</b></p>	<p><b><u>Changes at OSAC</u></b></p> <p><b>New Executive Director:</b> Dennis Johnson became OSAC's Executive Director on January 1, 2006. He was vice president for enrollment management at the Monterey Institute of International Studies in Monterey, CA, for five years, and also served as assistant vice president for enrollment and student life at California Lutheran University in Thousand Oaks, CA. His experience in financial aid and student services includes work in all the major sectors of postsecondary education. Dennis will join us this fall in Vermont.</p> <p><b>Grants and Scholarships Division becomes Scholarship and Access Programs:</b> After the agency downsized last year the Grants and Scholarships Division was the only remaining program Division. Dennis Johnson has reorganized the agency and directly oversees the Oregon Opportunity Grant administered by Susan Degen. The remaining financial aid and access programs are grouped under the heading Scholarship and Access Programs with Vicki Merkel as the Director.</p> <p><b>Scholarship Software Update:</b> The agency has hired a second Information Technology staff person who has experience in developing the type of program systems needed to manage the Scholarship Program. Sue Strauslin will lead the in-house development of this software beginning with the migration of data from our antiquated AS400 this summer.</p> <p><b><u>Program Update</u></b></p> <p><b>Oregon Opportunity Grant (state-funded need-based grants):</b> This is our first year with a significantly expanded budget that allowed OSAC to serve to nearly all eligible full-time students in 2005-06. In 2006-07, we will serve even more students as we extend awards to all full-time students and all students enrolled at least half time</p> <p>After annual double-digit increases in enrollment and FAFSA filings for nearly 10 years, we saw little or no increase in 2005-06 filings in the public 2- and 4-year sectors and only minor increases for the private independent sector. The same trend is already showing for 2006-07.</p> <p>In 2004, Governor Kulongowski created an "Access and Affordability Working Group" that was charged with examining postsecondary access and affordability and recommending a new path for the state. Phase I focused on the 2005 legislative session and resulted in an unprecedented increase in state funding for the Oregon Opportunity Grant. Phase II, which began last Fall, will focus on crafting a methodology that Oregon voters can understand so that funding can continue to grow.</p> <p><b>Scholarship Services:</b> More students than ever completed their OSAC common application online, which has helped OSAC process applications more quickly. We saw the repeat of last year's successful "Early Bird" program, which make \$500 scholarships available to randomly selected applicants who submitted complete applications two weeks before the final deadline.</p> <p>We added more than 20 privately funded scholarship programs for 2005-06, and a new state</p>



<p><b>OREGON</b>  (Cont.)</p>	<p>funded version of the federal Troops to Teachers program.</p> <p><b>ASPIRE (Assess to Student assistance Programs in Reach of Everyone):</b> Now in its 7<sup>th</sup> year, ASPIRE trains volunteer adult mentors who help high school students envision a future of possibilities beyond high school. The ASPIRE program has grown from 4 pilot schools in 1998 to 73 schools this year. 950 adult volunteers mentored over 6,000 students. An additional 25,500 students received information and occasional help from ASPIRE. Ten new schools will join the program in 2006-07.</p> <p><b>Agency Accountability:</b> In response to the Oregon legislature’s focus upon accountability and program performance, OSAC now tracks a number of performance measures including:</p> <ul style="list-style-type: none"> <li>• Completion rates and persistence rates of grant recipients vs. nonrecipients.</li> <li>• Agency services track students by race and ethnicity.</li> <li>• Ratio of administrative dollars to private and public scholarships dollars awarded.</li> <li>• Impact of the Opportunity Grants on enrollment of eligible students (i.e., determining what happens to recipients and nonrecipients who do not enroll).</li> <li>• Number of high school students receiving information on postsecondary education and financial aid options throughout the school year.</li> <li>• Customer satisfaction with agency services.</li> </ul> <p>Some performance measures require OSAC to collect data from outside sources, so we have initiated data-sharing agreements with public 2- and 4-year institutions. We also contract with the National Student Clearinghouse to obtain data on completion and enrollment for grant recipients and nonrecipients.</p>
<p><b>PENNSYLVANIA</b></p>	<p><u>Pennsylvania State Grant Program</u></p> <p>A new formula for the Pennsylvania State Grant Program was implemented for the 2006-07 award year. This new formula was the end result of work that began in 2004 with a State Grant Task Force that was convened to review the purchasing power of the State Grant Program. This formula uses the federal expected family contribution calculation along with PHEAA policy to determine the eligibility of students. PHEAA is contributing \$72.5 million from its business earnings to support this new formula and to “hold harmless” renewal students who may have lost eligibility under this new formula. Total funding available for the program for 2006-07 will not be finalized until the budget is passed by the state legislature. The maximum award in the program has been increased from \$3,500 to \$4,500 per year.</p> <p><u>Robert C. Byrd Honors Scholarship Program</u></p> <p>Applications from 2,690 students were received for the 2006-07 award year. Funding is available to support 232 new recipients. Eligibility criteria included a 3.5 grade point average, ranked in top 5% of graduating class, and a combined verbal reasoning and mathematics score of 1,150 on the SAT or an ACT composite score of at least 25. Selection of recipients is by lottery conducted by a Committee composed of representatives from Pennsylvania secondary schools and the Pennsylvania Department of Education.</p> <p><u>Workforce Advancement Grant for Education (WAGE)</u></p> <p>This grant program was initiated in 2005-06 to assist independent students who are not eligible to receive a Pennsylvania State Grant and who are pursuing degrees in high priority occupations within Pennsylvania. PHEAA committed \$50 M from its business earnings to support the program for five years. It is a cooperative venture with the Pennsylvania Department of labor and Industry.</p>
<p><b>PUERTO RICO</b></p>	
<p><b>RHODE ISLAND</b></p>	<p>Due to a significant budget deficit, the state grant appropriation for FY 06 will most likely be reduced by \$2.2 million. RIHEAA will address this reduction by limiting the number of grants awarded to late applicants and by supplementing the state appropriation with funds from revenue-generating programs. It is anticipated that the state grant appropriation for FY 07 will be reduced by \$600,000 from the original FY 06 appropriation.</p> <p>There is proposed legislation to charge instate tuition to all Rhode Islanders regardless of citizenship status.</p>

<p><b>RHODE ISLAND</b>  (Cont.)</p>	<p>The state is involved in the College Ready New England initiative that proposes to bring together K-12, higher education and government leaders and policymakers to ensure that all New England students leave high school well prepared for postsecondary success and to improve the college attendance and completion rates of underrepresented students. The state is also involved in Jump Start, an initiative that incorporates “Life Smarts” curriculum in many high schools.</p> <p>RIHEAA will issue an RFP for development of a state-wide, student-centered web system to, among other things, encourage early college and career exploration, track high school academic progress, offer test taking skills training and tutorials, and allow for electronic transcript transmittal.</p>
<p><b>SOUTH CAROLINA</b></p>	<p>The SC Tuition Grants Program was enacted in 1970 by the SC General Assembly as a “need-based” program for South Carolina residents attending in-state, independent colleges on a full-time basis. In the current 2005-2006 school year, approximately \$29.6 million will be awarded to 11,940 students attending the 20 eligible SC independent colleges. The maximum award for 2005-2006 is \$2,600 and the average award is approximately \$2,400.</p> <p>The 2006-2007 budget process began on a very positive note with Governor Mark Sanford recommending in January, 2006, that SC Tuition Grant Lottery funds be increased from \$4 million to \$10.1 million, a \$6.1 million increase.</p> <p>The momentum of Governor Sanford’s budget recommendation carried forward into the House Ways and Means Committee. While reducing the Governor’s recommendation by \$2.4 million, the 2006-2007 State Appropriations bill recently passed the House Ways and Means Committee <b><u>included a \$3.7 million increase in Lottery funds to the SC Tuition Grants Program.</u></b></p> <p>A proviso exempting the SC Tuition Grants Program from mid-year reductions was also added to permanent provisos. The full House of Representatives subsequently approved the \$3.7 million increase passed by the Ways and Means Committee. The \$3.7 million increase would allow the grants commission to increase maximum grants to \$3,150 at all colleges.</p> <p>The state budget was debated by the Senate Finance Committee and the full Senate in late April. The \$3.7 million increase to the SC Tuition Grants Program was also included in the Senate-passed budget. After differences are ironed out by a House/Senate Conference Committee, the budget must ultimately be signed by Governor Sanford.</p> <p>The state of North Carolina recently began a new state lottery and it is expected that the South Carolina lottery revenue will decrease from the impact of the NC lottery. The SC Tuition Grants Program currently receives \$4 million annually from lottery proceeds. The \$3.7 million increase approved by the House is all in lottery funds.</p>
<p><b>SOUTH DAKOTA</b></p>	
<p><b>TENNESSEE</b></p>	<p><u>Hope Scholarship.</u> Tennessee’s lottery-funded Hope Scholarship program continues to grow. Last year only freshmen and sophomores were eligible. This year juniors were added, and next year seniors will be added. Within two years, this will be a \$200+ million/year program.</p> <p><u>TSAA Program.</u> There is continued pressure on the need-based Tennessee Student Assistance Award program. The program’s state appropriation was cut about 9% several years ago and has not been restored. The number of students served has dropped dramatically. Current state funding is about \$41 million.</p> <p><u>Short Form Application.</u> There is some legislative interest in developing a “short form” alternative application for the Hope Scholarship program. Currently, all Hope Scholarship applicants must complete the FAFSA, a strategy favored by TSAC’s Board of Directors.</p> <p><u>Legislation.</u> Members of the General Assembly continue their efforts to modify/improve the Hope Scholarship program. Proposed legislation will change the eligibility criteria and benefit amounts for the 2006-07 year. Because most 2006-07 awards have already been made, this legislation would require re-awarding all students.</p> <p><u>Roadshow!</u> Last month, senior staff of the Tennessee Student Assistance Corporation held a</p>

<p><b>TENNESSEE</b> <b>(Cont.)</b></p>	<p>series of day-long regional training workshops in six locations around the state. The strategy was to take training to the users, rather than expecting them to come to TSAC's Nashville office.</p> <p><u>Outreach.</u> Tennessee is a very wide state. From Bristol, in the extreme east, it is 100 miles closer to Canada than to Memphis, in the west! TSAC is moving two outreach counselor positions out of the Nashville office (in middle Tennessee), and establishing satellite offices in western and eastern Tennessee.</p>
<p><b>TEXAS</b></p>	
<p><b>UTAH</b></p>	<p><u>Differentiated High School Diplomas:</u></p> <p>The Utah Legislature mandated that, beginning with the graduating class of 2006, a student must pass a Utah Basic Skills Competency Test (UBSCT) in addition to local school district requirements in order to receive a "basic high school diploma of graduation". The law provides that a student who fails to pass all components of the test may not receive a basic high school diploma but may receive a "certificate of completion" or "alternative completion diploma" under rules made by the State Board of Education. The law raised serious concerns regarding the eligibility of students who earned the alternative to a basic high school diploma to receive federal financial aid. It also raised concerns over an institution's eligibility to participate in federal financial aid programs if students are admitted without a basic high school diploma. In the view of the Legislature and the State Board of Education, both the basic and alternative diplomas constitute valid high school diplomas.</p> <p>Following discussions with members of the U.S. Department of Education, the Department rendered the following statement regarding the state's new alternative completion diplomas. "In determining whether a student has a high school diploma, the Department relies upon the entity in the state that has the authority to determine what constitutes a certificate of graduation from a school providing secondary education in that state". In other words, both diplomas are considered to be valid.</p> <p><u>Funding:</u></p> <p>The 2006 state legislature was given a record \$1-billion revenue surplus to allocate. In terms of state financial aid, the base (ongoing) budget for grant and work study financial aid for fiscal year 2007 was increased \$210,300 or 4%. The Legislature appropriated \$2,250,000 for one-time financial aid funding.</p> <p><u>Focus of Legislative Session:</u></p> <p>A primary focus of the 2006 legislature centered around tax issues which were left hanging at the session's March 1st close. Governor Huntsman will likely call a special session to deal with reforms on income tax and sales tax on food. The governor is pushing for a flat or "flatter" income tax and the elimination of sales tax on grocery items. Businesses got around \$20 million in tax cuts during the session. The state of Utah continues to have a small economic base which places a larger burden of funding for higher education on the general public.</p>
<p><b>VERMONT</b></p>	<p>VSAC held our 4<sup>th</sup> annual College Pathways event this spring. This one day conference offering multiple sessions to help with college planning for High School Juniors and their parents is extremely successful and well received by families and schools. Attendees are able to chose from a wide range of sessions including Writing College Essays; Financing Your Child's Education; Athletics at the College Level; Tips for Standardized Tests; Study Abroad; etc. This year we held two College Pathways, one at St. Michael's College in March and the second at Castleton State College in April. Over 1400 Vermonters attended. VSAC revamped a number of our loan programs. We now offer Zero Fee Loans to our Stafford Borrowers. We also offer a zero fee loan on our private loan, Vermont Advantage, to those students who borrow with a credit worthy co-signer. In general most students who borrow will need a co-signer.</p> <p>Governor Douglas mobilized the Vermont legislature to take a look at the outward migration of Vermont students and how to use financial incentives to keep students in state. After much</p>

<b>VERMONT</b>  <b>(Cont.)</b>	<p>discussion and debate a compromise was reached that will launch a new \$5 million dollar program. The money will be shared between the Vermont Colleges and VSAC. A committee is being formed with representatives from all interested parties to determine the attributes of the new program. Funds will be awarded in Spring of '07 for the 07-08 school year.</p>
<b>VIRGINIA</b>	
<b>WASHINGTON</b>	<p>1) <b>General State Overview.</b></p> <p>a) Washington had an unusually busy “off-year” legislative session that saw several pieces of proposed student aid legislation including:</p> <ul style="list-style-type: none"> <li>i) Reinstatement of a major merit based aid program (not passed).</li> <li>ii) Conversion of all state grant programs into a state loan program (not passed).</li> <li>iii) Several proposals to provide conditional scholarships to students in exchange for majoring in, and working in, math and science areas (not passed).</li> <li>iv) Two proposals to increase conditional scholarships for prospective teachers in special education, bilingual education and math science (passed).</li> </ul> <p>b) State’s economic forecast is mixed.</p> <ul style="list-style-type: none"> <li>i) The general outlook assumes declining revenues and a budget shortfall.</li> <li>ii) However it hasn’t happened yet, because the state’s economy continues to be strong and housing sales, a substantial source of tax revenue, continues to be hot.</li> </ul> <p>2) <b>Special Projects</b></p> <p>a) <b>Scholarship clearinghouse.</b> An informal network of organizations interested in promoting the development of more scholarships in Washington, including the HECB, has been meeting to develop a scholarship clearinghouse. The clearinghouse will be devoted to promoting student access to scholarships that are designated for Washington students. . The planning and development of the clearinghouse is being done through non-state grants. Once developed the clearinghouse will be maintained by the HECB. The idea is modeled after similar scholarship efforts in Oregon and Vermont</p> <p>b) <b>Comprehensive review of private vocational school criteria for participating in state student aid.</b> Following the precipitous closing of one of the state’s largest and more controversial proprietary school, along with negative publicity coming out about some national chains, the HECB has begun a comprehensive review of the criteria used to admit for-profit schools into the state student aid programs. The study is being conducted with the cooperation of the professional organization that represents the state’s for-profit sector. It will be completed this summer and new rules will be proposed shortly afterwards.</p> <p>c) <b>Alternative loans funded through state bond cap authority.</b> The state is looking into developing alternative loans using tax exempt bonds. The non-profit organization which had been using the bond cap authority to supplement its secondary market lost the non-profit status after its sale to Sallie Mae.</p> <p>d) <b>WAFAX.</b> Borrowing a good idea from the state of Oregon, the HECB is working to provide the means for schools to exchange information on co-enrolled students using a secure on-line environment. The Oregon process is called OFAX.</p> <p>e) <b>Future Teacher Conditional Scholarships.</b> The legislature increased funding in 2006-07 for conditional scholarships by \$1 million. The emphasis is on students who will commit to teaching mathematics, science, bilingual education, or special education. The legislature also emphasizes recruiting prospective teachers from the current para-professionals working in the state’s public schools.</p> <p>f) <b>Foster Care.</b> The state has developed a coordinated multi-agency effort to provide for foster youth. In terms of state student aid, foster youth are now guaranteed eligibility for grants and work-study. The HECB is also the administrator of an endowed scholarship for foster youth that is funded in equal parts by state and private donations.</p> <p>g) <b>Study of workforce aid.</b> A developing topic in Washington is the extent to which</p>

<p><b>WASHINGTON</b>  (Cont.)</p>	<p>traditional types of aid reach students enrolled in workforce education programs. The HECB will begin a study this summer.</p> <p><b>h) Biennial Budget and Legislative Agenda.</b> The next legislative session starts January 2007. Some of the initiatives being considered by the HECB include:</p> <ul style="list-style-type: none"> <li>(1) A comprehensive outreach effort to fill information gaps for low-income students. The proposal builds on the work of College Goal Sunday, college sponsored financial aid nights, and creates a one-stop web portal for Washington students. In particular the proposal targets non-traditional students such as single parents, low-income workers and recent immigrants.</li> <li>(2) Promote greater aspiration for low-income community college students to pursue BA degree by providing targeted aid programs for those who attain an associate degree.</li> <li>(3) Create an internship/work experience program for students who are considering the teaching or health professional fields.</li> <li>(4) Extend the state Gear-Up program to the unserved portions of the state.</li> </ul>
<p><b>WEST VIRGINIA</b></p>	<p>The 2006 Legislative session results included significant increases in funding for state level financial aid programs and the creation of a new Higher Education Student Financial Aid Advisory Board.</p> <p>Funding for <b>PROMISE Scholarship</b>, the state's merit based program, has increased by \$13 million raising the total annual appropriation to \$40 million. Student awards cover the cost of tuition and fees at public institutions or an equivalent dollar amount at participating in-state independent colleges. The PROMISE Scholarship will provide awards to nearly 10,000 students during 2006-07.</p> <p>Funding for <b>WV Higher Education Grant</b>, the state's chief need based financial aid program, has been increased from \$21.4 to \$25 million for 2006-07. Additional funding allows for a record 13,600 awards for the 2006-07 academic year. Student awards cover seventy-five percent of tuition and fees at public institutions or an equivalent dollar amount at in-state independent and/or select proprietary institutions.</p> <p>Both the Higher Education Grant and the PROMISE Scholarship have been assured of a minimal 2% annual funding growth for the next four years.</p> <p>The <b>Higher Education Adult Part-time Student (HEAPS) Grant</b> funding for 2006-07 remained level at \$5 million. The HEAPS Grant, a decentralized program created to serve as an economic development tool for non-degree adults.</p> <p>The <b>Higher Education Student Financial Aid Advisory Board</b> created as part of WV House Bill No. 4049 will provide financial aid expertise and policy guidance to the Higher Education Policy Commission, the Council for Community and Technical College Education, the PROMISE Scholarship Board, the Vice Chancellor for Administration and the Executive Director of the PROMISE Scholarship Program.</p>
<p><b>WISCONSIN</b></p>	
<p><b>WYOMING</b></p>	