

Dateline: Washington

If You Don't Like It, Just Wait a Minute

That's the usual assertion about the weather patterns in Washington, DC. It's also an appropriate characterization of the federal legislative, budgetary and regulatory activity of the past few months. Most of the forecasting and news have been focused on the efforts to reform health care and the student aid programs. If you thought you understood it this morning, take another look this afternoon. I'll bet something has changed. Similarly, while we thought we were getting things settled on the regulatory front with the publication of final rules that addressed HEOA matters, the USDE initiated what it called an "integrity" negotiated rulemaking session that is expected to add another round of extensive proposed regulations that are planned for publication in the next few months. There will no doubt be some surprises because, again no consensus was reached.

Who Cares? About What?

Health care reform would not normally be mentioned, much less a direct concern of NASSGAP. But, the Student Aid and Fiscal Responsibility Act (SAFRA) is now tied to health care reform by way of the budgetary reconciliation process. If your head wasn't under a rock, it was spinning. By the time you read this report, we may have some answers, but let me summarize the questions.

Will the final form of SAFRA, if it is passed at all:

- Eliminate FFEL?
- Increase Pell?
- Include significant funding potential for LEAP?
- Include reauthorization and significant funding potential for CACG?
- Replace LEAP with CACG?
- "Simplify" FAFSA in ways we like or don't like?

Your Executive Committee will have the opportunity to discuss the status and perhaps the outcomes with Deputy Undersecretary Robert "Bob" Shireman at its meeting on Friday, March 26 in Washington. *All the more reason that President Hollis needs your responses to the survey she sent out this week.*

Why did the President propose ZERO Funding for LEAP?

The President's budget proposal released in February 2010 was for FY2011 (award year 2011-2012), which is the first year of LEAP/GAP. Undersecretary Shireman has explained the proposal as the administration's preference to provide more flexible and more accountable funding to the state college aid programs as it believes could happen under CACG. The administration was successful in convincing the House of this approach as represented in the House version of SAFRA. However, the

Senate has not passed its version of SAFRA, and may not except along with health care reform so we may not see it until its nearly done. While behind closed door negotiations have been held and we understand there is a press to include LEAP/GAP in SAFRA, it's very unclear where the negotiations and the process will end up. Further, even if SAFRA in some form is passed, that will provide the authorization frame work of agreements but NOT the actual FY2011 appropriations. This step should occur later this year, hopefully before the end of FY2010 (September 30, 2010). So if SAFRA does not become legislation, the administration will have to adjust its appropriations proposals in this regard.

Do the GAP regulations matter?

Obviously not if the program isn't funded. But, you can see we are a long ways from knowing that answer. Even if SAFRA passes without LEAP/GAP, there will be the opportunity through appropriations to seek LEAP/GAP funding. But if SAFRA passes without CACG, then it will expire under its current authorization time frame.

Will the FAFSA be simplified?

Yup. But how much depends on whether the combined SAFRA/Health Care Reform bill is stripped of those provisions to get it passed. But the latest version I've seen continues to have the FAFSA simplification language that you saw in the House version of SAFRA except that the asset cap for eligibility for grants and subsidized loans is set at \$150,000. We also know the USDE continues to look at ways to eliminate questions. Although, under the "integrity" negotiated rulemaking, it's likely to add questions about high school

completion because of the rapid growth of high school diploma mills.

Is there good news in this?

From a programmatic point of view, I'm glad we weren't planning a conference for this coming week. But I sure would have enjoyed tipping a few with all of you and picking your collective brains on how you might deal with all the uncertainty. (I'm a Washington native, so uncertainty for me is like the weather, a fact of life.) In the alternative, I look forward to the executive committee meeting, a chance to make some important visits with association colleagues and we hope Hill staff, and I expect we'll be raising a glass to all of you and the exceptional work you do.

The news will continue to come in the serial-blizzard style of the past few months. While you work hard through another application and processing season for what appears to be a historical high volume year, please take a moment to find shelter from the storms, breathe deeply, and exhale slowly.

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URGENT

Today is the day to call your Congressional representatives to ask them to support funding for LEAP/GAP by cosigning Representative Courtney's letter that I sent to you earlier this week. Look for bulletins about when to ask for support to extend CACG.