

nassgap

To: NASSGAP members
From: Dennis Obergfell, President
Date: May, 8, 2000
Re: Topics (not necessarily in the order listed)

- **A March of Folly!**
- **April Love-Me-Nots!** *A Pat on the Boonies, a Kick in the Assumption!*
- **May Day!** *No More Stallin'! Forget Me...Not!*
- **Facts of the Matter!**
- **Perennials!** *April's Listserve Survey. A SLEAP ADVISORY and other Notices!*
- **A June Meeting!** *A Not so Hidden Agenda!*
- **Devil with a Glue Stick. Survey Corrections!!!**
- **Nominations Committee Nominates!**
- **Closing Time!**

Howdy Partners:

Its been an interesting April but just when I thought things couldn't get any stranger, I was enlightened the other night when I saw the tabloid of tabloids Weekly World News declare that:

- SPACE ALIEN BACKS BUSH FOR PRESIDENT! Same alien helped Clinton win top job in 1992.
- Farmer turns wife into a human shish kabob!
- Corpses swapping coffins in cemetery mystery!
- Scientists light millions of new houses using elephant dung! "Poop power will bring us into the 21st Century"
- NASA FINDS ALIEN 'PORT-A-POTTY' ON THE MOON!
- Hottest new game since Cowboy & Indians! Tots practicing drive-by shootings...on their tricycles!
- Kids ought to be rewarded for dumping food on their heads!
- St. Luke's knee missing!
- Common houseplants are suddenly bursting into flames!
- SPACE ALIENS HOLD THEIR FIRST PRESS CONFERENCE ON EARTH!
- A man is run over by 6,200 pound steamroller- and survives!
- Handyman saves knifing victim's life – by sealing his wound with super glue! "I pushed his guts back in & closed him up!" ; and finally my favorite
- CANNIBALS ORDER PIZZA – THEN EAT THE DELIVERYMAN! (Could be worse if reversed)

Now this paper knows how to write a headline! This is very good stuff. Is truth really stranger than fiction? Aliens support George W. and got Clinton elected in 1992? This brings new meaning to the term "government alienation". What a revelation! Apparently the Weekly Word News has conquered the theory of Quantum Mechanics, traveled in parallel universes and thus into time! Noted physicist Steven Hawking once said, "time travel might be possible, but if that is the case, why haven't we been overrun by tourist from the future". So perhaps, to paraphrase Walt Kelly (Pogo) "We have met the aliens, and they are us!" And perhaps aliens were the ones who invented the exclamation mark!!!

A March of Folly

Speaking of government alienation, in historian Barbara Tuchman's book titled "the March of Folly" begins with a chapter titled: The Pursuit of Policy Contrary to Self-interest. In it she makes the following observation " A phenomenon noticeable throughout history of place or period is the pursuit by government of policies contrary to their own interest. Mankind, it seems, makes a poorer performance of government that of almost any other human activity. In this sphere, wisdom, which may be defined as the exercise of judgement acting on experience, common sense and available action, is less operative and more frustrated than it should be. Why do holders of high office so often act contrary to the way reason points and enlightened self-interest suggests? Why does intelligent mental process so often not to function? In this contexts she defines folly as a policy that is counter-productive".

She goes on to say "Wooden headedness, the source of self-deception, is a factor that plays a remarkably large role in government. It consists in assessing a situation in terms of preconceived fixed notions while ignoring or rejecting any contrary signs. It is action according to wish while not allowing oneself to be deflected by the facts. It is epitomized in

an historian's statement about Philip II of Spain, the surpassing wooden-head of all sovereigns: No experience of the failure of his policy could shake his belief in its essential excellence".

So, you might ask, what does Government alienation, quantum quotes from Steven Hawking, and historical accounts of wooden-headedness from Barbara Tuchmen have to do with NASSGAP business? I'll try to connect the dots. Put simply, NASSGAP has been a victim of government alienation and wooden-headedness as it relates our efforts to eliminate preconceived notions held by some (not all) Department of Education officials, as to who NASSGAP represents. We have been working to explain that by adopting a policy of exclusion the Department is adopting a policy that is contrary to their own interests.

For example, on February 25, 2000 – I sent a letter via Fed Ex to Secretary Riley appealing the Department's decision to deny NASSGAP's request to sit on Committee I of the most recent Negotiated Rulemaking process. This letter was sent after I sent a letter to Deputy Secretary McLaughlin requesting the same. I never got a response from the assistant Secretary (alienation?). Below is an abridged summary of the arguments I gave when I requested that NASSGAP have a seat at the negotiating table, as well as my invitation to work with the Department to the benefit of both organizations.

1. **FFELP regulations.** Institutions with high cohort default rates lose FFELP and Pell Grant eligibility. For many states, participation in FFELP and Pell is the minimum requirement for participation in state-funded student aid programs. *(I listed the obvious implications that affect state grant agencies in this regard).*
 2. **False certification.** This requires a degree of state and federal coordination. For example, how will LEAP and/or state grant funding be affected by students who are placed in a default status due to false certification? What liability would be imposed on a state for awarding LEAP funds or GEAR UP benefits (mentoring, tutoring, scholarships) to a student who is in default due to false certification? NASSGAP is the only organization that can fairly represent state grant agencies on such issues.
 3. **Teacher loan forgiveness.** Most states use many of the FFELP repayment provisions as guidelines when enforcing Federal Paul Douglas Teacher Scholarships repayment requirements. In addition, as loan program availability and amounts increase, states' loan assumption programs serve to reduce student indebtedness FFELP, Direct, loan and Perkins programs all benefit with prompt repayment and fewer defaults as a direct result of loan assumption benefits contributed by States. This leveraging issue cannot be communicated effectively by other entities. NASSGAP projections estimate that state-funded assumptions of federal loans will increase to approximately \$100 million by the year 2010. In short, the residual effects that federal policy has on state-funded loan assumption programs are significant; they should not be underestimated, and they should not be ignored. Yet, without giving states a seat on the loan issues committee, the Department is doing both.
 4. **FFELP death and disability provisions.** Such issues are the same ones members who administer state-funded loan programs confront. Negotiated Rulemaking as it pertains to this issue represents an opportunity for states and the Department to share experiences and learn from each other.
- In summary, NASSGAP believes that Committee I issues are very relevant to states that administer state-funded grants, loans, loan assumption benefits, and scholarships other than FFELP, and dismisses the notion that any other organization can fairly represent our member states. This is an opportunity to forge the kind of partnership promised by Mr. Woods at NASSGAP's June, 1999 Conference in Washington, D.C. Yet this potential for a positive partnership is being ignored. Why not work together in composing regulations that could be beneficial to state and federal agencies?

April Love-Me-Not! A Pat on the Boonies, a Kick in the Assumption! followed by May Day! No More Stalin! Forget me...Not!

Late last month I received a response from Assistant Secretary of Education, A. Lee Fritschler stating that "the Department believed that the concerns of the state agencies were adequately represented by a number of loan organizations participating on Committee I". This confirmed the Department's incorrect and preconceived notion of who NASSGAP represents, in spite of letters we have sent to the Department stating otherwise. What follows are the Assistant Secretary's letter to me and my response. Time will tell if our efforts do any good).

So back to my initial question, is truth stranger than fiction? Which seems more unbelievable "SPACE ALIEN BACKS BUSH FOR PRESIDENT!" or "SELECTED DEPARTMENT OF EDUCATION OFFICIALS SNUBS ORGANIZATION IN AN EFFORT TO PURSUE A POLICY THAT IS CONTRARY TO SELF-INTEREST!" NASSGAP's struggle to be recognized by ED may not be stranger than fiction, but it's close.



UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF POSTSECONDARY EDUCATION THE ASSISTANT SECRETARY

MAR 29 2000

Mr. Dennis Obergfell
President, NASSGAP
State Student Assistance Commission of Indiana
150 W. Market Street
Suite 500
Indianapolis, Indiana 46204

Dear Mr. Obergfell:

Thank you for your letter to Secretary Richard Riley concerning the negotiated rulemaking process currently underway. You expressed concern that the National Association of State Student Grant and Aid Programs (NASSGAP) was not included as a negotiator for this round of negotiations. Secretary Riley has asked me to respond on his behalf.

In forming the negotiating committees, the Department's goal is to ensure that significantly affected parties are represented without making the committees so large as to be unmanageable and potentially unsuccessful. In making the initial selection of negotiators, the Department believed that the concerns of the state agencies were adequately represented by a number of loan organizations participating on Committee 1.

At the first meeting of Committee I on February 3, 2000, Committee I adopted organizational protocols to be used for this round of negotiations. Under these protocols, the committee may add members and requests for membership must be approved by a consensus of the committee. After the protocols were adopted, NASSGAP petitioned to be added to the membership of the committee. Committee I rejected that request. Once the protocols were adopted, the full committee must approve any additional members.

The Department values your input on the issues being addressed through the negotiated rulemaking process, and I would encourage you to participate in the regulatory development by making your views known to members of the committee. I look forward to working with you on issues affecting the student financial aid programs.

Sincerely,

A handwritten signature in black ink, appearing to read "A. Lee Fritschler", with a long horizontal flourish extending to the right.

A. Lee Fritschler



April 28, 2000

Mr. A. Lee Fritschler
Assistant Secretary
United States Department of Education
1990 K Street, N.W.
Washington, DC 20006-8500

Dear Mr. Fritschler:

I want to thank you for returning my call on April 25, 2000 in response to my February 25 letter to Secretary Riley requesting that he permit a representative from NASSGAP to sit on Committee I of the Negotiated Rulemaking sessions. The time and effort you gave in listening to my concerns were much appreciated. As I mentioned to you and to David Bergeron, Chief of Policy and Budget Development, I understand and accept that it is too late to be included on this committee. That said, I explained that my call and this letter are intended to correct the Department's misconception that the National Association of State Student Grant and Aid Programs (NASSGAP) can be represented by "loan organizations".

To start, I believe there is a need to set the record straight as to who NASSGAP represents. NASSGAP is an organization of 54 state and territorial agencies that administer postsecondary education student financial assistance programs. States awarded more than \$3.7 billion in the form of state-funded student grants and scholarships for over two million students during the 1998-1999 academic year. Another \$500,000 was disbursed through state-funded work study, conditional loan, and loan forgiveness programs. NASSGAP's 30th Annual Survey (enclosed) illustrates the size and scope of each agency's financial aid initiatives.

In the course of our conversation I mentioned that I received your response to my February 25 letter to Secretary Riley. I referenced a statement made in your letter that explained "In making the initial selection of negotiators, the Department believed that the concerns of the state agencies were adequately represented by a number of loan organizations participating on Committee I." When Mr. Bergeron joined our conversation, he confirmed that the reason NASSGAP was denied a seat on Committee I of negotiated rulemaking was to keep the size of the group manageable and because the Department believed that the state guarantors at the table could represent grant agencies. The presumptions being that all state guarantee agencies also run state funded scholarship and grant programs. Deputy Assistance Secretary Maureen McLaughlin used a similar refrain in her initial explanation to me as to why NASSGAP was denied a seat on Committee I. Specifically she said, "We selected organizations to balance representation and the size of the negotiating group and therefor were unable to accept all nominations."¹ All of the above assertions are incorrect and represent a profound misunderstanding of the role states play in providing financial aid to students.

¹ Subsequent to receiving Ms. McLaughlin's rejection notice, I sent her a letter on January 27 requesting that she reconsider her decision denying NASSGAP a seat on Committee I by pointing out the topics that were of relevance to state student grant agencies. I never received a response to this request.

Mr. A. Lee Fritschler
April 28, 2000
Page Two

Some of our members are guarantee agencies but most are not. Grant agencies do not presume to represent guarantors, lenders, or secondary markets, in the same way that guarantors, lenders, or secondary markets do not represent state grant agencies. This is a vital distinction that the Department must recognize.

As mentioned in my letter to Secretary Riley, ironically, the Department's denial of NASSGAP's participation on this committee, coupled with the your misunderstanding of who NASSGAP represents, comes at a time when NASSGAP has been led to believe that the Department is forging new and strong partnerships with states on student aid issues.

Members of NASSGAP's Executive Committee have met with representatives from Greg Woods' operation on several occasions and left encouraged with these exchanges. NASSGAP received a promising letter from Barry Morrow, General Manager for Financial Partners stating that the Department "was committed to bringing your members (NASSGAP) to the table to help shape the issues that affect you". Mr. Morrow was responding to NASSGAP's concerns over the Department's failure to involve state grant agencies in drafting the initial version of the Modernization Blueprint. Mr. Woods' staff have since made concerted efforts to understand state grant agency concerns and the role they play in providing state aid to students.

The policy implications inherent in Mr. Woods' efforts to streamline the financial aid delivery system are as significant as the policy decisions made from negotiated rulemaking. Mr. Woods' office, because of its willingness to listen, is now aware that state grant agencies are not "loan organizations" and as such has come to recognize the need for state grant agencies to be involved in matters that affect them. In short, the foundation for a positive state and federal partnership as it pertains to the delivery of student aid has been laid, but the bricks and mortar necessary to build on this foundation are missing.

In closing, I think it is clear that NASSGAP's resolve to be correctly represented in federal student aid matters that affect states is strong and our efforts in this regard will be relentless. We hold your office and those who work for you in high regard. You are important people who do important work. It is for these reasons that it is equally important for your office to acknowledge, in writing, that NASSGAP represents state grant agencies and is not a loan organization. In addition, NASSGAP requests that your office recognizes the need for state grant agencies to be involved in federally initiated student aid matters that affect them. In short, state agencies want to be recognized by the Department for who we are and the role we play in the delivery of student financial aid. It is my hope that the Department will work with NASSGAP to forge what we believe can be a very productive partnership.

I look forward to receiving your response and invite you and members of your staff to meet with NASSGAP's Executive Committee on the afternoon of June 14 to build a new partnership. NASSGAP will hold its spring conference at the Doyle Hotel in Washington, DC between June 11-14, 2000. I can be reached at 317-232-2097 and at dobergfe@ssaci.state.in.us

Sincerely,
Dennis A. Obergfell
President, NASSGAP

cc: David Bergeron, NASSGAP Executive Committee, and Greg Woods

Facts of the Matter

The following "fact sheet" (next page) was written at the request of Cameron Ishaq, who works under SFA Chief Operating Officer, Greg Woods. Use it as you see fit (perhaps when writing budget narratives to ask for more travel money to attend NASSGAP conferences and to pay dues). Speaking of dues, we will have a discussion at the June meeting on whether dues should be increased, why and if so, by how much.

AN ABBREVIATED OVERVIEW OF NASSGAP, ITS MEMBER STATES AND THE NEED FOR U.S. DEPARTMENT OF EDUCATION RECOGNITION AND COOPERATION

The National Association of State Student Grant and Aid Programs (NASSGAP) is an organization of 54 state and territorial agencies that administer postsecondary education student financial assistance programs. This abbreviated one page summary is intended to help Education Department officials understand the important relationship that exists between state agencies and the federal student aid delivery system, and the coordinating role NASSGAP plays in this regard, as well as areas where we need Department cooperation.

NASSGAP

- Facilitates the development & sharing of ideas & information on student financial assistance.
- Collectively raises reasoned opinion about student financial aid before state and national entities.
- Works to develop, enact and operate simplified student financial aid procedures.
- Represents a national, organized network of states to inform and advocate for federal programs and funding initiatives through the congressional delegations of member states.
- Hosts a national listserv for state grant agencies as well as a national listserv for GEAR UP participants.
- Publishes the only national annual survey of state-funded student aid programs.

MEMBER STATES

- Awarded \$3.7 billion in state-funded grants and scholarships for over two million students (1998-99).
- Awarded \$500,000 in aid through work-study, conditional loan, and loan forgiveness programs.
- Depend upon the FAFSA and its data, in whole or in part, to determine eligibility for state aid.
- Provide a “one-stop” point of contact to help student gain access to, and completion of higher education through grants, scholarships, guaranteeing student loans, GEAR UP mentoring, college planning, work study programs, loan forgiveness and assumption programs.
- Conduct high school counselor workshops to inform them about state and federal financial aid programs.
- Conduct school program reviews and verification of student FAFSA data.
- Conduct statewide programs and publish and circulate financial aid brochures designed to inform students and families about their federal and state financial aid options.
- Assist students and families in filing the FAFSA (thus reducing the federal government’s costs associated with processing corrected Student Aid Reports).
- Assist the Department with cleaning up incomplete and/or inaccurate FAFSAs via letters advising students to correct their SARs (thus reducing federal government’s costs associated with processing corrections).
- Most are not guarantee agencies but some are. Grant agencies do not presume to represent guarantors in the same way that guarantors do not represent state grant agencies. This is a vital distinction

NEEDS

The following are some of the issues where NASSGAP & member states needs the Department’s assistance:

- Provide states with a single source of information contact in the Department and conduct regular meetings.
- Include state grant agencies as full participants in all Modernization Blueprint activities and products.
- Promote the development of an electronic state-specific FAFSA for all students.
- Provide states with the option of assigning remaining Paul Douglas Teacher Scholarships monitoring and collection responsibilities to the Secretary of Education.
- Provide FAFSA “dummy codes” for students eligible for state-sponsored aid programs, but not currently eligible for federal aid, so that ISIR records can be created for such student to facilitate college access.
- Recognize that even minor changes to the FAFSA or to the federal eligibility criteria affect state programs.
- Include NASSGAP in all activities related to FAFSA design to ensure that the needs of states for applicant data are met.
- Recognition by the Department of Education, in words and deeds, that it understands the significance that the federal delivery system and need analysis methodology have on a states’ abilities to distribute over \$3.7 billion dollars of state-funded financial aid programs to needy students.

Dennis A. Obergfell,
President, NASSGAP
Dobergfe@ssaci.state.in.us
317-232-2097

April's Surveys, A SLEAP ADVISORY and other Notices

SLEAP -- Hold Your Fire! *Waiting for a Wake-up Call*

There have been a series of questions and comments posted to NASSGAP's listserv about matching requirements for SLEAP funds. Your Executive Committee and Federal Relations Chair, Chas Treadwell, have been in touch with the Department for clarification on this issue. I recommend that you not consult with the Department until our efforts to work out a solution runs its course, which I believe will be soon. SLEAP will be discussed at the June Conference.

Minnesota - Cheryl Maplethorpe

4/4

To what extent does your state consider the student data held by your agency to be private? In Minnesota, the name and address of the person applying for aid is public but anything else (the program, the award, where they attended, the number of years they received aid) is private data. To what extent is student data public in your state?

Massachusetts - Clantha McCurdy

4/3

Does your state allow eligibility for your grant program to students who are enrolled in English as a second language? If so, do you restrict the number of semesters or years? What is the maximum eligibility allowed?

Wisconsin Jane Hojan-Clark

4/5

1. Does your state have a "state department of education" that oversees all or most of your higher education related agencies, universities, and/or departments?
2. Does your state have a state run agency or a department that is responsible for inspecting and approving colleges (for-profit or non-profit) that operate within your state, somewhat similar to accrediting agencies like North central? If so, how is it structured?

ED Technical Forms Committee: Chair, Mary Beth Kelly

4/18

The updated 2001-02 FAFSA has now been placed on the IFAP website at:

<http://ifap.ed.gov/dev> You can also access it by going through the IFAP home page and selecting SFA publications, FAFSA's and then the correct year. Please be sure that you are working with the 4/11/00 draft that was posted late this afternoon to IFAP. I am also attaching a copy of it to this listserv posting. The April 18, 2000 Federal Register requesting comment isn't yet posted to IFAP, but the deadline for response is May 18 so I ask that any comments you may have be directed to me or the listserv as soon as possible but no later than May 11 so a draft letter of response can be developed and shared with the membership via this listserv before it is sent.

Please note the format changes, including those on the cover sheet, as well as changes in the questions. The state deadlines have been moved to a more prominent position. In usability tests, the participants Focused on the new placement much more than had been the case when the dates were on the bottom of the form. As you look at the dates, if a correction is needed, you can send that to me now (I'll also ask for these to be reviewed later.) The yes/no question about the driver's license (previously item 11) has been eliminated since the answer in the current 11/12 will elicit that information.

So, this is the call for any and all comments now: Please carefully review the latest draft and send your thoughts so they can be included as the response is crafted. Your ED Technical Forms Committee appreciates your assistance.

Massachusetts Board of Higher Education Clantha Carrigan McCurdy

4/2000

Massachusetts is currently evaluating its policy governing eligibility for students who enroll in clock hour programs. What is your state's policy regarding clock hour programs? How do you coordinate eligibility for programs that have multiple start dates? How closely does your state's policy follow the federal criteria for Pell Grant? E-mail a copy of your policy statement/guidelines, or fax to Clantha at (617) 727-0667.

ED Technical Forms Committee: Chair, Mary Beth Kelly

5/4/2000

This is just a reminder that comments relative to the current draft of the 2001-02 FAFSA should be sent no later than May 11 so the NASSGAP letter can be prepared. The current draft is dated April 19 (this changed since the first request for your review and input was posted) and is out on IFAP. In addition, if you now know of a correction or change needed in your state's deadline date(s), you may forward that information now as well. There will be a final call for deadline date information at a later time.

Comments should be sent to the listserv or to Mary Beth (mkelly@phea.org). The draft letter will be posted to the listserv for review so it can be forwarded to OMB by May 18. If your state sends an individual letter to OMB, please send a copy to Mary Beth.

Devil with a Glue Stick! Survey Corrections!!!

Hopefully, by now you all know that the Executive Summary and Table 11 of NASSGAP's 30th Annual Survey Report for the 1998-99 academic year were incorrect. In addition, the Survey's cover letter and NASSGAP's initial press release referenced bad data. The New York Higher Education Services Corporation has since mailed out corrected versions of all of the above. Below you will find a corrected cover letter, Executive Summary and Press Release. In addition, I have attached a revised Table 11 as part of this e-mail. I know how easily attached corrections can get separated from original documents. So avoid this possibility, I ask you to perform the following highly technical procedure:

1. Get a Glue Stick
2. Take the Executive Summary and Table 11, Glue Stick them to death and paste them over the original pages in your report. It works! Really! Just ask the Weekly World News!

Cover Letter April 12, 2000
REVISED from April 6, 2000

Dear Colleague:

I am pleased to provide you with the 1998-99 Annual Survey Report of the National Association of the State Student Grant and Aid Programs (NASSGAP). The Report chronicles the variety of need-based and merit-based aid programs provided by states to undergraduate and graduate students for both full-time and part-time study.

A review of the report shows that States awarded \$3.686 billion dollars in state aid to over two million students in 1998-99. Overall expenditures for state student aid increased in 1998-99 by 8.8% over 1997-98, with over two million students served. The growth rate for need-based undergraduate student aid was 6.6%. This rate of growth is slightly up from the 6.4% increase in this category reported last year.

Obviously, the amounts of financial aid states provide to students is significant, as is the role states play in assisting students to finance postsecondary education. It is important to underscore that most of the programs states offer are dependent on the federal financial aid delivery system, including, but not limited to use of the Free Application for Federal Student Aid (FAFSA), and the federal need analysis methodology.

In addition, many state programs were established and remain contingent upon important partnership programs with the federal government, such as LEAP, the Robert C. Byrd Honors Scholarships, and the Gaining Early Awareness and Readiness for Undergraduate Programs (Gear-Up - formerly called the National Early Intervention Scholarship and Partnership Program). NASSGAP believes that state and federal partnerships are essential to maintain access to higher education for all who can benefit.

I want to thank the New York Higher Education Services Corporation for conducting the annual survey and compiling the results.

Sincerely,

Dennis Obergfell
President

Executive Summary

The National Association of State Student Grant and Aid Programs (NASSGAP) is pleased to present its 30th Annual Survey Report of state-administered student financial aid available for the 1998-99 academic year.

This year's report, the fifth compiled and published by the New York State Higher Education Services Corporation (HESC), offers information and statistics such as basic program information and expenditures, longitudinal indicators of student aid funding, and comparisons of student financial aid available in each of the 52 states and territories (Washington, D.C. and Puerto Rico included). The data and tables contained in the Report represent actual 1998-99 academic year data (unless otherwise noted).

Federal funding of the State Student Incentive Grant, now known as the Leveraging Educational Assistance Partnership (LEAP) Program, was considerably decreased for the 1998-99 academic year, following an increase for the 1997-98 academic year. Federal funding for this program went from \$50.0 million in the 1997-98 academic year to \$25.0 million in the 1998-99 academic year, a \$25 million or 50% decrease. The SSIG/LEAP program is a dollar-for-dollar federal/state-matching program designed to enable states to offer need-based grant aid to students to attend postsecondary education institutions.

Student Aid Highlights

- In the 1998-99 academic year, the states awarded \$3.686 billion in need and non-need-based student grant aid to more than two million students, an increase of 8.8% in expenditures over the \$3.389 billion awarded in 1997-98. Of the amount awarded, 81% was need-based grant aid to undergraduate and graduate students, while 19% of it was non-need-based grant aid to undergraduates and graduates. These percentages show a slight change from the 82% and 18% awarded, respectively, in 1997-98.
- Funding for undergraduate need-based grant aid increased 6.6% in the 1998-99 academic year over 1997-98. This increase is slightly higher than the 6.4% increase from 1996-97 to 1997-98.
- Of the \$3.0 billion in need-based grant aid available, 99% went to undergraduates; and, of the \$0.7 billion in non-need-based grant aid awarded, 93% was awarded to undergraduates.
- Five states (California, Illinois, New Jersey, New York, and Pennsylvania) collectively awarded \$1.7 billion in undergraduate need-based grant aid, comprising 58% of the total awarded in this category.
- Over the past five years, state spending (in current dollars) on need and non-need-based grant aid to undergraduate and graduate/professional students has increased 47.4% (see Table Two). From 1997-98 to 1998-99, 69% of the states (36) reported an increase in these categories, while 25% (13) reported a decrease, and 6% (3) reported no change.
- Fourteen states reported an increase in need-based grant aid to undergraduates of more than 10% over 1997-98. These states were Arkansas (+ \$2.76 million), California (+ \$47.22 million), Colorado (+ \$10.22 million), Connecticut (+ \$6.75 million), Indiana (+ \$14.46 million), Kansas (+ \$1.36 million), Kentucky (+ \$11.24 million), Massachusetts (+ \$17.78 million), Minnesota (+ \$16.98 million), Missouri (+ \$5.31 million), Nebraska (+ \$0.60 million), New Hampshire (+ \$0.41 million), New Mexico (+ \$1.72 million), and North Carolina (+ \$4.49 million). Nine states reported a decrease in funding of more than 10%. These states were Alaska (- \$.24 million; eliminated all need-based undergraduate funding), Arizona (- \$0.43 million), District of Columbia (- \$0.21 million), Georgia (- \$0.58 million), Hawaii (- \$0.10 million), Louisiana (- \$6.80 million), Mississippi (- \$0.21 million), Puerto Rico (- \$7.01 million), and Wyoming (- \$0.04 million). This compares to twenty-two states reporting 10% or higher increases and two states reporting 10% or lower decreases in the prior year.
- Two states, Alaska and South Dakota, no longer fund need-based undergraduate programs.

- Reporting agencies administered over \$500 million in other aid (e.g., loan forgiveness, work-study, scholarships - see Table Three). States also reported slightly more than \$1.0 billion in aid awarded by other State agencies, a 45% decrease (- \$840.7 million) from 1997-98.
- Thirty-five states identified state grant programs that have a merit component. These merit programs constituted 29% of the total state grant aid available in these states in 1998-99 (See Table Six A).
- Thirty-three states identified non-grant programs administered by the responding agency (e.g., loan forgiveness, work-study, scholarships, etc...) that have a merit component. These non-grant merit programs constituted 51% of the total non-grant aid administered by the responding agency that was available in these states in 1998-99 (See Table Six B).
- In total, states awarded \$1.121 billion through programs containing a merit component. This compares to \$3.122 billion awarded through programs with no merit component.

Additional copies of this report may be obtained for \$20.00 per copy by sending a check made payable to the National Association of State Student Grant and Aid Programs (NASSGAP) to the following address: HESC, 99 Washington Avenue, Room 1704, Albany, NY 12255, Attention: NASSGAP. Purchase orders cannot be accepted.

IMMEDIATE RELEASE April 7, 2000

STATE FUNDING FOR POSTSECONDARY EDUCATION STUDENT GRANTS REMAINS OVER \$3 BILLION
FOR MORE INFORMATION, CONTACT: Dennis Obergfell: (317) 232-2353

The National Association of State Student Grant and Aid Programs (NASSGAP) released its 30th Annual Survey Report, highlighting that more than 2 million students benefited from state assistance in 1998-99. The recipient population received more than \$3.69 billion in state assistance, an increase of 8.8 percent from the previous year. Of the above dollar total, 81 percent was awarded as need-based aid to undergraduate and graduate students compared to 19 percent as non-need-based, merit, and other special bases. Overall, state spending on need-based and non-need-based grant aid to undergraduate and graduate students increased 47.4 percent over the past five years. The state agencies also reported providing students with over \$500 million in other aid (e.g., loan forgiveness, work-study, scholarships).

The report shows that funding for undergraduate need-based aid increased 13.9 percentage points from 1997-98.

"This report is the most exhaustive account of financial aid programs administered by state agencies. It clearly illustrates that the amount of financial aid states provides to students in the form of need and merit-based aid programs is significant, as is the role states play in assisting students finance postsecondary education" noted Dennis Obergfell NASSGAP President. *"That said, many state programs rely on important partnership programs with the federal government such as the Leveraging Education Assistance Partnership Program (LEAP), and the Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) to provide students with the funds and support needed to make higher education affordable and accessible".*

LEAP creates the opportunity to significantly increase the amount of need-based grant aid available to students in 1999-2000, and requires that for every dollar over the \$30.0 million base, states will match the federal dollar two to one. Mr. Obergfell noted that no other federal student aid program generates this level of shared support for needy students, and that state and federal partnerships are essential to maintain access to higher education for all who can benefit.

The National Association of State Scholarship Grant and Aid Programs (NASSGAP) is a non-profit member organization representing the 50 states and 6 territories that provide financial aid to postsecondary education students.

Copies of the 29th Annual NASSGAP Survey Report can be obtained by sending a \$20 check or money order payable to the National Association of State Student Grant and Aid Programs (NASSGAP), c/o HESC, 99 Washington Avenue, Room 1705, Albany, New York, 12255, Attention: NASSGAP. Purchase orders cannot be accepted.

Nominations Committee Nominates!

On April 27, 2000, Ron Gambill - NASSGAP Past President - sent a memorandum to the membership which announced that the nominations committee recommended the following slate of officers:

- **President Elect:** Jim Garcia, California Student Aid Commission
- **Secretary:** Diane Todd Sprague Michigan Higher Education Assistance Authority
- **Member-at-large:** Jim Beyer, Oregon State Scholarship Commission

The slate will be presented to the membership at the June meeting. Nominations can also be made from the floor. Following the Spring Business meeting, the Secretary will forward written ballots including about the candidates according to the by-laws. Terms begin in October of this year. The President's term is for one year, the Secretary and Member-at-Large or two-year terms.

A Not So Hidden Agenda!

Speaking of the conference, I hope you have registered for our June conference to be held at the Washington DC Doyle Hotel. If you have not already done so, mail in your registration form by May 15 and book your hotel room (202)–483-6000. It will be a good time to exchange views with colleagues and to hear from Department officials and others financial aid-related organizations based in DC. If you need another registration form contact Diane Sprague at (517) 373-2436.

Below you will find the most current agenda. Two speakers invited may be no shows, but not to worry. If this happens, Chas Treadwell, Ron Gambill and I will discuss what goes on in negotiated rule making meetings. It would be good for the membership to have a better understanding of what goes on behind the scenes, and the work involved in arriving at a consensus from a very diverse group of organizations.

2000 SPRING NASSGAP CONFERENCE

TENTATIVE AGENDA

June 11-14, 2000

Doyle Washington Hotel
1500 New Hampshire Ave., NW
Washington, DC
Phone (202) 483-6000

Sunday, June 11, 2000

Noon to 5:00 PM **Executive Board Meeting**

6:00 to 8:00 PM **Reception** – Burlington A

Monday, June 12, 2000

8:00 to 8:30 AM **Continental Breakfast – Westbury**

8:30 to 8:45 AM **Welcome from NASSGAP President** – Dennis Obergfell
8:45 to 10:30 AM **State Issues Rollcall Session Coordinator** – Cheryl Maplethorp

10:30 to 11:00 AM **Break**

11:00 to 12:00 Noon **College Savings and Prepaid Plan Network – Update on Federal Issues**
Presenter – Kathleen McGrath, Tuition Assistance
Program, PA
Moderator – John Klacik

12:00 to 1:00 PM Lunch – Burlington B

1:15 to 2:30 PM **PBO Perspective on Modernization Blueprint**
Presenter – Barry Marrow
Moderator – Lillian Montoya-Rael

2:30 to 3:00 PM **Break**

3:00 to 4:00 PM **Views on Negotiated Rulemaking**
A discussion of the process and how it works
Presenter – Chas Treadwell
Moderator – Dennis Obergfell

4:00 to 5:00 PM **Panel Discussion on Web Based Site Processing**
Presenters – Jim Garcia, CA; Tom Rudd, OH;
Sharon Johnson, IL
Moderator – Shelia Joyner

Dinner on Your Own

Tuesday, June 13, 2000

8:15 to 8:45 AM 8:45 to 9:30	Continental Breakfast – Burlington B ACSA Presenter – Brian Fitzgerald Moderator – Phil Alexroth
9:30 to 10:30 AM	FAFSA Update Presenter – Jeanne Saunders Moderator – Peggy Wipf
10:30 to 11:00 AM	Break
11:00 to 12:00 noon	Student & Organizational Perspectives on DOE funding Presenters - Ed Kealy and Jamie Pueschel Moderator – Chaz Tredwell
12:00 to 1:00 PM	Lunch – Burlington B
1:00 to 2:30 PM	Update on Performance-Based Organization Invited Presenter – Greg Woods Moderator – Dennis Obergfell
2:30 to 3:00 PM	Break
3:00 to 5:00 PM 6:00 to 9:00 PM	Business Meeting DINNER

Wednesday, June 14, 2000

8:00 to 8:45 AM 8:45 to 9:15 AM	Breakfast Buffet – Burlington Ballroom Year End Pell Information As It Relates to States Session Coordinator – Cheryl Maplethorp
9:15 to 10:15 AM	LEAP/SLEAP Update Presenters – Harold McCullough/Greg Gerrans Moderator – Jan Hilyer
10:15 to 10:45 AM	Break
10:45 to 11:30 AM	GEAR-UP Presenter – Rafael Ramirez Moderator – Mary Ann Welch
11:30 to noon	Closing Comments

Closing Time!

I apologize for the length of this update, but I thought it was important for you to know what's been going on as it relates to NASSGAP business, and what the organization has been doing to represent its members.

I hope to see you all at our Spring Conference, but I leave you with one warning: Watch out for wooden-headed, steam-rolling, poop-powered, press conferencing, politicking aliens who are suspected of stealing St Luke's knee and like to smooze with cannibals disguised as pizza delivery men who like to shish kabob. If you see anyone fitting these descriptions, super glue them to a wall and call a handyman. Oh, and water your plants to prevent them from suddenly bursting into flames. It works! Just ask the *Weekly World News!*