nassgap *www.nassgap.org/*

3/31/2000

Dear Colleagues:

What a month for listserve questions! We may have set a record. This month's Howdy Partner update simply lists all the questions that have been posted to the listserve in March. If I left out a survey let me know. I do have other things to report to the membership, including a brief summary of a meeting NASSGAP's Executive Committee had with Cameron Ishaq with the Performance Based Organization (PBO) side of the Department of Education, but I'll send those to you in a few weeks. Keep in touch; I'll try to do the same.

Dennis O

Pennsylvania: *Mary Beth Kelly* 3/15

Today I am on a quest for information about maximum income level cutoffs. Specifically, does your major need-based state grant program set a maximum income beyond which there is no eligibility to receive an award regardless of any other circumstances? For example, in PA, we provide adjustments for working parents, other siblings enrolled, dependent children, handicapped dependents and medical/moving expenses. These adjustments are subtracted from the total taxed and untaxed income and where the remaining income is $66,000 or more, the student is ineligible for State Grant aid (a "high income reject").

If your state has a similar or analagous awarding formula component, I would appreciate information about it:

- What are the components of the level (income only, income and adjustments, etc.)
- What is your "high income reject" income level?
- What is the basis for it (e.g., set based on state tax reporting requirements, our program started with a figure and it has been updated based on the CPI, etc.)? mkelly@pheaa.org

ED Technical Forms Committee - *Chair, Mary Beth Kelly* 3/15

Hello NASSGAP Colleagues:

Please respond to the following questions if your state has indicated on the 2000-01 FAFSA that a supplemental/additional form is required in addition to the FAFSA:

1. What data elements are you collecting on the supplemental/additional form? (please clearly indicate what these are and list separately if the data elements pertain to different programs or have different requirements for collection (statutory, etc.) - if all elements pertain to a single program and have the same requirement, group them together.)
2. For what program are the data being collected?
3. Why are you collecting them (e.g., the aid program requires a program of study in order to award dollars).
4. Are the requirements statutory, regulatory, policy, procedure, other (if other, please indicate what)?
5. Are there any plans to eliminate your supplemental forms? If yes, please explain, including time line.

Cut and paste the template below to a Word document for your response or you may respond via e-mail. Please send directly to me at: mkelly@pheaa.org I'll summarize the results for the list.

If you are a state that is not collecting a supplemental/additional form for 2000-01, do you plan to do so for 2001-02? If the answer to this is yes, please let me know why (new program, new statutory or other requirement, etc.) and what data will need to be collected. I may then contact you for additional information.

Thank you from your very own technical forms committee for your help.
ED Technical Forms Committee
Mary Beth Kelly, PA, Chair Marilyn Cargill, VT
Sherry Fox, NJ Diane Todd-Sprague, MI

State ___________________________________

Respondent ____

Data Element(s)	Program Name(s)	Why Collected?	Requirement (Statutory, Regulatory, Policy, Procedure, Other)	Plans to eliminate? If yes, please explain.

Delaware *Maureen Laffey* 3/22

Good morning all, we are working on revising our policy/procedure for students who wish to appeal when a renewable scholarship is withdrawn because we feel they no longer meet the eligibility requirements for renewal). I am interested to see how other states handle their appeal process (if they have one). If any of you have a good policy/procedure in place would you please fax it to me at 302-577-6765. Thanks for all your previous responses to my questions on this issue! e-mail: mlaffey@state.de.us

Maryland *Larry Oxindine* 3/2?

Do you know of any state that has a checkoff box on the state income tax form to permit the contribution of a $1 for education/financial aid? We are pondering that option for the State of Maryland and were wondering if any other state has previously done it.

Delaware *Maureen Laffey* 3/20

Good morning all, we are working on revising our policy/procedure for students who wish to appeal when a renewable scholarship is withdrawn (because we feel they no longer meet the eligibility requirements for renewal). I am interested to see how other states handle their appeal process (if they have one). If any of you have a good policy/procedure in place would you please fax it to me at 302-577-6765. Thanks for all your previous responses to my questions on this issue! Have a great day!

NASSGAP *Chas Treadwell* 3/22

Hello--the next round of HEA Neg Reg for LEAP/Special LEAP (and other issues) is next week. To help your trusty NASSGAP representative reply to anticipated questions, please give me your answers to the following, by Monday, 3/27.

1. Does your state plan to apply for Special LEAP funds in 2000-2001?
   (a) If Yes, for which of the allowed 8 program uses will you allocate the funds (e.g., need-based grant; early intervention; special scholarship for teachers, etc.) ?
   (b) If NO, why not, and do you plan to apply in 2001-2002?

Any interest in exploring with ED allowing states an option to use Special LEAP funds for starting scholarship trust funds for GEAR UP recipients?

2. Is your need-based student grant program an "entitlement", not limited by a fixed initial appropriation (that is, you can request a supplemental or deficiency appropriation within the year to meet applicant demand)?
(a) If YES, should NASSGAP try to get a Special LEAP MOE "waiver" whenever expenditures in your program decline due to reasons outside the state's control (e.g., expanding economy raising family incomes beyond eligibility)?

If we're allowed to suggest a "bonus round" issue, should NASSGAP suggest relief from Paul Douglas recipient tracking and loan collection? (a) If YES, how many Douglas recips are you now tracking?
Any other issues you'd like us to raise? Thank you for taking the time to reply - your vote counts!

Indiana *Dennis Obergfell* 3/27

Could you please tell me if your state is on a one or two year budget cycle and when your fiscal year starts and ends?

Responses

- **Alabama** --- one year cycle starting October 1 and ending September 30.
- **Alaska**, one year. Runs 7/1 to 6/31 and is developed in annual 120 leg sessions from early Jan to early May.
- **Arkansas** is on a 2 year cycle. Our fiscal year is Jul 1 to Jun 30
- **California** has a one year budget cycle, July 1 - June 30
- **Ct** Two year budget cycle - July 1, 1999-June 30, 2001
- **Delaware** is on a one-year budget cycle; July 1 to June 30.
- **Illinois** is on a one-year cycle, from July 1 to June 30.
- **Indiana** is on a two-year cycle, July 1 to June 30
- **Iowa** is on a one-year cycle. Beginning July 1 and ending June 30
- **Louisiana** holds annual sessions, even numbered years are fiscal sessions only. he fiscal year is July 1 thru June 30, and an annual appropriation bill is enacted.
- **Minnesota** has a 2-year budget cycle. Fiscal year starts July 1 and ends June 30th.
- **Montana** has a 2-year budget cycle with the July 1 through June 30 fiscal year. We are submitting our budget requests for 2002 and 2003 in April. Arlene.
- **New Mexico**: 1 year. FY beginning July 1, ending June 30.
- **New Hampshire** is on a 2-year cycle. We will be beginning the next 2-year budget preparation in July for FY 2002 and FY 2003. We are currently in FY 2000 (7/1/99-6/30/2000) and have received our appropriation for FY 2001.
- **Nebraska** is technically on a 2-year budget cycle with the fiscal year beginning July 1 and ending June 30. Lately, however, the Legislature has added significant funds to the second budget year of the biennium during the second legislative session. The second year of the biennium was originally to address only those funding issues that were of an emergency nature. With the State having a large surplus, everything appears to be an emergency of some sort.
- **NJ** is on a one year cycle our fiscal year begins July 1 and the Governor proposes the budget to the legislature in Jan.
- **New Mexico**: 1 year. FY beginning July 1, ending June 30.
- **New York** budget cycle runs from April 1st (appropriately) to March 31st.
- **North Carolina** We are on two year cycle, with a short session of legislature before year
- two to fine tune. Fiscal year is July 1 -June 30.
- **North Dakota** is on a 2-year budget cycle starting July 1 and ending June 30.
- **OK** One year cycle starting July 1 and ending June 30
- **Ohio**: Two year cycle -- July 1 to June 30th.
- **Oregon** is on a two year cycle, July 1 to June 30.
- **PA** is one year - July 1 to June 30 (We can spend funds allocated in any year in any year we choose).
- **Puerto Rico** has on a one year cycle (July 1-June 30).
- **Rhode Island** One year cycle starting July 1 and ending June 30

- **SC** is on a one year budget cycle running July 1 to June 30 (and the budget is usually not finalized until early June before the July 1 start date).
- **Vermont's** One budget cycle year beginning on July 1 and ending on June 30th.
- **Virginia** two year cycles, with a mid-biennium session for adjustments if needed.- July 1 thru June 30.
- **Tennessee** is on a one-year budget cycle. July 1 thru June 30
- **Washington (state)** is on a two-year budget cycle. We are in year one of the current biennium. Our fiscal year is from July 1-June 30.
- **Wisconsin** is on a two-year budget cycle that begins on July 1st
- **West Virginia** is on a one year cycle starting July 1 and ending June 30 **.**

Washington - *John Klacik* 3/29

Congress now requires schools to exclude Chapter 30 VA benefits and Americorps awards when determining a student's eligibility for federal subsidized Stafford and direct loans. It is optional as to whether or not the school also excludes these benefits for institutional or campus based awards.

Effectively the veteran or Americorps recipient may be over-awarded with federal assistance, by the amount of the VA or Americorps benefit.

My questions are:

1. Has your state chosen to exclude VA benefits (chapter 30 or others) and/or Americorps awards for its major state grant program?

2. Does it appear that the colleges and universities in your state are excluding these benefits when awarding institutional or campus based funds?

Texas - *Gustavo O. De Leon* 3/29

States that now provide state funds to Institutions that are Independent and happen to be sponsored or have an association with a religion and who besides the regular academic programs also teach some religious courses, have religious majors and degrees and some may even have an association on their campus with a seminary or theological entity.

For Independent institutions with the conditions above what if any conditions do you attach to them receiving any state funds for their students that may choose to either major in a religious subject, pursue a religion degree, OR who are matriculated in their campus seminary or theological entity? Thank you in advance for whatever assistance you can provide 1 800 242 3042 ext 6331 or 512 427 6331.

ED Technical Forms Committee *Mary Beth Kelly, PA Chair* 3/30

For your state, can the responses to date of state residency be carried forward from 2000-01 into the 2001-02 Renewal FAFSA? **Yes or No**. Add any comments that you care to. Your response is needed by 12:00 eastern on Monday 4/3 so I can compile the responses to see if there is clear consensus on this issue.

Background, provided by the Department:

The Department is considering changing their systems for the 2001-2002 Renewal FAFSA so that date of state residency data is carried forward from the 2000-2001 applications. One of their efforts in development for 01-02 is to minimize the amount of blanks on the Renewal Applications to reduce burden on families and to decrease the number of accidental blanks.

As of 3/24/00, here is how the 2000-2001 data looks:

Response to Resident Before 1/1/95 on last transaction (includes corrections):

Yes	2,738,145	87.8%
No	281,569	9.0%
Blank	99,956	3.2%

Of those who answered "No" (281,569), response to Date (Month/Year) f Residency

Blank	11,369	4.0%
Non-blank	268,373	95.3%
Partial blank	1,827	0.7%

The high percentage of "Yes" responses suggests that the majority of applicants have their permanent address in a state for four years or more. We thought this apparent 'stability' might allow us to shift the focus from requiring all applicants to report this data every year to requiring those that move to correct their data. This would, we think, reduce the number of accidental blanks on renewal applications.

Federal Relations –Douglas & Special LEAP Neg Reg *Chas Treadwell* 3/31

Chas is in DC at the Negotiated Rulemaking sessions. He called and asked me to post the following questions as they relate to the Douglas program. Two questions:

1. Could states please report a breakdown of their Douglas portfolio by category – repayment, deferment, teaching, not teaching, grace period etc.
2. Now that most states have or will soon receive the SLEAP application for the 2000-2001 academic year, what specific questions would you like to have guidance from the department as it relates any part of the application or eligibility for funds.

Please post this data on the listserve, or e-mail Chas directly at Charles_Treadwell@hesc.com

Postsecondary Education OPPORTUNITY - Tom Mortenson Higher Education Policy Analyst
NASSGAP colleagues: The following op-ed column appeared in Monday's Washington Post. The authors are Pat Callan and Katie Haycock. Callan is President of the National Center for Public Policy and Higher Education. Haycock is Director of the Education Trust.

Best Intentions, Going Awry A record number of Americans are attending colleges--two- and four-year, public and private. Yet a tragic gap in college opportunity is still with Higher-income and white Americans continue to enroll at increasingly higher rates than do African American, Hispanic and low-income students.

In his budget, President Clinton has proposed increasing the federal investment in college opportunity by some $40 billion--a combination of direct financial aid and tax credits over the next decade. Sadly, his proposed tax credits will do little to close the college opportunity gap and may widen it.

For every new dollar of financial aid directed to students with demonstrated financial need, the president's proposal provides $3 in tax credits to subsidize the students already most likely to be attending college or their parents. The proposed "College Opportunity Tax Cut," which accounts for three-quarters of the president's $40 billion, compounds the major flaw of the 1997 Hope tax credit, which first established tuition tax credits for affluent and middle-class families. That is, it does not help those who need it most, those working families with incomes so low they are not subject to federal income taxes. Additionally, the president's new proposal allows families with higher incomes to qualify for even more generous tax subsidies. It would increase the upper income limit from $100,000 to $120,000--and raise the dollar value of the original credit from $1,000 to $2,800.

The president's proposal runs counter to what is perhaps the most widely held belief of the American people about college: that no qualified and motivated young person should be denied a college education because he or she cannot afford it. For low-income young people a college education is the best route out of poverty. But these young people--because of their low incomes--would not benefit at all from the president's College Opportunity Tax Cut.

We aren't saying that the president's plan is too costly. In a highly competitive world economy, government must increase its investment in all levels of education, and federal surpluses and a strong economy make such investments easier. Nor are we opposed because the credits benefit higher-earning, middle-class families--increasing college costs mean that even they often struggle to pay for college.

Rather, we oppose the credits because they provide relatively generous subsidies to those who already have the means to attend college while providing nothing to those who most need support. Moreover, we worry that he tax breaks will encourage states and colleges to raise tuition during economic downturns.

There are at least two better ways to invest federal dollars to close the college opportunity gap:
<u>First</u>, the $30 billion cost of the tax credits could be used to support existing financial aid programs--to increase Pell Grants that currently help low-income students pay for college.

A <u>second</u> option would be to make the tax credits refundable under the same logic as the Earned Income Tax Credit and the president's budget proposal for refundable childcare tax credits. Low-income workers could then share in the benefits of the tax cuts. The primary goal of national higher education policy should be to ensure that college opportunity is not determined by family income. By providing benefits to the middle class to the exclusion of the lowest-income students and families, President Clinton's College Opportunity Tax Credits threaten to widen rather than narrow the college opportunity.

P.O. Box 415, Oskaloosa, IA 52577V: (515) 673-3401, F: (515) 673-3411
http://www.postsecondary.org">http://www.postsecondary.org</A>