Oregon Association of Student Financial Aid Administrators

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Newsletter

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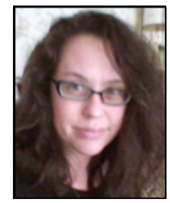
Membership Chair

Stacie Englund
Assistant Director of
Financial Aid
Pacific University
phone: (503) 352-2858
email: *stacie@pacificu.edu*

President's Letter



Happy New Year! This time last year, nearly the entire state was blanketed in snow, so this year has been feeling downright balmy in comparison--on the western side of the state, that is. Wintertime is upon us . . . just when I finally get the hang of dating things "2014," it's time to switch gears again. Speaking of switching gears, by the time this issue of the newsletter is published, we'll have our new slate of OASFAA Executive Council candidates on the ballot! I'm excited to welcome a new group of association leaders who will continue the important work of our state association.

I look forward to meeting with our new association leaders and our wonderful members at the **OASFAA Annual Conference from February 4-6.** The conference promises to be outstanding, as usual. The theme is "Knowledge is the Name of the Game: A Fun New Spin on Financial Aid," and in keeping with the game theme, we'll have a presidential game night in the executive suite at the Salishan Resort, our favorite conference venue on the beautiful Oregon coast.

Conference co-chair Lindsay Thaler had to step down recently after welcoming a new baby into her life—congratulations, Lindsay! We thank veteran volunteer and 2012-2013 OASFAA president Donna Fulton for stepping up to serve as co-chair with Ashley Coleman. Our impressive guest speaker lineup includes NASFAA President Justin Draeger, WASFAA President Kevin Jensen, David and Melody Bell from Financial Beginnings, and Kim Wells and Chuck Hirman from the U.S. Department of Education. We also look forward to sessions presented by our many experienced and talented members and vendor partners. Let's hope for good weather this time—2013's OASFAA Snowpocalypse was a great adventure, but the long, cold drive home was an experience few of us would be eager to repeat.

Just a few short weeks after the conference, our annual FA 101/201 training event will be held in Salem. Committee co-chairs Kathy Campbell and Mike Johnson have assembled a team of great faculty for this eagerly anticipated training event, which offers both beginner and intermediate/advanced tracks. In April, we'll finally be able to present our Support Staff Workshop,

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Inside Every Issue...

Inside This Issue...

Letter from the Editor

by Sue Shogren, USA Funds

This issue is packed full of news about your colleagues! We hope you learn a few new things from – and about – your colleagues in this issue of the Newsletter. As noted on OASFAA's website, publication of the next issue is scheduled for April. We're looking forward to receiving your contributions by **March 1, 2015**.

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which had to be postponed from its original November date due to road conditions. This event, usually scheduled on a biennial basis, provides general financial aid training and professional development to front-line staff and staff in departments peripherally involved with financial aid.

As I prepare to pass the baton to OASFAA President-Elect Mary McGlothlan, I am astonished at how quickly this year has passed and how much has been accomplished thanks to our dedicated volunteers. During this whirlwind year, I had the wonderful opportunity to engage with WASFAA's Executive Council as Oregon's state president. Attending the WASFAA Executive Council meetings has given me a new appreciation for the strength of our leaders and members in the WASFAA region, and I've also learned how fortunate we are to have such an outstanding state association in Oregon. OASFAA members have stepped up again and again to support one another through training and professional development activities, and we all know how our workloads and stress levels have risen in recent years in response to surging enrollments, increased student loan default rates, and seemingly constant regulatory change. It is this spirit of volunteerism, collaboration, and giving back to our community that distinguishes OASFAA as such an exceptional organization.

I am so grateful to have had the opportunity to serve you this past year in the role of OASFAA President, and I look forward to serving our financial aid community in other ways in the years to come.

Sincerely,
Helen Faith
OASFAA President 2014-15

Welcome, New Members!

Shaundrea Hirengen, *George Fox University*
Lisa Bacon, *Central Oregon Community College*
Meredith Cobb, *ITT Technical Institute*
Christine DeSousa, *ECMC*
Michael Green, *Western Oregon University*
Jenna Greenwood, *University of Oregon*
Rebecca Hedrick, *Discover Student Loans*
Kasey Hovik, *Umpqua Community College*
Chris Huffstutter, *Phagans' Beauty Schools NW, Inc.*
Sally Jackson, *Tillamook Bay Community College*
Timothea Lapham, *Concordia University*
Laura Lundborg, *Concordia University*
Ashlee Sanders, *Central Oregon Community College*
Rob Smith, *Navient*
Layla Solar, *Central Oregon Community College*
Silvino Tibi, *Concordia University*
Allison Ven Eman, *Phagans' School of Hair Design*
Sara Wait, *Chemeketa Community College*

Ready to Volunteer?

New committees will be forming this spring once committee chairs are assigned. For a complete list of committees, go to the "Leadership" section of OASFAA's website at: www.oasfaaonline.org.

Found something you're interested in? This is the perfect time to update your volunteer preferences! On OASFAA's website, simply click on "Volunteer" and we'll contact you.

Editorial Policy

Opinions expressed are those of the authors and not necessarily of OASFAA, its members, or the institutions represented by the authors. OASFAA welcomes all views and invites submissions of articles, essays, photographs, or information of general interest to all members. Submissions should be brief and may be edited. It may not be possible to publish all articles submitted. Email items for publication to the **Editor**.

Member News

Mike Johnson leaves Pacific University to become Director of Financial Aid & Scholarships at Portland State University as of February 9, 2015.

Russell Seidelman, University of Portland, and his wife Rachel welcomed their second child, Atlas Royal Seidelman, into their family on January 23, 2015. Congratulations, Russell!

Lindsey Thaler, University of Oregon, welcomed her first child, Harrison Forrest Thaler, on November 7, 2014. He was 20 inches long and weighed 6 pounds. She recently decided to be a stay-at-home mom to Harrison. Congratulations, Lindsey!

Ben Wessel, Oregon State University, transitioned from the Financial Aid Office to serving now as analyst/programmer in enrollment management IT.

Lakia Wilson left University of Portland last November to work at the Re-Entry Navigator Facility for Edmonds Community College in Washington State.

If you or someone you know has received a promotion, taken a new job or experienced a significant life event, simply e-mail: susan.shogren@usafunds.org

Judy Saling, Assistant Director at the University of Oregon, is retiring after nearly 28 years in financial aid. She began in financial aid at Lewis & Clark College in Portland, and then spent short stints at UO and Willamette University before leaving the rainy state for Caltech in Pasadena. Her family lured her back to Oregon, where she served as Director of Financial Aid at Oregon Institute of Technology for two years, and then back to the wet side of the state to work for Citibank. Judy has happily served at the University of Oregon for the past 12 years. She's even happier to be retiring and beginning a wonderful new chapter in her life.

Congratulations on your retirement, Judy!

Portland Area High School Financial Aid Night

by Molly Walsh, University of Portland

As preparation for the new year is in full swing, our office has been busy with the plethora of Financial Aid Night requests that come in every year. While we try to accommodate as many requests as we can, we have hit our limitations in regards to both time and personnel.

Due to these limitations, last year we tried something new. Rather than visiting high schools individually, we decided to host one large event on the University of Portland campus open to the whole community. The **Portland Area High School Financial Aid Night** was born. Despite it being one of the coldest nights all winter, we had a great turn out with over 90 Portland area students and families joining us on campus to eat cookies and learn financial aid basics. Our response from both families and high school counselors was wonderful and we received great thanks for providing this service.

This year, we continued to grow and promote the second annual Portland Area High School Financial Aid Night through improved advertising and direct outreach to all high schools around the Portland/Vancouver metro area. Held on the evening of December 4, 2014, over 170 students, parents and high school counselors made the trek through the wet Portland weather and frustrating Blazer traffic to learn about applying for financial aid. Enticed with cookies and coffee, students and their families were content to listen and absorb as much financial aid information as we could squeeze into our 90-minute timeframe.

Since the Portland Area High School Financial Aid Night has solved both staffing and time constraints, we hope it will become a new staple for the Portland area in the future. As we continue to receive positive and encouraging feedback from high school counselors and families, we will continue to evolve the Portland Area High School Financial Aid Night as a great resource for our community.

Editor's Note: For more information about this initiative, contact Molly Walsh (walshm@up.edu).

OASFAA Annual Conference Update

by Ashley Coleman and Donna Fulton, OASFAA Conference Committee Co-Chairs

The 2015 OASFAA Annual Conference Committee has been hard at work to bring you an amazing conference this year! We have 37 scheduled sessions with topics ranging from program reviews, legislative advocacy, and career paths in financial aid, to federal sessions about SULA and Direct Loans from Chuck Hirman and NSLDS and the federal update from Kim Wells.

This year we bring you two keynote speakers. On Wednesday, David and Melody Bell from Financial Beginnings will open the conference, and on Thursday NASFAA President and CEO Justin Draeger will join us. Both Melody and Justin will also be presenting sessions.

We have a jam-packed schedule of entertainment. Wednesday evening during social hour and after dinner, Oregon magician Hart Keene will be performing his interactive illusions and mind-reading tricks. Hart receives rave reviews wherever he goes, and he has even performed on America's Got Talent! To add to the fun and magic of the evening, we are encouraging attendees to dress in costumes like potential contestants on the 'Let's Make a Deal' TV game show. You will be vying for the attention of our magician extraordinaire, Hart Keene, and for a prize for the best costume. Throughout the entire conference, we will have many giveaways and prizes to win.

The charity we will be supporting this year is **Backpacks for Kids**. Located in North Lincoln County, Oregon, this program provides food-filled backpacks to over three hundred chronically hungry kids every Friday so they don't have to face the weekend without enough to eat. Each participating college should decorate a box that they will bring to the conference, and fill the box with food items from the **list of suggested donation items found on page 12**. On Friday morning, we will have a representative from Backpacks for Kids speak with us about the program and help us judge the best decorated box, with a prize going to the winning office! Questions about our charity project can be directed to conference committee member Joanne Leijon at jleijon@pacificu.edu.

We have an event page for the conference, which can be found here. Please make sure to join the group for fun throwback pictures from prior conferences and keep up-to-date on the latest conference happenings. The page will also be a part of one of the contests at the conference, so make sure that you join now and watch for clues!

Donna Fulton has replaced Lindsey Thaler as conference Co-Chair. Donna can be reached at dfulton@westernu.edu. You may also contact Co-Chair Ashley Coleman at ashleyjo@uoregon.edu.

Haven't registered yet?

If you haven't registered for the conference yet, it's not too late! Register now at: http://oasfaaonline.org/docs/forms/memConf15.html.

If you have registered, but haven't booked your room yet, please call **Salishan Spa & Golf Resort** at 1-800-452-2300 between the hours of 8:00am – 8:00pm and identify yourself as an OASFAA Annual Conference attendee. Note that conference rates were guaranteed only through January 12, 2015.

OASFAA FA 101/201 Update

by Kathy Campbell and Mike Johnson, OASFAA FA 101/201 Committee Co-Chairs

We are in the final stages of planning what we're sure will be another successful **OASFAA FA 101/201.** The 2015 workshop, which will represent our fourth year of providing a full day of both basic and intermediate training on a variety of financial aid topics, is scheduled for **Friday, February 27, 2015, at Chemeketa Community College in Salem**. We encourage everyone who wants to spend a day immersed in financial aid and interacting with their colleagues to register at www.oasfaaonline.org. Registration should be ready in early February.

The basic and intermediate training tracks will again be held concurrently.

- **FA 101** will be primarily for those who have less than two years of experience in the profession who want a solid understanding of financial aid information and approaches.
- **FA 201** will be for those who have been in the profession for more than two years who want to enhance and update their knowledge.

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Participants won't be locked into those tracks, however; we've found that participants get the most out of the day when they attend any sessions that interest them.

Topics we'll discuss that day include: the history of financial aid, basic and program-specific financial aid eligibility, financial aid office operations, Federal Methodology (with the always popular hands-on EFC calculations), verification and conflicting information, awarding, the use of professional judgment, some changes to expect for 2015-16, and some changes that are being talked about for the next reauthorization of the Higher Education Act.

The faculty members who will provide the training are: Jim Brooks (University of Oregon), Kathy Campbell (Chemeketa Community College), Lois DeGhetto (Oregon State University), Peter Goss (University of Western States), Mike Johnson (Pacific University), Jennifer Knight (Linfield College), and Kevin Multop (Central Oregon Community College).

Please plan to join us if you feel that it will benefit you, and please also let your colleagues know about it. If you have any questions, please let us know.

Mike Johnson teaches participants about the History of Financial Aid at a recent FA101/201 Workshop.

OSAC Update

by Susan Degen, Oregon Student Access Commission

OSAC Scholarship Application

The online application went live November 3. Deadlines are February 15, 2015, to qualify for randomly selected Early Bird awards and March 1, 2015, for all materials. NOTE: if deadlines fall on a weekend or holiday, they roll to the next business day.

Agency Request Budgets

OSAC became part of the Higher Education Coordinating Commission (HECC) on July 1, 2014. OSAC and HECC submitted separate Agency Request Budgets for 2015-17 in late August that will ultimately be combined. HECC identified its top strategic priorities for investments as redesign and expansion of Opportunity Grants and expansions of ASPIRE and FAFSA outreach, totaling $68 million in additional funds requested. Other OSAC policy packages in the Agency Request Budget included ASPIRE Support and Expansion; Outreach through FAFSA Completions & College Goal Oregon; and OSAC IT needs, including replacing the Financial Aid Management System.

The Governor's Recommended Budget, released December 1, 2014, included $143.2 million for the Oregon Opportunity Grant – a major increase of $25.9 million over the 2013-15 budget. The Governor's budget also recommended $1 million for replacement of OSAC's financial aid management system, $250,000 for system modifications to accommodate proposed changes in the Oregon Opportunity Grant program, and support for ASPIRE through a federal College Access Challenge Grant.

Legislative concepts

OSAC submitted two legislative concepts (LCs) to the Governor. If approved, the LCs will become bills for the upcoming 2015 session.

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1. **LC 436** – the "Affordability" bill – proposes several changes to the existing structure of Oregon Opportunity Grant (OOG) based upon recommendations from the HECC's Financial Aid Work Group, including the following:
   - Guarantee continuing aid if academic achievement and benchmarks are met.
   - Authorize the HECC, through rulemaking, to align OOG eligibility with Federal Pell Grant eligibility and set a maximum OOG award amount.
   - Allow the HECC/OSAC to establish, through rulemaking, rolling deadlines.
   - Authorize the HECC/OSAC to prioritize awards, through rulemaking, to the students with the highest financial need or whose circumstances would enhance promotion of equity guidelines adopted by the HECC and the Oregon Education Investment Board.

2. **LC 438** – the Housekeeping bill – proposes removing existing statutory language for several defunct or unfunded programs once administered by OSAC and consolidating program funds into one administrative account. It also creates separate sections of statute for scholarship programs for Foster Youth and Children of Deceased and Disabled Public Safety Officers.

Opportunity Grant Redesign

The Design Team met October 6 and October 23 to discuss various scenarios for redesigning the OOG award process to incentivize student retention and program completion. Redesign goals include awarding highest-need students first, using Pell eligibility criteria, focusing awards on the first two years, and awarding "year-round."

HECC Work Groups and Task Forces

Several HECC work groups and task forces completed their work in the last few months and submitted reports to HECC with recommendations that include the OOG redesign and a pilot for Pay It Forward. In addition, a consultant has been working on a study of and possible pilot for the Free Community College concept. Here's a summary:

1. **Pay it Forward** – HB 3472 directed HECC to consider creation of a Pay Forward, Pay Back (PIF) pilot program to replace the current tuition and fees system. In its final report, HECC recognizes the pilot as a "worthy initiative for the Legislature to undertake, subject to the availability of funding over and above our core investment priorities – especially expansion of state need-based aid (the Oregon Opportunity Grant)." The final report recommended that any PIF pilot not come at the expense of continued state support for need-based grants, community colleges, and public universities. The report also recommended investigating existing federal income-based loan repayment (IBR) programs to meet students' need and the potential cost, appeal and benefits of a state-sponsored IBR compared to PIF.

2. **Tuition-Free Community College** – SB 1524 directed HECC to examine the viability of a program allowing students who graduated from high schools in Oregon or who completed grade 12 to attend community college for a specified period without paying tuition and fees. HECC contracted with NCHEMS to develop a model that allows the program benefits to be targeted to various groups of students – e.g., recent high school graduates only vs. all Oregon high school graduates. The Commission concluded that, although viable, scarce state resources can be better maximized with focus on a strategically targeted OOG program.

3. **Higher Education Endowment** – Oregon voters defeated ballot measure 86, with 57.4% no votes and 42.6% yes votes. In fact, the measure passed in just two counties – Multnomah and Benton. Treasurer Ted Wheeler says he will try again.

FAFSA Completion Project

OSAC started a FAFSA Completion pilot in spring 2014 with four high schools and will expand that effort in 2014-15. Initially, the US Department of Education authorized states' grant agencies to share FAFSA data only with high schools and districts but has extended data-sharing to other governmental programs (e.g., TRIO and GEAR UP) and federally recognized tribes.

Participating high schools upload lists of graduating seniors. OSAC matches that list against FAFSA records in its database and reports back the following information:
- Indication of yes/no if student filed a FAFSA;
- FAFSA submitted date, if available;
- FAFSA processed date, if available;
- Whether the application was selected for verification;
- Indicator of FAFSA completion (e.g., OK, no record, submitted with errors).

In mid-October 2014, Jeff Baker indicated that ED will soon release a Dear Colleague Letter that extends participation in the FAFSA Completion Project to certain nonprofit organizations. Nonprofits must complete a data-sharing agreement and having established relation-ships with all students whose FAFSA data are shared, and must also meet all of the following conditions:
- Written agreement must include statement that all requirements met;
- Established as a not-for-profit organization for at least 3 years;
- Have mission statement that includes commitment to promote college access;
- Must provide services primarily to economically disadvantaged clients;
- Cannot charge for any services (e.g., cannot be a tax preparation group);
- Has not been administratively or judicially determined to have committed fraud involving federal, state, or local government funds;
- Cannot use a third party to perform any functions related to receipt of FAFSA info;
- Must confirm capacity to fully meet all relevant data security and privacy requirements.

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Federal Legislative Issues

1. **Federal Fiscal Year 2015 Budget** – The current continuing resolution (CR) keeps the federal government open until December 11. Some Republicans have talked about an extension until March to address budget issues, and others would prefer to extend the CR (or pass an omnibus spending bill) through September 30, 2015. That would allow Congress to "clear the decks" and focus on new business, including a FFY 2016 budget.

2. **Leadership** – Senator Lamar Alexander (former TN governor, college president, and Secretary of Education) is most likely to become HELP committee chair. With Senator Harkin's retirement, many expect Patty Murray (WA) to become ranking member for the Democrats. In the House, Rep. John Kline (R-MN) continues as the Committee chair. On the Democratic side, with George Miller retired, Rep. Bobby Scott (D-VA) is likely to be the new Ranking Member.

3. **Reauthorization** – After many hearings by House and Senate education-related committees with jurisdiction over reauthorizing the Higher Education Act, we saw a variety of legislation drafted and voted upon, but nothing enacted. There are too many "must pass" issues to consider during the lame duck session for Congress to take on Reauthorization too.

   Reauthorizing the Elementary and Secondary Education Act (ESEA) is a higher priority in 2015 than HEA Reauthorization, so we may not see much action on Reauthorization until later in 2015. Areas of potential consensus include FAFSA simplification, moving to "prior-prior" year for aid award calculations, restoring year-round Pell, and improving and expanding federal direct loan counseling for students and parents. But since the Congressional Budget Office scored "prior-prior" as having a high cost, it may not move.

4. **What to expect in 2015 from the 114th Congress**
   - Senate Republican leadership wants to demonstrate it can get things done, so it will have to attract a few Democrat votes to reach the 60 votes needed to pass some bills.
   - It will be interesting to see what House Speaker Boehner does this time – pass bills that make the right happy but will be vetoed, or pass bills that have bipartisan support.
   - There's potential for interesting friction between Senate Republicans who want to look centrist/ bipartisan and House Republicans who want to look very conservative and unwilling to compromise on their principles. Republican leadership will have to decide whether they want to pass "message bills" (appealing to their base, but with no chance of being enacted into law) or enact meaningful legislation for education reform.

OASFAA Volunteer Spotlight: Donna Fulton

by Ashley Coleman, University of Oregon

This winter, the OASFAA Volunteer Spotlight shines on **Donna Fulton,** dedicated OASFAA Volunteer and Financial Aid Counselor at the Western University of Health Sciences.

How did you get started in financial aid?

I never intended to work in a Financial Aid Office. My first degree is in accounting and I was working in the Business Office when the Director of Financial Aid resigned to take a position at another institution. The President of the college felt there was not enough time to do an external search so he informed me I would be transferring to the position. He stated that after six months we would discuss how things were going and if I wanted to stay in Financial Aid or return to the Business Office. The position was both challenging and rewarding and I never wanted to leave.

Donna Fulton,
Western University of
Health Sciences

How long have you been an OASFAA member?

I have been a member of OASFAA since 2002.

Tell us about your volunteering experience so far with OASFAA.

I enjoy volunteering with OASFAA. Everyone is wonderful to work with and very supportive. In the past, I have served as a member of the annual conference committee, Treasurer and President. I am currently Co-Chair of the Mentoring Committee, Co-Chair of the Annual Conference Committee and Chair of the Strategic Planning Committee.

What are your goals in your positions as Chair and Co-Chair of the Strategic Planning, Mentoring and Annual Conference Committees?

Strategic planning is used to set priorities, focus energy and resources, strengthen operations, create and pursue common goals and to measure outcomes to ensure the organization remains strong and effective for its members. The two main goals are to ensure the association is proactive in meeting the needs of the membership and that the association continues to be financially solvent.

Goals for the mentoring committee include developing an effective program that will benefit new and experienced members of the organization by providing a forum to exchange ideas, glean from the experience of others and provide opportunities to network as well as for professional growth.

Goals for the conference committee include offering a quality training that provides informational and educational sessions and networking opportunities, which are balanced with some fun, great food and fellowship with the attendees.

Any words of wisdom you'd like to share with your fellow OASFAA members?

Get involved. Volunteering has a number of benefits: getting to know others in the association, making new friends, developing new skills – including leadership skills – and making a difference.

Every single member of OASFAA is important and has something to offer that will enrich the membership in some way.

Seriously, What Is Up with Perkins for 2015-16?

by NASFAA Policy & Federal Relations Staff – originally published in NASFAA News on 11/04/2014

Confusion about the future of the Perkins Loan Program is at an all-time high. And for good reason! Answers from Congressional offices and the U.S. Department of Education range from noncommittal to downright conflicting. Besides advocating on behalf of financial aid administrators, part of NASFAA's job is to help predict possible programmatic outcomes. Here's what we know and don't know about the continuation of Perkins.

Q1: Wasn't Perkins supposed to expire this year? Yet the program persists... what gives?

A: The Perkins Loan Program was authorized through September 30, 2014 under 461(b) of the Higher Education Act (HEA), just like all other student aid programs. Effective October 1, 2014, all student aid programs received an automatic one-year extension through the General Education Provisions Act. In February 2011, ED specifically statedthat according to its interpretation, the Perkins Loan Program would be authorized through the 2014-15 year along with all other student aid programs.

Q2: So if Congress, as it often does, provides another extension for all of the student aid programs next year, wouldn't Perkins simply continue?

A: Yes, if Congress extends authorization for all of the student aid programs, Perkins would automatically be extended as well. Congress would need to expressly hold Perkins out of a reauthorization extension or expressly end the program.

Q3: We know that in past years Congress simply extended the HEA and federal student aid programs year after year until they finally passed a full reauthorization bill. Assuming Congress doesn't pass a full reauthorization next year, why wouldn't Congress simply extend the Perkins program, along with the other programs, as they've done so many times before?

A: Herein lies the crux of the issue: Section 466(b) of the HEA contains language, now outdated, that requires schools to return Federal funds from the Perkins Loan Program to the government after Oct. 1, 2012.

The outstanding budgetary question is whether the Congressional Budget Office (CBO) – the legislative agency that provides all budget estimates to Congress – is expecting and estimating federal funds to return to Treasury based on those dates. If so, continuing the program would create a "cost" in the program that Congress would need to address. We have received conflicting answers from Congressional offices on the validity of this cost.

Q4: If the Perkins program hasn't received any funding – from federal contributions or even reimbursements for cancellations – for several years, how can there be a cost to the program?

A: Imagine that when you're creating your own annual budget, you know you're going to be getting a $2,000 inheritance check from your late grandmother's estate. But unexpectedly, that $2,000 inheritance never materializes because of unplanned estate expenses. In effect, that unexpected loss of that inheritance results in a $2,000 cost because you had built it into your expected income for the year.

Likewise, if CBO expects that a certain amount of the federal share of Perkins money is supposed to come back to federal coffers – even if that estimate was based on outdated legislative language – that creates a "cost" or loss of revenue for the federal government.

Q5: But this is maddening! Even if there is a projected cost, there still isn't any real outlay in funds from the federal government. How could this cost issue end the Perkins Loan Program?

A: An unexpected Perkins Program cost creates a decision point for Congress. For example, if CBO determines there is an additional "cost" to continuing the program and Congress adheres to self-imposed "Pay-Go" rules, whereby any additional federal costs must be paid for by an equal amount of other spending cuts or revenues, then we find ourselves in the same situation we've faced countless times in the last five years, most infamously with the Pell Grant Program: making some sort of student aid changes to offset "costs."

Q6: In simple terms, what are the different scenarios for Perkins in the 2015-16 year?

A: Trying to predict all of the potential scenarios spread across so many different branches of

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Update: *The Department of Education issued guidance at the Federal Student Aid Conference in December. If the program expires, as it is scheduled to do, schools may make Perkins Loan disbursements allowable under the regulations prior to October 1, 2015. Schools can then make subsequent Perkins Loan disbursements after October 1, 2015, but will not be able to make first disbursements after this date. ED also indicated that a grandfathering provision may apply to currently enrolled Perkins Loan borrowers. Additional guidance and provisions should be released in a Dear Colleague Letter in January, 2015.*

View NASFAA's release about these new provisions at: www.nasfaa.org/Main/orig/2014/open/With_Perkins_Program_Status_Uncertain,_ED_Delivers_Contingent_Guidance.aspx.

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government is nearly impossible, so we won't attempt it here.

But the first question is whether CBO believes there is an actual cost to continuing the program. If there is no estimated cost to continuing the program, Congress could extend all of the student aid programs through an HEA extension, including Perkins.

If CBO determines there is a "cost" to continuing the program, Congress would need to determine how to deal with that cost. One of the possible outcomes could be the simple expiration or discontinuance of that program.

Q7: Which scenario is most likely?

A: I don't think we can say at this point, and while momentum continues to build around continuing the program, NASFAA does not believe the continuation of the Perkins Loan Program is guaranteed based on our conversations with Congressional offices.

Senate Republicans have already stated their intention to pursue a simplified student aid system that consists of one grant and one loan program, which does not include Perkins. The Senate Republican proposal may be a starting point, but it would gain standing if the Republicans end up in control of the Senate. While not as explicit, House Republicans have also stated their preference for a "simplified" student aid system.

President Obama has also proposed reforming the Perkins Loan Program as we know it today and replacing it with an unsubsidized Stafford loan add-on.

However, despite the existing opposition, Perkins continues to have strong supporters in Congress. Whether this program continues may come down to the amount of support schools, students, and advocates can muster. Based on NASFAA's reauthorization proposals, and in a coalition consisting of schools, financial aid administrators, college presidents, and many others, we continue to press for the continuation of all campus-based programs, including Perkins.

Q8: When will we know the fate of the Perkins Loan Program?

A: Trying to predict the timing of Congressional action in a normal year is difficult, but in an election year with a lame-duck Congress is nearly impossible. We continue to stress the urgency of this issue to Congress, letting them know that schools and students cannot wait for a resolution next summer and need a resolution before packaging season, which begins in just a few short months.

While we anxiously wait for this to be sorted out, and while our main focus continues to be on preserving the benefits of this program, we are pressing ED for details on what a phase-out of the Perkins Loan Program would actually look like so schools can attempt to make some reasonable decisions about how to package for next year. At the very least, NASFAA's contention is that HEA Section 461(b)(2) would allow existing borrowers to continue to receive Perkins funds for another five years even if the program were to end. NASFAA – and others - have been pushing for confirmations and answers from ED by the FSA Conference.

NASFAA's advocacy on this issue will remain ongoing and we will continue to report to schools information as it becomes available.

A Fork in the Road—Helping Students Map Their Income-Driven Repayment Options

by Sun Ow, Great Lakes Educational Loan Services, Inc.

Although income-driven repayment plans provide a number of options, it can often be difficult for student loan borrowers to fully grasp the various plan benefits, limitations, and eligibility criteria. When it comes time for borrowers to face this important "fork in the road" decision, financial aid professionals are in a unique position to help them map out the best repayment option.

The Lay of the Land

An income-driven repayment plan can help student loan borrowers manage their federal student loan payments by linking the amount paid each month to an individual's income. Once enrolled, borrowers may also extend payments for as long as 20 to 25 years and, in certain cases, may be eligible for loan forgiveness of any remaining balance. This can be a valuable option for those with high debt relative to their incomes, but it's important to note that certain plans can also end up costing more in the long run as a result of the extended payment terms. Borrowers should consider their repayment options carefully to make informed decisions.

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Pay As You Earn Repayment Plan for Direct Loans and "FFELP loans are Eligible if consolidated," which means that if the student consolidates that loan type into a Direct Consolidation Loan, they can then repay the consolidation loan under the Pay As You Earn plan.

Advantages: Reduced monthly payments if the student loan borrower demonstrates a partial financial hardship. Partial financial hardship is based on loan debt, income, and family size, with eligibility reevaluated each year. At the end of the 20 years of repayment, any remaining balance may be forgiven. Plan eligibility is tied to being a new student loan borrower as of October 1, 2007. This means, the borrower had no existing student loan balance as of this date, and/or had a Direct loan disbursement on or after October 1, 2011.

Income-Based Repayment (IBR) Plan for Direct Loans and FFELP Loans

Advantages: Reduced monthly payments if the student loan borrower demonstrates a partial financial hardship. Partial financial hardship is based on loan debt, income, and family size, with eligibility reevaluated each year. At the end of 25 years of repayment and 300 payments, any remaining balance may be forgiven.

Income-Contingent Repayment (ICR) Plan for Direct Loans and "FFELP loans are Eligible if consolidated," which means that if the student consolidates that loan type into a Direct Consolidation Loan, they can then repay the consolidation loan under the income-contingent plan.

Advantages: Monthly payments are based on income and family size. The student loan borrower pays the lesser of 1) the amount that would be paid if the loan was repaid in 12 years, multiplied by an income percentage factor that varies with the borrower's annual income, or 2) 20% of the borrower's monthly take-home pay.

Income-Sensitive Repayment (ISR) Plan for FFELP loans only

Advantages: Monthly payments are based on income and total loan amount for up to 10 years, allowing the student loan borrower's payments to start low and increase as income increases.

A Few Rules of the Road

Student loan borrowers who are considering income-driven repayment should thoroughly review all details of the plans, as well as seek guidance from their federal loan servicer(s), to fully understand what a change may mean for their monthly payment and overall loan balance. Here are a few important things to consider.

- Changes in the law and the year the loan was issued may affect repayment plans.
- Plan eligibility is based on a formula set by the federal government. Many factors affect this formula such as: current household income, household size, current balance of eligible federal loans, and the federally determined poverty level.
- Student loan borrowers must update their income information annually. Married borrowers can typically include their spouse's eligible federal loans in the formula, depending on their tax filing status. If the borrower is married and filed taxes jointly with their spouse, both incomes are considered.
- Because income-driven repayment plans generally extend repayment periods, borrowers may pay more interest over the life of their loans.

Information and Resources from FSA

The Federal Student Aid website provides a variety of income-driven repayment plan tools to help financial aid professionals and student loan borrowers, including a comprehensive Repayment Plans section with a comparison grid and links to plan-specific pages. Another resource is a helpful Income-Based Repayment Calculator, which is available in English and Spanish.

Include These Components in Holistic Default Prevention

by Chris Jordan, USA Funds

Student loan default is getting a lot of attention these days, and with good reason. Nationally, borrowers have racked up more than a trillion dollars in student loan debt, and the latest figures show that nearly 14 percent of borrowers default on their federal student loans within the first three years of repayment.

But there's plenty that your institution can do to help tackle the student loan default problem. The best approach is one that focuses on four components:

- Institution-wide commitment.
- Financial literacy education.
- Borrower outreach and counseling.
- Data-driven default prevention.

Institution-wide commitment

How much do administrators, faculty and staff across your campus know about student loan default at your

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school? Do they know the importance of the cohort default rate? Do they know their school's cost? How about the average amount their students are borrowing? What's their institution's cohort default rate?

Too often, campus administrators don't know these basics — but they should. The most successful default prevention programs are those that have awareness and support that goes beyond the financial aid office. Senior leadership should be on board, to hold everyone accountable for preventing default.

Financial education and training

Financial literacy and student success training is an effective way to keep your students on track to complete their education with a minimum amount of debt. There's no need to reinvent the wheel with this training. The most successful financial education is offered as a requirement through multiple touch points that already are part of the typical student life cycle: Orientation, supplemental counseling, student success courses and residence hall programs are just a few of the many existing programs where you can incorporate this training. Training from peers can be especially impactful.

Borrower outreach and counseling

USA Funds experiences better contact and counseling rates with borrowers early in the loan lifecycle. Borrowers who have trouble repaying their student loans are more likely to respond to offers of help if you've opened up the lines of communication during grace period.

Contacting borrowers about repayment during grace is a best practice for three reasons: First, borrowers receive important information about staying on track earlier in the repayment process; second, you have an earlier opportunity to get updated contact information for borrowers; and third, you establish yourself as a trusted adviser, not a collector.

Data-driven default prevention

Historically the most common default prevention strategy has been a blanket approach, with the same level of borrower counseling and contact provided to all borrowers in a cohort. But that approach is inefficient; you're committing too many resources to the borrowers who are likely to successfully repay their loans without intervention, but too few resources to those who are likely to struggle with repayment and default.

The solution? Take a targeted approach to default prevention, applying different levels of borrower outreach based on a borrower's level of risk. Examine the National Student Loan Data System School Portfolio Report (SCHPR1) to determine patterns in your borrowers' repayment behavior and characteristics of those most likely to default. Then tailor your outreach accordingly, devoting resources according to need.

See page 4 for details!

Backpacks for Kids

Suggested Donation Items

Chili	Refried Beans
Ravioli	Top Ramen
Spaghettios	Cup of Soup
Pork and Beans	Granola Bars
Tuna Fish	Cereal (individual boxes)
Peanut Butter (plastic container)	Oatmeal (instant packets)
Jam or Jelly (plastic container)	Pudding Snacks
Macaroni and Cheese	100% Juice Boxes

VISA-type gift cards and new or gently used backpacks
are also appreciated!