

AUGUST 1977

PASFAA NEWSLETTER

NEWS FROM WASHINGTON

BEOG: House and Senate conferees agreed to a \$1600 ceiling on Basic Grants on July 19th. This falls \$200 short of the \$1800 ceiling authorized in last years Education Amendments.

1978-79 Contribution Schedule: In the July 12th Federal Register, OE released a proposed 1978-79 Schedule.

For students applying for Basic Grants (BEOG) in fiscal year 1978, OE proposes that income data be gathered from the parent in "custody" of the student or the parent with whom the student has lived for most of the 12 months prior to application. If the student lived with neither parent that year, OE would look at the income of the parent providing more support to the application.

OE also proposes to revise its treatment of step-parents' income. Now, step-parents' income is reported only when the student lives with the step-parent during the basic year or calendar year following the base year. But OE proposes to narrow that test by requiring income data from step-parents only if the student lived with them for more than six weeks during those two years and if they gave more than \$600 a year to the student in those years.

Other Changes:

- (1) Included as allowable charges in the Supplemental form will be loss of unemployment benefits.
- (2) Six percent increase in family size offsets will be allowed.

GI BILL: H.R. #8386 would permanently exclude Basic Grant and SEOG recipients from inclusion in the 85% computation of the "85-15" rule.

Scholarships: The National Student Education Fund is running a nationwide contest offering \$12,000 in financial need scholarships for the best pieces of student-produced information on colleges. The competition is supported by a grant from HEW's Fund for the Improvement of Postsecondary Education.

All college students are eligible to enter the contest, "Better Information Project: Prizes in Education (BIPPIE)." Entries must be postmarked no later than Feb. 28, 1978. For further information, call or write Karon Cox, Project Director, NSEF, 2000 P. Street, N.W., Suite 305, Washington, D.C. 20036, (202) 785-1856.

G.S.L.P.: The House Judiciary Committee defeated a move to keep Federal student loan borrowers from dissolving their education loans through bankruptcy. The provision is to take effect October 1, 1977.

New Tri-partite: The new proposed regulations which will remove the "institutional need analysis" part of the tri-partite are being protested by various segments of Financial Aid Officers.

The Reg Under the draft rule, schools would use the 1976-77 academic year as the base year in applying for 1978-79 funds for the Federal Programs. Colleges which participated in the program in 1976-77 would request the amount received that year plus a percentage based on enrollment increases, if any, in 1977-78. The colleges could ask for more, under the draft reg, but the extra funds could not top the "calculated unmet need" of students who dropped out during the base year after being given insufficient aid or none at all.

Schools which did not use the programs during 1976-77 would submit enrollment data and a budget request which OE would review on the basis of actual spending by similar schools in the same area, according to the draft regulation. The draft, which was released to the National Association of Student Financial Aid Administrators convention in New Orleans this month is to be published as a proposed rule within several weeks.

Independent Students: Under proposed rules published in the July 12 Federal Register the independent student has been redefined.

The student must meet the following criteria to be considered independent:

- (1) Has not been claimed as a tax exemption on any tax return other than his own or his spouse's for two years prior to the year for which aid is requested--instead of one year, as is now the case;
- (2) Has not lived with parents for more than six weeks--instead of two weeks as in the present rule--during the year aid is received or the year prior to the year for which aid is desired; and
- (3) Will not get more than \$600 from parents during the year aid is given or for the previous year. This criterion remains unchanged from the current OE definition of independent students.

New Promissory Note for FISLP: A new note was issued by OE to be used immediately. A revised application that incorporated this note should be distributed in September. This revised application conforms with new legislation affecting credit and privacy. The new promissory note includes a Statement of Borrowers Rights and Responsibilities.

IRS Skip Trace: As a result of the Tax Reform Act of 1976, skip tracing by the Internal Revenue Service has been discontinued for N.D.S.L. purposes. After you have exhausted all of your institutional sources for good addresses (i.e. alumni files), accounts should be assigned to an agency which can provide professional skip tracing services.

155 Ways: The Student Financial Assistant Study group has just released a 263 page report which outlines both broad and specific proposals for reforming student aid. Included in this report were 155 ways to improve the management of the federal programs. One problem area identified was the lack of training of aid officers. For more information and copies of "Recommendations for Improved Management of the Federal Student Aid Programs" write: S.F. Asst. Study Group, HEW, S. Portal Bldg, Room 325H, Washington, D.C., 20202.

The Advisory Council of Financial Aid to Students has also recommended that a standardized training program and certification process be developed for student aid officers.

Planning CWS Awards: Congress is leaning towards a higher minimum wage for January 1, 1978. At the present time the most frequent figure announced is \$2.65/hour.

Financial Aid--A Deciding Factor: "The Impact of Student Financial Aid Programs on Access and Choice in Post Secondary Education" a study conducted by the Higher Education Research Institute in Los Angeles highlights the importance of Financial Aid in deciding what college to attend as a freshman student. In 1975, almost 44% of freshmen received some type of aid, the largest source being BEOG, with local or private grants rating second.

More Details: The April 8, 1977 Federal Register covers a multitude of new rules governing student consumer information, assistant training, and eligibility.

The student consumer information section requires each institution which receives an administrative cost allowance for an academic year to prepare and disseminate materials on student financial aid to prospective and enrolled students who request it. The new regulations define "prospective student" as "any individual who has contacted an institution requesting information for the purpose of enrolling at that institution."

Information which must be disseminated to such students includes:

- *Description of all student aid programs which are available for students enrolled at the institution, including the procedures and forms for applying for such aid;
- *Criteria used by the institution in selecting student aid recipients;
- *Criteria used to determine the amount of the student's award;
- *Statement of the rights and responsibilities of all students under all of the Title IV student aid programs, including what a student must do to continue eligibility for such programs and academic standards which must be met;
- *Description of the cost of attending the institution, including direct and indirect educational expenses;
- *Description of the refund policy of the institution for the return of unused tuition and fees or other refundable portions of costs which were paid directly to the institution;
- * Description of the academic programs and instructional facilities which are available at the institution;
- *Retention data for enrolled students at that institution for the three most recent academic years;
- *The terms and expected payment schedules for any loan which is received by a student;
- *The names of person which have been designated by the institution to provide financial aid information to students and the procedures to be followed in contacting such individuals

These regs are likely to be reissued next month according to OE personnel.

Final regulations for all programs are not expected until December.

Training programs are required to improve the quality of Financial Aid Administrators.

All such training is to include instruction in the administration of the BEOG, SEOG, SSIG, CWS, NDSL and Guaranteed Student Loan programs. Each training program is also to include:

- * Description of the principles on which student financial aid is based;
- * Theory and methodology of need analysis;
- * Familiarity with the statutes and regulations regarding Title IV student assistance programs;
- * Strategies for packaging federal, state and institutional aid;
- * Requirements for maintaining student records;
- * Discussion of student institutional rights and responsibilities pertaining to student aid programs; and
- * Management practices and procedures which will help to eliminate institutional and student fraud and abuse in the operation of such programs.

Late, But Sincere: Our state trainer has left Pennsylvania for a position in Virginia. Before he left he sent the following message to our organizations.

Dear Fellow PASFAA Members:

I would like to take this opportunity to wish all of you my sincerest thanks for your help and guidance over the last year while I was State Trainer. Although I am moving to Virginia, my roots will always be in Pennsylvania. Over the past year, I have been able to meet many of you personally and have enjoyed every minute of it. If the opportunity affords itself, please feel free when passing through Virginia to give me a call.

Yours truly,

Eugene G. Cattie
State Trainer

Thanks Gene for a great job and good luck!

PASFAA ELECTION PROCEDURES:

1. Nomination Chairman named by President.
2. Chairman selects Committee. Committee should have representation by:
 - a) Type of institution
 - b) Geographic area

3. Committee polls active membership for names of candidates to fill vacancies. This can be accomplished via the Newsletter and a separate mailing to current active members in late May or early June.
4. Results of the mailing are tallied and the two candidates receiving the most nominations for each opening are placed on the ballot (be sure these people have agreed). Attached to the ballot is a biographical sketch of each candidate.
5. Ballots are placed in active members' packets at the Annual PASFAA Conference where the voting usually takes place. In the years in which Councilmen are elected, be sure the proper ballots are distributed.
6. Nominations are taken from the floor prior to the actual voting. Any such candidates must provide a biography.
7. Provision should be made for an official tally to occur as soon as possible after ballots are collected.
8. Results of the election are given to the President for announcement.
9. All those involved with Committee work and those running for election must be ACTIVE members of PASFAA. Candidates must be active members of PASFAA at the time the vote is taken.
10. It is strongly recommended that anyone running for an Office NOT be active in any aspect of the Nominating Committee.
11. The list of nominees will be published in the Newsletter prior to the Annual Conference in alphabetical order and will include the biographical sketch for each candidate.

Please Note: Some students have received letters offering scholarships from the Center for Educational Funding Grant. The firm is currently being investigated by proper authorities.

Mailings: By now you should have received the Certification Proposal. If you have any questions or comments please contact Hermie Schlessinger at Temple University.

Nominations for officers are being held in October and forms will be mailed later this week.