

2010 Louisiana Legislative Session Updates

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LOSFA LOOP

April 2010 Edition

Volume 3-4

From the Desk of the Executive Director

As is always the case, it was a great pleasure to see and address my colleagues at the Spring LASFAA Conference in Marksville. I hope that we were able to alleviate any uncertainty that you may have been experiencing in regards to TOPS, the GO Grant and the Early Start Program. Just like the rest of you, I am waiting to see how the current Louisiana legislative session will affect state student aid. We've listed some of the bills on page 4 of this publication.

Regardless of the outcomes, LOSFA will continue to work with dedicated financial aid professionals to make whatever adjustments are necessary in order to continue serving the students of this state. In addition to state aid, another element of uncertainty is how the elimination of the Federal Family Education Loan Program (FFELP) will affect us all. One thing you can be sure of is that LOSFA is still here for you. We are committed to providing high quality services to you and your student body. Our staff is hard at work developing new partnerships (See Chafee Education and Training Vouchers on page 3) and securing additional resources to improve and increase services aimed at college access and completion. Times may be uncertain but you can still count on us.

April is National Financial Literacy Month. I can't think

of a better way to celebrate this month's theme than by having someone from LOSFA come to your campus for the purpose of presenting to your students on topics such as banking, credit, money management, credit cards, identity theft, budgeting and debt. In summation, I could say that despite the uncertainty in financial aid, it's still "business as usual" here at LOSFA, but that would be inaccurate. "Business as usual" in this instance would imply consistent operation in the face of adversity. I say this with the utmost humility, but LOSFA has actually thrived and improved within the current climate as evidenced by a record-setting month of February (Page 8). Once again, I have to give kudos to the LOSFA staff for continuing to be Louisiana's First Choice for College Access.

--Melanie

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LOSFA Outreach

Earl E. Start, official START Saving Program spokesperson, entertained children at the Mall of Louisiana during the Family Fun Fest last month. Earl, along with LOSFA's Public Information and Communications representatives Mona Kraushaar and Jessica Warner, took part in the event to provide information about START and other financial aid programs to mall patrons.

If you'd like Earl to appear at your START event, please call (800)259-5626, ext. 1012.



LOSFA's Advisory Committee met on March 5th, at the LOSFA offices.

Issues discussed included GO Grant appropriations and allocation methodology for the upcoming year, anticipated TOPS legislative issues and possible changes to the Federal Family Education Loan Program (FFELP).

Executive Director Provides Update At LASFAA Spring Conference

At the recent Louisiana Association of Student Financial Aid Administrators (LASFAA) Spring conference in Marksville, LOSFA Executive Director Melanie Amrhein provided updates on the agency's TOPS, GO Grant and Early Start programs.

For the upcoming 2010-2011 award year, the TOPS appropriation is \$134 million. Bills have been filed that could affect TOPS statute. Some propose to cap the TOPS award and others propose changing the eligibility requirements. See the next page for a summary of each bill. The legislative session began March 29th and continues through June 21st.

The GO Grant will now be awarded to some students who were previously ineligible for the award. A recent decision by the Board of Regents will allow schools to bill LOSFA \$200 for students who are enrolled for Spring semester/term 2010 and have an Education Cost Gap (ECG) of \$1-\$199. Further guidance will be provided to schools regarding summer GO payments after billing corrections are completed and LOSFA receives a final budget number for the current year. Your comments and the suggestions of the Advisory Committee are being considered as we work with the Board of Regents on determining the Go methodology for the 2010-2011 academic year.

Early Start processing is continuing for the current award year. Postsecondary institutions are now required to submit grades for students enrolled in the program. Timely submission of grades is critical so that payment can be made to schools who originally registered the student in the fall as well as to those who wish to confirm and bill for students who subsequently enrolled for spring. LOSFA is actively working with schools who still need to submit grades for courses taken in the fall semester in order to resolve this issue. For 2010-11, the proposed budget allocation for Early Start is \$5.5 million. LOSFA is in discussion with the Board of Regents to determine if the existing framework will change and if each eligible institution will receive an allocation, based on history, for the upcoming year.

President Barack Obama's federal budget for 2010-11 calls for the elimination of LEAP/SLEAP funding. It is unknown how this will impact the future implementation of Grants for Access and Persistence (GAP). Eliminating these federal need based programs would place a greater emphasis on state funding to support our GO Grant program.

A new LOSFA program slated for 2010-11 is the Chafee Education and Training Vouchers (ETV) for students exiting the state foster care system. Students over the age of 18 are eligible to receive the voucher to attend any eligible postsecondary school in the state. This voucher program is currently being administered by the LA Department of Social Services.

LOSFA will continue to provide services in the areas of Default Prevention, Debt Management, financial literacy and Entrance/Exit counseling services for Direct Loans.

NASFAA Summary of Student Aid Provisions in the Reconciliation Act of 2010 (H.R. 4872)

The Reconciliation Act of 2010 fulfills the reconciliation instructions included in the FY 2010 budget resolution and makes major changes to the federal student aid programs. The reconciliation bill was passed by both the House and Senate on March 25, 2010 and was signed by President Obama on March 30, 2010.

The following summarizes the student aid provisions in the reconciliation bill. The full text of the reconciliation bill is available online: <http://thomas.loc.gov/>

Mandatory Pell Add-Ons

Pell Grant maximums in future years would be changed to reflect an appropriated base with a mandatory add-on. From 2014-15 through 2017-18, increases to the mandatory add-on would be based on estimated changes to the consumer price index (CPI). The add-ons would be calculated as follows.

For 2012-13, the bill reduces the previous mandatory add-on from \$1090 to \$690 (the \$690 add-on is maintained for 2010-11 and 2011-12).

For 2013-14, the bill establishes a mandatory add-on equal to:
[Greater of \$5550 or prior year's maximum (i.e., total of appropriated amount + mandatory add-on)]
minus [Greater of \$4860 or prior year's appropriated maximum, rounded to the nearest \$5]

For 2014-15 through 2017-18, the bill establishes add-ons of:
[Prior year's maximum (i.e., total of appropriated amount + mandatory add-on), increased by estimated percent change in the CPI for the most recent calendar year ending prior to the beginning of that award year] minus [Greater of \$4860 or prior year's appropriated maximum, rounded to the nearest \$5]

For 2018-19, the bill establishes an add-on that will equal the add-on from 2017-18.
Amount of Minimum Pell Grant: The bill revises the minimum Pell Grant from 10 percent of appropriated maximum to 10 percent of total maximum (appropriation + mandatory add-on)

Amount of Pell Grant for Study Abroad: Continues to allow the Pell Grant to be exceeded for study abroad but caps the grant at the total maximum (appropriation + mandatory add-on) rather than the appropriated maximum

Appropriation for Pell Grant Shortfall: The bill appropriates \$13.5 billion to fund projected short-falls in Pell appropriation levels through fiscal year (FY) 2012

Income-Based Repayment (IBR): Beginning on July 1, 2014, new borrowers will qualify for IBR if the borrower's standard repayment exceeds 10% of discretionary income (reduced from the current 15%), and the income-based repayment amount is lowered to 10 percent of the borrower's discretionary income. (Discretionary income is the amount of the borrower's AGI that exceeds 150% of the poverty line for the borrower's family size.) Loan forgiveness occurs after 20 years of repayment rather than the current 25. This recommendation was included as part of NASFAA's National Conversation Initiative.

Elimination of the Federal Family Education Loan Program (FFELP): No new (first disbursed) Stafford, PLUS, or consolidation loans may be disbursed through the FFEL program after June 30, 2010.

In-School Consolidation: Borrowers who have loans in the Direct Loan program, the FFEL program, or loans purchased by the Department under ECASLA may consolidate those loans into a Direct Consolidation loan

between July 1, 2010 and July 1, 2011. The borrower must have at least one loan in each of two of the three categories named, and have not yet entered repayment on at least one of those loans. NASFAA advocated for the return of in-school consolidation to deal with borrower repayment issues in regards to FFELP, ECASLA, and Direct Loans.

Authorization of Direct Loans for Foreign Schools: Schools outside of the United States are now authorized to participate in the Direct Loan program. Loan funds will be disbursed through a financial institution located or operating in the U.S. and designated by the Secretary of Education.

College Access Challenge Grant Program: Funding for the program is increased to \$150 million annually from FY 2010 through FY 2014.

Servicing Contracts for State Non-Profits: Non-profit state entities that are not owned or controlled in whole or in part by a for-profit entity and has its principal place of business in that respective state can be eligible for Direct Loan servicing contracts in that state. The nonprofit entity must meet the standards for servicing that apply to other DL servicers. The Secretary may reallocate, increase, reduce or terminate an eligible non-profit servicer's allocation based on the performance of such servicer.

Assistance to Institutions Participating in the DL Program: The Secretary is required to provide technical assistance to institutions of higher education participating or seeking to participate in the Direct Loan Program and is given \$50 million for fiscal year (FY) 2010 in funding to provide such assistance.

TAA for Communities: Appropriates \$500 Million a year for fiscal years 2010 through 2014 in the Community College and Career Training Grant program for community colleges to develop and improve educational or career training programs. Ensures that each state receives at least 0.5 percent of the total funds appropriated.

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Louisiana State Legislative Session, March 29, 2010 to June 21, 2010**Bills Affecting LOSFA administered Financial Aid Programs**

(A bill is simply a draft of a proposed law submitted to a legislative body. The following bills have not yet become law and there is no guarantee that they will or will not become law.)

HOUSE BILLS					
	No.	Author	Subject And Summary	Status	
1.	HB 490	Harrison	TOPS: Caps TOPS awards at \$1,600 per semester for academic years 2011-12 through 2015-16. Stipends for Performance and Honors awards are continued.	Assigned to House Education	
2.	HB 905	Harrison	TOPS: Beginning with students graduating in 2015, the cumulative GPA requirement increases from 2.50 to 3.00 for the Opportunity Award; from 3.00 to 3.25 for the Performance Award; and from 3.00 to 3.50 for the Honors Award.	Assigned to House Education	
3.	HB 994	Harrison	TOPS: Beginning with students who first qualify for TOPS during the 2011-2012 award year, students must agree to repay his/her award if during the first two years of the award, the student fails to make steady academic progress or maintain full time standing.	Assigned to House Education	
4.	HB 1000	Waddell	TOPS: Adds OPH students to those who can use their award at proprietary and cosmetology schools.	Assigned to House Education	
5.	HB 1029	Hoffman	TOPS: to do away with Free Enterprise as a separate course (to be included in civics). It would change the TOPS and TOPS Tech cores to read: (ix) Coursework in Civics and Free Enterprise (one unit combined) as provided in R.S. 274.1 or Civics (one unit, nonpublic).	Assigned to House Education	

SENATE BILLS					
	NO.	AUTHOR	SUBJECT AND SUMMARY	Status	
1.	SB 86	Gautreaux	TOPS: Beginning with the 2010-11 academic year, caps TOPS at 90% of what would have been paid for 2010-11. Stipends for Performance and Honors awards are continued.	Assigned to Senate Education	
2.	SB 182	Gautreaux, Adley Marionneaux, Murray, Riser and 7 Reps.	TOPS: Beginning with the 2010-11 academic year, the National Guard book payment will increase from \$150 per semester to \$300 per semester and the National Guard stipends will increase from \$200 to \$400 per semester for the Performance Award and from \$400 to \$800 per semester for the Honors Award.	Assigned to Senate Education	
3.	SB 486	Nevers	TOPS Tech: Provides that beginning with the 2010-2011 school year a silver level score on the assessments of the ACT WorkKeys system may be used as an alternative to the requirement to earn a composite score of 17 on the ACT.	Assigned to Senate Education	
4.	SB 505	L. Jackson	GO Grant: Establishes the program in statute and provides the basic eligibility criteria. The Board of Regents is responsible for establishing criteria for initial and continuing eligibility, the method for determining the award amount and other program criteria not included in the statute. The Commission is responsible for administering the program and promulgating rules to implement the statute.	Assigned to Senate Education	

Generous Giving

LOSFA raises funds for March of Dimes

By now, the posters announcing various fundraisers for the March of Dimes which are plastered along the halls of LOSFA are a familiar site. Mathilde Rivera has been directing those fundraising efforts for at least seven years now, assisted by Student Financial Assistance Supervisor Kimberly Smith.

It's an issue that hits close to home for Smith. "I was premature," she said. Personally benefitting from programs like March of Dimes makes it easy for her to extoll the benefits of the program.

Plus, it allows her to meet more people in the agency.

"I feel as though God has blessed me," Rivera said. "For me, I'm trying to give something back."

So far, LOSFA employees have responded well to the campaign.

"Profitwise," Smith said, "we've had over \$1,000 so far."

Rivera was impressed by the generosity.

"Considering the economic times we're in, people being as generous as they are is just phenomenal," she said.

Want a Saints bear of your own? You can have one! Just contact Mathilde Rivera to place your order. Each bear is \$15 and benefits the March of Dimes. Her email is mriviera@osfa.la.gov.



Mathilde Rivera and Kimberly Smith pose with a stuffed March of Dimes bear. The bear will be included in one of the Easter baskets scheduled to be raffled off next month to benefit March of Dimes.

Current Schedule of Fundraising Events

April 9 -- Jewelry raffle

April 15 -- Jambalaya sale

April 22 -- Birdhouse raffle

April 24 -- March of Dimes Walk

April 26 -- Easter basket raffle

Ongoing Events:

T-shirts -- \$15

Saints Teddy Bears \$15

Floor Fundraisers -- see fliers posted near elevators for details

Milestones

Two LOSFA departments set records in 2010

2010 has yet to meet the mid-mark and already two LOSFA departments have set agency records.

Default Recoveries reached a total of \$7.9 million recoveries for the month of February, Byron Henderson said. "The previous high was February '09, when we recovered \$6.8 million. This time of year has higher recovery totals because of the Federal offset program where we take income tax refunds and apply them to borrowers' defaulted loans."

The second LOSFA division to set a record in 2010 was Public Information and Communications (PIC). In the months of January and February, PIC's outreach efforts reached new heights. In January, PIC conducted 90 individual outreach events. Those events included START, FLY and TOPS presentations at schools, community centers and workplaces. Previous January outreach totals were 62 events in 2008-2009 and 57 events in 2007-2008.

PIC also set a new record in February, with 92 individual outreach events. Previous February totals were 75 events in 2008-2009 and 51 in 2007-2008.

PIC is also on track to post its best Incoming Calls Answered rate since the 2005-2006 State Fiscal Year. PIC Director Gus Wales attributes the impressive outreach and answer rate increases to "the hardest working and most dedicated staff of public information professionals we've had in my thirteen years at LOSFA."

Johnson's son accepted at LSU Medical School



Rashad Johnson, son of LOSFA Claims Administrator Gwen Johnson, was recently accepted into the LSU School of Medicine. He hopes to specialize in cardiology or internal medicine.

Gwen Johnson was not surprised when her son Rashad was admitted to the School of Medicine at LSU Health Sciences Center in New Orleans, but she was certainly proud.

She and his father are "very proud of his accomplishments and know this is only the beginning of better things to come," she said.

Even as a young child, Rashad "amazed us with his talent and learning ability," she said. "He always wanted to be perfect. He always had his own goals. He knew what he wanted to do and what it took to get there."

Rashad Johnson said he has known he wanted to be a doctor since high school. He is leaning "toward cardiology or internal medicine" as a specialty, he said.

"The heart interests me," he said. Plus, he'd stay busy as a cardiologist, he said.

He chose LSU Medical School because he was impressed with the facilities on a recent tour, he said.

Rashad begins classes in August, after graduating LSU-Baton Rouge in May. He is a member of Phi Kappa Phi Honor Society, Alpha Phi Alpha Fraternity and the Minority Science Pre-Professional Society.

New Ways to Stay Connected to LOSFA!



LOSFA's new facebook fan page: <http://www.facebook.com/LOSFA>



See photos of LOSFA outreach efforts on LOSFA's new Flickr page:
www.Flickr.com/LOSFA



See TOPS news feed giving you the ability to stay up to date with deadlines, new requirements, and any changes with the TOPS Program. Blog about LOSFA's TOPS scholarship and see what others are saying:
<http://www.louisianatopsprogram.com/>



Subscribe to the STARTing Line, the official e-newsletter of LOSFA's START Saving Program, which is distributed quarterly:
<http://www.startsaving.la.gov/Subscribe/subscribe.htm>



Become a part of Louisiana's Jumpstart Coalition listserv and receive periodic emails with "News You Can Use" with helpful financial literacy information. Go to LOSFA's FLY (Financial Literacy for You) Page and click the listserv link: <http://www.osfa.state.la.us/FLY/FLYhome.htm>

For more information, contact the
Louisiana Office of Student Financial Assistance:

By Phone: 800-259-5626, Ext. 1012

By E-mail: custserv@osfa.la.gov

By Mail: P.O. Box 91202, Baton Rouge, LA 70821-9202

Web Address: www.osfa.la.gov



For submissions, opinions or comments for LOSFA Loop, please contact
David Roberts at droberts@osfa.la.gov.