

Letter From The President - Alvina Thomas

FALL 2005

Greetings from your LASFAA President

JANUARY 9, 2006

The 2005-2006 year began with our first telephone conference call with the LASFAA Board. This call gave us an opportunity to make plans for the upcoming year. This year, we need to focus on **STUDENT ACCESS**. In every way we can, we need to build LASFAA's involvement in letting students know there are financial options to assist them further their educational goals. In addition, there are opportunities for LASFAA members to develop leadership skills by making a commitment to become more involved in our Association.

I extend my gratitude to each of you for your support and dedication to our profession. This is going to be a "different" year for our Association; however, we must each strive to move LASFAA to greater heights. Our Decentralized Training is an example of the creative thinkers we have in our Association. Other examples of what we have in store for you include the Diversity Awareness/Professional Development and Financial Aid Awareness Committees combined effort to present us with a state Financial Aid Awareness Activity for February. Our Training Committee is thinking of creative ways to continue our professional development, which is continuously needed to assist our students.

I would like to impress upon you that we are responsible for providing our students with the financial aid information needed to guide them through the process. You do just this each day. You work your way through the regulatory maze to help students and award them the financial assistance needed to further their education. We need you to please consider bringing your talents and ideas to us by getting involved in our Association.

I hope each of you were able to find a moment of peace and rest, during the holiday season, and that you were able to keep one another in your thoughts and prayers. **This is a time for the three H's –Hope, Help, and Healing.**

I look forward to working with each of you this year!

Alvina Thomas

2005-2006 LASFAA President



In-line With LASFAA

NASFAA Begins State Partnership Program for LearnStudentAid.org

Members of Participating State Associations to Receive Discount on “Financial Aid Fundamentals” Four-Course Package

Submitted by: Mindy Kaplan Eline, Director of Marketing, NASFAA

To expand training opportunities for neophyte financial aid administrators, NASFAA is partnering with state financial aid associations to offer their members special discounts on LearnStudentAid.org courses. The following states have joined the program thus far: Kentucky, Michigan, New Jersey, New York, North Dakota, South Carolina, Virginia, and Wyoming.

NASFAA’s state partnership program presents each state association with an easy and cost-effective way to provide more training for its members without incurring any additional cost to the state association. The partnership is simple. NASFAA provides the state association with a special discount code that gets distributed to its members. The members include that code on the registration form when they sign up for the “Financial Aid Fundamentals” four-course package. The discount is automatically applied during registration. In return for providing a discount, NASFAA has asked participating associations to regularly promote LearnStudent Aid.org discount program in their state.

“Most new aid administrators join their state association long before they get involved with NASFAA. We really believe that the state associations are an important link in reaching the neophyte financial aid administrators and getting them trained early in their careers,” says Ellen Blackmun, program director.

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LASFAA

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for 35 years.

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"In-Line With LASFAA" is produced by the LASFAA Publications Committee. Please direct questions to the Publications Committee Chair, Glenn Chance.

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State's Cohort Default Rate Continues To Drop

Submitted by: Gus Wales, Louisiana Office of Student Financial Assistance

The cohort default rate on student loans guaranteed by the Louisiana Office of Student Financial Assistance (LOSFA) dropped to 5.29 percent in fiscal year (FY) 2003, a decrease of 21.8 percent from FY 2002's rate of 6.77 percent, according to figures recently released by the U.S. Department of Education.

The cohort default rate is defined by federal regulations as the percentage of borrowers who enter repayment in a certain year and default before the end of the following year. The recently released data represents the cohort of borrowers who entered into repayment during the period from Oct. 1, 2002 through Sept. 30, 2003.

Robert Pollage, administrator of LOSFA's Default Prevention Section, attributes the improved rate to several factors, including a recently instituted early awareness program wherein borrowers leaving school and entering the grace period are notified by mail about repayment, deferment and forbearance options. The grace period begins when the student graduates or leaves school and ends six months later.

The U.S. Department of Education has placed the national FY 2003 cohort default rate at 4.5 percent, the lowest rate in the history of the program, representing a significant drop from FY 2002's national rate of 5.2 percent.

"There's a coordinated campaign among all partners in the federal loan programs to focus attention on student-loan repayment – and it's working," said U.S. Secretary of Education Margaret Spellings. "Financial awareness outreach to students and families, and targeted interventions when needed, have paid off, resulting in significant savings to taxpayers.

Loyola University Staff Members Share Experiences

Submitted by: Cathy Simoneaux, Loyola University

Cathy Simoneaux, Financial Aid Director at Loyola University in New Orleans, returned to the city a week before Thanksgiving Day. "While it is good to be home with family and friends," said Cathy, "the world, as we knew it, has certainly drastically changed."

After evacuating to her sister's home in Baton Rouge, Cathy was summoned to work in Loyola's temporary administrative offices based at the University of Houston (UH). According to Cathy, at last count, Loyola students were enrolled at over 360 different universities for the Fall 2005 semester. While at UH, the "wonderfully talented Information Technology staff" was able to restore access to all data stored on the Loyola mainframe, and Cathy was able to provide information to the other aid offices who had taken in students from Loyola.

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Past President's Corner



Submitted by: Sherry Gladney, LSU Health Sciences Center @ Shreveport

Dear Colleagues,

It has been a pleasure serving you for the past year. I hope that I have lived up to your expectations and represented you well. I want to thank each of you for your support, cooperation, and dedication -- especially those who served on committees throughout the year. Those of you who answered my call for help after Hurricanes Katrina and Rita should be commended for your selflessness and quick actions. The thoughtfulness of our colleagues throughout the state and nation continues to warm my heart and will do so for years to come.

Serving as your President has been a very rewarding experience. Thank you, for your vote of confidence and for giving me the opportunity to lead. I look forward to the day when travel restrictions have been lifted; and we can once again see each other face to face.

Best regards,

Sherry Gladney
2004-05 LASFAA President

Livin' La Vida LASFAA

- LASFAA congratulates Jeff Massey, formerly of LSU @ Alexandria, for being named Financial Aid Director at Louisiana College in Pineville.
- Congratulations to Conrad and Rebecca Vessel (UL Lafayette) on the birth of their child, Landon Jay Vessel. Landon was born on October 10, 2005. He weighed 7 lbs. and 10 oz. and was 19 3/4 inches long. Everyone at LASFAA wishes the Vessel family much happiness!

LASFAA Man, Woman, Associate and Rookie of the Year Awards Granted

Submitted by: Sherry Gladney, LASFAA Past President

As LASFAA President, Sherry Gladney honored a Man, Woman, Associate and Rookie for outstanding contributions made throughout the 2004-05 year. Each is being recognized for their continuous and tireless work, often done behind the scenes for several years and often without assistances from others. Congratulations to each of the recipients!

Man Of The Year

Barry Zerangue

Sowela Technical Community College

Woman Of The Year

Connie Thibodeaux

University of Louisiana, Lafayette

Associate Of The Year

Chris Martin

SunTrust Education Loans

Rookie Of The Year

LaCharlotte Clark

University of New Orleans



Each recipient will receive a plaque, which will be presented at the 2006 Fall Conference. Recognition for years of service will also be made at that time. Above, LaCharlotte Clark, UNO, receives the SWASFAA Rookie Of The Year Award from Sherry Foster, SWASFAA President (the LASFAA Rookie of the Year is also the recipient of the SWASFAA Rookie of the Year award for Louisiana). The award was presented at the recent SWASFAA Conference in Santa Ana Pueblo, New Mexico.

SWASFAA Distinguished Service Award Presented To Gracie Guillory

Submitted by: Sherry Gladney, LASFAA Past President

At the recent SWASFAA Conference, held in Santa Ana Pueblo, New Mexico, Gracie Guillory, Hibernia, was presented with SWASFAA's Distinguished Service Award for 2005. Everyone at LASFAA knows that Ms. Guillory is certainly deserving of this award, and we are proud to have her as a representative of our state. Congratulations, Gracie!



LASFAA Presence At SWASFAA, CASFAA

Submitted by: Sherry Gladney, LASFAA Past President

In spite of the issues our Higher Education community is experiencing as a result of Hurricanes Katrina and Rita, several LASFAA members were able to attend the recent SWASFAA Conference, and Sherry Gladney was invited to attend CASFAA in Sacramento, CA. Thanks to the support of the financial aid community around the country, LASFAA has been able to assist members with the cost of attending SWASFAA and representing our state. It is important for LASFAA members to maintain professional affiliations, and we are proud of those members who were able to attend the conference. Please see pictures from SWASFAA and CASFAA on the following page.



LASFAA members with Dallas Martin, NASFAA President, and Dave Gelinis, NASFAA Chair.



Pictures taken at recent SWASFAA Conference. Above left, LASFAA Scholarship recipients from BPCC join other LASFAA member. Above, LASFAA Past President, Sherry Gladney, addresses SWASFAA members. Left, LASFAA award recipients, Gracie Guillory and LaCharlotte Clark with Sherry Gladney and LASFAA President Alvina Thomas.



Above, LASFAA Past President, Sherry Gladney, poses with Presidents from MASFAA (Mississippi), SorayaWeldon, and AASFAA (Alabama), Buddy Jackson, as special guests of the California Association of Student Financial Aid Administrators Conference, held in Sacramento, California. Also pictured are Dave Gelinas, NASFAA Chair, and JoAnne Brennan, CASFAA President.

LOSFA Action Mitigates Effects of Hurricane Katrina on Students, Institutions

Submitted by: Dawn Love, Louisiana Office of Student Financial Assistance

In response to the unprecedented devastation caused by Hurricane Katrina, the Louisiana Office of Student Financial Assistance (LOSFA) has taken extraordinary measures to address the disaster's impact on students and educational institutions in affected areas. LOSFA Bulletin on State Aid Programs dated October 10, 2005 addresses the specifics that were initially implemented to protect students from losing eligibility for state programs and can be found on the LOSFA Web site at www.osfa.state.la.us. Also, two pieces of legislation (HB 142 and HB 143) passed during the 2005 1st Extraordinary Session of the Louisiana Legislature and are awaiting the governor's signature to address statutory issues that would have impacted displaced students. These bills may be viewed in their entirety at www.legis.state.la.us.

Upon the request of the Louisiana Commissioner of Higher Education, LOSFA has also drafted two letters for the Commissioner's signature to request additional guidance from Secretary of Education Margaret Spellings on several pending questions regarding students' eligibility for aid at schools affected by the gulf coast hurricanes. These issues include continuation of aid while in "visiting student" status, the ability for students to receive additional aid beyond current annual limits due to extended academic years at affected schools and the discharge or forgiveness of loan proceeds for the fall 2005 semester at affected schools.

Copies of these letters are available on the LOSFA Web site at www.osfa.state.la.us. Representatives from Secretary Spelling's office have communicated to LOSFA and the Board of Regents that these issues are currently being discussed and guidance is forthcoming.

Questions relating to this information and guidance should be directed to LOSFA's public information representatives at (800) 259-5626, Ext. 1012, or in the Baton Rouge area at 922-1012, or by email at custserv@osfa.state.la.us.

LASFAA Use Of Donated Funds

Submitted by: Sherry Gladney, LASFAA Past President

The LASFAA Executive Board developed and adopted policy regarding use of financial funds donated to LASFAA for hurricane relief by other state financial aid administrator associations. LASFAA officers have agreed to use the funds to provide financial assistance to LASFAA members with expenses related to professional development. In keeping with the intent of the donors and the mission of LASFAA, offering financial assistance during a time when the majority of Louisiana universities, colleges, and schools are suffering financially will ensure that members of the financial aid community will not suffer in the areas of training and professional development.

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NASFAA State Partnerships at LearnStudentAid.org (continued from page 2)

State associations are known for neophyte financial aid administrator training, as well as other training opportunities at regular state association meetings and throughout the year. However, not every aid office can afford to send their new employees off-site. One of NASFAA's primary missions is to provide training to financial aid administrators at all experience levels. Since September 2004, LearnStudentAid.org has been offering on-line courses for those who are new to the profession.

LearnStudentAid.org fills the gap when there is no money in the budget to send someone away for training, and when someone new begins and there is no planned training in the state at that time.

If you are a member of one of the participating state associations, please contact your state president to get the special discount code prior to registering for LearnStudentAid.org courses. If your state is not yet a partner, express your interest to your state president or board of directors. There is no cost to the state association.

For more information on the State Partnership Program, visit LearnStudentAid.org and click on State Partnerships, or you can email LearnStudentAid@NASFAA.org or call 202-785-0453 x172. For more information on courses and to register for courses, visit LearnStudentAid.org.

Student and Professional Insights From Katrina

Submitted by: Michelle Dugas, Academic Management Services

Michelle Dugas, account representative with Academic Management Services, shared her experiences related to Hurricane Katrina. A resident of New Orleans, Michelle and her husband, Chad, left the city prior to the storm's landfall. Her family evacuated to Longview, Texas. On the following Tuesday, they returned to her parents' home in Thibodaux, where they remain today.

Chad is in medical school at LSUHSC-New Orleans, and the school is currently functioning out of Baton Rouge. His next two years are mainly clinical years, usually spent at Charity Hospital. As a result of Katrina, he will probably be spending time in hospitals in New Orleans, Houma, Baton Rouge, and Lafayette. With this in mind, Michelle and Chad have decided to move to Gramercy, which is very centrally located. They hope to move in February!

Immediately after the storm, upon returning to Thibodaux, Michelle learned the St Thomas Aquinas Catholic Church, on the Nicholls State University campus, was being used to shelter evacuees with pets. She volunteered, along with the rest of her family, her time and energy to help evacuees connect with their families. While she was there, Michelle met some amazing people. One example was Mr. Richard, a 74-year old with an indomitable spirit, who stayed behind to care for the family's three cats while his wife evacuated to Mississippi. After he and the cats were rescued, Mr. Richard put his material losses in perspective in saying, "My wife and I have been collecting stuff for over 30 years, and it's about time we got rid of some of it."

As far as damage, Michelle and Chad were very lucky. "My car was submerged, but the water stopped 1-1/2 inches from our front door," said Michelle. She continued, "Cleaning the refrigerator after having no electricity for weeks was the major effort we faced." Michelle said the biggest stress was waiting for the medical school before deciding where to live. Things are now in motion!

Loyola Staff Shares Katrina Experiences (continued from page 3)

"I can't say enough about the kindness of everyone at the University of Houston and the people of Houston," said Cathy Simoneaux. Cathy is also proud of the members of the financial aid community, nationwide, who did everything they could to meet the needs of displaced students from Loyola University and the New Orleans area.

Loyola has a total of nine staff members in the Financial Aid Office. Of the nine, three had damage to their homes but can still live in them while repairs are underway. Five of the staff members (Cathy, Kim Rankins, Shirley Davis, Colette Fortuna, and Gwen Britton) lost their homes in the post-Katrina floods. "We are all in the process of securing or residing in temporary housing and learning more than we ever thought we would about insurance and liability issues, federal bureaucracy, and, of course, mold," said Cathy about the current situation in New Orleans. Cathy agrees with the conventional wisdom that Hurricane Katrina brought out the best and worst in people. She describes her time at UH as one of taking one phone call from an irate, stressed out father who explained that he believed we (New Orleans) "got what we deserved," while taking a second phone call from an incredibly kind and supportive parent. Cathy certainly believes the latter to be the majority, but the former always seems to stick with you. Cathy said that she will always remember the kindness of the financial aid community and the lender representatives who were truly there for Loyola's staff and students during this challenging and unprecedented time in the history of Loyola University, New Orleans and America.

Loyola University's campus officially re-opened on November 28, 2005. Many offices have been staffed since early November to prepare for the resumption of classes on January 9, 2006. When compared to other campuses in the metro area, Loyola only suffered minimal damage from Hurricane Katrina. The Financial Aid Office, which is located in a basement - a source of constant worry for Cathy and the staff, was perfectly fine upon their return. The flood waters that ravaged so many parts of the city, including Cathy's home about a mile from the University, did not reach the Loyola campus. The Texas National Guard utilized the campus as an operations center when they arrived in New Orleans, so the physical plant remained secure after the storm.

Gwen Britton, a Financial Aid Counselor at Loyola, who - like Cathy - lost her home during the floods following Hurricane Katrina, stated that "although we (her family) lost everything that was in our home, we are grateful to be healthy and living back in the New Orleans area. This was home before the storm and will always be home forever more." Well said, Gwen.

For information and updates on Loyola University, check their website at www.loyno.edu.

Dillard University Updates Association, Schools, Lenders

Submitted by: Cynthia Thornton, Financial Aid Director, Dillard University

Dillard University has made significant progress since the storm. Dillard will offer two 13-week semesters, beginning January 9th. Early Registration has been progressing since November 7, 2005. We will resume classes on January 9, 2006. Students report for registration January 5 – 6, 2006. We now have a home at the Hilton Riverside Hotel, downtown New Orleans. We are hopeful that our campus will be ready for Fall 2006. For more information, contact Cynthia Thornton, cth Thornton@dillard.edu; Cell: 678-548-4873.

Four months after the storm, the Financial Aid staff has finally moved to one location. The Powerfaids systems is up and running, and Cynthia Thornton says she "can now take a *brief* sigh of relief"! Cynthia add, "With the help of God and our friends in the financial aid community, we'll be ready for the Spring 2006 semester"!

For Schools:

Academic Transcripts can be obtained by submitting an email to the Dillard University Registrar, Connie Seymour. The email address is registrar@dillard.edu.

Federal Aid:

As the semester approaches, Dillard would like to remind schools that they are still holding all federal funds disbursed in August, pending further guidance from the Department of Education. Some students have requested that funds be returned so that they can pay for fall classes and register for classes at another (host) school. Students who have made a decision not to return to Dillard may withdraw online at www.dillard.edu. They should follow the links to the Registrar's web page.

Students with Balances at the Host School:

Dillard University would like to thank the many financial aid colleagues, as well as the administration of these schools, for accepting students and getting them through the financial aid and enrollment processes. Many Dillard students have been seeking assistance with getting balances cleared at the host institutions. These students are concerned about the release of their academic transcripts. Dillard would like to assist these students with a smooth transition back to the University, including the release of their transcripts. Please feel free to contact Cynthia Thornton, Director at cth Thornton@dillard.edu, in order to open the dialog and coordinate payment arrangements for these students, if necessary. Dillard has advised students to apply for financial aid at the host institutions and trust that they followed this guidance.

Private Loans and External Scholarships:

Recently, Dillard forwarded an e-mail to students who were disbursed a private loan. Students were asked to send an email directly to the Financial Aid Office, financialaid@dillard.edu, to advise of their plans to return for the spring. The Financial Aid Office has begun the process of returning private loan funds to lenders.

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College Goal Sunday Offers Form Assistance

Submitted by: Mindy Kaplan Eline, Director of Marketing, NASFAA

College Goal Sunday^(SM) has helped thousands of students and families navigate the financial aid paperwork hurdle as they prepare for education beyond high school. In January and February 2006, the typical financial aid season, 25 states and the District of Columbia will set up multiple sites staffed by financial aid volunteers who will walk students and families line by line through the Free Application for Federal Student Aid (FAFSA). This federal form is required to determine a family's eligibility for federal and state financial aid for higher education expenses.

College Goal Sunday offers the opportunity to receive free assistance in completing the FAFSA, which many families find difficult to navigate on their own. Attendees will also receive instructions on what their next steps should be, once their FAFSA form has been filed.

What to Bring:

- Students who are under 24 years of age (dependent status) need to bring a parent or legal guardian, along with income and latest tax information for both student and family.
- Students 24 years and older will need the student's income and latest tax information.
- To file the FAFSA electronically, a PIN number is needed and can be obtained at www.pin.ed.gov. Both parent and student need a separate PIN number if the student is a dependent filer. The FAFSA in paper form will be available at all sites.

To find out if your state has a College Goal Sunday program and to find the site nearest you, go to www.CollegeGoalSundayUSA.org or call (202) 785-0453, Ext 111. College Goal Sunday was created by the Indiana Student Financial Aid Association with funding from Lilly Endowment, Inc., and with supplemental support from Lumina Foundation for Education

LASFAA Executive Board Summarizes Meetings

Submitted by: Sherry Gladney, LASFAA Past President

The Executive Board Members have met several times following Hurricanes Katrina and Rita, via conference calls, to address the immediate needs of the Association. A summary of the discussions and related decisions follows (below).

1) Training/Conferences/Workshops

The Executive Board members have agreed to cancel the fall 2005 Support Staff Training workshop and 2006 LASFAA Spring Conference, due to travel restriction imposed by the Governor's Executive Order of September 19, 2005. The board members expressed concern about entering a contractual agreement with a hotel or facility and incurring the cost of hosting workshops and conferences knowing at this time that the attendance would be significantly reduced as the result the travel restrictions.

The fall Decentralized Training session was offered via video-conference on November 16th.

The 2006 Upper Management meeting, which is normally held during the spring, has been postponed. A final decision to cancel or offer the training session by video-conference will be made during the early part of 2006.

The tentative dates and location for the fall 2006 Conference are: October 11-13, 2006 in Lake Charles.

The Board of Directors will continue to assess the training needs of the membership and make an effort to provide training through alternate venues as long as the current Executive Order prohibiting reimbursement of travel expenses is in place.

2) Treasurer's Report

The report will be presented to the membership at a later date.

3) 2006-2007 Cost of Attendance Budgets

The 2006-07 Cost of Attendance Budget was presented to the Executive Board Members on Monday, October 17, 2005, by Paul Monteleone. One correction was recommended by the Board members. The revised worksheet was presented via email to the LASFAA membership for review, discussion, and final approval during the week of Oct 24, 2005.

4) 2004-05 LASFAA Sponsors

It was noted that LASFAA sponsors may have made contributions for specific functions scheduled for 2004-05 that were canceled as a result of Hurricanes Katrina, Rita and the Governor's Executive Order dated Sept 19, 2005. The Executive Board members agreed that the Corporate Sponsorship Committee Chairperson should contact each sponsor and ask if the sponsor prefers that those funds be returned or left with LASFAA to use for future events.

Continued on following page.

LASFAA Executive Board Summary (continued from previous page)

5) Donations Made to LASFAA

LASFAA has received generous financial gifts from state associations and agencies to assist with professional related expenses incurred by LASFAA members as a result of Hurricanes Katrina and Rita. The money has been deposited in a separate account from LASFAA funds and will be subject to the same audit procedures as the LASFAA accounts. The Board members agreed to provide detailed reports on a routine basis to the donors stating how the money was used.

As of October 24, 2005, we have received \$26, 500.00 in donations from the following associations and agency:

California Association of Student Financial Aid Administrators (CASFAA) - \$10,000.00

Wyoming Association of Student Financial Aid Administrators (WYASFAA) - \$500.00

Oklahoma Association of Student Financial Aid Administrators (OASFAA) - \$5,000.00

Pennsylvania Association of Student Financial Aid Administrators (PASFAA) - \$1,000.00

National Student Loan Program (NSLP) - \$10, 000.00

Financial pledges were made by the Arkansas and Kansas associations. The amount of their donation will be shared with the membership at a future date.

Dillard Update (continued from page 11)

The same is true for external scholarships received. Students may submit an e-mail to financialaid@dillard.edu informing the Financial Aid Office of their plans. We are now returning external scholarships to the donor after making contact with the student and/or donor.

For Lenders:

Loan Disbursements

Due to the change in Dillard's academic calendar, disbursement dates must be changed to comply with a revised academic calendar. First disbursements previously scheduled on or after September 20, 2005, should now be changed to February 1, 2006. Second disbursements previously scheduled for release on or after for December 31, 2005, should be changed to April 5, 2006.

LASFAA Use of Donated Funds (continued from page 8)

More specifically, the funds will be used for these purposes:

1. Financial assistance was provided to two LASFAA members (Cynthia Thornton – Dillard University and La' Charlotte Clark – UNO) who are 2005 SWASFAA Conference program participants. LASFAA has used donated monies to cover travel and conference related expenses for these individuals. The reasons for providing financial assistance are because 1) these schools are unable to reimburse employees for travel related expenses, 2) the use of personal funds would inflict additional financial hardships on these individuals, and 3) it will allow these professionals to participate in the training of other financial aid administrators in the region and fulfill their commitment to SWASFAA.

2. The recent executive order issued by the Governor, as a result of the hurricane impact on the economy, prohibits use of funds for travel as well as other expenditures. The travel freeze will prevent additional LASFAA members from fulfilling their commitments and duties at the December 2005 SWASFAA Board meeting and 2005 Annual Conference. Monies donated to LASFAA for assistance during the aftermath of the hurricanes will be used to cover related travel and conference expenses not paid by SWASFAA, LASFAA, and the institutions where these individuals are employed. The members are:

- Jackie Lachapelle (LSU-E) – 2005 Louisiana Delegate and voting board member
- Taina Savoit (McNeese State University) - SWASFAA Board member, Chair of the Continuing Education Committee
- Cindy Perez (ULL) - SWASFAA Board member, Chair of the SWASFAA Membership Committee, and Boot Camp trainer.

3. To further assist with professional development and training, LASFAA will provide scholarships to new aid officers who wish to attend the 2005 SWASFAA Boot Camp. LASFAA officers will review the applications and select the recipients. A recipient will be selected from each school/university system which are:

- Louisiana Association of Independent Colleges and University System (LAICU),
- Community College and Technical School System,
- Southern University System,
- University of Louisiana System,
- Louisiana State University System, and
- Proprietary Schools.

The LASFAA Board of Directors will continue to assess the needs of the membership during the recovery period, following two destructive hurricanes, and try to provide financial assistance where it is needed. Our primary focus, however, is to assist members with expenses related to professional development and training. Please contact a LASFAA Officer for questions, suggestions, or comments regarding use of donated funds. Contact information for each officer is available on the LASFAA website.

Reauthorization Update from ASA

Submitted by: Betsy Mayotte, American Student Assistance Director of Privacy and Regulatory Compliance

There has actually been quite a bit of movement on the HEA, albeit most within the last few months. Back in February, the House introduced the newest version of their reauthorization bill, H.R. 609, a largely partisan bill introduced by Education Subcommittee Chairman John Boehner (R-OH).

Overall reaction to the bill was lukewarm at best -- from the student loan and education constituencies to, as expected, the other side of the aisle. Proposals in the bill included a choice between fixed and variable interest rates for consolidation loans for borrowers; a reduction of lender and guarantor reinsurance by two percent; year-round Pell grants; and an introduction of a college cost index and transfer of credit provisions.

In the spring, Congress passed a five-year, \$14 trillion budget resolution that, in part, instructed the House and Senate subcommittees to save more than \$12 billion over five years. This started a whole new ballgame. While we had always known that this Reauthorization was a zero-sum game, that just meant that if we wanted funds for something new or expanded, the money had to be cut from somewhere else. Now we were faced with the possibility of having existing funding cut and no new provisions or expansions. Suddenly, 609 started not to look so bad.

The Hill took this opportunity to show us that they had our best interests at heart. The call went out to all affected parties; schools, lenders, servicers, guarantors, student groups, parents and borrowers. The message: You know we have to cut and you're the experts, so let's get creative and see what we can come up with to meet our mandate and still assist students.

July came and the House Education and Workforce Committee met, discussed, amended and approved, by a party-line vote, H.R. 609. While it was not the bill some were hoping for, considering the reconciliation instructions, it was better than we could have expected. Loan limit increases were still there, the 90/10 rule was softened up a bit, and forgiveness programs were proposed for first responders, educators and social workers. Overall, it was certainly something we could live with.

Meanwhile, the industry was still hearing rumors of a Senate bill, but not so much as a whisper about what might be in it. Finally, right after Labor Day, Subcommittee Chairman Michael Enzi (R-WY) and Senator Edward Kennedy (D-MA) introduced the long-awaited Senate Reauthorization bill (S.1614). As a bipartisan bill, S.1614 has, so far, been viewed as a much more likely bill to pass, but it is still not without its cons. Some of the highlighted issues include maintaining the interest rate "fix" that would change Stafford loans to a fixed rate of 6.8 percent in 2006; no change in consolidation interest rate formulas and rules; allowing graduate students to borrow PLUS loans; no change from the House's increased loan limit proposals; placing a moratorium on school as lender and eliminating the Lender Exceptional Performer Program. The Senate Committee introduced and quickly passed the bill by unanimous vote on September 8.

Continued on following page.

Reauthorization (continued from previous page)

With the release of the Senate bill, the odds were looking pretty good that reauthorization was actually going to happen – and relatively soon. And then Hurricane Katrina hit. Once again, we had a whole new ballgame.

This fall the Senate did eventually pass its reauthorization bill as part of its deficit reduction package, which would cut more than \$15 billion from the federal student loan programs but use half of the savings to create two new grant programs for low-income students. In a tight vote, the House also passed its controversial budget reconciliation bill that calls for approximately \$14 billion in cuts to federal student loans, a choice of fixed or variable interest rate and a mandatory one-percent origination fee on consolidation loans, and an across-the-board three-percent origination fee (to be reduced to one percent over the next five years) on both Federal Family Education and Direct Lending Loans.

So where do we stand and what to predict? The House and Senate are set to go to start on a unified budget reconciliation bill, but whether the differences between the vastly different pieces of legislation can be worked out before the holiday recess is anyone's guess. And actual reauthorization legislation may be even harder to achieve, since the House has chosen to take up reauthorization separate from budget reconciliation. A continuing resolution was passed to extend the HEA to December 31, 2005 but another one may need to be enacted through early 2006.

What happens if reauthorization doesn't happen in early 2006? Well, then we move into the mid-term elections of 2006 and the possibility of new representatives and senators – and that's a whole new article for another day!

To keep up-to-date on reauthorization and other federal policy changes, read Betsy's updates on American Student Assistance's website at www.amsa.com.