COHEAO
2015 Mid-Year Conference

Perkins Update
July 27, 2015

Agenda

- Current Environment
- Department of Ed Guidance
- Perkins Grassroots Campaign
- What You Can Do!
- Questions, Ideas & Discussion

CURRENT ENVIRONMENT & ED GUIDANCE

Perkins - Current Environment

- HEA Expiration 9/30/15
- Reauthorization Timeframe
- Budget Cost Issue on Extending Perkins beyond 9/30/15
- Planning for Fall Perkins Awards
- Department Guidance
- Misinformation + Miscommunications = Confusion

Dear Colleague Letter GEN-15-03

"Wind-down of the Federal Perkins Loan Program"

Absent **Congressional action**, schools may not make Perkins Loan to new borrowers after Sept. 30, 2015.

However:

- If a school makes a Perkins Loan first disbursement to ANY student for the 2015-16 award year prior to October 1, 2015, it may make any remaining disbursements for the 2015-16 award year after 9/30/15.
- A school may also make Perkins Loans to certain students for up to 5 years (through 9/30/20) under a narrow grandfathering provision.

Congressional action includes reauthorization of the Perkins Program or an extension of the current HEA, which does not specifically exclude Perkins.

Perkins Grandfathering Provision

A school may make **new** Perkins Loans to **existing** Perkins Loan borrowers who qualify under the "grandfathering" provision if all of the following conditions are met:

1. The school made at least one Perkins Loan disbursement to the student on or before June 30, 2015;
2. The student is enrolled at the same institution where his/her last Perkins Loan disbursement was received;
3. The student is enrolled in the same academic program (using first 4 digits of the CIP Code) for which the student received his or her last Perkins Loan disbursement; and
4. The Perkins Loan is made to an otherwise eligible student to meet all or some of their unmet need to enable them to continue or complete their course of study **only** after the student has been awarded all Direct Subsidized Loan aid for which the student is eligible.

The grandfathering provision applies only to students who received their first Perkins Loan for the **2014-15 award year or prior**. See Recent DCL - GEN-15-03: Wind-down of the Federal Perkins Loan Program: http://www.ifap.ed.gov/dpcletters/GEN1503.html

Perkins Loan Q & A Guidance

Available on IFAP under the Hot Topics Area:

- As Perkins ACA is reduced and eventually eliminated, institutions are able to use the ACA earned from FWS and FSEOG to pay for the servicing of Perkins Loans - as is currently the case.
- An otherwise eligible Perkins Loan recipient who was enrolled in an undeclared major will remain eligible for the grandfathering provision once they declare a major, but must continue within that academic program to remain eligible under the GF provisions.
- For determining grandfathering eligibility, **awarded means actually disbursed**. However, the student can decline that loan, as long as the amount of the offered Direct Subsidized Loan is included in the calculation of the student's Perkins Loan eligibility.

Perkins Loan Q & A Guidance

- Institutions can use their Perkins Loan Revolving Fund to make awards to eligible grandfathered students over the next five years.

- Later this year, the Department will begin estimating the amount of each institution's **"excess cash"** based on reported expenditures on the school's FISAP and an estimate of funding needs for the following year(s).

- The result, after consultation with the institution, will be to determine the federal share of that excess that will be required to be returned to the Department and the institutional share that the institution can take from the fund. Additional information on this process will be provided at a later date.

Perkins Loan Q & A Guidance

- The institution can increase the amount of a 2015-2016 loan where at least one disbursement was made prior to October 1, 2015 and then disburse the increased amount on or after October 1, 2015.
- Institutions may establish - in their packaging policies - priority groups for awarding Perkins Loans. The policy could include placing students who did not receive a Perkins Loan prior to the 2014-2015 award year in a low priority group.

PERKINS GRASSROOTS

Reauthorization – Key Players

Senate HELP Committee – Health, Education, Labor & Pensions

Senator Lamar Alexander (R-TN)
Chairman

Senator Patty Murray (D-WA)
Ranking Member

House Education & The Workforce Committee

Congressman John Kline (R-MN)
Chairman

Congressman Bobby Scott (D-VA)
Ranking Member

Subcommittee on Higher Education & Workforce Training

Congresswoman Virginia Foxx (R-NC)
Chair of the Subcommittee

Congressman Rubén Hinojosa, (D-TX)
Ranking Member on Subcommittee

COHEAO's Reauthorization Proposal

Campus Flex:

- Creates one appropriation for the 3 campus-based programs (Federal Work Study, FSEOG and Perkins)
- Unites proponents of the campus-based programs to work together for annual appropriations
- Allows schools to decide which programs to invest funds based on students' needs
- Achieves the **goal of simplification** but maintains all three campus-based programs
- School and Student-friendly Simplification
- Receiving interest and support on the Hill

COHEAO's Grassroots Activity

- **Congressional Visits in D.C. and at Local Offices**
  - Since 2013, COHEAO Members have participated in more than 150 Hill meetings to advocate for Perkins
- State Conference Calls to Key Members of Congress with School Participation
  - **Senate HELP Committee** (Health, Education, Labor and Pensions)
  - **House Subcommittee** on Higher Education and Workforce Training
  - **House Committee on Education** and the Workforce
  - States with high volume of Perkins recipients

Federal Perkins Loan Program
States Ranked by Program Size

State	Total Recipients	Amount Lent (2012-13)	Average Lent	% of Total Lent	% of Total Recipients
New York (2)	46,704	97,985,353	2,098	10.33%	9.64%
California (2)	42,199	89,960,647	2,132	9.48%	8.71%
Massachusetts	24,291	59,403,640	2,445	6.26%	5.01%
Pennsylvania (2) ❖	32,545	56,321,678	1,731	5.94%	6.72%
Illinois	29,980	54,473,705	1,817	5.74%	6.19%
Ohio	21,058	37,183,208	1,766	3.92%	4.34%
Michigan(Full Comm -2 Mems)	25,966	34,600,111	1,333	3.65%	5.36%
Texas	10,526	30,072,507	2,857	3.17%	2.17%
Wisconsin	18,514	30,071,677	1,624	3.17%	3.82%
Indiana	16,546	26,660,042	1,611	2.81%	3.41%
North Carolina (3) ❖	10,004	25,506,170	2,550	2.69%	2.06%
Missouri	12,048	23,609,054	1,960	2.49%	2.49%
Minnesota (2) ❖	11,259	22,961,764	2,039	2.42%	2.32%
Washington	14,842	20,366,273	1,372	2.15%	3.06%
Virginia	7,234	17,441,976	2,411	1.84%	1.49%
Florida	8,100	17,348,680	2,142	1.83%	1.67%
New Jersey	10,090	17,310,913	1,716	1.83%	2.08%
Tennessee (2) ❖	6,135	17,083,955	2,785	1.80%	1.27%
Rhode Island	9,231	16,470,197	1,784	1.74%	1.90%
Iowa	11,472	16,402,424	1,430	1.73%	2.37%
Colorado (2) ❖	5,875	15,151,338	2,579	1.60%	1.21%
Oregon	8,567	13,857,756	1,618	1.46%	1.77%
District of Columbia	4,509	13,403,818	2,973	1.41%	0.93%
Kansas	6,621	12,827,456	1,937	1.35%	1.37%
Maryland	5,746	12,696,432	2,210	1.34%	1.19%
Connecticut (2) ❖	4,959	12,035,453	2,427	1.27%	1.02%

Member(s) on Ed & Workforce Subcommittee or Senate HELP Committee

❖ Members on Both

Federal Perkins Loan Program
States Ranked by Program Size

State	Total Recipients	Amount Lent (2012-13)	Average Lent	% of Total Lent	% of Total Recipients
Louisiana	4,615	11,721,749	2,540	1.24%	0.95%
Georgia (2) ❖	3,769	10,512,604	2,789	1.11%	0.78%
Alabama	3,803	9,935,422	2,613	1.05%	0.78%
Kentucky (2) ❖	6,000	9,913,315	1,652	1.05%	1.24%
New Hampshire	5,211	9,508,373	1,825	1.00%	1.08%
Oklahoma	3,186	8,850,758	2,778	0.93%	0.66%
Nebraska	4,849	8,579,484	1,769	0.90%	1.00%
South Carolina	3,942	8,555,089	2,170	0.90%	0.81%
Mississippi	3,266	8,375,909	2,565	0.88%	0.67%
Maine	5,445	8,231,748	1,512	0.87%	1.12%
Utah	3,529	7,955,098	2,254	0.84%	0.73%
Vermont	4,086	6,507,579	1,593	0.69%	0.84%
Arizona (2)	1,981	5,766,636	2,911	0.61%	0.41%
Arkansas	2,220	5,499,417	2,477	0.58%	0.46%
South Dakota	3,670	5,358,224	1,460	0.56%	0.76%
Montana	3,434	5,196,857	1,513	0.55%	0.71%
West Virginia	2,598	4,369,684	1,682	0.46%	0.54%
New Mexico	2,194	4,059,318	1,850	0.43%	0.45%
North Dakota	2,482	4,039,230	1,627	0.43%	0.51%
Idaho	2,905	3,899,114	1,342	0.41%	0.60%
Hawaii	1,075	2,702,787	2,514	0.28%	0.22%
Wyoming	827	2,458,883	2,973	0.26%	0.17%
Puerto Rico	1,929	2,330,223	1,208	0.25%	0.40%
Delaware	2,021	1,663,338	823	0.18%	0.42%
Nevada	595	1,308,875	2,200	0.14%	0.12%
Virgin Islands	3	7,000	2,333	0.00%	0.00%

Member(s) on Ed & Workforce Subcommittee or Senate HELP Committee

❖ Members on Both

COHEAO's Grassroots Activity

- State Calls To-Date
  - Washington
  - Illinois
  - Tennessee
  - Minnesota
  - North Carolina
  - Kentucky
  - Pennsylvania

  ✓ Many States involved multiple calls
- State Calls To-Come
  - Massachusetts
  - New York
  - California
  - Virginia
  - Ohio

WHAT **YOU** CAN DO!

COHEAO Membership

There is Strength in Numbers

- If you aren't already a COHEAO Member - **Join COHEAO!**
- Recruit your Colleagues to Join
- Conference & Webinar Discounts Offset Dues
- Commercial Members - Show Support, Get Exposure
- Help Develop COHEAO Positions, Advocacy, Regulatory Responses
- Task Forces and Work Groups on Perkins, CFPB, Campus AR, Financial Literacy & TCPA

Every Voice Matters!

- Ask your Congressional Representative to **Support H.Res. 294.**
- Make sure **your President** is aware of the impact to your institution if Perkins is eliminated – share the impact on both enrollment and retention.
- Inform your **government relations** office of the impact to your students and campus. Provide them with key information that they can share with Congressional Members and staff.
- Discuss with other **offices affected on campus** – financial aid, business office and admissions.
- Get your **student government** association involved!
- Bring the issue to **students and parents.**

"Stand up to your obstacles and do something about them. You will find that they haven't half the strength you think they have."

Norman Vincent Peale

Some Will Stop at Nothing!

COHEAO Board Member, Nancy Paris, Corners Congressman Roskam [R-IL] in the Dairy Section at the Jewel-Osco Supermarket!

SAVE PERKINS NOW

School Action Checklist

- **Get your member of Congress to Cosponsor H.Res. 294**
- **Continue to award Perkins Loans**
- **Wear your Save Perkins Now button!**

It will generate questions!
- Sign the Save Perkins Now Petition at Change.Org
- Put together statistics and an impact statement for your campus
- Share information with your president and federal/government relations office
- Educate colleagues on your campus and ask for their support
- Ask your University President and campus colleagues to write a letter of support
- Engage your Students!
- Engage parents who depend on Perkins to fund the child's cost of attendance
- Get testimonials from borrowers who have benefitted from a Perkins loan or cancellation
- Visit your Congressional Representatives in their local offices
- Write, email and call your Congressional Representatives **(share communications with COHEAO)**
- Network with local colleges and higher education groups
- Contact COHEAO with questions, for direction or advice

COHEAO Advocacy Page

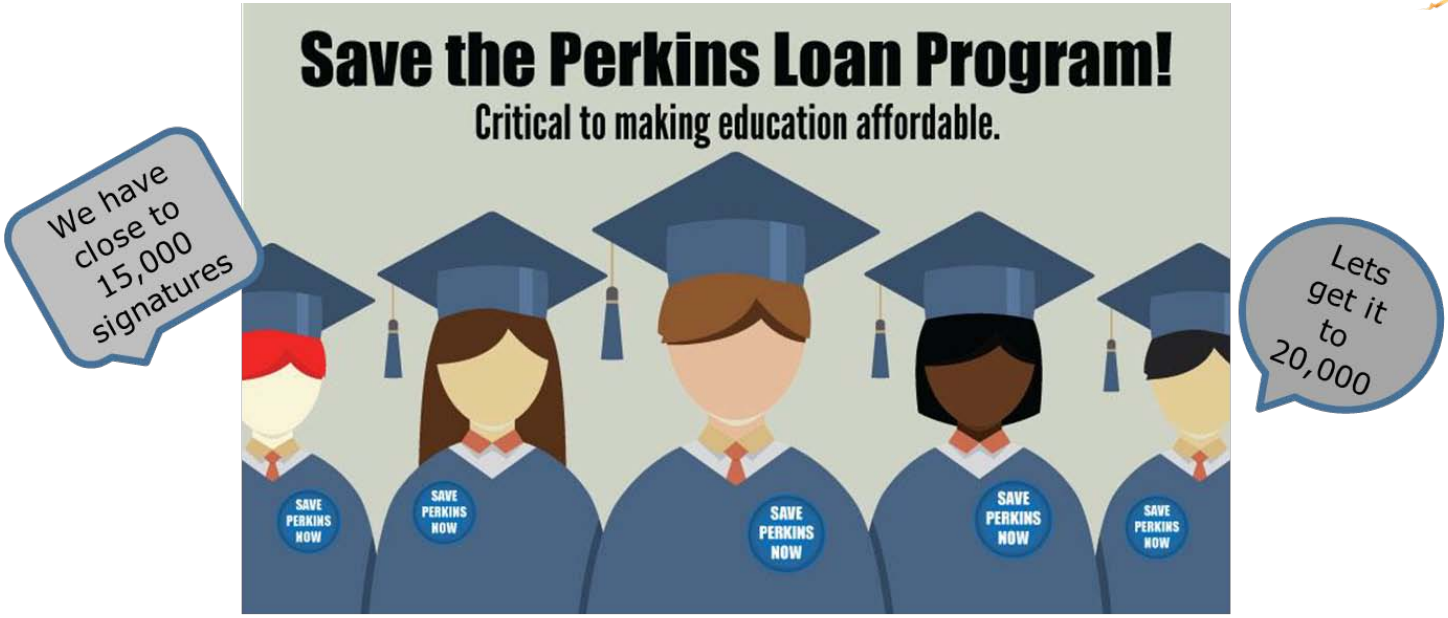
- Visit COHEAO.org – Click on the link **"Join Our Perkins Advocacy Efforts"**
- Links for **Petition**, **Resolution**, **DCL**, **Perkins Video**, **Contact Info** for Congress
- Resources Available – statistics, sample letters, testimonials, talking points and one-page summaries on the status of the Program, disbursement guidance and COHEAO advocacy
- Follow us on Twitter: https://twitter.com/SavePerkins
- Like Us on Facebook: Save Perkins Now

Spread the Word

View the Perkins Video:
https://www.youtube.com/watch?v=FvBj9tMthvg

SAVE PERKINS NOW

Save Perkins NOW!



Support the Perkins Loan Program!
Sign the Petition Today
Share with Colleagues & Students
https://www.change.org/p/save-perkins-now

Save Perkins NOW!

Questions, Ideas, Discussion…

SAVE PERKINS NOW

Contact Information

Maria Livolsi
COHEAO President
Director, State University of New York
Student Loan Service Center
mlivolsi@albany.edu
518-525-2628

Jan Hnilica
COHEAO Legislative Chair
Student Accounts Manager
Wheaton College
Jan.Hnilica@wheaton.edu
(630) 752-5803