

Session 1

Introduction & Agenda

Questions we will answer during this session:

How is the Participant's Workbook set up?

What are the main goals of the workshop?

How did all of this get started?

What should you know about the Title IV programs?

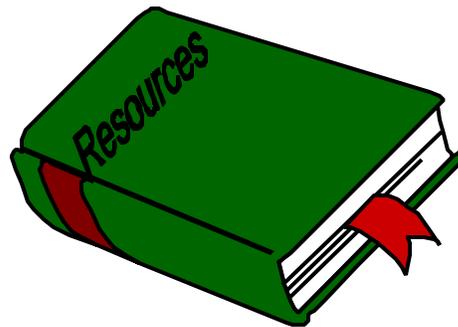
What are Federal Registers and Dear Colleague Letters
and where can you get them?

How is the Participant's Workbook set up?

Case Studies



Checkpoints



Essential Resources for FAAs:

(Call 1-800-4FED-AID for single copies; see p. 19 for bulk orders)

- ✓ *A Guide to 1999-2000 SARs and ISIRs*
- ✓ *The 1999-00 Federal Student Financial Aid Handbook*
- ✓ **The 1999-00 Free Application for Federal Student Aid**
- ✓ **The Spanish FAFSA**
- ✓ *The 1999-00 Student Guide*

How did all of this get started?

MILESTONES for the U.S. DEPARTMENT OF EDUCATION and STUDENT FINANCIAL AID

Morrill Act of 1862	Encouraged states to establish public universities by providing Federal land and financial support.
1867	Department of Education was created.
1944	Government funding of Higher Education began with the passage of the Servicemen's Readjustment Act or G.I. Bill.
October 4, 1957	U.S.S.R. launch of first space satellite triggered the development of Title IV student aid programs.
National Defense Education Act of 1958	National Defense Student Loan (NDSL) program began as a result.
1964	College Work-Study (CWS) program began for financially needy students as a result of the Economic Opportunity Act of 1964.
Higher Education Act of 1965	Reauthorized existing student aid programs. Educational Opportunity Grant (EOG) program, the first grant program, was initiated. Guaranteed Student Loan (GSL) program was also established. Administrative authority for these programs was placed under the Department of Health, Education, and Welfare (DHEW).
Higher Education Amendments of 1972	National Defense Student Loan was renamed National Direct Student Loan (NDSL) program. Educational Opportunity Grant became the Supplemental Educational Opportunity Grant (SEOG). Basic Educational Opportunity Grant (BEOG) began as a new grant. Reauthorized CWS program - extended GSL program. State Student Incentive Grant (SSIG) program was created. Proprietary institutions were permitted to participate in all of the Title IV student aid programs.

Higher Education Amendments of 1976	All existing programs were reauthorized. Requirement for satisfactory academic progress was introduced.
Middle Income Student Assistance Act of 1978	Basic Grant eligibility was expanded. GSL program income ceiling that had restricted eligibility was lifted.
Higher Education Amendments of 1980	All Title IV programs were reauthorized. Parent Loans for Undergraduate Students (PLUS) was created. Basic Grant renamed Pell Grant program in honor of the prime sponsor of the program, Senator Claiborne Pell.
May 4, 1980	U.S. Department of Education was established.
Omnibus Budget Reconciliation Act of 1981	Reduced funding for student financial aid. PLUS renamed Auxiliary Loans to Assist Students (ALAS).
Defense Authorization Acts of 1982 and 1983	Tied aid eligibility for males born on or after January 1, 1960 to Selective Service registration.
Technical Amendments of 1982, 1983, and 1984	Established the annual Pell Grant cost of attendance and award maximums, defined the independent student, and prescribed information that institutions must disclose to student loan recipients.
Consolidated Omnibus Reconciliation Act (COBRA) of 1985	Signed on April 7, 1986 made major changes in the Title IV programs. Some of these changes include: <ul style="list-style-type: none"> • requirement that all undergraduate GSL applicants have their eligibility or ineligibility for a Pell Grant determined prior to their receipt of GSL loan proceeds for the award year, • revised definition of default for GSL and PLUS loans, • restriction on the receipt of any Title IV funds by students who were in default on a Title IV loan or owe an overpayment on a Title IV grant, and • requirement that GSL and PLUS loans be disbursed in multiple payments.
Higher Education Amendments of 1986 and the Technical Amendments of 1987	Signed into law on October 17, 1986 made major changes to the Title IV student aid programs. Some of the most significant changes resulting from this legislation included: <ul style="list-style-type: none"> • introduction of master calendar for certain functions of the Department of Education,

- new Title IV standards for dependency status and for satisfactory academic progress,
- changed ability-to-benefit provisions,
- two need analysis methodologies incorporated into law,
- a Simplified Needs Test established,
- new time limits on the duration of student eligibility for a Pell Grant,
- renaming of the NDSL program as the Perkins Loan program,
- new selection criteria for the Perkins Loan and SEOG programs.,
- new loan program called the Supplemental Loans for Students (SLS) began,
- pilot testing of a new loan program called the Income Contingent Loan (ICL) program, and
- expansion of the areas in which aid administrators may use professional judgement.

Higher Education Amendments of 1988

Signed into law in 1988. Guaranteed Student Loan (GSL) program was renamed the Stafford Loan program, SLS loans certified after August 17, 1988 the borrower must have received a determination of eligibility for a Pell grant and a determination of need for a Stafford Loan, and SLS loans made after October 1, 1988 must be disbursed in multiple payments.

Omnibus Budget Reconciliation Act of 1989

General Provisions:

- Amended to clarify that financial aid administrators may use professional judgment in determining financial aid award only on a case-by-case basis and not adjust award amounts for groups of students.
- An institution cannot be certified or recertified as eligible if it has lost its accreditation during the preceding 24 months, unless the accreditation has been restored or the institution demonstrates its academic integrity.
- If an institution of higher education is in the process of receiving new accreditation or changing its accrediting agency, its accreditation will not be recognized (for the purpose of eligibility or Pell Grant, CB, ICL or SSIG) unless the institution submits all materials related to the prior accreditation.
- In order to be eligible for any program other than SSIG or Byrd Scholarships, an institution that admits students on the basis of their ability to benefit must make available to these students a high school equivalency program.

Omnibus Budget Reconciliation Act of 1990

General Provisions: A student admitted on the basis of ability to benefit must pass an independently administered test.

Guaranteed Student Loan Programs: Schools will be ineligible for the GSL program if their default rate is 35% or higher (30% or higher for FY 93 and beyond.)

Higher Education Technical Amendments of 1991

Desert Storm:

- defines “individual serving on active duty in connection with Operation Desert Shield or Operation Desert Storm,”
- Schools should give full refunds to those on active duty for Desert Shield or Storm,
- some reservists qualify for “special conditions,”
- administrative requirements related to loans should be reduced as much as possible,
- adjusts GSL deferments for reservists,
- extends deferments for Perkins or NDSL loans, and
- incomplete periods of instruction won't be counted for determining length of Pell Grant eligibility.

General Provisions:

- "ability-to-benefit" testing provision changed from institutional eligibility to student eligibility requirement, and
- eliminates statute of limitations on collections of loans or overpayments of other aid.

Guaranteed Student Loan Program:

Schools can refuse to certify loan applications, or certify for a smaller loan, if they document the reason and provide it to the student in writing.

Higher Education Amendments of 1992

Reauthorized the programs for six years. Established Federal Direct Loan Demonstration Program, under which ED would assume lender and guarantor functions. Added Program Integrity Provisions. Made many changes to the programs including:

- replacing the two need analysis formulas with a single formula,
- revising the definition of independent student,
- requiring a single free stand-alone application for federal aid,
- establishing unsubsidized Stafford loan program,
- requiring lenders to offer graduated or cancellation of loan if school closed,
- requiring all guaranty agencies to have loan

rehabilitation program, and
•requiring ED to develop common loan forms.

ICL Program

Program ended March 31, 1993.

Omnibus Budget Reconciliation Act of 1993

General Provisions:
The Omnibus Budget Reconciliation Act of 1993 was signed into law by President Clinton on August 10, 1993. Numerous changes affecting the Federal Family Education Loan (FFEL) Program under Title IV, Part B of the Higher Education Act of 1965, as amended (HEA), were made by this legislation. The new law also established requirements for transition of the FFEL Program to the Federal Direct Student Loan (FDSL) Program.

Balanced Budget Act of 1997

Eliminated the \$10 loan origination fee paid to Direct Loan institutions,
•reduced funding for the Department's Direct Loan program administration, and
•authorized the recovery of excess guaranty agency reserves.

Taxpayer Relief Act (1997)

- HOPE Scholarship tax credit (up to \$1500) for each of the first two years of college,
- Lifetime Learning tax credit equal to 20% of the first \$5000 of tuition and fees,
- Tax deduction for interest paid on student loans,
- Education IRAs for tax-free savings for college,
- Penalty-free withdrawals from existing IRAs for higher education expenses,
- Greater flexibility for families saving in qualified State pre-paid tuition plans,
- Income exclusion for up to \$5250 in employer education benefits, and
- Tax-free loan forgiveness for community service.

Higher Education Amendments of 1998

Signed into law on October 7, 1998 made changes to the Title IV student aid programs.

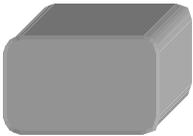
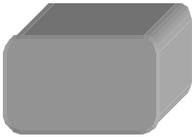
What should you know about the Title IV Programs?

Title IV Programs

Title IV Program	Description	Law (HEA)	Regulations	1999-00 FSFA Handbook
Federal Pell Grant	Grants for financially needy undergraduate students who have not earned bachelor's degrees or a first professional degree.	Part A	Part 690	Federal Pell Grant Program Reference
Federal Supplemental Educational Opportunity Grant (FSEOG)	Grants for undergraduate students with "exceptional financial need." (Federal Pell Grant recipients with lowest EFCs)	Part A	Part 676	Campus-Based Programs Reference
Federal Work-Study (FWS)	Self-help program that provides on-campus and off-campus employment to eligible undergraduate and graduate students.	Part C	Part 675	Campus-Based Programs Reference
Federal Perkins Loan	Low-interest loans for financially needy undergraduate and graduate/professional students.	Part E	Part 674	Campus-Based Programs Reference
Federal Direct Subsidized Loan	Loans to help financially needy graduates and undergraduates; interest subsidized by federal government; made by federal government.	Part D	Part 685	Direct Loan and FFEL Programs Reference
Federal Direct Unsubsidized Loan	Loan funds without interest subsidies for graduate and undergraduate students; made by federal government.	Part D	Part 685	Direct Loan and FFEL Programs Reference
Federal Direct PLUS Loan	Loans to parents for college expenses of their dependent undergraduate children; made by federal government.	Part D	Part 685	Direct Loan and FFEL Programs Reference
Federal Subsidized Loan	Low-interest loans to help financially needy students; from lenders, guaranteed and interest subsidized by federal government.	Part B	Part 682	Direct Loan and FFEL Programs Reference
Federal Unsubsidized Loan	Loan funds without interest subsidies for undergraduate and graduate students; from lenders, guaranteed by federal government.	Part B	Part 682	Direct Loan and FFEL Programs Reference
Federal PLUS Loan	Loans to parents for college expenses of their dependent undergraduate children; from lenders, guaranteed by federal government.	Part B	Part 682	Direct Loan and FFEL Programs Reference

Title IV Programs Summary

Title IV Program	Type of Aid	Application Required	Award/Loan Determination	Aid Recipient	Award/Loan Limits	Need Analysis	Disbursement/ Repayment
Federal Pell Grant	Gift Aid	FAFSA	Specified in ED's annual payment and disbursement schedule	Only undergraduates	\$3,125 1999-00	Based on need	School acts as ED's agent to disburse. No repayment.
Campus-Based Aid Programs							
FSEOG	Gift Aid			Only undergraduates, with priority given to Pell Grant recipients	\$4,000 a year except in case of study abroad, where up to \$400 more a year is allowed		The school disburses funds to students. No repayment.
FWS	Self-Help Aid	FAFSA	School's financial aid policy and available funds	Undergraduate or professional students	No annual award maximum	Based on need	School disburses earned funds to students at least monthly. No repayment.
Federal Perkins Loan							School disburses funds to students. Repayment required.
Direct Loan and FFEL Programs							
Subsidized Loan	Self-Help Aid	Direct Loan: FAFSA only FFEL: FAFSA and FFEL common application PLUS Loan application	A student's subsidized loan added to the EFC and other EFA cannot exceed COA. The student's unsubsidized loan added to other EFA cannot exceed COA. The parent's PLUS Loan added to the student's other EFA cannot exceed student's COA.	Undergraduates or professional students	From \$2,625 to \$18,500, depending on grade level.	Based on need	Direct Loan Program: ED disburses to school; school disburses funds to student. Repayment required.
Unsubsidized Loan							FFEL Program: Lender disburses, school delivers funds. Repayment required.
PLUS Loan							No cap, but when added to student's other EFA cannot exceed student's COA.





Clue #4

I am a program that is probably the most recognized and most used (at least for financially needy students). I am popular because I am a grant or gift aid program for undergraduates, so the student doesn't have to pay me back. Since there are limited funds, a central processor determines each student's eligibility based on annual guidelines set by Congress and the U.S. Department of Education. I became known as the "portable" grant because eligible students could take their student aid reports to any participating institution for payment. What am I?

Answer _____



Clue #5

I am considered self-help aid because after the student leaves school, the student has to repay the funds. Unlike the newer loan program, private lenders (such as banks and credit unions) disburse student loan proceeds to the school. The school then delivers the funds to the students. What am I?

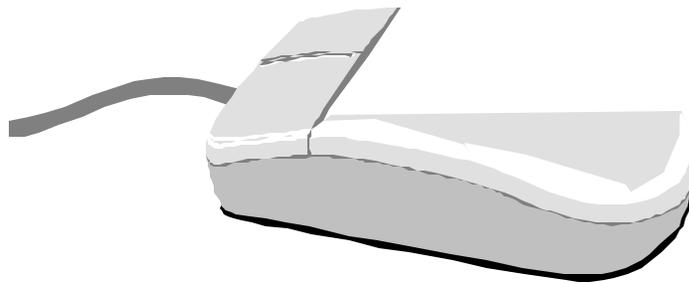
Answer _____

Authorization:



Reauthorization:





Federal Register

Thursday
October 1, 1998

Part V

Department of Education

34 CFR Part 675
Federal Work-Study Programs; Final Rule

DEPARTMENT OF EDUCATION

34 CFR Part 675

RIN 1840-AC58

Federal Work-Study Programs

AGENCY: Office of Postsecondary Education, Department of Education.

ACTION: Final regulations.

SUMMARY: The Secretary amends the regulations governing the Federal Work-Study (FWS) Program authorized under title IV of the Higher Education Act of 1965, as amended (title IV, HEA programs). The Secretary makes these changes in response to the national need to improve student achievement in mathematics by providing for an additional waiver of the FWS institutional-share requirement for mathematics tutors of children who are in elementary school through the ninth grade.

EFFECTIVE DATE: These regulations take effect on July 1, 1999.

FOR FURTHER INFORMATION CONTACT: Kathy S. Geuse, U.S. Department of Education, 600 Independence Avenue, S.W., Regional Office Building 3, Room 3045, Washington, DC 20202-5447. Telephone: (202) 706-8242. Individuals who use a telecommunications device for the deaf (TDD) may call the Federal Information Relay Service (FIRS) at 1-800-877-8339 between 8 a.m. and 8 p.m., Eastern time, Monday through Friday.

Individuals with disabilities may obtain this document in an alternate format (e.g., Braille, large print, audiotape, or computer diskette) on request to the contact person listed in the preceding paragraph.

SUPPLEMENTARY INFORMATION:**Part 675—Federal Work-Study Programs**

The Secretary is providing for an additional waiver of the FWS institutional share requirement in § 675.26. The Secretary will authorize a Federal share of 100 percent of the compensation earned by a student during an award year if both of the following criteria are met:

1. The work performed by the student is for the institution itself, for a Federal, State, or local public agency, or for a private nonprofit organization.
2. The student is employed as a mathematics tutor for children who are in elementary school through the ninth grade.

This regulatory change will provide an institution with additional flexibility necessary to respond to the national

need to improve student achievement in mathematics. Student achievement in mathematics in the United States is not at an internationally competitive level. Thirty-six percent of fourth graders and 38 percent of eighth graders score below the basic level in mathematics. The recent Third International Math and Science Study shows that, while U.S. students perform above the international average in mathematics at the fourth-grade level, by the eighth grade, relative performance is below the international average.

The President has issued a challenge to public officials, business leaders, professional organizations, institutions of higher education, teachers, parents, and students to take the steps necessary to improve student achievement in mathematics in order to prepare our students and the Nation for the twenty-first century. This challenge seeks to mobilize resources to ensure that all students are prepared to pursue rigorous high school mathematics and science courses that prepare them for college and careers. A mastery of mathematics, including a strong foundation in algebra and geometry, is a gateway to college and the job market.

One important step to improving student achievement in mathematics is to ensure that students who need it get support and activities that reinforce the classroom experience and convey the importance of acquiring a solid foundation in mathematics. The tutoring of children who are in elementary school through the ninth grade in mathematics can build a firm foundation for success throughout their lives. This investment in our youth is an investment in this country's future. The efforts associated with this new waiver for mathematics tutors of children, including the preparation of the FWS students as tutors, are justified by the benefits of preparing children to compete in the global economy and ensuring our Nation's economic growth.

This new waiver builds on the success of the "America Reads Challenge." Effective with the 1997-98 award year, the Secretary waived the FWS institutional-share requirement for reading tutors of children from infancy through elementary school. See 61 FR 60367 (November 27, 1996). That waiver provided institutions with the flexibility necessary to respond to the "America Reads Challenge," which is mobilizing resources to ensure that all children can read independently and well by the end of the third grade. The Secretary is pleased with the overwhelming response to that reading initiative. Over one thousand institutions have joined the "America Reads Challenge" by

committing FWS students to tutor young children in reading. A diverse array of institutions, representing all types of students, made the commitment to tutor children in their communities. The "America Reads Challenge" is helping thousands of children learn to read. The FWS students not only help children read better by giving them extra learning time, they also build confidence, boost motivation, and send each child an important message: that reading counts.

Effective with the 1998-99 award year, the Secretary added a waiver of the institutional-share requirement under the FWS Program for students employed as tutors in a family literacy program that provides literacy services to children from infancy through elementary school or to their parents or caregivers. See 62 FR 83438 (November 28, 1997). This waiver for tutors working in family literacy programs is based on research that shows that children whose parents work with them on literacy skills during early childhood have a better chance of reading well and independently.

This new waiver for mathematics tutors will help ensure that students have a solid foundation in mathematics as they enter high school. The Department, in a 1997 report entitled "Mathematics Equals Opportunity," noted that low-income students who take algebra and geometry are almost three times as likely to attend college as those who do not. Although taking algebra by the eighth grade is a gateway to college preparatory courses, only 15 percent of low-income students enroll in algebra by the eighth grade. Mathematics tutors working with students who are in elementary school through the ninth grade can be one component of an institution's efforts to get students on the track to college.

The Secretary strongly encourages all institutions to employ FWS students as reading and mathematics tutors for children and as tutors in family literacy programs that provide services to families with preschool age children or children who are in elementary school. The placement of students in these jobs is, in many instances, an important way for institutions to meet the community service expenditure requirement under the FWS Program, serve the needs of the community, and give the FWS students a rewarding and enriching experience. As with programs providing tutoring in reading and family literacy, programs providing mathematics tutoring may take place during the children's school hours, after school, on weekends, or in the summer in order to extend learning time. The institution may create a

mathematics-tutoring program, expand an existing reading tutoring program to incorporate mathematics, or continue to focus solely on reading. In addition, the institution may construct its own tutoring program or become involved in existing tutoring programs.

The new waiver of the FWS institutional share requirement in § 675.26 for mathematics tutors of children who are in elementary school through the ninth grade does not require the institution to make a request for a waiver. Also, the institution has the option of still providing an institutional share and determining the amount of that share.

It is important to note that the Secretary continues the current exceptions that authorize a Federal share of 100 percent of the compensation earned by students employed as reading tutors of preschool age children or children who are in elementary school, students employed as tutors in a family literacy program that provides services to families with preschool age children or children who are in elementary school, and students enrolled at eligible institutions under the Strengthening Institutions Program, the Strengthening Historically Black Colleges and Universities Program, or the Strengthening Historically Black Graduate Institutions Program.

Goals 2000: Educate America Act

The Goals 2000: Educate America Act (Goals 2000) focuses the Nation's education reform efforts on the eight National Education Goals and provides a framework for meeting them. Goals 2000 promotes new partnerships to strengthen schools and expands the Department's capacities for helping communities to exchange ideas and obtain information needed to achieve the goals.

These regulations address the National Education Goal that calls for increasing the rate at which students graduate from high school and pursue high quality postsecondary education.

Waiver of Proposed Rulemaking

In accordance with the Administrative Procedure Act (5 U.S.C. 553), it is the practice of the Secretary to offer interested parties the opportunity to comment on proposed regulations. However, the Secretary is specifically authorized under section 443(b)(5) of the Higher Education Act of 1965, as amended (20 U.S.C. 2753(b)(5)), to determine, through the promulgation of regulations, that the Federal share of compensation for FWS students may exceed 75 percent if required in furtherance of the purposes of the

program. The Secretary has made such a determination in this case. Revising § 675.26(d) will increase institutional flexibility and help to meet an important educational need for mathematics tutors in elementary school through the ninth grade without imposing any burden on the affected parties. For these reasons, the Secretary has determined, pursuant to 5 U.S.C. 553(b)(8), that public comment on the amendment to § 675.26(d) is unnecessary and contrary to the public interest.

Regulatory Flexibility Act Certification

The Secretary certifies that these regulations would not have a significant economic impact on a substantial number of small entities. Small entities affected by these regulations are small institutions of postsecondary education.

The provisions of these regulations provide added flexibility to institutions. Thus, no significant adverse economic impacts on small entities are expected to occur.

Paperwork Reduction Act of 1995

These regulations have been examined under the Paperwork Reduction Act of 1995 and have been found to contain no information collection requirements.

Intergovernmental Review

The Federal Work-Study Program is not subject to the requirements of Executive Order 12372 and the regulations in 34 CFR part 79.

Assessment of Educational Impact

Based on its own review, the Department has determined that the regulations in this document do not require transmission of information that is being gathered by or is available from any other agency or authority of the United States.

Electronic Access to This Document

Anyone may view this document, as well as all other Department of Education documents published in the Federal Register, in text or portable document format (pdf) on the World Wide Web at either of the following sites:

<http://efed.ed.gov/wide/frag.htm>
<http://www.ed.gov/news.html>

To use the pdf file you must have the Adobe Acrobat Reader Program with Search, which is available free at either of the previous sites. If you have questions about using the pdf, call the U.S. Government Printing Office at (202) 512-1530 or, toll free, at 1-888-293-6498.

Anyone may also view these documents in text copy only on an electronic bulletin board of the Department. Telephone: (202) 219-1511 or, toll free, 1-800-222-4922. The documents are located under Option C—Files/Announcements, Bulletins and Press Releases.

Note: The official version of this document is the document published in the Federal Register.

List of Subjects in 34 CFR Part 675

Loan programs—education, Student aid.

Dated: September 28, 1998.

Richard W. Riley,

Secretary of Education.

Catalog of Federal Domestic Assistance Number: 84.033 Federal Work-Study Program

The Secretary amends chapter VI of Title 34 of the Code of Federal Regulations as follows:

PART 675—FEDERAL WORK-STUDY PROGRAMS

1. The authority citation for Part 675 continues to read as follows:

Authority: 42 U.S.C. 2751-2756a, unless otherwise noted.

2. Section 675.26 is amended by revising paragraph (d) to read as follows:

§ 675.26 FWS Federal share limitations.

(d) For each award year, the Secretary authorizes a Federal share of 100 percent of the compensation earned by a student under this part—

(1) The work performed by the student is for the institution itself, for a Federal, State, or local public agency, or for a private nonprofit organization; and

(2) The institution in which the student is enrolled—

(A) Is designated as an eligible institution under the Strengthening Institutions Program (34 CFR part 607), the Strengthening Historically Black Colleges and Universities Program (34 CFR part 608), or the Strengthening Historically Black Graduate Institutions Program (34 CFR part 609); and

(B) Requests that increased Federal share as part of its regular FWS funding application for that year;

(i) The student is employed as a reading tutor for preschool age children or children who are in elementary school;

(ii) The student is employed as a tutor in a family literacy program that provides services to families with preschool age children or children who are in elementary school; or

(iv) The student is employed as a mathematics tutor for children who are in elementary school through the ninth grade.

(FR Doc. 98-26256 Filed 9-30-98; 8:45 am)
BILLING CODE 4000-01-0

October 1998

GEN-98-21

Dear President:

I am writing to you to ask for your continued support as your financial aid office, business office, and computer processing services work with the Department of Education (the Department) to modernize the delivery of Federal student financial assistance beginning with the 1999-2000 academic year.

Year 2000 Compliance

First, we particularly want to remind you of the importance of your institution being "year 2000 compliant" with regard to the processing of student financial aid data. Year 2000 compliant means that all of your data systems are capable of properly processing dates that are outside of the 1900-1999 year range and have been tested as such (see "Dear President" Letter GEN-97-12, dated November 1997). Being year 2000 compliant is essential to assure that your students continue to receive the aid for which they are eligible.

Other Modernization Initiatives

In addition to continuing our efforts to ensure that the Federal student financial assistance programs are year 2000 compliant, we are pursuing modernization goals in conjunction with Project EASI (Easy Access for Students and Institutions), a collaboration with the rest of the higher education community to reengineer the national student aid delivery system. Based on this collaboration, the Department is pursuing the following four major modernization initiatives, beginning with the 1999-2000 award year, that directly affect institutional management of the Federal student financial aid programs.

Master Promissory Note

We will be introducing a new Master Promissory Note (MPN) for use as either an annual or multiyear promissory note for student borrowers in the Federal Direct Loan and Federal Family Education Loan (FFEL) programs.

Each loan program will have its own MPN. Most four-year and graduate or professional institutions, as well as other institutions designated by the Department, will be able to use the note as a multiyear instrument for their students' subsequent loans. This initiative, part of the Project EASI vision, will eliminate the need for many students to complete a new promissory note each year.

Recipient Financial Management System (RFMS)

RFMS is the new processing system that all institutions participating in the Federal Pell Grant Program will use to report and request Federal Pell Grant program funds. RFMS is an important step toward implementing Project EASI's goals of delivering student financial assistance program funds based on a common business process and using community developed common data standards. We believe the new system will provide important benefits to students, institutions, and taxpayers.

Redesigned Free Application for Federal Student Aid (FAFSA)

The redesigned paper FAFSA, used by students to apply for Federal, and most other, student aid will be a more user-friendly form. We have reduced the number of pages of instruction from 12 to 4 and the number of questions from 108 to 99. We believe that the new form incorporates major improvements in simplifying and clarifying the application process. We are also continuing to implement comparable improvements in our electronic versions of the FAFSA, including FAFSA on the WEB and Renewal FAFSA on the WEB.

Use of the Internet

The Department is committed to moving the transmission of student aid data from the Title IV Wide Area Network (TIVWAN) to the Internet, not only as part of Project EASI but as part of a government-wide effort to deliver Federal services over the Internet. We expect that this change will positively affect the computer processing services at your institution and save taxpayer dollars. Your financial aid officer has previously received details on the first

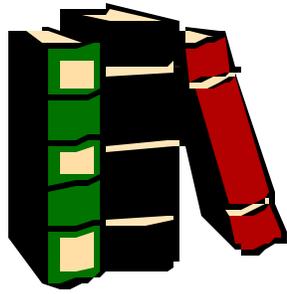
stages of this transition and will continue to receive updates as progress toward full Internet usage continues.

Finally, we would also like to remind you of the Notice that we published in the Federal Register on September 19, 1997, informing you of the technical specifications necessary to participate in future designated electronic processes. For example, to be compatible with the Department's student aid systems starting January 1, 1999, institutions must be prepared to use Windows 95, Windows NT, or a newer version of the Windows operating system. To assure that your staff understand, and can implement, our electronic processes and other requirements, we strongly encourage you to send appropriate members to one of our three 1998 Electronic Access Conferences (see <http://edeworkshop.walcoff.com>) and our training activities.

Thank you for your continued cooperation and support as we work together to create an efficient and cost-effective student aid delivery system that provides first-rate services to our students throughout the Nation.

Sincerely,

Diane E. Rogers
Acting Deputy Assistant Secretary
Student Financial Assistance Programs



Resources Resources

- ★ *The 1999-00 Federal Student Financial Aid Handbook*

- ★ Dear Colleague Letter GEN-98-21 (DCL sample)

- ★ October 1, 1998 Final Rule (FWS) (Federal Register sample)

To order ED publications (and the FAFSA) in bulk:

- 1) Enter the web site – <http://epos.edpubs.org>
- 2) Enter your 8-digit OPE ID number

Note: You can also access this site by entering <http://ifap.ed.gov>, and clicking on the selection down the left side of the screen for Bulk Publication Ordering.

For assistance, call 1-877-EDPUBS

Answer



Key

Checkpoint #1 – What Am I?

- 1) FSEOG
- 2) PLUS
- 3) Federal Perkins Loan Program
- 4) Pell Grant
- 5) Federal Subsidized or Unsubsidized Stafford Loan (FFEL)

Authorization vs. Reauthorization

Authorization: Legislative act that establishes a program, specifies its general purpose and conduct, and (unless open-ended), sets a ceiling for the dollar amount that can be used to finance it.

Reauthorization: A legislative process which occurs every 4 to 5 years that reviews, renews, terminates, or amends existing programs. Reauthorization just occurred in the fall of 1998.