

Welcome from Kathy Purvis 1-2

Summer Institute 2

MASFAA Membership 3

MASFAA Membership Survey 3

MASFAA Federal Issues Committee Update 4

Did You Know? 6

2011 MASFAA Conference 5

New Contributor Showcase:
Brice Baumgardner 6

Michigan State Report 6

Illinois State Report 7

Minnesota State Report 7

Indiana State Report 8

Pell Grant Faces Federal Funding Challenges 9-10

Financial Tips to Help your Students Avoid Freshman Mistakes 11

NASFAA's Professional Development Opportunities 12

MASFAA Moments is published quarterly with the purpose of providing a forum for communicating with members about issues affecting our profession as well as to inform members of the ongoing activity of MASFAA committees and the Executive Council.

Articles may be submitted by any person, committee, state association or organization. All submissions are subject to final acceptance and review by the editorial board prior to the publication of the newsletter. Submissions may be rejected, edited for content or edited for length. Articles must be intended for the benefit of MASFAA members and not for company marketing or promotional purposes.

Please send articles, photos and comments to:

Mary Jo Smith
Newsletter Committee Chair
maryjo.smith@usbank.com

President's Message:

WELCOME FROM KATHY PURVIS



Kathy Purvis, Indiana University
 MASFAA President

Warm hello to all,

As I am writing to you the sun is shining in my home state of Indiana and the thick ice from the storm the Midwest received in February is finally beginning to melt. I believe we may reach the 60's this week. Thinking positively!

As the winter ends, our offices will be preparing our awards for incoming freshmen, beginning verification, SAP review and before you know it we will be in the summer months. I am telling myself that when it is 90 degrees in the summer I won't complain!

Although it may appear that financial aid offices just go along their merry way each year, those of us who make it appear that way know that no year is ever smooth and without uncertainty or concern in this business.

Beginning my year as MASFAA President, I thought we would be rising to the challenge of administering the new regulations. What a difference a mid-term election can make. We not only have the new regulations to think about, we now are watching the folks in Washington D.C. battle over funding levels for Pell grant and whether other financial aid programs will be cut.

These types of ups and downs are not unusual to the financial aid community. However, I thought it was appropriate to talk about advocacy and what you can do on behalf of student federal and state financial aid.

Naturally when I think of financial aid advocacy, I think about our national association, NASFAA, located in Washington, D.C. They do work on behalf of financial aid administrators across the United States to be a voice on Capitol Hill. However, NASFAA is not to replace advocacy at the individual, institutional, state or regional levels.

There are a variety of ways one can advocate on behalf of financial aid. I want to share a few of these and at a minimum get you to think about being an advocate or understand how you can make a difference.

- Do your homework. Know the issues and particularly know how they will impact the students at your institution, state or region. There are a variety of resources you can use to keep up with the potential changes such as MASFAA; NASFAA; state associations; the Chronicle of Higher Education; and various listserv.

continued on page 2

President's Message — continued

- Prepare a one page data sheet about your institution's financial aid and how the proposed changes will impact the students at your institution. In fact, this type of one page data sheet is always a good thing to have annually at your fingertips so that you know your student aid recipients and become the financial aid point person at your institution.
- Does your institution have a federal or state liaison that is presenting your institution's position on the issues? If so, get to know who that person is and be familiar with your institution's advocacy efforts. You can be a valuable resource to that individual at the federal and local levels.
- Different types of institutions, ie Private, Public, 2-year, proprietary, will also form advocacy groups; find out if your institution has that type of opportunity. Not all changes in federal and state laws impacts every institution the same.
- State associations may be a resource for you. They may also present a position or "white" paper on particular issues that impact the students in your state.
- You can contact your lawmakers individually by writing to them and providing your one page summary and the impacts of potential laws. If you write on behalf of your position at your institution, it is always important to touch base with the administration to make sure that you have the blessing of your institution before sending letters out. However, we are all taxpayers and as a citizen you certainly have the right to express your individual opinions.
- If you do correspond with individuals in your state or in Washington, D.C. it is always good to remind them of the good things that we have for our students in financial aid rather than just pointing out all of the issues that are not good for student financial aid.
- Visits to Congress are another option for advocating on behalf of your students. If you are interested in making a visit, you may have others in your institution or in your state that want to partner with you so that you can meet with several during your visit. MASFAA has resources on our [website](#) to help you prepare for a visit to your congressman.

In this issue you can read about what MASFAA's Federal Issues Committee, chaired by Marvin Smith, Purdue University has done on behalf of the membership. This committee has been quite active this year. They have been working with the NASFAA Federal Issues so that we can convey the positive changes and concerns on behalf of the Midwest region. In addition, they have been working with the individual nine states of MASFAA to see what each state is doing.

MASFAA has several members on the NASFAA Board of Directors. We have had the opportunity to be involved with the advocacy efforts of NASFAA and I believe that we have a strong commitment from NASFAA to express our concerns.

When this is published, there may already be resolution on the 2012 budget. I believe that our responsibility for advocacy for our students does not end with laws being passed. It is a continual process and I hope that the information I have provided for you will help you in your role as a student financial aid advocate.

As always, the MASFAA Executive Board and I welcome any feedback from the membership so that we may serve the members and the students in the Midwest region.

Finally, you all make a difference in student's lives each day. Thank you

Kathy Purvis, IUPUI
2010-11 MASFAA President

Summer Institute

Candi Frazier, West Virginia University

MASFAA is pleased to announce the 2011 Summer Institute "Equipping with Knowledge to Prepare for Challenges" on June 8-10, 2011 at the Hilton St. Louis Frontenac in beautiful St. Louis, MO. Summer Institute provides extensive NASFAA Core training to new financial aid professionals or those individuals who need a refresher in the basic components of financial aid. The training is provided by MASFAA experts, who combined, have over 125 years experience. Registration for the institute is \$200. Room rates are \$99/double occupancy and \$89 for single occupancy and include a full breakfast buffet. All other meals are included in the registration fee. Tentative agenda and registration information will be available by March 15 on the MASFAA website at www.masfaaweb.org. If you have any further questions, contact Candi Frazier at candi.frazier@mail.wvu.edu.

MASFAA MEMBERSHIP

Kaye Caplinger Widney, West Virginia University
MASFAA Membership Services Chair

We all have a lot to do on a daily basis and being active in a professional association may not be a priority for some of us. This could lead to missing out on some of the benefits an association like MASFAA can offer.

What are some of the benefits? Consider these:

- **Exchange of ideas/networking** with your colleagues at meetings
- **Asking questions** on the MASFAA listserv
- **A strong, well-respected voice** with the National Association of Student Financial Aid Administrators (NASFAA)
- **Web access** and inclusion in the MASFAA directory at www.masfaaweb.org
- **Professional and personal growth**
- **Involvement and training** opportunities
- **MASFAA Newsletter** which is posted quarterly on the web
- **Ability to post job vacancies** on the MASFAA listserv

2011 MASFAA membership currently stands at 352. This is 76% of the count from the same time as last year but only 42% of the final annual membership in 2010. With the transition to MASFAA membership on a calendar year basis, we experience steady membership growth throughout the year with the numbers rising sharply as conference registration opens.

It is great to know that you value the full benefits of MASFAA membership and have chosen to be involved throughout this entire membership year.

If you have any questions regarding the membership process, please contact me at kaye.widney@mail.wvu.edu. I look forward hearing from you!

MASFAA MEMBERSHIP SURVEY



Al Hermsen, MASFAA Research Committee Chair

Last summer the MASFAA Research Committee conducted a survey of financial aid staff in our region, both members and non-members. Responses from all staff levels were solicited, as were staff from all sectors. The goal of the survey was to determine what services financial aid professionals believe important for MASFAA to provide. Responses will be used to help guide the committee that is putting together our next five year strategic plan. We are pleased that 544 people completed the survey. To encourage people to complete the survey in a timely manner those that completed the survey by July 30 were eligible for a drawing of one of three \$50 gift certificates to Barnes and Noble bookstore. I am pleased to announce (finally) that the winners were Cheryl Warmann from Oakton Community College in Illinois, Juliann Murphy from West Shore Community College in Michigan, and Nicole Engeswich from Rasmussen College in Minnesota.

Here is a short summary of the survey findings:

- We had a good distribution of responses among school size, state and sector
- We had almost a 50/50 split among members vs. non-members
- 65% of the respondents who are not members say it is because of economic reasons, but 35% say it's because of duplication with offerings of other organizations
- People who have attended MASFAA conferences give them a very favorable rating
- 86% of responders said they would recommend MASFAA to others
- Things of value: conferences 67%, networking 58%, and federal updates 48%
- 90% of people who have left MASFAA did so because of economic reasons
- 92% said the dues were reasonable
- People would like MASFAA to provide more training, take a larger Federal and State role and consider institutional memberships
- 78% said we should continue the Summer Institute
- Over 60% of the members favored exploration of a different format for our conferences
- 90% of the respondents had an overall satisfaction with MASFAA and 57% said don't change anything

So MASFAA received very favorable ratings in most of the categories. There were also many written comments provided and these will be taken into account in our strategic planning. Stay tuned for more discussion as this planning takes place.

MASFAA Federal Issues Committee Update

Marvin Smith (Chair), Purdue University



The MASFAA Federal Issues Committee has been busy meeting and discussing how to best serve the MASFAA membership. Committee members represent a diversity of thought from all types of institutions from across the MASFAA region.

Committee members include Maralee Clayton, Ball State University (Indiana); Margaret Rodriguez, University of Michigan (Michigan); Greg Troska, Globe University/MN School of Business (Minnesota); Julie Cox Filippini, University of Wisconsin-Milwaukee (Wisconsin); Michelle Curtis, University of Wisconsin—Madison (Wisconsin); Diane Fleming, Central Michigan University (Michigan); Josephine Cassar (Delegate at Large), St. Clair County Community College (Michigan); Jo Altheide, Indian Hills Community College (Iowa); and Will Shaffner, MOHELA (Missouri)

We have updated the MASFAA Federal Issues web portal at www.masfaaweb.org/docs/toc_fedissues.html, agreed to meet monthly to discuss timely topics, and have posted all of our meeting minutes to date. We encourage the membership to review the updated portal and our meeting minutes. More plans to enhance the MASFAA Federal Issues web portal are being planned, but we need your feedback—just send an email to marvin@purdue.edu to let us know if we are on the right track, if you have an idea, etc.

Some federal issues have been identified as priorities MASFAA can support as identified from Federal issues position papers developed by Michigan and Indiana financial aid groups. We are impressed with the advocacy efforts of Michigan and Indiana and encourage all MASFAA states to develop a similar approach to Federal student aid advocacy—and share your thoughts with MASFAA and NASFAA.

Now more than ever, financial aid professionals need to be engaged and informed about Federal student aid issues. Your state association, MASFAA, and (especially) NASFAA provide excellent resources for you and ultimately your institution to be “in the know” about Federal student aid issues.

Did You Know?

Tim Kremer, MASFAA Archives Chair

Did you know ...

that it was moved and approved back on October 31, 1966 that membership dues would be increased from \$2.00 to \$3.00? There were 175 paid members with a balance in the treasury of \$406.42 on October 29, 1966. The expenses for the 1965-66 year were \$150.55 and were basically for the Newsletter. This is taken from MASFAA archives and is in the minutes of the MASFAA Executive Board meeting taken by the secretary, Norman Beck, from Ball State University.

Did you know ...

10 years later, during the 1975-1976 year, membership had decreased by 24 from the prior year, down to 804? The balance sheet showed that the association had expenses greater than income for the year in the amount of \$1260.33. That was three times the amount of the total money in the treasury in 1966! During 1975-1976, MASFAA spent \$60,630.69 on the annual conference and on workshops; income from the conference, workshops and membership dues was \$59,370.36. MASFAA ended the year with a balance in the treasury of \$15,046.13. What a difference in ten years!

Now, here are a few current facts.

The current balance of cash and reserves as of 01/18/2011 per Brian Weingart's report (current MASFAA Treasurer) is \$403,450.02. Membership as of 10/13/2010 was 818 per Kaye Caplinger Widney's report for the 09/10 Membership Services. Current membership dues are \$65.00 beginning on each January 1 and expiring on December 31 of each calendar year. As of February 7, 2011, MASFAA membership is 352. So, to drive the number up to where it should be, renew your membership today to take advantage of a full year of membership benefits.

If you would like to explore MASFAA's past, you can go to the electronic archives hosted by the University of Michigan, <http://www.test.finaid.msu.edu/masfaa/>.



2011 MASFAA CONFERENCE IN GRAND RAPIDS

The Local Arrangements Committee is hard at work planning the 2011 MASFAA Conference in Grand Rapids, Michigan. The Conference dates are **Oct. 9th-12th** and the location will be the beautiful Amway Grand Plaza Hotel in downtown Grand Rapids, Michigan.

The MASFAA Conference is a great resource for Financial Aid professionals of all levels. This year's conference will feature a diverse number of sessions related to processing, student counseling and professional development topics. In the past, the MASFAA Conference has featured popular guest speakers from the higher education industry and the Dept of Education.

For those currently planning their conferences for 2011, MASFAA is definitely not one to miss! Grand Rapids, Michigan is easily accessible from many locations throughout the MASFAA footprint and transportation options are plentiful. The Conference Planning Committee will continue to post updates on lodging, transportation and agenda to the MASFAA Conference Mini-Site which can be found on the MASFAA main page (www.masfaaweb.org). For those long standing members of MASFAA the conference will be a fantastic opportunity to network with old and new colleagues and share best practices for the 2011-12 Academic Year. For newer members, MASFAA offers keynote and session presenters that will offer professional development and networking opportunities that can be used for career enhancement.

As in the past, MASFAA will be sponsoring a charity for the Conference and this year has selected Mary Free Bed (www.maryfreebed.com). This is a fantastic organization that provides necessary rehabilitation services for a number of traumatic and long-term recovery injuries. The MASFAA Local Arrangements Committee is excited to work with this outstanding organization.

As the MASFAA Local Arrangements and Program Committees finalize sessions for the MASFAA 2011 Conference we would like to hear from our membership about session topics. The Conference Program Committee welcomes your ideas for possible session topics and presenters. Please send your suggestions to the Program Co-Chairs, Jim Eddy (jimeddy@umich.edu) and Linda Sigh (sigh@msu.edu).

If you are currently not a member of MASFAA or have someone in your office that is interested in getting involved it is a great time to join. Your membership gives you access to a number of services and professional opportunities through the MASFAA Region. It will also give you access to the emails and updates regarding the MASFAA 2011 Conference.

The MASFAA Local Arrangements Committee is looking forward to seeing you in Grand Rapids this Fall!

MARK YOUR CALENDAR!
OCTOBER 9-12, 2011

NEW CONTRIBUTOR SHOWCASE: BRICE BAUMGARDNER

Amy Gaffney, University of Dubuque



Brice Baumgardner

Current Missouri Association of Student Financial Aid Personnel (MASFAP) Vice President, Brice Baumgardner, admits he did not really seek to enter the financial aid industry. "I don't know anyone who chooses financial aid," he chuckled. When he came across the opportunity to apply for the position at Hannibal-LaGrange University (HLG), Brice was the Associate Director of Admissions for HLG. He had a good working relationship with the Vice President for Enrollment Management, and understood the mission and goals of HLG, thereby attracting him to the position. This, along with the idea that Brice could be closer to home to be with his wife Cara and then infant son Bennett, was the encouragement he needed and has been the director of financial aid at HLG since 2008.

When asked what he finds as the biggest surprise in financial aid, Brice replied, "How quickly things change. For example, I was at a meeting discussing the topics on which we should offer training, and spent quite some time discussing the bills related to gainful employment -- what it means to our students and schools. When the meeting broke up for lunch, we came out to find a message 'gainful employment was no longer an issue!'—at least for now."

Coming from the admission side, Brice noticed a significant difference in the support from industry colleagues. Understandably so, the admission side has a more "secretive" philosophy. Whereas, on the financial aid side, Brice feels he can call anyone for help, and has experienced a network of colleagues who are willing to share. This contributes to Brice's feelings towards MASFAP, which he stated has had a profound and positive impact on him as a professional and as well as HLG. He has consistently attended conferences and training events, where he comes back to his supervisor with newly acquired information gained from the conference or training. Brice's work on the MSFAA Awards Committee last year opened his eyes to the extent of how large the reach of the organization spans, and how closely we work together, even with other states. Brice has also served on the MASFAP Program Committee for two years and has had great experiences due to his committee work.

As a recent recipient of MASFAP's Bob Berger New Comer Award, Brice offers the following advice to anyone who might be considering a career in student financial aid, "It is important to remember of you come to work to get paid and move your institution forward, but also move your personal bias out of the way on what is best for students. We work within the parameters we are given to provide access to education and it is because we take the time to work with students we truly make it accessible."

Michigan State Report

Lori Vedder, Director, University of Michigan-Flint

The Michigan Student Financial Aid Association (MSFAA) held their fall Financial Aid 101 training sessions in October/November 2010. They were met with great success. Enrollment in these 5, one day sessions saw an increase over the past few years. Yearly, MSFAA provides this opportunity to their members as an entry level training program for newer financial aid staff. Sessions are also used as great refresher courses for the more seasoned staff. January 30-February 2, 2011 marked the 43rd year of MSFAA's existence. The annual winter training conference was held in Kalamazoo, MI. Dr. Laurie Wolf, NASFAA Chair, Pam Fowler, NASFAA Chair-Elect, Jaime Malone, U.S.D.E. and David Skonieczny, U.S.D.E. Office of Inspector General were some of the featured presenters. MSFAA's 2011 Board took the helm on Wednesday morning. Incoming state president, Lori Vedder announced that the 2011 Board will culminate the year with their first legislative visits as an association to their state capitol in Lansing, Michigan next winter.

Illinois State Report

Michelle Trame, University of Illinois at Urbana-Champaign

Elections for the 2011-2012 ILASFAA Executive Board were held this past November. I am pleased to announce the members of the 2011-2012 Executive Board.

President

Jana Albrecht, Illinois State University

President Elect

Joanna Dye, Black Hawk College

Past President

Michelle Trame, University of Illinois, Urbana Champaign

Executive Vice President

Cheryl Howerton, Millikin University

Treasurer

Mark Holysz, College of DuPage

Secretary

Bridget Curl, Illinois State University

Vice President Community Colleges

Jamie Petersen, Oakton Community College

Vice President Health Professions

Mary Brown, St. John's College of Nursing

Vice President Private College

Karen LeVeque, DePaul University

Vice President Senior Public

Donna Williams, Southern Illinois University, Carbondale

Vice President Proprietary

Jackie Richardson, Career College Corporation

Chicago Regional Coordinator

Michelle Wortel, University of Illinois, Chicago

Northern Regional Coordinator

Karen Belling, Wheaton College

Southern Regional Coordinator

Paula Carpenter, Lake Land College

Our committees have been very busy coordinating FAFSA workshops, volunteering for Chicago Cares, a Celebration of Service in honor of Dr. Martin Luther King and identifying annual award recipients. Additionally, the diversity committee is coordinating an annual scholarship that will provide a complimentary conference registration to the recipient. Planning is well underway for the ILASFAA Annual Conference that will be held in East Peoria, March 30 – April 1. The theme for the conference is "In Pursuit of Excellent" and we are very excited about our conference agenda. We are lucky to have a number of financial aid professionals presenting at our conference, including the President and CEO of NASFAA, Justin Draeger, current MASFAA President Kathy Purvis and Jeff Baker, Director, Policy Liaison and Implementation, FSA.

Prior to the annual conference, ILASFAA will be hosting the first ever ILASFAA Reality Store at Central Junior High School in East Peoria. ILASFAA's Regional Coordinators have been working very hard coordinating this event and we are thrilled to have over 40 ILASFAA members participating in this activity.

Minnesota State Report

Jayne Dinse, South Central Technical College

Most Minnesota financial aid administrators have had enough of the snow and bitter cold; we are looking forward to spring. Members have been busy conducting financial aid nights or rescheduling financial aid nights (due to weather) and participating in the thirty College Goal Events throughout the state. MAFAA will be hosting the U.S. Department of Education Federal Student Aid Training Workshops March 1-2 at Hennepin Technical College in Eden Prairie. This is always good training and with all the changes with the Program Integrity Final Regulations members are sure to get valuable information to take back to their campuses. Also in March, MAFAA will be hosting a Student Employment Workshop.

Spring brings our annual spring conference at Maddens Resort in beautiful Northern Minnesota. Our conference theme is "Riding the Wave to the Future" Our Spring Banquet Beach Bash will give members the change to trade in their winter parkas and long underwear for shorts, t-shirts, flip flops and of course a good time. MASFAA President Kathy Purvis has agreed to join us and will be speaking at our banquet.

MAFAA recently elected new officers with Doug Minter from Gustavus Adolphus College elected as President-elect. Dave Vikander, Southwest Minnesota State University serving as Vice President, Allison Horstch, Globe University as Secretary, and Katie Hendrickson, South Central College as Treasurer-elect. Jeff Albers, Smith McNally College of Music will be our President and James Hammar, University of St. Thomas, will be our Treasurer for the upcoming year and Lois Larson, Metropolitan State University in the role of Past President which will make up our elected officers.

Indiana State Report

Celebrating our Past, Building our Future

Heidi Carl, University of Indianapolis

What do Raggedy Ann, the gasoline pump, the rapid-fire machine gun and an Association for financial aid professionals all have in common? All were invented in Indiana! That's right; 75 years ago Indiana was the first state in the nation to create a professional organization for financial aid administrators.

This past December 232 financial aid professionals from across the state of Indiana gathered at the Indianapolis Marriott North to celebrate the 75th anniversary of the Indiana Student Financial Aid Association. Mother Nature played her part by dumping snow on Indiana the first day of the conference, which resulted in the cancellation of keynote speaker Dr. Dallas Martin. All was far from lost though as most people still made it to the conference and had a wonderful time learning, sharing, and reminiscing about the first 75 years of ISFAA.

The highlight of the conference was the 75th Anniversary Dinner and Celebration. President Thomas Ratliff took the attendees on a historical tour of the association and of the evolution of financial aid in Indiana and the Nation. Earlier in the day two different panels looked at financial aid from a national perspective and then a campus perspective. The first looked at historical trends that have influenced financial aid and the second looked at financial aid issues and challenges in the 21st Century. Both panels were informative and thought provoking as many of the speakers challenged those in attendance to think about the history of financial aid and where the future of financial aid will take us.

Even though the weather threatened and some treasured friends were not able to join in the celebration, those who were at the conference had a wonderful time connecting with each other and enjoying the 75th anniversary party. While not always as huggable as Raggedy Ann, not quite as useful to basic travel needs as the gasoline pump, but definitely as quick and ready as the rapid-fire machine gun, the Indiana Student Financial Aid Association proved the usefulness of its' invention by Celebrating our Past and Building our Future!



Pell Grant Faces Federal Funding Challenges

reprinted from NASFAA

The cost of the Pell Grant program has ballooned in recent years due to growing enrollment, greater financial need, broadened eligibility standards, higher awards, a weak economy, and the introduction of second Pell Grants in a single award year. Adding to these problems are recent funding shortfalls in the program between fiscal year FY2008 and FY2010 because of inadequate appropriations in some years coupled with catch-up contributions in others. The Obama administration estimates that there will be a \$20 billion shortfall in the program for academic year 2012-13. Without any action, this could cause the maximum award of \$5,550 to be reduced to \$3,240 for the 2012-13 award year.

The Pell Grant program presents both short-term and long-term funding challenges for the federal government. In the short-term, maintaining the maximum award for FY2012 will require a substantial allocation of discretionary funding. At this point Pell comprises a disproportionate and unsustainable portion of funding in the Labor, Health and Human Services, and Education appropriations bill. In the long-term, federal leaders will need to find a way to create a more sustainable program, or risk even greater future shortfalls.

Proposed Approaches to Fix the Funding Challenges

In a recent report, Federal Pell Grant Program of the Higher Education Act: Background, Recent Changes, and Current Legislative Issues, the Congressional Research Service (CRS) outlined two options available to Congress to tackle the long-term Pell Grant funding challenges. In the first option, Congress could reclassify the Pell Grant program as an entitlement. This would prevent annual funding shortfalls and surpluses in the program. However, the initial costs of reclassification could be substantial under congressional budgetary rules. The Obama administration has recommended this option in previous budget proposals, but backed off the proposal this year as the need to cut federal spending - and rein in entitlement spending in particular - has dominated the political landscape. The second option presented by CRS involves a congressional change to the distribution of overall benefits. This change could target aid to the neediest students or revise the program's award rules and eligibility parameters.

Democrats and Republicans have recently presented their ideas for shoring up the Pell Grant funding problems as well.

In his FY2012 budget request, President Obama, a long-time supporter of the Pell program, proposed maintaining the \$5,550 maximum Pell Grant award for 2012-13 by modifying federal student aid programs. These modifications, packaged together as the "Pell Protection Act," include to the elimination of second scheduled awards within an award year, beginning in the 2011-12 year. According to the administration, the most recent projections of the overall cost of two Pell Grant awards in a single award year is more than 10 times its original estimate, without clear evidence that it is meaningfully accelerating students' degree completion. Officials say eliminating these awards would save an estimated \$8 billion in 2012. This elimination would not affect the new regulatory rules that mandate assignment of a crossover period to the year that results in the higher payment, or reassignment based on subsequent receipt of additional information.

Another proposal by Obama to maintain the maximum Pell award is to eliminate the Stafford loan subsidy for graduate students, a move projected to save \$2 billion. The administration believes that these subsidies are not well targeted and do not encourage more students to enroll in graduate school. Revoking the second scheduled awards will reduce program costs and eliminating Stafford loan subsidies for graduate

continued on page 10



Meeting New Challenges

Over the past 40 years, we've worked together to help millions of people build better lives through higher education. Now more than ever, the right partner makes all the difference. In these changing times, we remain steadfast in our commitment to provide the highest level of support for professionals and students. Working together, we will ensure that future generations can pay for college and fulfill their dreams. To learn more, call 866-464-7855 or visit mygreatlakes.org.



GREAT LAKES
FOR THE BETTER

Pell Grant Faces Federal Funding Challenges — continued

programs will provide a savings that will be invested directly to the Pell program.

The Republicans are taking a different approach to the Pell program with their proposed continuing resolution (CR) that would fund the government from March 4 to September 30 after the current CR expires. In their new CR, H.R. 1, Republicans called for the maximum award to be reduced from \$5,550 to \$4,705. This \$845 cut comes from discretionary Pell funding, reducing the previously set \$4,860 discretionary maximum amount to \$4,015. The \$690 mandatory funding add-on from the Healthcare and Education Reconciliation Act of 2010 (HCERA) will be added to \$4,015 to bring the maximum award to \$4,705.

The U.S. House of Representatives voted 235-189 on February 19 to approve H.R. 1 with the Pell program cuts intact. The vote was along party lines with all Democrats voting against the bill. It remains to be seen what action the Senate will take.

NASFAA Response

In response to Obama's proposal and to the House Republican's proposal, NASFAA stressed that providing funding to maintain the maximum Pell Grant award is our highest priority. NASFAA President Justin Draeger expressed cautious support for the president's Pell Grant plan, while strongly opposing the Republican-backed Pell Grant cuts in H.R. 1.

"It is regrettable that the administration is proposing to maintain Pell by making cuts to other student aid programs that provide much needed funds to students," said Draeger in a February 14 statement. "Eliminating subsidized Stafford loans for graduate students and two Pell Grants in an award year will undeniably have a negative impact on students, but maintaining funding for the Pell program ... is our highest priority."

With regards to H.R. 1, NASFAA is calling on its members to urge their representatives in Congress to oppose cuts to the Pell Grant and other vital student aid programs. The Department of Education has already released Pell Payment and Disbursement Schedules for the 2011-12 award year based on the current CR, and with financial aid packages already sent to many families, students are now making decisions on whether to attend college this fall. Final passage of H.R. 1 by the House and Senate could cause the Department to reissue Pell schedules, thus decreasing Pell awards, and creating uncertainty for students and families. According to Draeger, "this legislation would have a devastating effect on students' ability to pay for college."



USA Funds Consultants — Strategies for Managing Cohort Default Rates



The new three-year cohort default rate calculation will put your debt management and default prevention programs to the test. USA Funds® consultants can work with you to assess your debt management, default prevention and student retention strategies and suggest enhancements that can improve results.

To locate your USA Funds consultant, visit www.usafunds.org and select "Contact," or call USA Funds at (800) 766-0084.

Financial tips to help your students avoid freshman mistakes

Jay Rhodes, TG Regional Account Executive

Football rivalry games and all-night study sessions. Meeting new people and being exposed to new ideas. Learning more about who you are and choosing a future career.

When high school students think about what college life may be like, they often picture an exciting world full of opportunities to meet new friends, make great memories, and generally have a good time. They may also be eager to study in their chosen majors, learn from accomplished professors, and prepare for their professional lives after college. They may even daydream about the independence college brings — about making their own decisions free of parental supervision.

But they may not think about one of the most important aspects of college life, one that results directly from that independence: managing money and making financial decisions for themselves. Sadly, this lack of financial forethought often continues well into the college years, with unfortunate results. These results are predictable, but all too common. If you don't study, you get bad grades; if you don't budget, you lose money.

Help your students avoid this scenario. Here are some financial tips to help them avoid freshman financial mistakes and start college on a sound footing.

- **Avoid the credit card trap**
Many credit card companies lure students with free gifts, but the T-shirts and pizza aren't worth the high interest rates and other fees. They also make it easy for students to spend more than they take in, getting them underwater financially before they even get their feet wet in a career.
- **Budget before you buy**
The first rule of financial literacy is really very simple: If you can't afford something, don't buy it. Having a budget — a plan for spending based on your income — allows you to follow this rule.
- **Avoid high roller syndrome**
Many students live beyond their means, a habit encouraged by the hectic pace and intense social demands of college. Too busy to cook? Order a pizza! Going to a party? Buy a new outfit! Students often end up using student loan money and credit cards to finance these spending habits, but they have to pay up eventually. Students should consider getting in the habit of looking for less expensive options like cooking, shopping for clothes on sale or at less expensive stores, and buying used books. When the bills start coming in after graduation, they'll be glad they did.
- **Manage your credit history**
It's never too early to start establishing a good credit history; credit scores affect students' ability to rent an apartment, get car insurance, and even land the job they want after graduation. Paying bills on time and refraining from overborrowing will help students keep their scores healthy.
- **Save now**
Even if they have part-time jobs, most college students have modest incomes. Saving is often the furthest thing from their minds. But getting in the habit now — even if they save just a few dollars each month — will provide a rainy day fund for unforeseen needs. This will make it easier for them to save when they graduate and have a more substantial income. And the earlier students start saving, the more their money will grow over time.

Additional information about TG can be found online at www.tgslc.org.



Want to make financial literacy exciting?

TG can help.

To learn more, visit: www.tgslc.org/MASFAA.



NASFAA's Professional Development Opportunities for Financial Aid Administrators at Graduate and Professional Institutions

Pre-Conference Workshop: Plug & Play: Best Practices of Utilizing Technology in Communicating with Graduate & Professional Students

When: Saturday, July 16, 2011 - 1:00 pm - 5:30 pm

Where: Sheraton Boston

Fee: \$75 Members / \$150 Non-Members

We have a responsibility to our students to assist them in their financial success before and after graduation. We also have a responsibility to our institution and prospective students to protect our cohort default rates to ensure continued eligibility for federal Title IV aid. In today's world our students are accustomed to utilizing technology for all facets of their lives. Therefore, as financial aid professionals we need to use innovative methods to communicate our institutions financial literacy, debt management and default prevention initiatives to our student aid recipients. Please join us, as we showcase graduate and professional colleagues from various institutions best practices. We will share some of the "plug & play" technology being used by institutions to try to communicate to their students. We will also share valuable resources for both graduate and professional FAA's and students that you may utilize at your institutions.

2011 NASFAA National Conference Interest Sessions July 17 to 20, Boston, MA

BBAY: Is it Right For You?

Collaborating on Campus to Meet Consumer Compliance: Making Sure You Are In Compliance

Collaborating on Debt Management Strategies

Creating a Financial Literacy Plan for your Graduate and Professional Students

Direct Loans Year in Review

Federal Update HHS: HRSA's Title VII Campus-Based Programs

Geezers, Gen-Xers, Grungers, and Geeks

GPIC Town Hall Meeting

Graduate and Professional Roundtable Discussion

Income-Based Repayment (IBR) and Public Service Loan Forgiveness

Legislative Update from the Graduate and Professional Perspective

Life After Dartmouth Medical School

Preparing for a GP Program Review

Professional Judgment for Graduate and Professional Students

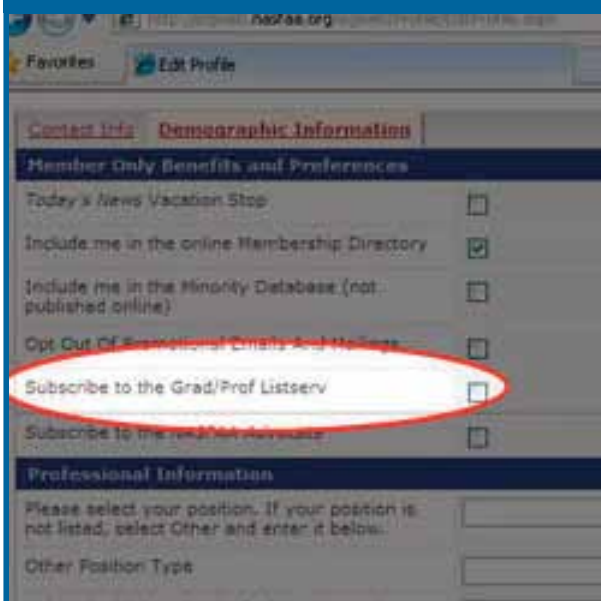
Satisfactory Academic Progress for Graduate Schools

Solving the Loan Repayment Puzzle: Debt vs. Salary

Utilizing Technology to Communicate with Graduate and Professional Students

For more information about the conference and pre-conference workshop, please visit the NASFAA Conference website at <http://conferences.nasfaa.org/2011National/default.aspx>.

Join NASFAA's Graduate and Professional Listserv



Step 1: Login to the NASFAA website and go to the **Membership Center** to access your myNASFAA account. You will need your email address and NASFAA password. If you have lost your password, retrieve it using the link on the login page. If you do not have a myNASFAA account, create one using the link on the login page. You do not need to be a member of NASFAA to create a myNASFAA account.

Step 2: Once you've logged in, select the **Demographic Information** tab.

Step 3: To add yourself to the Grad/Prof Listserv, check the appropriate box.

Step 4: Under the **Professional Information** header, use the drop-down list to answer the first question, "**Please select your position.**"

- If you work exclusively with graduate students, select Financial Aid Administrator/Graduate Students.
- If you work with graduates and undergraduates, select Financial Aid Administrator/Undergraduate & Graduate Students.

Step 5: Scroll down to the heading, **Institutional Financial Aid Professionals Only** and provide information on your graduate/professional discipline, if any.

- To select more than one option, hold down the control key while making your selection.

Step 6: Click **Save** at the bottom of the page.