

Item 2

Information Item

Presentation and discussion of federal financial aid issues

At the June Commission meeting, many commissioners expressed an interest in learning more about federal student financial aid issues. Accordingly, the Chair contacted Frank Ballmann, the Director of the National Association of State Student Grant and Aid Programs (NASSGAP), and asked him to meet with the Commission at the September meeting to discuss federal and national financial aid issues.

Mr. Ballmann worked with the New York State Higher Education Services Corporation (HESC), initially as a consultant; he joined NASSGAP in October 2009.

Prior to HESC, Mr. Ballmann worked for a variety of organizations, ranging from start-ups to financial institutions to a variety of not-for-profits. He has provided advisory services to State agencies or authorities in Alaska, California, New York, Rhode Island, Texas, and Virginia as well as the US Department of Education. In all, he has over 30 years of experience in higher education funding; not counting paying for his college education with a combination of Pell, Perkins, Work-Study, and Stafford, as well as institutional aid (although it was BEOG, NDSL, Work-Study and FISL back then).

He has spoken about education funding topics with Inside Higher Ed, the Chronicle of Higher Education, Business Week, CNBC and the Wall Street Journal, among other publications. Mr. Ballmann holds a degree in Accounting and Political Science from the Wharton School of the University of Pennsylvania and earned his CPA certificate.

California Student Aid Commission Meeting

Federal Update

September 15, 2016

Developments in DC

Attachment 2.1

- ❖ Changes for Academic Year 2016-17 and Beyond
- ❖ Federal Fiscal Year 2017 Budget
- ❖ Higher Education Act (HEA) Reauthorization

Changes for AY 2016-17

- ❖ Maximum Pell Grant Increases by \$40 to \$5815
- ❖ Federal Direct Loan Interest Rates Drop – Most to Record Fixed Rate Low
- ❖ Perkins – Last Year, Pending Reauthorization?

AY16-17 Changes - FDLP Loan Rates Drop

Loan Program	10 Yr T-Note +	Rate for 2015-16 AY	Rate for 2016-17 AY
Undergraduate Stafford – Sub and Unsub	2.05%	4.29%	3.76%
Graduate Stafford	3.6%	5.84%	5.31%
Grad and Parent PLUS	4.6%	6.84%	6.31%

Perkins Loan Update

- ❖ Perkins loan program extended as part of the FFY16 Omnibus Appropriations Act
- ❖ Available for 2016-17 Academic Year
- ❖ Grandfathering provisions scaled back to pay for this extension
- ❖ Still under discussion for HEA Reauthorization

Federal Fiscal Year 2017 Budget

- ❖ President's Budget – generally level funding with targeted investments
- ❖ House and Senate budgets – bills marked up in Committee, but not on the floor yet
- ❖ Continuing Resolution (CR) likely; the length of the CR may be a function of projected election outcomes

HEA Reauthorization

- ❖ Now that Every Student Succeeds Act (ESSA) is enacted, HEA is next priority
- ❖ Comparative HEA Approaches –
Senate’s comprehensive bill or
House’s multiple smaller bills
- ❖ Areas of Potential Consensus
 - FAFSA simplification
 - Risk sharing (but how?)
 - Year-round Pell
 - Enhanced loan counseling

CA Delegation on Committees

❖ Senate Appropriations – Feinstein

❖ House Education & Workforce

- R: Duncan Hunter
- D: Susan Davis, Mark Takano, Mark DeSaulnier

❖ House Budget

- R: Tom McClintock
- D: Barbara Lee, Ted Lieu

❖ House Appropriations

- R: Ken Calvert, David Valadao
- D: Lucille Roybal-Allard, Sam Farr, Barbara Lee, Mike Honda

ED Update

❖ Early FAFSA and 'Prior-Prior Year' Coming Next Month

- Effective for 2017-18 AY
- FAFSA filing begins 10/1/16, not 1/1/17

❖ College Scorecard

❖ FSA ID and FAFSA Volumes

Early FAFSA and Prior-Prior Year in the States

- ❖ Evaluating who will and won't file early
- ❖ First-come, first-served states
- ❖ Will PPY cost more?
- ❖ Student winners and losers?

State Policy Issues

❖ Dreamers

- In-state tuition?
- Need-based aid?
- Federal aid outlook

❖ College Access and Affordability

- Performance-based metrics
- Take 15 and On-Time Graduation

Next Steps in DC

- ❖ Resolve FFY 17 Budget
- ❖ HEA Reauthorization – Mark-ups and Markers
- ❖ Questions?