

Respond to the Perkins Funding Crisis

HOW TO

On February 6, 2006, President Bush again sent a proposal to Congress, which would eliminate the Perkins Loan Program. As you know, he proposed the elimination of the Perkins Program and the Federal Capital Contribution to the program last year, as well. Advocacy efforts to save the program seemed to be working, but the program was again put in jeopardy during deliberations concerning the Deficit Reduction Act. The Perkins Loan Program was not eliminated under this legislation, but with a bill pending to reauthorize the Higher Education Act, it is still vital to contact your Representatives and Senators to ask them to support funding for the Perkins Loan Program.

How to Contact Your Representative and Senators

COHEAO has made it very easy for you to locate a Senator or Congressman through their Web site, www.coheao.org.

- Just click the link, located at the top of their home page, to send a letter to Congress.
- After clicking the link, enter your zip code, and a list of your representatives appears.
- You can compose or cut and paste a letter or short message to send to all your elected officials in the form that is displayed. You can even designate if the letter should be sent via e-mail or through the post office from this page.
- You can also locate Congressional addresses, phone numbers, and individual Web pages so you can send or fax your own letter or call your representatives.
- In addition, you can e-mail friends and colleagues to alert them to the COHEAO Web page resources.
- By following the grassroots advocacy links from the home page, you can find sample letters to send to your representatives.

How to Get Involved

1. **Fax a letter to your Representative and Senators and follow up by mailing them a letter.** (Just mailing a letter is not recommended because of mail delays due to mail screening for bioterror agents.)
3. **Call your Representative and Senators.** Tell them who you are and why you are calling. Be prepared to cite statistics indicating the number of students at your college or university that would be affected if the Perkins Loan Program were eliminated.
4. **Visit your Representative and Senators local or Washington office.** Take students with you, if possible.
5. **Mobilize students and colleagues.** Contact your campus newspaper. Set up a laptop in a wireless location and ask students to access the COHEAO Web site to send a quick e-mail message to their representatives. Use the link on the COHEAO Web page to send an e-mail message to your colleagues on campus giving them an easy way to advocate for Perkins.

Note: Discussion points appear on the next page.

Points to make in correspondence with lawmakers.

1. President Bush plans to use the money from the Perkins loan program to fund Pell grants. Choosing between Perkins and the Pell program should not be an either/or proposition. Both programs are needed. If the Perkins fund is eliminated, it will only sustain Pell grants for a short time. Then, what happens? Will the Pell program be eliminated, too?
2. The Perkins Loan Program is self-sustaining. As borrowers repay their loans, funds are returned to the campus to be loaned to future borrowers. Campuses also match federal dollars with their own funds, thus leveraging the amounts of funds available to needy students.
3. How many students on your campus currently receive Perkins loans? How many students will be forced to find alternate sources of funding to continue college?
4. The Perkins loan program provides loan cancellation provisions for 12 critically public service professions. Do we really have enough nurses and health care technicians, math and science teachers, HeadStart teachers and social workers, law enforcement or corrections officers, family and children's services workers, special education teachers, and teachers willing to work at low-income schools? The program even offers partial loan cancellation for military personnel serving in combat. Total or partial loan cancellation leads students to pursue careers in fields that are needed, but traditionally not highly paid.
5. This is the only federal student loan program that is a true partnership between the federal government and institutions of higher education; a partnership predicated upon the requirement that participating institutions make matching capital contributions to fund new loans. This is unique among student aid programs.
6. Perkins loans support the neediest students, yet despite their financial condition, the cohort default rate is less than 9.0 % – lower than many other federal loan programs.
7. The program ensures strict accountability and transparency through the careful regulatory oversight and clear program compliance requirements administered through the Department of Education.
8. Stafford loans with their lower loan limits and their limited cancellation benefits are not a substitute for Perkins Loans.
9. All revenues from the program support new loans. In other federal student loan programs, banks or other intermediaries create revenues that may not be reinvested in the loan program. In the Perkins Program, colleges lend to the neediest students and the repayment of the principal and interest funds new loans for other needy students.
10. Families with dependent students comprise the largest percentage of Perkins borrowers. During Award Year 2001-2002, 31% percent of these families had an income under \$30,000, and an additional 44% of these families had incomes between \$30,000 and \$60,000. These families are not well to do. Family size and cost of college attendance impact eligibility for Perkins loans.
11. Twenty-one percent of Perkins Loan borrowers are independent students. Fifty-four percent of these students have incomes below \$12,000 with an additional 20% falling in the \$12,000-\$19,999 income range. Thus, 74% of independent students have incomes less than \$20,000.
12. The demonstrated need for Perkins loans always outstrips demand. Eliminating the Perkins program means that students will compete for a smaller pool of money. All students will be short changed, even if they do not qualify for Perkins funds.

Without your help the Perkins Loan Program may be eliminated. For more ideas or assistance in advocacy efforts, please contact Sharon Cameron, Audit and Compliance Specialist at 1-800-458-4492, ext. 2060.