Federal Relations Update
February 6, 2015

President’s FY 2016 Budget Request

On February 2, the President presented the Administration’s proposed budget for FY 2016; the full budget is available on the Office of Management and Budget website. SUNY OFR prepared the attached summary of the President’s budget request for education and research & development programs of interest. If you have any questions about a particular agency or program, please feel free to contact the OFR.

Teacher Preparation Regulations

Attached are SUNY’s comments on the teacher prep rule-making, submitted this week to the Department of Education. The letter states SUNY shares the goal of furthering teacher preparation reforms, but that the proposed regulation has the potential to harm students by producing confusing and inaccurate assessments of program quality.

Perkins Loan Program

The Department of Education (ED) issued a Dear Colleague Letter (DCL) GEN-15-03 on the “wind-down” of the Federal Perkins Loan Program. The letter addresses disbursement criteria for the 2015-16 award year and the limited instances in which schools can continue to make loans to students beyond September 30, 2015. As you know Perkins is set to expire September 30, 2015.

The letter clarifies that the award year that ends prior to October 1, 2015, is the 2014-15 award year, ending on June 30, 2015. Schools may make a new Perkins Loan to a student after September 1, 2015 if the all of the following conditions, outlined in the DCL, are met:

- The school made at least one Perkins loan disbursement to the student on or before June 30, 2015.
- The student is enrolled at the same institution where the last Perkins Loan disbursement was received. For example, a student who received a Perkins Loan disbursement at School A, and then received a Perkins Loan disbursement at School B, would be considered to be an eligible grandfathered borrower at School B, provided all other conditions are met, but not for a subsequent enrollment at School A.
- The student is enrolled in the same academic program for which the student received his or her last Perkins disbursement. ED considers an academic program to be the same program only if the first four digits of the program’s Classification of Instructional (CIP) code are identical to the first four digits of the CIP code for the program for which the student received his or her last Perkins Loan disbursement.
- While the law provides for this limited “grandfathering” continued eligibility for Perkins Loans “as may be necessary to enable students...to continue or complete courses of study,” many of
these grandfathered students could have their need met by a combination of other student aid and thus will not need a Perkins Loan to “enable [them]...to continue or complete [their] course of student.” Therefore, a Perkins Loan can be made to an otherwise eligible grandfathered student to meet all or some of the student’s unmet need only after the student has been awarded all Direct Subsidized Loan aid for which the student is eligible.

The letter reinforces that the grandfathering provision only applies to students who have received Perkins Loans for award year 2014-2015 or earlier, so students who receive their first Perkins Loan in the 2015-2016 award year will not be eligible for grandfathering.

*ED will be releasing information including the settlement of schools’ revolving funds and outstanding loan portfolios over the next few months.*