

Respond to the Perkins Funding Crisis



On February 7, 2005, President Bush sent his proposal to eliminate the Perkins Loan program in his FY2006 budget to Congress. If senators and congressmen from across the country are inundated by phone calls, letters, e-mails, and office visits advocating for Perkins, they cannot ignore the importance of the program. Contact information for members of congress and the senate is provided below. You will find discussion points for letters on the next page.

How to Contact Your Representative

The House Web site is available at www.house.gov. From this page, you can find your Representative:

- By entering your zip code and plus four number. (If you don't know your plus four number, you can follow the links to access the post office Web page to find the number.)
- By entering your representative's name in the search box

You can also access your representative's Web site by selecting their name from a drop down box. Each representative's Web page provides contact information for his or her Capitol Hill and district offices. Most list their e-mail address, and some have an online form to send them e-mail.

The House page also provides information about each House Committee and its members. You can also find a bill or law through the site.

How to Contact Your Senator

The Senate Web site is available at www.senate.gov. From this page, you can find your Senator's contact information by choosing your state from a drop down box.

After choosing your state, a page displaying contact information for each of your Senators, links to their Web sites, and a link to an online e-mail form will appear.

The Senate page also provides information about each Senate Committee and its members. You can also find a bill or law through the site.

Best approach

1. **Fax a letter to your Representative and Senators.** If their fax number is not available, just call their office for it. Follow up by mailing a letter. (Just mailing a letter is not recommended because of mail delays due to mail screening for bioterror agents.)
2. **Send an e-mail to your Representative and Senators.** Follow the directions above to find their e-mail addresses.
3. **Call your Representative and Senators.** You will probably speak to one of their staff members.
4. **Visit your Representative and Senators local office or in Washington, D.C. if feasible.** Take students with you.

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.

If you do nothing, 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.