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Low Income Families Should Expect Less!

As many of you know, for the fourth year in a row, President Bush has tried to eliminate the Federal Perkins Loan program. Under the new budget the program has been eliminated. What you probably aren't aware of is that funding for low income education programs is being drastically cut as part of the largest proposed reduction in the Department of Education's history.

ExpectMore.gov states that the federal Perkins program is "redundant and duplicative, given the broad availability of need-based, subsidized, relatively low-interest loans through the two larger student loan programs (Federal Family Education Loans (**FFEL**) and Ford Direct Student Loans (**DL**))."

Unfortunately Bush's budget drastically reduces these less talked about low income programs as well. The FFEL provides subsidized student loans to low income family's and the federal funding for this program is being cut almost in half from 11.1 billion in 2005 to around 6 billion for 2007. The DL program also provides subsidized student loans to low income family's and is being reduced from 1 billion to 36 million over the same time period, a 96% reduction! The proposed budget also eliminates the Leveraging Educational Assistance Partnership (LEAP) program, which provides a federal match to states for need-based grant and work-study programs. This will significantly impact state programs like New York's Tuition Assistance Program (TAP).

Michael Zoli, president of My College Planning says currently these programs benefit about 10 million students. These programs have no fees and lower interest rates than other federal programs. This is not just another education cut "it will be most significant reduction to funding education for low income families ever proposed."

If enacted, the new budget terminates more educational programs than any other Federal agency. Forty-two education programs have been terminated including the Arts in Education, Safe and Drug Free School Grant, Teacher Quality Enhancement, Foundation for Learning and School Dropout Prevention to name a few. The budget also drastically reduces the Head Start programs and Teaching American History. A complete list of program terminations is available at www.ed.gov

Education spending for FY2007 is down 23% or \$40 billion while military spending is up 7% or 439 billion. At what point did giving up the future of our education become a military expense?

My College Planning is a company that focuses on helping families make informed decisions on their college finances. The staff consists of certified college planning specialists to help solve families' college financing issues. For more information please visit www.MyCollegePlanning.com

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