

****SAMPLE LETTER****

Dear Colleague:

I am pleased to announce the College Access Challenge Grant (CACG) Program, a new formula grant program designed to support States in assisting low-income students and families learn about, prepare for, and finance postsecondary education. The CACG program was created as part of the College Cost Reduction and Access Act of 2007, and \$66 million has been appropriated to the program for fiscal year 2008.

The CACG program provides flexibility to States to engage in a broad array of activities relating to preparing low-income students for postsecondary education. Funds can be used for activities such as:

- Providing information about college to students and their families, including information about the benefits of going to college, college opportunities, college financing, and career preparation;
- Outreach activities for students at risk of not enrolling or completing postsecondary education;
- Need-based grant aid to college students;
- Student loan cancellation, repayment, or interest rate reduction for borrowers in higher-need geographical areas or high-need professions; and
- Professional development for high school and middle school guidance counselors, financial aid administrators, or college admission counselors at postsecondary institutions.

CACG funds will be awarded to States based on a statutory formula that considers the relative number of people within certain age groups living below the poverty level. For FY 2008, the minimum award is \$330,000. Governors designate the State agency that will apply for and administer these Federal grants, and States may choose to sub-grant CACG funds to one or more State or private agencies.

I encourage you to begin your planning efforts for this program early. We expect to send the final application package to you in June, and States will have approximately 45 days from the time the application is available to apply for funding. More information about the program including the authorizing legislation and a draft allocation table, is available on the CACG Web site at: www.ed.gov/programs/cacg. Additionally, a draft version of the application package is available at: http://edicsweb.ed.gov/browse/browsecoll.cfm?pkg_serial_num=3548 for public comment.

We are excited about implementing the CACG program and look forward to receiving your application. In the mean time, if you have any questions regarding the CACG program, please contact Karmon Simms-Coates at 202-502-7807 or karmon.simms-coates@ed.gov.

Sincerely,

Diane Auer Jones
Assistant Secretary
Office of Postsecondary Education