



The Week in Review

NEWS FROM THE NATION'S CAPITAL ■ VOL. XXIII, NO. 17 ■ July 13, 2004

House Subcommittee Sets Slight Increase for Student Aid

On July 8, the House Labor-HHS-Education Appropriations Subcommittee did a quick mark-up of its FY 2005 spending bill, which provided a slight increase for the student aid programs.

Overall, the subcommittee increased education funding by \$2 billion over last year, but it comes nowhere near to meeting the needs of America's students, from kindergarten through college. For student aid, the mark is \$778.5 million over last year, and \$84 million over the president's request. While Chairman Ralph Regula (R-Ohio) made a special effort to increase funding for Supplemental Educational Opportunity Grants (SEOG), TRIO and GEAR UP, he also eliminated Perkins Loan capital, and level-funded the other programs. Funding for the Pell Grant program is increased by \$823 million, but this only allows for maintaining the \$4,050 maximum grant for the third year in a row.

Specifically, the subcommittee provides the following for the NAICU and Student Aid Alliance priorities:

- Pell Grants are increased by \$823 million, to \$12.8 billion, to maintain a \$4,050 maximum grant for the third year in a row, and avoid a shortfall.

- SEOG grants are increased by \$24 million, to \$794.45 million.
- Federal Work-Study is level-funded at \$998.5 million, for the third year in a row.
- Perkins Loan Capital is eliminated, cutting \$98.7 million.
- Perkins Loan Cancellations are level-funded at \$66.7 million, for the third year in a row.
- LEAP state grants are level-funded at \$66.1, million for the third year in a row.
- GAANN and Javits Graduate programs are level-funded at \$40.4 million, for the third year in a row.
- TRIO programs are increased by \$10 million, to \$842.5 million.
- GEAR UP is increased by \$20 million, to \$318.2 million.

(See the table on page 3 for more details.)

In briefly presenting the bill, Regula said the subcommittee has "done a good job of making education, health and terrorism preparedness top priorities" in the tight allocation. He said he worked hard to "cover the interests of Republicans and Democrats on the subcommittee with the money available." Regula reminded everyone that the committee has increased funding for the Department of Education by 150 percent since 1996.

Ranking Member David Obey (D-Wis.) complained that "the

Also in this issue

NAICU Responds to Mass Mailing by House Education Committee 2

Education Funding Comparisons 3

Final SEVIS Fee Regulations Announced 5

Tuition Increase at Private Colleges Holds Steady for 2004-05 5

Ed Department Set to Issue Fines for IPEDS Noncompliance 6

chairman was forced to produce this bill" because of the inadequate allocation from the "ridiculous budget resolution." Obey offered the only amendment during the mark-up, which would increase subcommittee funding by \$7.4 billion, \$5.5 billion of it for education. The amendment mirrored the resolution he offered on the floor before the July 4th recess, which would have increased the Pell Grant maximum by \$450, among other things (See WIR #16.). The amendment failed on party lines, but Obey said he would offer it at every step of the appropriations process. He argued that if

(Continued on page 2)

(Continued from page 1)

more money were added, it would be a better bill.

Regula agreed that "this is a bigger issue than this subcommittee," but reiterated that there have been "eight years of improvements in education," achieved by "using the dollars carefully."

As he promised the leadership, Obey did not object to moving the subcommittee bill forward, but asked that the bill be "repaired" in the conference process. The other subcommittee Democrats joined Obey in allowing the bill to be unanimously reported to the full committee. Full committee action is tentatively scheduled for July 14.

Meanwhile, on the other side of the Capitol . . .

Senate Appropriations Committee Chairman Ted Stevens (R-Alaska) cancelled all subcommittee mark-ups this week because he does not want them to be open to criticism over the summer break, and there's not enough time to get them through committee and to the floor before the Democratic Convention in late July. Because the Senate did not pass the FY 2005 budget resolution, there are fewer enforceable rules for the spending caps. This means that if appropriations bills are brought to the floor, amendments to increase funding require only a simple majority. With this in mind, the

education appropriations bill may not ever make it to the floor as a separate bill, because the leadership wants to avoid a series of politically embarrassing votes to increase education funding.

One way or another, the full committee will package the bills that have not gone to the floor into an omnibus bill so that the spending cap is easier to enforce, and passage is almost guaranteed. Whether this happens before the election is still unknown, but many senators are telling staff not to make travel plans in December. ■

For more information, please contact Stephanie Giesecke at NAICU, (202) 785-8866 or stephanie@naicu.edu.

NAICU Responds to Mass Mailing by House Education Committee

College presidents around the country recently received a letter from Reps. John Boehner (R-Ohio) and Buck McKeon (R-Calif.), leaders of the House Education and the Workforce Committee, questioning the veracity of education lobbying groups. The June 23 letter was sent to "update" presidents on H.R. 4283, the College Access and Opportunity Act, which reauthorizes the Higher Education Act (HEA).

Boehner and McKeon wanted to ensure that presidents "have access to the facts," and to "set the record straight" on "misinformation circulated about the bill," according to the letter. They assert that, contrary to unnamed lobbyists, the bill imposes "no significant new reporting

requirements for institutions," "does not mandate institutional policies for transfer of credit," and "does not relax anti-fraud provisions that have proven effective." NAICU has contested this interpretation, which does not seem to be borne out by the language of the legislation.

NAICU has provided its members with a detailed refutation of the letter's assertions. Many presidents have expressed surprise that the committee leadership resorted to such tactics to move the bill forward.

Frustration may have motivated the letter, as well as a similar one sent to higher education associations several weeks ago. (See WIR #15, 6/22/04.) The HEA legislation has been delayed for several months because lead-

ership lacks the votes to win on key issues, such as loan consolidation and integrity provisions (the 90/10 rule, the 50 percent rule, and the use of a single definition of an institution of higher education).

NAICU has responded to the committee's request for input and legislative language on the bill. However, we have also made it clear that we cannot support the bill in its current form. A letter to that effect signed by 45 higher education associations may have triggered the accusatory letters. ■

For more information, contact Maureen R. Budetti at NAICU, (202) 785-8866, or maureen@naicu.edu.

Education Funding Comparisons

(\$ in millions)	FY 2004 Final	President's FY 2005	House Subcommittee
Department of Education			
Pell Grants	12,005.0	12,830.0	12,830.0
Pell Grant Surplus/Shortfall	(3,220.0)	(3,681.0)	NA
Pell Grant Maximum (<i>actual dollars, not in millions</i>)	4,050	4,050	4,050
Supplemental Educational Opportunity Grants	770.4	770.4	794.5
Federal Work-Study	998.5	998.5	998.5
Perkins LoansNew Federal Capital Contributions	98.8	0.0	0.0
Perkins Loan Cancellations	66.6	66.6	66.6
Leveraging Educational Assistance Partnerships (LEAP)	66.1	0.0	66.1
Loan Forgiveness for Child Care Providers	0.0	0.0	0.0
<i>Institutional Development</i>			
Strengthening Institutions	81.0	81.0	81.0
Strengthening Hispanic Serving Institutions	93.9	95.8	95.8
Strengthening HBCUs	222.6	240.5	240.5
Strengthening HBGIs	53.0	58.5	58.5
Strengthening Tribal Colleges and Universities	23.2	23.7	23.7
Strengthening Alaska Native and Native Hawaiian Institutions	10.9	6.1	10.9
<i>Program Development</i>			
Fund for the Improvement of Postsecondary Education (FIPSE)	154.4	32.0	32.0
Teacher Quality Enhancement Grants (HEA II)	88.8	88.8	88.8
Minority Science Improvement	8.8	8.8	8.8
International ProgramsDomestic	89.2	89.2	93.2
International ProgramsOverseas	12.8	12.8	12.8
Institute for International Public Policy	1.6	1.6	1.6
Interest Subsidy Grants (HEA VII)	1.9	1.5	1.5
<i>Scholarships/Aid to Students</i>			
Federal TRIO Programs	832.5	832.5	842.5
Byrd Honors Scholarships	40.7	40.7	-
GEAR UP	298.2	298.2	318.2
Advanced Placement Fees	23.4	23.4	30.0
Campus-based Child Care Services	16.0	16.0	16.0
Demonstration Projects for Students with Disabilities	6.8	0.0	0.0

(Continued on page 4)

(Continued from page 3)

(\$ in millions)	FY 2004 Final	President's FY 2005	House Subcommittee
Department of Education			
<i>Graduate Fellowships</i>			
GAANN and Javits	40.4	40.4	40.4
Thurgood Marshall Legal Fellowships	0.0	0.0	0.0
<i>New Block Grants</i>			
Reading First	1,023.9	1,125.0	1,125.0
Improving Teacher Quality	2,928.4	2,930.0	2,950.0
Education Technology	691.7	691.7	600.0
<i>Other Major Education Programs</i>			
Education for the Disadvantaged Total (Title I)	12,338.7	13,342.3	13,342.3
Impact Aid	1,229.5	1,229.5	1,250.8
Special Education Total (IDEA)	11,240.2	12,176.0	12,176.0
Vocational Education	1,334.9	1,012.0	1,333.5
Adult Education	590.1	590.1	590.1
Total Department of Education	\$ 55,662.4	\$ 57,339.0	\$ 60,317.0
Department of Health and Human Services			
National Institutes of Health	27,816.9	28,526.0	28,526.0
Subcommittee on the Interior			
National Endowment for the Arts	121.7	139.0	121.0
National Endowment for the Humanities	136.1	162.0	122.4

Final SEVIS Fee Regulations Announced

On July 1, 2004, the Department of Homeland Security (DHS) announced final regulations on the collection of the Student Exchange and Visitor Information System (SEVIS) fee. The fee will take effect on September 1, 2004.

The fee will cover costs for the continued operation of the Student Exchange Visitor Program (SEVP), including the administration and maintenance of SEVIS. The fee applies to F, J, and M nonimmigrant classifications; however, participants in certain J-1 exchange visitor programs will pay a reduced fee of \$35 or be exempt. The fee will also fund an assistance program to help school administrators and students use SEVIS more effectively.

Since the proposed regulations were published late last year, the higher education community worked closely with DHS to determine the most workable system for collection of the fee. As reported in last week's edition of *Week in Review*, most institutions reacted favorably to the idea of a "cohort" payment system, in which schools would pay the fee for groups of students and then collect the fee any way they desired. However, a significant minority of institutions strongly opposed the new and untested cohort plan. These extreme reservations, coupled with the perceived difficulty of setting up and administering a cohort plan on campus, led to a decision to drop the cohort idea.

The final regulations closely reflect the original proposed regulations. Individuals will be responsible for paying the fee. Payment can be made using a credit card via the Internet, by check through the mail (in U.S. dollars), or by a third party such as schools or sponsors. Institutions are not required to collect the fee under the regulation, but have the option of paying the SEVIS fee if they choose to do so.

Fact sheets and other published guidelines on SEVIS and the fee can be found on the U.S. Immigration and Customs Enforcement (ICE's) Web site at <http://www.ice.gov/graphics/enforce/imm/sevis/index.htm>. ■

For more information, contact Karin Johns at NAICU, (202) 785-8866 or karin@naicu.edu.

Tuition Increase at Private Colleges Holds Steady for 2004-05

The lingering fallout from the economic recession on endowment returns and institutional fund raising have contributed to a projected 6 percent rise in the average published tuition price at private colleges and universities for the 2004-05 academic year, according to a recent NAICU survey. Other factors include quickly rising costs for insurance premiums, energy, periodicals and other educational resources, and information technology.

The rate of increase in published tuition prices held steady at last year's 6 percent rate, and closely follows the annual increase of 5.5 percent seen during the economic boom of the 1990s. According to the College Board, the average tuition price published by private institutions (before student aid is considered) was \$17,040 in 2003-04.

Aid rises faster than tuition

Over the last decade, student aid from private colleges increased by more than twice as much as tuition—197 percent vs. 86 percent. The result? "Net tuition" at private colleges (published tuition minus grant aid) declined by \$100 over the past 10 years, when adjusted for inflation, according to data from the U.S. Department of Education.

Last year, institutional aid at private colleges and universities increased 15 percent (compared to 6 percent growth in tuition). It grew 11 percent in the previous year.

"In nearly 9 of 10 cases, published tuition overestimates the out-of-pocket costs that students and their families end up investing in a college education," said David L. Warren, president of NAICU. "No student should rule

out a college or university simply because of its published price. Student aid is the other key factor in the college affordability equation."

Eighty-six percent of undergraduate students at private colleges pay less than list price. In 1999-2000, these students received an average of \$13,700 in aid from all sources.

"The student aid resources and policies of individual colleges, the achievements and demonstrated talents of students, and family financial circumstances all play crucial roles in helping to determine the final out-of-pocket cost that families will face," Warren said. ■

For more information, contact Tony Pals at NAICU, (202) 785-8866, or tony@naicu.edu.

Ed Department Set to Issue Fines for IPEDS Noncompliance

Institutions that did not complete all of the Integrated Postsecondary Education Data Systems (IPEDS) surveys for the 2003-04 academic year will soon learn that their federal student aid dollars are at risk. Some of them will also receive fines of up to \$10,000 per incomplete survey.

Submission of IPEDS data is a requirement for participating in the federal Title IV student financial aid programs. Failure to provide IPEDS data on time triggers a set of actions by the Education

Department, beginning with a review of compliance with other Title IV requirements, which could lead to fines.

Early indications from the department are that IPEDS compliance improved over the past year. Last year, 470 institutions received warnings and 78 were fined a total of more than \$1 million.

Below is the 2004-05 IPEDS collection schedule from the National Center for Education Statistics (NCES). To avoid fines or

other penalties imposed by the Education Department, institutions should complete tasks by the deadlines indicated in the schedule below.

For more information, contact the IPEDS Help Desk at the toll-free number, (877) 225-2568, or by e-mail at ipedshelp@rti.org. ■

Schedule for IPEDS 2004-05 Web Collection

- **Registration:** All institutions will be required to register for the 2004-05 data collection cycle.
- **July 28, 2004:** IDs and passwords for the upcoming collection cycle will be distributed to all institutions. Those with designated keyholders will receive information via email. All institutions for which there is no designated keyholder will receive a letter directed to the CEO containing registration information.
- **July 28, 2004:** Registration opens
- **August 27, 2004:** NCES will review the registration status of each institution. If an institution has not registered as of this date, a letter will be sent to the CEO requesting appointment of a new keyholder.
- **Fall Collection** includes Institutional Characteristics and Completions.
- **September 8:** Fall Collection Opens
- **October 20:** Collection Closes for Institutions
- **November 3:** Collection Closes for Coordinators
- **Winter Collection** includes Employees by Assigned Position, Salaries, Fall Staff, and Enrollment. Institutions will be able to lock the Enrollment component in the winter or the spring. The Fall Staff component is provided for your convenience, but data are NOT required this year.
- **December 1:** Winter Collection Opens
- **January 26:** Collection Closes for Institutions
- **February 9:** Collection Closes for Coordinators
- **Spring Collection** includes Enrollment (for those institutions that did not lock in the winter), Student Financial Aid, Finance, and Graduation Rates
- **March 9:** Spring Collection Opens
- **April 20:** Collection Closes for Institutions
- **May 4:** Collection Closes for Coordinators

The Week in Review

The Week in Review is published by the National Association of Independent Colleges and Universities.

George J. Hagerty, *Chair; President, Franklin Pierce College*

David L. Warren, *President*

Roland H. King, *Vice President for Public Affairs*

EDITOR: Jeffery E. Hume-Pratuch, *Director of Publications*

PRODUCTION: Valencia Stringfellow

We welcome your comments. Address correspondence to: Editor, The Week in Review, NAICU, 1025 Connecticut Ave., N.W., Suite 700, Washington, DC 20036.

Phone: (202) 785-8866

Fax: (202) 835-0003

E-Mail: jeff@naicu.edu

Web: www.naicu.edu

© 2004 by the National Association of Independent Colleges and Universities.