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## **Congress to Vote on Additional Pell Grant Increase**

House and Senate conferees on student aid funding have approved a \$125 increase to the Pell Grant maximum. When added to the \$490 increase in September's budget reconciliation act, this would mean a \$615 total increase in the maximum grant – the largest annual increase in the history of the Pell Grant program. The new maximum grant would be \$4,925 for the 2008-09 academic year.

The Pell Grant increase, approved November 1, is included in FY 2008 Labor-HHS-Education Appropriations bill, to be voted on in both chambers this week, but still must navigate tricky political waters.

Congressional leadership has decided to package the bill containing the Pell Grant increase with the Military Construction/Veterans' Administration funding bill. The president would like veterans' funding passed by Veterans' Day, and Congress would like him to sign the education and health bill.

President Bush has publicly said that if the bills were sent to him separately, he would sign the Military Construction/VA bill, and veto the Labor-HHS-Education bill. Now, because the two have been bundled, he has said he plans to veto the package. The hope of proponents is that pressure from veterans, education, health, and labor groups will persuade the president to sign the packaged bills.

Beyond the political maneuvering, the underlying education funding bill represents a win for student aid. If the House and Senate pass the conference report on the bill with a veto-proof margin, student aid will be increased. If not, further budget negotiations could actually result in the base appropriated Pell Grant maximum falling below its current level.

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## **House College Cost Hearing More Tempered than Anticipated**

Lawmakers from both sides of the aisle showed up in large numbers for a two-hour-plus hearing on college cost November 1. Despite indications that questions would be tough, and that there was much constituent anger to reckon with, the hearing was unexpectedly reasonable and deliberative in tone.

Among the three witnesses was NAICU board member John Bassett, president of Clark University in Worcester, Mass. Bassett was asked to speak specifically about NAICU's U-CAN project. Committee members have been impressed with U-CAN, and arranged for Bassett to do a "live" demonstration of the site on the wide-screen monitors permanently installed in the committee room. Bassett then fielded questions from the 26 committee members in attendance. (*His full testimony is posted at [www.naicu.edu/bassett-testimony11-01-07](http://www.naicu.edu/bassett-testimony11-01-07).)*

The other two witnesses were F. King Alexander, president of California State University at Long Beach, and Jane Wellman, executive director of the Delta Project on Postsecondary Costs, Productivity and Accountability.

The measured tone of the hearing, however, was augmented by some frank assessments – coming from both sides of the aisle – that every town hall meeting in America these days seems to include a discussion of college cost. It is clear that Congress plans to take some legislative action on the matter as part of the upcoming Higher Education Act (HEA) reauthorization.

Committee Chair George Miller (D-Calif.) made the point crystal clear when he said that Congress's recent \$20 billion investment in student aid would make no difference if something wasn't also done on the cost side of the equation. He did, though, carefully use the language of "partnership" that NAICU has been promoting – in other words, that colleges, government, families, and philanthropy will all have to work together to address the college cost issue in a meaningful way.

Rep. Ric Keller (R-Fla.), ranking member of the higher education subcommittee, was more blunt, saying that while no one was proposing "price controls," many members of Congress were "ticked off" about escalating prices.

Meanwhile, higher education groups anxiously await the public release of draft language on the House HEA reauthorization bill, which could come as early as this week, with a possible committee mark-up as early as November 14. Only when we see actual bill language will we know if Keller's definition of "no price controls" meets that of the college community.

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## **HEA Extended Again**

The president signed a third extension of the Higher Education Act (HEA) this Congress on October 31, 2007. HEA was extended to March 31, 2008. The bill also includes language clarifying the meaning of a not-for-profit loan holder, especially as it applies to trustees acting on behalf of a State, political subdivision, authority, agency, or instrumentality. The for-profit and not-for-profit distinction is an important one because the not-for-profits receive a higher loan subsidy than the for-profits.

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