

## In this issue . . .

- Education Spending Bill Comes to a Screeching Halt
  - House Passes ADA Restoration Act
  - New Visa Category for Foreign Student Interns
  - Help for Colleges Seeking Direct Loan Program Certification
  - Veterans' Education a Focus of House and Senate Committee Action
  - Final TEACH Grant Regulations Published
  - Expanded GI Bill Benefits Cross Final Legislative Hurdle
  - Drive for Collection of Individual Student Data Continues
  - ED's Loan Purchase Details Awaiting Publication
- 

## Education Spending Bill Comes to a Screeching Halt

The full House Appropriations Committee meeting, convened on June 26 to consider the FY2009 Labor-HHS-Education funding bill, has been indefinitely postponed after a Republican amendment maneuver angered the chairman and the meeting was adjourned. The bill sets funding levels for, among other items, federal student aid.

Though few outside of members of Congress, appropriations staff, and federal agency representatives were able to get into the packed meeting room, the Webcast allowed anyone who tuned in to view the fireworks.

Chairman David Obey (D-Wis.) and ranking member of the subcommittee Jim Walsh (R-N.Y.) began the session with the typical opening statements and an overview of the bill. Then ranking member of the full Appropriations Committee Jerry Lewis (R-Calif.) offered an amendment to strike the language of the Labor-HHS-Education bill, and in its place, to substitute the language of the Interior-Environment bill. Lewis argued that provisions in the Interior bill could help lower gas prices, and that this should be voted on before the July 4th recess.

Obey had earlier indicated that he was aware some politicking on gas prices was likely during the mark-up. Still, he was obviously taken aback by the procedural move Lewis chose to use, commenting that it's "stunts like this that make people hate Washington."

Obey and Lewis then engaged in some back and forth about Americans facing astronomical gasoline prices as they head out for the coming holiday, the use of blackmail in getting congressional member's issues addressed, and "an administration run by two oil men."

Throwing gasoline on the verbal fire already smoldering, Rep. John Peterson (R-Pa.) then offered a perfecting (or modifying) amendment to Lewis' amendment, which dealt with oil drilling and land leases. But before any discussion began, Rep. Norm Dicks (D-Wash.) called out a motion to adjourn. Following a 35 to 27 roll call vote favoring adjournment, Obey could be heard muttering under his breath, "See you in September, Jerry."

Meanwhile on the somewhat calmer Senate side, the full Appropriations Committee there approved its version of the FY2009 Labor-HHS-Education bill by voice vote, with no fireworks at all. The Senate bill includes the president's request for the Pell Grant program, which is a \$2.7 billion increase in funding. This would provide a \$69 increase in the maximum grant, taking it to \$4,310. The bill level funds campus-based aid and LEAP state grants, and increases TRIO and GEAR UP.

The House bill, released last week, would increase Pell funding to \$3.1 billion, for a \$169 increase in the maximum, to \$4,410. Like the Senate bill, it also level funds campus-based aid and LEAP, and increases TRIO and GEAR UP.

While no one expected the domestic funding bills to be wrapped up before the November elections, there was some hope that the House might bring their bill to the floor for a vote. After Thursday's antics, though, it could be that the FY2009 appropriations process has now run out of gas.

*For more information, contact Stephanie Giesecke, [stephanie@naicu.edu](mailto:stephanie@naicu.edu)*

---

## House Passes ADA Restoration Act

The U. S. House of Representatives has passed the Americans with Disabilities Act Restoration Act of 2007 (H. R. 3195). The bill passed with strong bipartisan support, by a vote of 402 to 17, on June 25. Introduced by Majority Leader Steny Hoyer (D-Md.) and Rep. James Sensenbrenner (R-Wis.), the bill clarifies the definition of disability, reversing several U. S. Supreme Court rulings that disability advocates claim have left some with disabilities unprotected (*see WIR, 6/12/08*). Rep. George Miller (D-Calif.), chairman of the House Education and Labor Committee, said in his opening statement that "today we make it absolutely clear that the Americans with Disabilities Act protects anyone who faces discrimination on the basis of a disability."

While ADA is considered an employment and civil rights law, colleges and universities must comply with it not only in their role as employers, but as providers of education as well. The House Committee on Education and Labor report does include language reaffirming current law, that the bill is not intended to change college and university standards:

"Additionally, the Committee intends that the bill will not change the principle that entities, including institutions of higher education, need not make modifications to policies, practices or procedures that would fundamentally alter the nature of programs or services, as is true under current law. For example, a university would not be expected to eliminate academic requirements essential to the instruction being pursued by a student, although it may be required to make modifications in order to enable students with disabilities to meet those academic requirements. Current regulations provide that 'Modifications may include changes in the length of time permitted for the completion of degree requirements, substitution of specific courses required for the completion of degree requirements, and adaptation of the manner in which specific courses are conducted.'"

*([www.rules.house.gov/110/text/110\\_hr3195rpt1.pdf](http://www.rules.house.gov/110/text/110_hr3195rpt1.pdf))*

During floor debate, Rep. Jerry Nadler (D-N.Y.) noted that people had gotten caught in "the Supreme Court's Catch-22 of being discriminated against because of a disability, but not 'disabled enough' to be protected under the ADA," as it was being interpreted. He assured that the new language "would not cover people with a common cold, stomach ache, or hang nail," but should cover individuals with, for example, epilepsy, diabetes, and cancer.

Sensenbrenner observed that the bill is "not one-sided, but that it is fair and workable for employers," as well as beneficial to individuals. He said this legislation is a "fine example of our checks and balances process, which works for the people." Business groups, disability advocates and civil rights advocates all worked together to craft the language with the education and judiciary committee staff.

The next step is for the Senate to vote on its companion legislation, S. 1881, introduced by Sens. Tom Harkin (D-Iowa), Arlen Specter (R-Pa.), Ted Kennedy (D-Mass.), and Ted Stevens (R-Alaska).

*For more information, contact Stephanie Giesecke, [stephanie@naicu.edu](mailto:stephanie@naicu.edu)*

---

## New Visa Category for Foreign Student Interns

The State Department has announced a proposed change to its J-1 exchange visitor regulations creating a new subcategory specifically for student interns. Under the proposed change, foreign students enrolled in accredited institutions abroad, or graduates who have completed a program of study within 12 months of starting an exchange, would be eligible for a one-year internship program at a U.S. college or university for each degree earned.

Potential interns under J-1 would have to describe how the internship would enhance their education at their home institutions. While the internships could be paid or unpaid, the regulations would prohibit the sponsoring institutions from placing interns in several types of positions, such as unskilled or casual labor, aviation, child or elder care, and patient care or contact.

International educators are generally pleased with the proposal. They feel the new category, announced in early June, has been long delayed since September 11, and is necessary to more effectively respond to growing interest in international intern programs. The new rule will be effective starting on July 21, 2008.

*For more information, contact Karin Johns, [karin@naicu.edu](mailto:karin@naicu.edu)*

---

## Help for Colleges Seeking Direct Loan Program Certification

Due to uncertainties about the student loan market in the past months and concerns about the future, some colleges using the Federal Family Education Loan Program (FFELP) have now decided to become certified in the Federal Direct Loan Program (FDLP), and others have now actually made the switch to direct lending. Many others have questions about the ease of completing the certification process and making the transition.

Information is available directly from the Department of Education. In addition, though, the National Direct Student Loan Coalition (NDSLCL) is offering peer-to-peer help for colleges unfamiliar with the Direct Loan Program. Here is an overview of that assistance, from Eileen O'Leary of Stonehill College, on behalf NDSLCL.

"The National Direct Student Loan Coalition (NDSLCL) is providing outreach to schools that are considering or have decided to move to Direct Lending (DL). To that end the Coalition provides multiple tools for schools to use in the decision making and transition processes. In addition, colleagues at direct loan schools have volunteered to serve as mentors to new DL schools, assisting them in all aspects of implementing direct lending. A mentor list of these administrators by school size and type, as well as mainframe software platform is available on the NDSLCL website at [www.directstudentloancoalition.org/Direct\\_Loan\\_Tools/mentor.asp](http://www.directstudentloancoalition.org/Direct_Loan_Tools/mentor.asp). You are invited to contact anyone on the list to discuss issues in decision-making, application, best practices, and implementation strategies."

Beyond the colleges now converting to direct loans, others have become certified or are planning to do so in case they wish to convert in the future. Colleges can become certified in direct lending, while still using the FFELP program.

*For more information, contact Maureen Budetti, [maureen@naicu.edu](mailto:maureen@naicu.edu)*

## Veterans' Education a Focus of House and Senate Committee Action

The Veterans' Affairs Committees of both the House and Senate are considering a series of legislative proposals dealing with veterans' benefits – including measures how to address the interruption of a student's education due to military service.

The House Veterans' Affairs Subcommittee on Economic Opportunity, on June 26, approved H.R. 2910, introduced by Rep. Susan Davis (D-Calif.), calling for the refund of tuition and fees for any program a student did not complete due to military service. Institutions also would be required to provide the student the opportunity to re-enroll in the program once service is completed. Similar provisions were added to S. 3023, the Veterans' Benefits Improvements Act of 2008, approved by the Senate Veterans' Affairs Committee.

Both measures amend the Servicemembers Civil Relief Act – raising some questions about whether these new provisions are sufficiently coordinated with the ongoing efforts of the Department of Education to find the best ways to address special needs of students called up for military service. Specifically, the enforcement mechanism under the Servicemembers Civil Relief Act is simply the right of a returning veteran to file a lawsuit. Unlike the Higher Education Act, there is no federal agency charged with providing guidance to the student, and assuring compliance by institutions, on specified refund policies. This means there is no provision for informing colleges of any new obligations as a result of the amendment, or reconciling new requirements with existing law.

NAICU and the rest of the higher education community has been actively engaged in trying to improve the legislation. Further discussion of these issues will continue as the measures make their way through the legislative process.

*For more information, contact Susan Hattan, [susan@naicu.edu](mailto:susan@naicu.edu)*

---

## Final TEACH Grant Regulations Published

The final rule for the Teacher Education Assistance for College and Higher Education (TEACH) grant program was published in the *Federal Register* (Vol. 73, No. 121, pages 35472-35507) on June 23. The \$4,000-per-year TEACH grants are awarded to students, based on academic merit, who agree to teach for four years in a low-income school, and to do so within eight years of graduation.

Students must be enrolled in a TEACH grant program at a participating college, and must be completing course work necessary to begin a career in teaching – including majoring in a high-need field such as science, mathematics, or a foreign language. TEACH grants also are available for two years of graduate study preparing a student to teach.

Schools must provide counseling to students who wish to receive the grants, and who are willing to sign an agreement to fulfill the service agreement. If the service conditions are not met, the grant converts to an unsubsidized loan, with interest accruing from the date the TEACH grant was provided. Only death or total and permanent disability can excuse the grant recipient from the service obligation.

The Congressional Research Service has estimated that about 80 percent of the grants will convert to loans. The Department of Education explains in the discussion section of the regulation that the lack of flexibility is due to the strict legislative requirements.

*For more information, contact Maureen Budetti, [maureen@naicu.edu](mailto:maureen@naicu.edu)*

---

## Expanded GI Bill Benefits Cross Final Legislative Hurdle

The Senate has given final approval to the FY2008 Iraq-Afghanistan supplemental appropriations bill, sending the measure to the president, who has indicated he will sign it. This measure, approved June 26, includes the provisions of the "Post-9/11 Veterans Education Assistance Act," expanding GI Bill benefits, and allowing the transfer of those benefits to family members. The bill also provides a dollar-for-dollar federal match to private colleges that want to give veterans an additional boost to their GI benefits, above the increased amount already provided in the new bill. (See *WIR*, 4/28/08, 5/12/08, 5/28/08, 6/14/08.)

*For more information, contact Susan Hattan, susan@naicu.edu*

---

## Drive for Collection of Individual Student Data Continues

The Institute of Education Sciences (IES) of the Department of Education is inviting state educational agencies to apply for grant support "to enable them to design, develop, and implement statewide, longitudinal data systems to manage, analyze, disaggregate, and use individual student data."

The specific purposes for which funds are to be used, according to the request for applications issued June 26, include:

1. Development and implementation of statewide longitudinal data systems
2. Expansion of existing K-12 systems to include preschool, teacher, finance, and another other K-12 data not yet included in a state's system
3. Connection with postsecondary data systems or creation of consolidated P-16 systems
4. Importation of workforce data from other sources.

The full posting is available at <http://edocket.access.gpo.gov/2008/E8-14534.htm>.

The *Federal Register* notice indicates that the department plans to make \$94 million available for these grants in FY2009 – provided that its full budget request is approved by Congress. The Senate Appropriations Committee has included the full amount requested in its FY2009 funding bill. The House Appropriations Committee has included \$65 million in its version of the legislation, though the status of that measure is uncertain (See *appropriations story, above*).

This grant competition is the latest in a series of IES longitudinal data system development grants. The initial sent of grants were made to 13 states in 2005, and another 13 states received grant awards in 2007 (See *WIR*, 7/25/07).

*For more information, contact Susan Hattan, susan@naicu.edu*

---

## ED's Loan Purchase Details Awaiting Publication

The Department of Education has made public, and has sent for publication in the *Federal Register*, its "Notice of terms and conditions of purchase of loans under the Ensuring Continued Access to Student Loans Act [ECASLA] of 2008." The notice explains how the price for FFELP loans was determined; shows how the requirement that the purchases do not cost the government anything are met; and sets out the terms and conditions for the loan purchase program and the loan participation purchase program. It goes into effect as soon as it is published.

The Department's authority to purchase loans as a means to inject liquidity into the Federal Family Education Loan Program (FFELP) is provided by Public Law 110-227, enacted several months ago. The authority last for only one year.

Under the purchase program, the department acts as a secondary market, and will purchase FFELP (Stafford and PLUS) loans between July 1 and September 30, 2008. Loans with first disbursement between May 1, 2008 and July 1, 2009, and to be fully disbursed by September 30, 2009, are eligible for purchase by the department. Lenders wishing to sell the student loans they have made must submit a notice of intent and enter into a master sale agreement with the department by specified dates, and also must meet a number of terms and conditions. The price of a loan consists of its principal, earned interest, the 1 percent origination fee, and \$75 for administrative expenses.

The department's notice also details the requirements of the loan participation purchase program. This program involves a set of somewhat complex transactions designed to allow lenders with no initial capital to make student loans.

*For more information, contact Maureen Budetti, [maureen@naicu.edu](mailto:maureen@naicu.edu)*

---

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

Victor J. Boschini, Jr., Chancellor, Texas Christian University, *Chair, NAICU Board of Directors*  
David L. Warren, *NAICU President*  
Sarah A. Flanagan, *Vice President for Government Relations and Policy Development*  
Roland H. King, *Vice President for Public Affairs and Acting Editor*

We welcome your comments. Contact us at (202) 785-8866, by fax at (202) 835-0003, or by e-mail at [roland@naicu.edu](mailto:roland@naicu.edu). Our mailing address is 1025 Connecticut Ave., N.W., Suite 700, Washington, DC 20036. *The Week in Review* is available to NAICU member presidents and their staff via e-mail upon request, and is archived on the NAICU Web site, [www.naicu.edu](http://www.naicu.edu) (go to user log-in on home page). To subscribe, or for member log-in user name and password, e-mail [libby@naicu.edu](mailto:libby@naicu.edu).

© 2008 by the National Association of Independent Colleges and Universities

---



*The Week in Review*

National Association of Independent  
Colleges and Universities  
1025 Connecticut Ave., N.W., Suite 700  
Washington, DC 20036