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CHEA Calls for Additional Disclosure of Accreditation Findings

May 12, 2010

The Council for Higher Education Accreditation (CHEA) is proposing to expand the public disclosure requirements of accreditation results that must be met by accrediting organizations that seek CHEA recognition. Increased public disclosure of accreditation findings has long been a point of contention between NAICU and CHEA. Many NAICU members believe that making accreditation reviews public would weaken the rigor of the accreditation process, and could threaten more fragile colleges if publicly-released findings were misinterpreted by local news media. The newly proposed CHEA language is ambiguous about the purpose of the new requirement.

CHEA made a similar proposal when it last revised its recognition policies and procedures in 2006, but withdrew it after hearing concerns from NAICU and others. Congress also rejected numerous proposals to increase public disclosure of accreditation findings, except in the case of adverse actions, during the 2008 reauthorization of the Higher Education Act.

Commenting on the current proposal, NAICU President David Warren noted (http://www.naicu.edu/docLib/20100511_CHEA-NAICUComments5-7-10.pdf) that such disclosures would weaken accreditation by undermining the frankness and candor that help make the process successful, and could do irreparable harm to small, vulnerable institutions.

Unlike recognition by the Department of Education, CHEA recognition does not play a gate-keeping role for federal funding eligibility. However, most accreditors seek CHEA recognition due to the peer-review opportunities it provides.

The proposed CHEA standard states:

"To be recognized, the accrediting organization provides evidence that it has implemented:

. . .

5. policies or procedures, as developed by the accreditation organization through appropriate consultation with institutions or programs, to inform the public of decisions on accreditation status **and the reasons for these decisions;**" [*New language in bold.*]

The proposed revisions were made publicly available on April 1. In addition to the new public disclosure requirements, revisions are proposed in standards relating to international activities, degree and accreditation mills, financial decision making, interim reporting, and time periods related to the recognition process. The full proposal is posted on the CHEA Website.

CHEA held a public meeting on the proposals on May 11, and is accepting comments on them until the end of May. The CHEA Board will take final action on the proposals June 30.

Comments must be received by May 31, and may be submitted by mail, on line, or by fax.

Mail: Council for Higher Education Accreditation
One Dupont Circle NW, Suite 510
Washington, DC 20036

Fax: 202-955-6129

On line: <http://www.chea.org/forms/submission1.asp>

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

Congress starts thinking about ESEA re-authorization

May 12, 2010

The House and Senate education committees have been holding hearings related to the upcoming re-authorization of the Elementary and Secondary Education Act, also known as "No Child Left Behind."

The Senate Health, Education, Labor, and Pensions (HELP) Committee has held one hearing a week throughout April and May, and chairman Tom Harkin (D-Iowa) is aiming for this summer to have draft legislation updating the law that governs the federal involvement in pre-kindergarten through high school.

The House Education and Labor Committee also has held a variety of bipartisan hearings, but chairman George Miller (D-Calif.) hasn't yet indicated a timetable for moving legislation.

In both committees, most of the discussion has centered on ensuring that low-income, high-risk school districts have quality teachers and high academic standards, and has framed pre-K through high school education as the "civil rights issue of our generation," as Education Secretary Arnie Duncan often says. Both committees, however, have expressed concerns about the administration's Blueprint for Reform (<http://www2.ed.gov/policy/elsec/leg/blueprint/blueprint.pdf>.) The blueprint highlights career and college readiness; equity and opportunity; great teachers and leaders; raising the bar and rewarding excellence; and promoting innovation. However, it also proposes consolidation of existing education programs, and changing state formula grants into competitive grants -- elements the committees have found troubling.

While higher education is not directly involved in the re-authorization of ESEA, NAICU is carefully tracking three main areas with higher ed implications: teacher preparation, the Common Core Standards movement, and high school reform.

The administration proposes consolidating all federal teacher preparation programs under "great teachers and leaders" grants. Rather than having the institution of higher education and its teacher preparation program take the lead on reform, these new grants would be available to local school districts partnering with states, colleges, and other entities. It's evident from recent congressional hearings, that members of Congress have an outdated view of the changes in teacher preparation programs over the last decade. Recent updates to the 2008 Higher Education Opportunity and Access Act include cutting-edge reforms in the Title II Teacher Quality Partnership Grants, the first round of which have just been awarded.

NAICU is working with the American Association of Colleges of Teacher Education (AACTE), as

well as with the other presidential associations, to make sure Congress and the administration know that higher education is working hard to reform its teacher preparation programs - giving student teachers the clinical experience they need to perform well in the classroom, and providing matching funds for local school district partnerships. Here is our communication to Congress. (http://aacte.org/pdf/Legislation_Center/

[Letter%20to%20Chairman%20Miller%20and%20Ranking%20Member%20Kline%20with%20the%20task%20force's%20recommendations%20March%2024%202010.pdf](#))

The Common Core Standards Initiative (<http://www.corestandards.org/>) has been underway over the last year, with the National Governors Association and the Council of Chief State School Officers taking the lead. All states except Texas and Alaska are participating in this joint effort. Draft standards for English and math were released in March for public comment, and final standards are expected to be published within the next month. Once published, states will be asked to adopt the standards officially. Official adoption includes an assurance that the core standards will represent at least 85% of a state's standards in English language arts and mathematics.

Congress is looking at this movement to determine if there is an appropriate federal role to play. The administration has already created a federal role by offering incentives to states for adopting the common core standards through its Race to the Top grant applications. NAICU is watching the developments in the common core standards movement to ensure that "standards" intended to promote college readiness do not evolve into college "admissions requirements."

Likewise, high school reform efforts may have implications for higher education. Drop-out prevention, along with early warning and intervention approaches, are receiving a great deal of attention. But also being explored are models for more closely linking secondary and postsecondary education. For example, witnesses at the Senate HELP Committee hearings presented information about "Early College High Schools," allowing students to earn a high school diploma while simultaneously gaining up to two years of college credit. Currently, about 200 such programs operate in 24 states.

Given that the president is committed to what administration officials describe as "a cradle through college and career agenda," it's likely that traditional legislative boundaries will continue to blur as well.

For more information, contact Stephanie Giesecke, stephanie@naicu.edu

Drumbeat Continues for Comprehensive Student Data Systems

May 12, 2010

Late last month, the Department of Education announced its intentions (<http://www.reginfo.gov/public/do/eAgendaViewRule?pubId=201004&RIN=1875-AA10>) to make further regulatory changes in the Family Educational Rights and Privacy Act (FERPA). This announcement has been long expected, as FERPA has been seen by proponents of statewide longitudinal data systems as an obstacle to use and expansion of those systems. (See Chronicle of Higher Education *story*, http://chronicle.com/article/Education-Department-to-Revise/65268/?sid=at&utm_source=at&utm_medium=en.)

As summarized by the Department, "These proposed amendments would strengthen enforcement provisions under FERPA to cover additional recipients of information and clarify how States can effectively develop and use data in Statewide longitudinal data systems (SLDS) authorized under the American Recovery and Reinvestment Act of 2009 (ARRA) while ensuring protection of individual privacy under FERPA."

Data issues also were at the center of a House Education and Labor Committee hearing earlier in

April. In his opening remarks, committee chairman George Miller (D-Calif.) stated that ". . . there has to be a tremendous focus on data in the next iteration of the Elementary and Secondary Education Act, so the new law can be a real catalyst for positive change in our schools."

Three of the witnesses described the benefits of increased data collection as improving the tracking of mobile students' progress, enabling teachers to evaluate their teaching effectiveness with subgroups of students, giving parents more information on school performance, and identifying students who are likely to drop out of high school.

A fourth witness, Joel Reidenberg, addressed the need for far better privacy protections than have thus far been afforded under statewide student data systems. He directed a Fordham University study of elementary and secondary school state reporting systems, which found that basic privacy protections were generally lacking (<http://law.fordham.edu/center-on-law-and-information-policy/14769.htm>.) He recommended that states be required to justify the need for each item of personal student information, limit the retention of the data; and develop oversight mechanisms for the collection and use of children's educational data.

Copies of testimony and a webcast of the hearing are available on the committee's Website at <http://feeds.feedburner.com/edlabordems/hearings>.

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

CBO Releases College and University Tax Arbitrage Report

May 12, 2010

The Congressional Budget Office (CBO) has released a report examining tax-exempt bond financing by colleges and universities. The report, released April 30, had been requested in 2007 by Sen. Charles Grassley (R-Iowa). The full report can be found on the CBO Website (<http://www.cbo.gov/ftpdocs/112xx/doc11226/04-30-TaxArbitrage.pdf>.)

Grassley has stated that many colleges and universities sit on large untaxed portfolios, while simultaneously borrowing with tax-exempt debt. Tax arbitrage - the use of low-cost tax-exempt bonds to finance higher yield investment - is illegal. Under current law, however, many colleges and universities can use tax-exempt debt to finance investments in buildings and equipment, while simultaneously holding investment assets giving a higher rate of return. The report investigates whether or not this practice is a form of "indirect" tax arbitrage.

While the report makes no specific recommendations, it does suggest that if the definition of tax arbitrage were changed to include the tax-exempt debt financing practices in question, colleges and universities would cease to use this type of financing, resulting in as much as \$5 billion a year in additional tax revenue.

Currently, there are no plans for legislative activity on this issue. However, there is the danger that this could be considered a viable "revenue raiser" at a time when funds to pay for legislation are scarce. Funds to maintain buildings and equipment at our institutions are equally scarce, though. It would be counterproductive to attempt to address the cost of higher education by stripping colleges of this financing option.

For more information, contact Karin Johns, karin@naicu.edu

On the NAICU blog:

Student Aid Alliance Requests \$5.5 Billion in Emergency Supplemental Funding for the Pell Grant Shortfall

The Pell Grant shortfall is a result of a multi-year, recession-driven spike in the number of program participants. The economic downturn has resulted in increased student financial need, and a rise in displaced workers going back to college for additional training.

Over the last two years, Pell Grant applications have grown 20 percent. During normal economic times, 3 percent annual increases are typical. While the recently enacted student aid reconciliation bill retired much of the accumulated shortfall, an additional \$5.5 billion is needed to make the program whole.

See the attached Student Aid Alliance letter to the full House and Senate, and the Student Aid Alliance FY 2011 appropriations request.

For more information, contact Tony Pals, tony@naicu.edu

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The Week in Review

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May 4, 2010

United States House of Representatives
Washington, DC 20515

Re: Support Supplemental Funding for the Pell Grant Shortfall

Dear Representative:

On behalf of the higher education institutions and associations listed below, we write to alert you to the pending emergency in the Pell Grant program, and to ask your support in resolving it.

The recently enacted Health Care and Education Affordability Reconciliation Act (HCERA) established a ten-year mandatory funds account for the Pell Grant program intended to provide annual increases in the maximum award on top of its appropriated base. However, instead of the promised increase, this year millions of students could be looking at a sizable cut in their Pell Grant and thousands of others could see their grant eliminated entirely. The underlying problem stems from a multi-year, recession-based shortfall that the program has accumulated. While the reconciliation legislation retired a sizable portion of the very large funding shortfall, \$5.5 billion is still needed in FY 2010 to pay off the remainder.

Without supplemental appropriations for FY 2010, the Appropriations Committees will have to pay for the shortfall out of their FY 2011 allocations before spending any additional funds on other education, health or labor programs. In such a tight budget year, this could force the Appropriations Committees to cut funding for other programs to preserve Pell. If \$5.5 billion were to be taken from the Pell Grant program directly, such a cut would reduce the Pell Grant maximum to \$2,840, immediately after Congress promised students a \$5,550 award level.

This shortfall is a direct result of the current economic climate. Whenever the economy has struggled, workers turn to higher education to better prepare themselves for jobs; college students stay in school rather than join the ranks of the unemployed; and family need exacerbates the pressure on student aid programs. As a result, Pell Grant applications are up almost 20 percent annually, compared to the estimated 3 percent increase under normal circumstances.

We therefore ask that you support the provision of the necessary funds to close the existing Pell Grant shortfall, ensuring that critically needed student aid is not cut in FY 2011 and that Congress fulfills its promise to America's students.

Sincerely,

Molly Corbett Broad
Co-Chair

David Warren
Co-Chair

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FY 2011 Appropriations Request of the Student Aid Alliance

Without the partnership between the federal government, states, institutions and families, millions of students would not be able to go to college. In our FY 2011 appropriations request, we call on Congress to continue its bipartisan support of the federal student aid programs – which combine grant, work-study, and loan programs to enable low-income students to succeed. Since the onset of the economic downturn two years ago, college enrollment has surged, and federal student aid applications have increased by almost 20 percent. We believe these appropriated student aid programs are critical to the access, persistence and completion of college degrees by low-income students.

*The **Student Aid Alliance** is a coalition of organizations representing students, parents, colleges and universities, and others, who believe that all qualified students should be able to go to college, regardless of their financial resources.*

The Pell Grant Maximum should be \$5,550. Congress should maintain the Pell Grant maximum award of \$5,550. This amount represents an appropriated base, plus a mandatory add-on. The economic downturn has resulted in increased enrollment in higher education, and increased eligibility for federal aid, with the number of Pell Grant recipients increasing by one million students in two years.

In addition, Congress should cover the current \$5.5 billion shortfall in Pell Grant funding. Without supplemental appropriations for FY 2010, the Appropriations Committees will have to pay for the shortfall out of their FY 2011 allocations before spending any additional funds on other education, health or labor programs. In such a tight budget year, this could force the Appropriations Committees to cut funding for other programs to preserve Pell. If \$5.5 billion were to be taken from the Pell Grant program directly, such a cut would reduce the Pell Grant maximum to \$2,840, immediately after Congress promised students a \$5,550 award level.

LEAP should not be eliminated, as proposed by the president's budget, but rather, increased to \$200 million. This federal-state partnership program has been the foundation of state-matched grants since 1972, generating more than one billion dollars for about one million students each year. The Grants for Access and Persistence (GAP) component of LEAP will allow states to create robust partnerships with institutions of higher education, businesses, and philanthropic organizations to provide low-income students with the additional need-based grants; early intervention; and early assurance of aid eligibility that equals success. GAP can play a critical part in meeting the president's 2020 goal of increased college graduation in the United States.

SEOG funding should be increased to \$1 billion. The Supplemental Educational Opportunity Grant (SEOG) program provides up to an additional \$4,000 in grant assistance to Pell Grant recipients in order of need. SEOG expands college options for these students. By law, colleges and universities match one-to-three the federal SEOG funds, and often far exceed this matching level, multiplying the federal investment in low-income students.

Federal Work Study funding should be increased by \$300 million. The House jobs bill proposes to provide an additional \$300 million for the Federal Work Study program, because it has proven to be an efficient program, and effective investment to keep students employed and in college, rather than dropping out and getting in unemployment lines. The stimulus funds provided for FWS in 2009 provided jobs for an additional 162,000 students who would have otherwise had to borrow more money to stay in school.

Perkins Loan Capital should be funded at \$300 million; Perkins Loan Cancellations should be fully funded at \$125 million. While Congress deliberates legislation restructuring the Perkins Loans program, we ask appropriators to increase funding for capital contributions to the authorized level of \$300 million. This will allow institutions to continue to provide loans to low-income students before any new structure is in effect in 2012. Institutions continue to

front loan cancellations for qualifying borrowers in public service jobs that should be repaid by the federal government, as statute requires.

TRIO funding should be increased to \$1 billion to prevent the loss of 200 Upward Bound programs, an unfunded mandate in Talent Search, and the continued stagnation of other TRIO programs. Without the inclusion of \$57 million in additional discretionary funding, about 200 Upward Bound programs will be lost in academic year 2011-2012. Meanwhile, Talent Search programs will need \$35.8 million to enable just 15% of its students to receive services to support successful completion of rigorous secondary curricula, as mandated by HEOA. Finally, an additional \$57.2 million will allow for the restoration and expansion of the remaining TRIO programs (Educational Opportunity Centers, Student Support Services, Veterans Upward Bound, Upward Bound Math-Science, and McNair Post-baccalaureate Achievement), which will be critical to meeting the administrations's stated goal of emerging first in the world for college completion by 2020.

GEAR UP should be funded at \$400 million. GEAR UP provides early college awareness activities, tutoring, mentoring, academic preparation, and college scholarships to improve access to higher education for low-income students. This partnership program requires cooperation among K-12 schools, colleges, state higher education entities, businesses, and community-based organizations. By leveraging private matching resources to supplement federal investment, GEAR UP significantly increases the number of low-income students who are prepared to enter and succeed in college.

Graduate level programs should be increased to \$126 million. Supporting the need-based graduate education programs that will create the next generation of scholars, faculty, and experts in a wide spectrum of fields will help address pressing national issues and the challenges of our economic downturn. Graduate Assistance in Areas of National Need should be funded at \$40 million. The Jacob K. Javits Fellowship program should be funded at \$16 million. McNair Postsecondary Achievement, a TRIO program, should be funded at \$50 million. The Thurgood Marshall Legal Educational Opportunity Program should be funded at \$5 million and the new Patsy T. Mink program should be funded at \$15 million

Student Aid Alliance

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