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House Passes 2009 Tax Extenders

June 3, 2010

The House has approved a bill to extend dozens of tax provisions that expired Dec. 31, 2009, including the charitable IRA rollover and tuition deduction. All of the expired provisions would be retroactively extended for one year and would expire at the end of 2010. The measure, passed May 28 by a 215-204 vote, also extends unemployment insurance (UI) benefits. The Senate adjourned for the Memorial Day recess without considering the bill.

Controversy over revenue raisers, and the fact that the bill would add billions to the budget deficit, created enough opposition that House Democratic leaders repeatedly delayed floor consideration of the bill. Then House leaders decided to split the larger package into three separate bills:

- 1) the UI and tax extenders bill, called the American Jobs and Closing Tax Loopholes Act of 2010;
- 2) a separate vote on the Medicare physicians payment update; and
- 3) a third bill addressing increased spending for COBRA subsidies and federal medical assistance subsidies that will be considered by the House in June.

House Ways and Means Chairman Sander Levin (D-Mich.) made several last minute changes to the bill in an attempt to trim costs and increase support. Among the changes was a modification to the tuition deduction. The House bill would eliminate eligibility for the tuition deduction for individuals who get a larger tax benefit from the Hope and Lifetime Learning Credits. It's unclear what the revenue impact of this modification will be.

The Senate is expected to take up its version of the extenders bill the week of June 7. Reports indicate the Senate bill could be substantially different from the House bill. If so, that will further prolong reaching any final agreement until further into the summer.

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

Pell Shortfall Addressed in Draft House Supplemental

June 3, 2010

After weeks of political infighting over what domestic funding should be included in the war supplemental, House Appropriations Committee Chairman David Obey (D-Wis.) has proposed an emergency spending package that includes \$5.7 billion to cover the funding shortfall in the Pell Grant program. The machinations aren't over yet, though -- a committee mark-up scheduled for May 27 had to be postponed because of continuing controversy over domestic spending. In addition to war and disaster funding, Obey has made Pell funding a top priority, along with \$23 billion to save K-12 teacher jobs.

The health care and student aid reconciliation bill provided \$36 billion over the next ten years for increases in the Pell Grant program. Still, the program needs additional current funding to cover the rapid and unexpected growth in recipients.

When there is a downturn in the economy, more students qualify for need-based student financial aid, and more students return to postsecondary education to improve their skills for jobs in the future. The shortfall funding makes up the difference between the number of recipients estimated, and the actual number of students who receive grants. Under normal economic conditions, the Department of Education sees a 3 percent year-to-year increase in applications for Pell Grants; over the last two years they have seen a 20 percent increase.

This additional \$5.7 billion proposed by Obey should keep Pell Grant whole for the upcoming fiscal year. If funding is not provided now, it will be taken out of the next education appropriations bill for FY 2011, forcing cuts either to the Pell Grant maximum, or to other education and health programs.

NAICU and the Student Aid Alliance have been working hard to get the Pell Grant shortfall paid for in the supplemental appropriations bill for two main reasons - to ensure the program is adequately funded, and to ensure there is funding available in the FY 2011 appropriations bill for the other student aid programs. (See SAA [appropriations request](#) and [letter to the House](#).) Please let your representative and senators know that you support this provision of the supplemental bill.

Keeping the Pell shortfall funding in the bill will not be easy. Before the Senate passed its version of the war and disaster funding bill on May 27, HELP Committee Chairman Tom Harkin (D-Iowa) lobbied the leadership to include both Pell Grant shortfall and education jobs funding in the Senate version of the bill. However, he had to abandon his attempts, when budget hawks from both parties voiced concern about the increased level of federal spending.

Once the House votes on the bill later in June, Congress will then have to negotiate a final bill that meets war, disaster and educational needs, along with the concern about rising deficit spending.

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

Building Blocks to 2020: Private Colleges Answer the Call

June 3, 2010

NAICU and the Council of Independent Colleges have unveiled the framework by which we hope to collect, share, and illustrate private colleges and universities collective efforts to help the nation lead the world in college completion by the year 2020.

The "Building Blocks to 2020: Independent Colleges Answer the Call" was first announced by David L. Warren at the NAICU Annual Meeting in February. The association recognizes that private, non-profit colleges already have the greatest success rate of all sectors in college persistence and completion. Nonetheless, NAICU believes we can and should do more.

Through the new [Building Blocks to 2020 Website](#), NAICU will be able to share your success stories, show what works, and pass it on, so more students can succeed. Through the [Building Blocks to 2020 YouTube channel](#), we are taking advantage of new media to illustrate in a more personal way just how our colleges and universities are reaching out and supporting students as they work toward degree completion. The launch on Tuesday, June 1, marks NAICU's first membership-wide appeal to our members to "Answer the Call." You can start by completing the [Access and Success Survey](#). Nearly 200 NAICU member institutions have already shared what they are already doing on campus to increase access and retention. Then tell us about initiatives you are exploring or expanding by filling out our [short two-page survey](#) on your future plans. Finally, as the saying goes, "A picture is worth a thousand words," so send us a video at 2020@naicu.edu to be posted on our growing 2020 YouTube Channel.

The goal of making the United States first in the world in college completion by the year 2020 reflects a wide special interest by both major political parties and many foundations. Without the active support of NAICU members, America's private colleges will be left out of this important national conversation.

For more information, contact Bo Newsome, bo@naicu.edu

Final NACIQI Appointments Made

June 3, 2010

The House of Representatives has now made its appointments to the National Advisory Committee on Institutional Quality and Integrity (NACIQI), the Secretary of Education's advisory board that approves accreditors. These final appointments come almost two years after Congress passed the Higher Education Act reauthorization bill in August 2008. That legislation reconstituted the NACIQI, and allowed for congressional appointments to be made (see Feb. 8, 2008, [NAICU Week in Review article](#)).

The House Democrats appointed three representatives from public colleges, while the House Republicans' three appointments all represent the for-profit sector. The appointment of these final six members, now allows the panel to meet for the first time since June 2008.

With new controversy over the role of accreditation -- particularly stories of regional accreditors approving sales of non-profit colleges to the for-profit sector -- the new NACIQI membership composition is certain to add even more intrigue to its controversial recent past (*see full list of appointees, below*).

During the latter days of the Bush administration, NACIQI became an insider's battleground over attempts to systematize measures of student learning outcomes. The new panel's makeup appears to be as controversial as ever. Its 18 members, with very divergent views of American higher education, will now be expected to come to consensus over accreditors' worthiness in determining institutional quality for purposes of receiving federal aid, including student aid.

The newly constituted panel is not expected to hold its first formal meeting until the fall.

Panel Members

House Democrat Appointments:

Benjamin Allen, President, University of Northern Iowa
William "Brit" Kirwan, Chancellor, University System of Maryland
Carolyn Williams, President, Bronx Community College

House Republican Appointments:

Arthur Keiser, Chancellor, Keiser University
Arthur Rothkopf, Senior Vice President and Counselor to the President, U. S. Chamber of

Commerce
William Pepicello, President, University of Phoenix

Senate Democratic Appointments:

Dan Klach, Chancellor, Nevada System of Higher Education
Cameron Staples, Member, Connecticut State House of Representatives
Larry Vanderhoef, Chancellor Emeritus, University of California (Davis)

Senate Republican Appointments:

Bruce Cole, Past Chair, National Endowment for the Humanities and a former professor and department chair at Indiana University (Bloomington)
Anne Neal, President, American Council of Trustees and Alumni
Michael Poliakoff, Former Vice President, Academic Affairs and Research, University of Colorado

U. S. Department of Education Appointments:

Earl Lewis, Provost and Executive Vice President for Academic Affairs, Emory University
Susan Phillips, Provost and Vice President for Academic Affairs, Albany State University
Jamienne Studley, President and CEO, Public Advocates, Inc.
Aron Shimles, Student, Occidental College
Frank Wu, Professor, Howard University of Law
Frederico Zargoza, Vice Chancellor of Economic and Workforce Development, Alamo Colleges

This information was found online at:

http://www.naicu.edu/news_room/final-naciqi-appointments-made

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

Post-9/11 GI Bill Improvements Process Begins

June 3, 2010

Ever since the Post-9/11 GI Bill was approved in June 2008, observers knew that the legislation would have a messy enactment. The bill, which substantially increased GI Bill education benefits for many veterans, also entered new territory -- including the enactment of a special Yellow Ribbon Program for eligible military members, or their dependents, who enrolled in private college or out-of-state publics.

The first year under the new bill has been a mixed blessing. Hundreds of thousands of military-related students have been able to go to the college of their choice with little or no debt. But there also has been the need to navigate complex rules that have proven confusing for both colleges and veterans alike, and which have been an administrative nightmare for the Department of Veterans Affairs.

Last week, Senate Veterans Affairs Chairman Daniel Akaka (D-Hawaii) introduced [discussion legislation](#) to start what he described as a process of reform and amendment, which "will not be done quickly or easily..." Akaka emphasized that his bill is only meant to get the ball rolling, and that he welcomes the input of others who might have ideas for bill improvements.

Among the most important changes for private colleges is a proposal to eliminate the state-by-state tuition and fee caps that determine baseline benefits for the Yellow Ribbon Program. Instead, there would be a single national baseline based on the most recent year's national average cost for all baccalaureate programs. If enacted, this formula change could lead to a substantial decrease in Yellow Ribbon Program benefits and incentives for some colleges, but an increase at other colleges. The average charge for tuition and fees for baccalaureate degrees among all four-year colleges for the 2009-10 academic year was \$9,366.

Other changes include expanding the benefits to fulltime active-duty National Guard and Reserve members. Another would provide a separate \$1,000 book allowance, de-coupled from the housing allowance, for the benefit of active-duty military families

NAICU will be working to ensure that the positive incentives for private colleges to participate in the existing Yellow Ribbon Program are retained. To date, more than 1,100 private and public colleges have

signed up to participate in the Yellow Ribbon Program. (See the Department of Veterans Affairs news release from last July.)

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

Common Core State Standards in English and Math Released

June 3, 2010

On June 2, the National Governors Association and the Council of Chief State School Officers released their final standards in English language arts and mathematics. These standards have been developed through the Common Core Standards Initiative, in which all states except Texas and Alaska participated - although not all states that participated will adopt the final plan. In general, the standards seek to ensure that all high school graduates are ready for college level work. This means the standards could have more direct implications for colleges than current state-based assessment and curriculum initiatives.

Now that the final standards have been published, states will be asked to adopt the standards officially. Official adoption includes an assurance that the core standards will represent at least 85 percent of a state's standards in English language arts and mathematics.

To date, higher education involvement in this effort has been limited. However, many states have begun outreach efforts because the development and adoption of common standards is one of the selection criteria for Race to the Top funds.

Achieve, an independent, bipartisan, nonprofit education reform organization, has developed a guide, that provides insight on how states may ask colleges to become involved. The paper, titled "The Historic Opportunity to Get College Readiness Right: The Race to the Top Fund and Postsecondary Education," is [posted on their Website](#).

On the plus side, Achieve points to the benefits of having more students prepared to do college-level work, and suggests constructive ways that colleges can help by providing "physical and intellectual resources."

Potentially more problematic are references in the guide targeting state-based merit aid to low-income students who meet the core standards (page 3); creating common course numbering (page 6); providing automatic "entry" - not just eligibility - into credit-bearing courses (page 6); and using results for admissions decisions (page 8). In addition, the guide emphasizes participation in statewide data systems.

The NAICU Board Committee on Accountability discussed the draft standards at its meeting in April. The document summarizing that discussion is currently being circulated to committee members for comment. However, the general sense of the committee was that the emphasis on critical thinking skills and necessary competencies for college was a positive improvement over most current state standards of learning.

Committee members also raised some cautions about the potential for the standards to be used inappropriately (e.g., in admissions decisions), and noted that particular attention would need to be given to any assessments accompanying the standards.

NAICU will continue to monitor the progress of this state-driven national initiative.

This information was found online at:

http://www.naicu.edu/news_room/common-core-state-standards-in-english-and-math-released

For more information, contact Bo Newsome, bo@naicu.edu

FTC's Red Flag Rule Deadline Extended Again

June 3, 2010

The Federal Trade Commission (FTC) has extended the enforcement deadline for the identity theft "Red Flag Rule" from June 1, 2010 until December 31, 2010. The delay is in response to a request from Congress. Several members feel that the scope of the rule which was developed under the Fair and Accurate Credit Transactions Act passed in 2007 may be too broad.

The law directed the FTC and other agencies to issue regulations "requiring 'creditors' and 'financial institutions' to address the risk of identity theft." Such entities - including, it seems, colleges - with "covered accounts" were initially required "to develop and implement written identity theft programs." (For background, see this [FTC Website page](#), which also provides details about compliance, as well as definitions of "creditor" and "financial institution.")

The FTC rule became effective January 2008, with full compliance initially required by November 1, 2008. The compliance deadline has been put off several times. This most recent delay is the result of Reps. Barney Frank (D-Mass.) and John Adler (D-N.J.) succeeding in the passage of House legislation clarifying which entities are covered by the Red Flag Rule (H.R. 3763). The legislation has not been passed by the Senate.

The delay by the FTC does "not affect other federal agencies' enforcement of the original November 1, 2008 deadline for institutions subject to their oversight to be in compliance." This [earlier NAICU story](#) provides additional background.

For more information, contact Maureen Budetti, maureen@naicu.edu

New Round of ED Student Data System Grants Announced

June 3, 2010

The Institute of Education Sciences (IES) of the Department of Education recently announced the latest set of grant awards to state educational agencies for the design and implementation of statewide longitudinal data systems. Twenty states will receive three-year awards of amounts ranging from \$5.1 to \$19.7 million.

These most recent awards are the fourth set of longitudinal data system grants issued by IES since November 2005. Total funding to the states over this period is approximately \$535 million. In all, 41 States and the District of Columbia have received at least one grant from this program. Several states have received multiple awards.

The nine states that have not received funding under the program include: Alabama, Delaware, New Jersey, New Mexico, Oklahoma, South Dakota, Vermont, West Virginia, and Wyoming. Additional information about state awards and applications may be found on the [IES Website](#).

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

NAICU Announces Projected Direct Lobbying Costs for 2010-11 Membership Cycle

June 3, 2010

In order to ease compliance efforts by member colleges, NAICU is adding its projection of the portion of dues that go to direct lobbying expenses to its 2010-11 membership dues invoice. Until now, NAICU has provided that number to member institutions on an as-requested basis.

Non-profits have two options on how they calculate lobbying expenses. NAICU has elected to use Internal Revenue Code (IRC) definitions, so that the numbers we report both on our IRS Form 990 and to Congress under the Lobbying Disclosure Act (LDA) are consistent. Under IRC definitions, NAICU's estimated lobbying percentage -- 7 percent for the 2010-11 dues cycle -- does not reflect regulatory work, nor most advocacy with the executive branch (unless directly related to legislation). Also excluded are NAICU's more general efforts to promote the good work of our sector with national media, think tanks, and the public.

In general, the lobbying percentage under IRC is the percent of the NAICU budget expended in direct time on lobbying employees of Congress, or in preparation, research, planning, and associated expenses relating to those efforts. ([This link](#) provides additional details on reporting lobbying expenses.)

The exact statement appearing on the NAICU dues invoice is:

"NAICU's good-faith estimate of the percentage of membership dues that will be used for lobbying during the July 1, 2010-June 30, 2011 membership year is seven (7%) percent.

"IRS Form 990 requires a 501 (c) entity to report its lobbying expenditures on Schedule C. An entity that makes a 501(h) safe harbor election in regard to the amount of its lobbying expenses completes Schedule C Part II-A. An entity that does not make a 501(h) election must answer certain questions about its lobbying activities and report its lobbying expenditures on Schedule C Part II-B."

NAICU recommends that questions regarding your institution's reporting requirements under the Lobbying Disclosure Act or on IRS Form 990 be directed to your institution's legal counsel and accountants. For more information on LDA, contact Sarah Flanagan at NAICU, sarah@naicu.edu. For more information on NAICU's calculation of its lobbying percentage, contact Linda Allison, linda@naicu.edu.

This information was found online at:

http://www.naicu.edu/news_room/naicu-announces-projected-direct-lobbying-costs-for-2010-11-membership-cycle

For more information, contact Sarah Flanagan, sarah@naicu.edu

Presidential Search: Cornell College, Iowa

Cornell College in Mount Vernon, Iowa seeks a new President whose energetic, creative, and visionary leadership will serve to strengthen and expand the College's resources, enhance the College's visibility and recognition, and lead Cornell in pursuing its strategic goals.

Cornell College is a nationally ranked, highly selective undergraduate liberal arts college of nearly 1,200 students with a historic campus on 129-rolling acres in the picturesque town of Mount Vernon, Iowa-- a town distinguished by its vibrant local art scene and recognized by

Frommer's as one of "America's Coolest Small Towns." Founded in 1853 by members of the Methodist Church, Cornell College is highly regarded for the quality and distinctiveness of its academic programs, its first-class faculty, its engaged, talented students, and most especially for its distinctive One Course At A Time (OCAAT) curriculum, which offers students a flexible and compelling learning environment. One of only 270 colleges in the United States to host an active chapter of Phi Beta Kappa, Cornell College has been consistently ranked as one of the best values in higher education, was featured in *Colleges That Change Lives*, and was recently identified by *The New York Times* as one of 20 "stealth powerhouse" colleges in the U.S. The College is a member of the Associated Colleges of the Midwest, a consortium of 14 distinguished private liberal arts colleges (which include Carleton, Grinnell, Beloit, Coe, and Knox Colleges) all accredited by the Higher Learning Commission of the North Central Association of Colleges and Schools. Cornell boasts a student body that is at once national, international, and highly diverse: The incoming Class of 2013 hails from 43 states and 12 foreign countries. Cornell's commitment to diversity is reflected in the fact that students of color make up 13 percent of the student body.

Small classes, the One Course At A Time calendar, an undergraduate student/teacher ratio of 11 to 1, and accessible faculty are often mentioned by students as being among the strengths of the College. Cornell offers 35 majors, 25 minors, and 11 pre-professional programs. In part due to the OCAAT format, there are numerous opportunities for independent research in all disciplines, as well as a variety of internships that take advantage of the College's location near Chicago, St. Louis, and Cedar Rapids/Iowa City. Featured interdisciplinary centers at Cornell include Dimensions: The Center for the Science and Culture of Healthcare, which prepares students for the health professions using an integrated approach, and the Berry Center for Economics, Business, and Public Policy, which provides academic programs in applied economics and public policy.

Cornell College seeks a leader who can galvanize its community behind its vision for the future and can communicate that vision in ways that motivate its many constituencies to provide the support, financial or otherwise, necessary to attain it.

Recruitment will continue until the position is filled. Nominations, expressions of interest, and applications (including a cover letter and resume) should be submitted via email to CornellCollegePres@wittkieffer.com.

Confidential inquiries and questions concerning this search may be directed to Dennis Barden at (630) 575-6167 or Katherine (Kate) Haley Will at (603) 748-4399.

Cornell is an AA/EQ employer and encourages applications from women and minority candidates

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