Bush Plan Expands Pell Grants, Sets Time Limits

President Bush announced new educational initiatives on April 6 in El Dorado, Ark. Designed to prepare young Americans for college and skilled jobs, they would focus on improving math and science education. It is part of the president's larger "Jobs for the 21st Century" proposal. (See WIR #1, 01/30/04, for more details.)

Building on the No Child Left Behind Act, the new proposal would provide increased funding for the Mathematics and Science Partnership Programs, targeted at middle and high school students who are struggling with math. It also includes the State Scholars program, which provides additional Pell Grant funds of up to $1,000 per year to students in their first two years of college who complete the demanding State Scholars curriculum in high school.

The proposal would establish the Presidential Math and Science Scholars Fund, a public-private partnership to provide $100 million in grants to low-income students who study math or science in college. These Pell-eligible students would receive up to $5,000 in additional grant aid, although the program would not be part of the Pell Grant program.

To pay for its share of the program, which is expected to reach 20,000 students, the administration proposes limiting the number of years a student can receive a Pell Grant for undergraduate study. Students would be allowed only eight years of Pell Grant funding to earn a four-year degree, and four years for a two-year degree (prorated for part-time students). This is more generous than the rule that had existed in the program until 1992, which allowed six years of Pell Grant funding for bachelor’s degree candidates, and three years for those pursuing associate’s degrees. Currently, there are time limits on Pell Grants only for certain students.

FEC Reviewing Nonprofit Advocacy and Lobbying

The Federal Election Commission (FEC) published proposed regulations for independent political committees on March 4, 2004. While the current proposal is specific only to committees formed by organizations under Internal Revenue Code Section 527, it also asks for comments on whether 501(c)3 and other nonprofit organizations should be included in the definition of political committees, based on the organizations' major activities.

The proposed regulations would change the factors that the FEC considers when it decides if an organization is a political committee. The proposal would give political committee status to vir-
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Virtually all types of 527 organizations, 501(c)3, 501(c)4, 501(c)5, and 501(c)6 organizations (including qualified nonprofit corporations) could also gain political committee status if the major purpose of the organization is to promote, support, oppose, or attack a federal candidate. To qualify, they would also have to spend more than $10,000 on election activities, including support or attack communications, voter registration campaigns, get-out-the-vote activity, and voter identification.

While NAICU’s member colleges and universities and affiliate associations are 501(c) organizations, it appears that the proposed rules would have little effect on them. Their major purpose is higher education, and not supporting or opposing political candidates.

Independent Sector has submitted comments to the FEC on behalf of the nonprofit community, along with the majority of 527 organizations. A public hearing will be held on April 14 and 15, and final regulations are expected this summer.

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

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Senate Bill Would Give Homeland Security Aid to Nonprofits

Senators Barbara Mikulski (D-Md.) and Arlen Specter (R-Pa.) recently introduced S. 2275, a bill that would provide homeland security aid for high-risk nonprofit organizations. The “High Risk Nonprofit Security Enhancement Act of 2004” would authorize the secretary of homeland security to disburse up to $100 million annually in grants to 501(c)3 organizations—including colleges and universities—that demonstrate a high risk of terrorist attacks. Federal loan guarantees would also be available. Funds would be disbursed by a new office in the Department of Homeland Security dedicated to working with high-risk nonprofits.

There has been compelling public interest in protecting high-risk nonprofit institutions from terrorist attacks that would disrupt the vital health, social, spiritual, and educational services they provide to the country, and threaten the lives and well-being of U.S. citizens who operate, use, and live or work in proximity to these institutions.

Under S. 2275, nonprofits could submit requests to state homeland security boards, which would determine whether organizations qualify as “high risk” and prioritize the requests. They would then be sent to the secretary of homeland security, who would award federal funds to institutions based on risk, while maximizing the number of institutions receiving grants.

The funds could be used for security enhancements, such as concrete barriers and “hardening” of windows and doors, as well as technical assistance to assess needs, develop plans, and train personnel. However, funds could not be used for security equipment that would reasonably be necessary for protection from neighborhood crime. The bill also includes $50 million in grant funds for local police departments to provide additional security in areas where there is a high concentration of high-risk nonprofits.

There is broad national support for the bill, which was developed with a nonprofit coalition that included the United Jewish Communities, the American Red Cross, United Way, the American Hospital Association, the YMCA, and many others. NAICU worked closely with the coalition to ensure that private, nonprofit colleges would be included as eligible recipients. S. 2275 has been referred to the Senate Committee on Governmental Affairs, where it awaits consideration.

For additional information, please call Karin Johns at NAICU, (202) 785-8866, or karin@naicu.edu.