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Negotiated Rulemaking on Accreditation Ends – Not With a Bang but a Whimper

The fourth and final accreditation negotiated rulemaking session simply ended when the clock ran out at 5 p.m., June 1. No vote was taken on a final package, but it was clear there would not have been consensus among the negotiators had such a vote been taken.

It was an anti-climactic ending to a highly contentious process that began in February. (See WIR - 2/28/07, 4/04/07, 5/08/07.) Of greatest concern to NAICU members, as well as our colleagues in public higher education, was the effort by the Department of Education to:

- Impose rigid measures of student learning on institutions via the accreditation process;
- Tighten the Department's reins over accreditation agencies (and ultimately over institutions) by strengthening its power and that of the National Advisory Council on Institutional Quality and Integrity (NACIQI) in the agency recognition process; and
- Exceed its statutory authority by regulating institutional transfer-of-credit policies.

A white paper prepared by the six presidential associations last month offers more details about these serious concerns. (www.naicu.edu/docLib/20070507_AccredConcerns-5-04-07.pdf)

The final session dealt almost exclusively with the recognition of accreditors, and came on the heels of the semi-annual meeting of the National Advisory Committee on Institutional Quality and Integrity (NACIQI). Although less obvious than in its earlier efforts to push an outcome measures agenda (see WIR 12/18/06), NACIQI sent what was seen by many as a warning shot to regional accreditors in its recommendation that recognition be withdrawn from the Commission on Technical and Career Institutions of the New England Association of Schools and Colleges.

The Department's stance on regulations governing the recognition process met with what appeared to be the unanimous opposition of the other negotiators. A lengthy day of discussions ended with no movement in position by either side.

The next step in the process will be publication of proposed regulations in the Federal Register, probably later this month. We will alert NAICU members when these proposals are published. If – as we expect they will – the proposed regulations reflect the Department's determination to transform accreditation from a peer review system to a federal regulatory process, we will be calling upon you for your active opposition.

For more information, contact Susan Hattan, susan@naicu.edu
Student Aid Victory in House Appropriations Bill

The House Labor-HHS-Education Appropriations Subcommittee unanimously approved its FY 2008 spending bill, which made student aid funding a top priority.

The House bill represents a victory for low-income students by providing for the largest ever increase in the Pell Grant program, while maintaining all the student aid programs. After five years of flat funding, this is the direction appropriations need to go for student aid.

The bill approved June 7 includes a $390 increase for the Pell Grant maximum, to $4,700. It also rejects the president’s budget proposal to eliminate Supplemental Educational Opportunity Grants and LEAP state grant funding; increases TRIO and GEAR UP early intervention programs; restores Perkins Loans cancellations; and increases funding for the international education programs.

In addition, the bill increases spending on the National Institutes of Health by $750 million; provides the largest increase in Title I spending for low-income K-12 schools ever; and stops the decline in federal spending on special education. Another significant provision of the bill is its limitation on the ability of the Department of Education to move ahead with its plans to make fundamental changes in the accreditation system through regulations they plan to publish later this month. (See related story, above.)

During the mark-up session, Chairman David Obey (D-Wis.) explained that the bill "targets resources to priority areas where we have national deficits, including . . . educational access and opportunity." He was able to do so through a significant increase in the subcommittee allocation this year. The "people's bill" had $151.1 billion to divide up between education, health and labor programs. That is $10.6 billion more than the president's request, and $6.6 billion more than last year. Ranking Member Jim Walsh (R-N.Y.) said that "if I were chair, I would have written the same bill."

Despite the bipartisan support for the education spending bill, it is a top target for the Bush administration's veto threats. While it is the largest domestic spending bill, Obey explained that its allocation is actually "the third smallest of all the subcommittees . . . it is $3 billion below what is needed to get back to FY 2005 levels (adjusted for inflation) . . . and does not represent runaway spending." The bill includes $1.1 billion in cuts and program consolidations - most notably the controversial Reading First program.

Next in the funding process will be for the House Full Appropriations Committee to consider the bill this week, then for the Senate subcommittee to write its bill June 19 and consider it in full committee on June 21. While the Senate subcommittee has the same allocation, the priorities for funding will look different. This could make a conference agreement over the summer more difficult than initially anticipated.

We will also be closely watching progress on efforts initiated by the House Labor-HHS-Education Appropriations Subcommittee to limit the ability of the Department of Education to move ahead with new accreditation regulations.

For more information, contact Stephanie Giesecke, stephanie@naicu.edu
Cuomo Gives Senate Banking Committee a Tour of the "Wild West"

New York State Attorney General Andrew Cuomo was the star witness before Sen. Christopher Dodd's (D-Conn.) Banking Committee on June 6. While examination of student loan improprieties has largely centered in the education committees, Dodd's committee has jurisdiction over private student loans. Dodd and Ranking Minority Member Richard Shelby (R-Ala.), agreed that the growing importance of private student loans is a key aspect of the current controversy.

In his testimony, Cuomo reiterated student loan practices he's condemned in the past, including illegal activities such as revenue-sharing and receipt of personal gifts. He characterized the present student loan situation as the "Wild West" where "financial aid administrators were taking undisclosed commissions at the expense of students." He stressed the need to "stop the scams" given that students trust the advice provided by colleges to such a degree that 90 percent choose a lender on their college's preferred lender list.

Cuomo criticized federal banking regulatory agencies such as the FTC and FDIC for not acting, and the Department of Education for not referring private loan cases to those agencies. Sen. Bob Casey (D-Pa.) suggested that the agencies might be brought before the Banking Committee. Dodd noted he was willing to give the agencies any needed additional authority over private student loans, and would co-ordinate any necessary action with the Health, Education, Labor, and Pensions Committee. In response to a request from Shelby, Cuomo agreed to provide, for the record, examples of where lenders had broken federal banking law.

Cuomo said he is now beginning to look at "red-lining" in the underwriting of private student loans and believes that could be civil rights issues involved.

The growth of private loans – and arrangements between lenders and colleges regarding them – stems from the increased cost of college and the inadequacy of federal student loans to meet needed borrowing levels. Dodd acknowledged the importance of private loans in providing access to college, but feared they would soon exceed the borrowing in the federal programs. Shelby noted the explosive growth of private loans since the mid-1990s, reaching $17 billion in 2005; and a projected $30-50 billion by 2009.

The hearing's second panel, composed of several lenders and student advocate groups, offered sharply different perspectives on the student loan issue. The lenders asserted they counseled students to check their eligibility for Title IV aid programs before applying for private loans, and that they offered loan comparison tools on their Web sites. The consumer advocates focused on increasing debt burden, and the need for comparative loan information and low interest rates, with one suggesting that the lenders were engaged in predatory lending.

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

Good news on IPEDS

After months of uncertainty, there is good news from the Department of Education on the IPEDS proposals issued last January. The proposals that the higher education community viewed as the most egregious have been withdrawn from consideration – among them, a new "accountability" section and additional collection items in the financial aid survey.

Widespread concern followed the January 24 Federal Register notice of the proposals. A Week in Review story (February 28 issue), outlined the proposals, and urged NAICU institutions to send comments to the Department on items it considered onerous.
During the 60-day comment period, the Department of Education also issued a second notice suggesting it was backtracking on some of the proposals, but not indicating which items would be withdrawn. A follow-up Week in Review story (March 13 issue) reported this announcement, and asked institutions to remain vigilant. A number of higher education associations, including NAICU, also submitted two letters to the Department – one raising concerns about individual collection items (www.naicu.edu/docLib/20070611_IPEDS_II_032607.pdf), and the other asking the Department to reevaluate the estimated burden time for completion of IPEDS surveys (www.naicu.edu/docLib/20070611_IPEDS_Burden_Letter_032007.pdf).

Finally, on May 30, a notice was posted on the Department of Education Web site (http://edicsweb.ed.gov/browse/downldatt.cfm?pkg_serial_num=3269; go to “IPEDS Public Comment Response 8 May 07”). This notice reports that at this time the Department will not pursue a number of the proposals, many of which the association and institution comment letters cited as the most troublesome, including:

- A new accountability section and matrix
- Enrollment by race/ethnicity and gender for SMART grants
- Retention rates for Pell, instructional expenses per FTE
- Data on the number of aid recipients by residence and dependency
- Reporting on how transfers are verified
- Elimination of first-professional degrees and changes to doctor’s degree categories

Also, no time line has yet been issued for changes to race/ethnicity categories as mandated by the Office of Management and Budget.

Another encouraging note is that the Department says it will investigate ways to revaluate the burden estimate for institutions to complete IPEDS surveys. Those wishing to comment on the proposed collection activity and burden aspects of the May 30 notice can e-mail ICDocketMgr@ed.gov by June 29.

Many thanks to those who sent in comments to the Department of Education on this issue. Clearly, your response has made a difference.

For more information, contact Natasha Janson, natasha@naicu.edu

House Passes Bill to Encourage Study Abroad

The House has approved a bill that would create a foundation with the goal of sending one million American students abroad each year within the next ten years. Currently, only about twenty percent of that number – one percent of all college students – study abroad.

H.R. 1469, the Senator Paul Simon Study Abroad Foundation Act, honors a long-time advocate for student aid and study abroad, and authorizes $80 million annually for the foundation. Funding would be used largely for student grants, provided through universities and other study-abroad providers. The foundation would also work to increase the diversity of students who study abroad – including minority and low-income students, and those from community colleges – and seek to expand the number of students studying in developing countries.

The bill, which passed on June 5, was introduced by Rep. Tom Lantos (D-Calif.) and Rep. Ileana Ros-Lehtinen (R-Fla.). A Senate bill, S. 991, introduced by Sen. Richard Durbin (D-Ill.) and Sen. Norm Coleman (R-Minn.) has been referred to the Committee on Foreign Relations. Durbin has committed to moving the bill through the Senate quickly. Both bills are based on recommendations from the 2005 bipartisan Lincoln Commission that studied ways to increase study abroad.

For more information, contact Maureen Budetti, maureen@naicu.edu
It's Voter Registration Time 
Again for Kentucky, Louisiana, Mississippi

Three states will have gubernatorial elections this fall: Kentucky, Louisiana, and Mississippi. Federal law requires that the colleges and universities in these states make a good-faith effort to distribute state voter registration forms to each degree-seeking or certificate-seeking student who attends classes on campus.

The provision which became law as part of the 1998 Higher Education Act, applies to both federal and gubernatorial elections. For institutions in these three states, it's time to develop plans for distributing the forms to students – which may require the institutions request sufficient forms for their students at least 120 days prior to the state's voter registration deadline.

Detailed election calendars for each of the three states are available on line at:


The state must deliver the forms to the school 60 days prior to the registration cut-off date. (If they don't, you no longer have to fulfill the mandate.) Once you receive the forms, distribution is up to you. However, if your institution assigns each student an e-mail address, you may be able to take advantage of an electronic option for compliance. Please consult your school's legal counsel.

Under electronic systems, you may provide an electronic version of the form to each student. Should you pursue this option this fall, arrange for your student activities or registrar's office (or whatever office handles voter registration on your campus) to e-mail all of your students the electronic form acceptable in your state.

NAICU will follow up with more information on the process in the fall. For now, however, the key deadline is the date by which institutions must request voter registration forms from their state election board – which for the 2006 elections was in early June for all three of the states.

Useful election resources are available on the "Your Vote, Your Voice - 2008" page on the NAICU Web site, www.naicu.edu/special_initiatives/id.595/default.asp, where planning is already underway for the 2008 Presidential Election edition of the Your Vote, Your Voice campus organizing guide – a cooperative effort of nearly 50 higher education associations spearheaded by NAICU.

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

NAICU E-lists Serve Member Presidents – Plus Public Relations, Government Relations Staff

Increasingly, NAICU is moving to electronic communications – through e-mail and a completely redesigned Web site – to keep members informed of developments in Washington, national media coverage and trends, and news about our member colleges and universities. These timely and expanding channels of communication serve not just NAICU member
presidents, but their government relations and public relations staffs as well. Our e-mail lists include:

- **NAICU PresNet** is used to alert presidents to breaking news of importance to them. Over 90 percent of our approximately 950 member presidents are on the list.
- **NAICU PRNet** informs member public relations staffs of media staffing changes, media requests for sources on developing stories, and major trends in media coverage.
- **NAICU GovNet** provides legislative information and perspective on issues of interest to campus federal and state relations staff members.
- **Week in Review Electronic Edition** gets this newsletter to you days ahead of the print version.

Messages to all three lists often carry links to the NAICU Web site for more detailed information, and to other informational resources. All three lists are used very judiciously to avoid unnecessary messages – lists average no more than a couple messages a week over time – and subscribers can unsubscribe easily at any time.

Get maximum benefit from your NAICU membership by subscribing to the lists of interest to you – and encourage your public relations and government relations staff to subscribe to the lists tailored to their interests. To sign up for any of the lists, send an e-mail to roland@naicu.edu specifying the requested list and including the subscriber’s name, title, and institution. *(Subscriptions are available to staff at NAICU member institutions only.)*

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