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Senate Moves Higher Education Quickly, but Calls for Controversial Learning Outcome Measures

Positioned with their desks in a square, as if ready for a protracted discussion, members of the Senate Health, Education, Labor, and Pensions (HELP) Committee quickly dispelled that illusion and dispensed with its two major pieces of higher education legislation in very short order. It was quite clear that Sen. Edward Kennedy (D-Mass.), HELP chair, had obtained bipartisan support before entering the room.

Kennedy first took up the reconciliation bill (which has not yet been assigned a bill number) – a measure, he emphasized, that would make million of dollars available to needy students through an expedited legislative process. Sen. Mike Enzi (R-Wyo.), the committee's ranking minority member, agreed it was a good first step in making college affordable and protecting students from bad actors. It would cut lender subsidies by more than $18 billion to pay for a new "Promise Grant" program that directs funds to the neediest Pell Grant recipients. (It is unclear why the committee is creating a new program, rather than putting the money into the proven Pell Grant program.) The bill also expands financial aid eligibility by making changes to several need analysis provisions. And it creates a $25 million grant program for states, seemingly through savings from a pilot auction for PLUS loans.

The primary opposition to the bill came from Sen. Judd Gregg (R-N.H.), the former chair of the Budget Committee, who argued that the purpose of the reconciliation bill – to reduce the deficit – was being contorted into a vehicle for student aid. The bill passed by a vote of 17 to 3, with Sens. Richard Burr (R-N.C.) and Wayne Allard (R-Colo.) joining Gregg in opposition.

The committee then unanimously approved the Higher Education Act (HEA) reauthorization bill (S. 1642), which effectively contains the non-student funding aspects of the legislation. During the mark-up, Sen. Lamar Alexander (R-Tenn.) announced that he had received a letter from Secretary Spellings in which she agreed to "hit the pause button" on implementation of her controversial new regulations on accreditation.

Unfortunately, buried in the 534-page Senate bill that was then approved are provisions calling for the same student learning outcome measures that were the source of so much controversy during the recently concluded accreditation negotiated rulemaking process. (See WIR, 2/28/07, 4/04/07, 5/08/07, 6/12/07.) The bill does restrict the Secretary's regulatory authority over the measures, but this restriction is beside the point, given the proposed new language of the law itself. (See accompanying box for the text of the proposal, next page.) This accreditation language is clearly the most troubling feature of S. 1642.

In other areas of the bill, the committee was responsive to concerns raised about earlier proposals. The Senate's version of the so-called "Sunshine Provisions" calling for greater transparency regarding student loan transactions – that passed the House by a near-unanimous vote – are tough but manageable for colleges, and would not prohibit trustees' service on other boards. The provisions include a reasonable ban on gifts for those working in, or with responsibilities for, financial aid. They also allow college staff and officers to serve on lender advisory boards without compensation other than for reasonable expenses.
Student Achievement Measures Included in S. 1642

(New language noted in bold.)

(a) CRITERIA REQUIRED.—No accrediting agency or association may be determined by the Secretary to be a reliable authority as to the quality of education or training offered for the purposes of this Act or for other Federal purposes, unless the agency or association meets criteria established by the Secretary pursuant to this section. The Secretary shall, after notice and opportunity for a hearing, establish criteria for such determinations. Such criteria shall include an appropriate measure or measures of student achievement. Such criteria shall require that—

. . .

(5) the standards for accreditation of the agency or association assess the institution's—

(A) success with respect to student achievement in relation to the institution's mission, which may include different standards for different institutions or programs, through the determination of expected levels of student achievement that are established by the institution, and which use, as appropriate, empirical evidence and external indicators, with respect to criteria regarding—

(i) student retention rates;

(ii) course completion rates;

(iii) program completion and graduation rates;

(iv) for prebaccalaureate career and technical education programs, degree programs leading to initial professional licensure or certification, and other programs as appropriate—

(I) results on State licensing examinations; and

(II) job placement rates;

(v) as appropriate, other student performance information selected by the institution, particular information—

(I) used by the institution to evaluate or strengthen the institution's programs; and

(II) that reflects the institution's individual mission and the institution's distinct goals for students.

Note: Current law requires that the standards assess the institution's "(A) success with respect to student achievement in relation to the institution's mission including, as appropriate, consideration of course completion, State licensing examinations, and job placement rates;"

Another important improvement is the removal of problematic language that would have placed federal requirements on institutional transfer of credit policies. Instead, the bill merely requires colleges to publish information on their transfer of credit policies and articulation agreements.

The committee hopes to bring the reconciliation bill to the floor in July. The HEA reauthorization bill may either be considered at that time, or held until the House acts on its version of HEA later in the year. The House also plans to move its reconciliation bill (H.R. 2669) in July. As with the Senate, the House reconciliation bill primarily will be focused on shifting student loan subsidies to more direct aid for borrowers and students, and college cost provisions.

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Senate Appropriators Maintain Student Aid Funding

Working with an allocation of $2 billion less than the House education subcommittee, the Senate Appropriations Committee's spending bill does no more than maintain funding for the
student aid programs, with increases for TRIO and GEAR UP. The FY 2008 spending bill for the departments of education, health and labor, written on June 21, rejects the president's cuts to SEOG and LEAP, and provides an additional $826 million to maintain a Pell Grant maximum of $4,310.

During the mark-up, Chairman Tom Harkin (D-Iowa) noted that appropriators are working with the members of the HELP Committee – on which Harkin also sits – to increase the Pell Grant to $4,600 with mandatory dollars. (See related article on Senate reconciliation, above.)

The bipartisan bill is a "lean, tight bill," said Ranking Member Arlen Specter (R-Pa.), and makes health funding a top priority, with education right behind. The bill increases Title I funding for low-income school districts by over $1 billion, and increases special education by almost $500 million.

The goal at the start of the 110th Congress was to have all appropriations bills completed by the beginning of the FY 2008 fiscal year, October 1. However, that target date will most likely now slip. The education and health funding bill already carries an unofficial veto threat from the president because both chambers spend almost $10 billion more than the administration's request. The Senate bill also carries language in support of stem cell research opposed by the administration.

The House will consider its bill in full committee after the July 4 recess, with quick floor consideration expected after that. When the Senate bill reaches the floor will depend on and the status of the energy bill, but could also take place in July. Once both chambers have passed their versions of the bill, the House and Senate can start to work out their differences, and work toward veto-proof votes for final passage this fall.

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**Hill Event Celebrates Student Aid Success Stories**

College students and members of Congress lauded the positive impact of federal student aid funding on the lives of individuals and the well being of the nation, at the Student Aid Alliance's annual breakfast on June 28. The popular Capitol Hill event, emceed this year by Trinity University (D.C.) President Patricia McGuire, was organized by NAICU, the American Council on Education, the Association of Jesuit Colleges and Universities, and members of the Alliance.

The breakfast coincided with the House's movement on the FY 2008 appropriations bill, which calls for increasing the maximum Pell Grant to $4,700 and limiting the Department of Education's ability to institute accreditation rules.

Rep. David Obey (D-Wis.), who chairs the House appropriations committee, spoke of continuing efforts by Democrats to improve federal student aid funding. Obey urged attendees to voice their support of the appropriations bill – a sentiment shared by many of the speakers who followed.

"If the bill doesn't pass by a large enough margin [to override a possible presidential veto], kiss it goodbye," Obey said.

Rep. Gwen Moore (D-Wis.) shared her own student aid success story. She credited TRIO and other federal student aid programs for helping her overcome low expectations and an underperforming K-12 system to graduate from Marquette University.

Moore said that although there is strong support in Congress for making college more affordable, work needs to be done on changing the attitudes of legislators who see higher education as just a drain on the federal budget, rather than an investment.
Georgetown University student Justin Lepscier spoke of how federal student aid made it possible for the son of a single mother living on the Menominee Indian Reservation in Wisconsin to become a student leader and mentor for needy children.

NAICU president David Warren closed the event by promising the Student Aid Alliance would continue fighting for the future of the federal aid programs.

"We are going to continue advocating for a $5,000 Pell maximum. In the end, this is the right thing to do," Warren said.

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(Editor's Note: The above story was written by Pam Yau, a University of Pennsylvania student and summer intern at NAICU, who was also featured as one of the success stories at the Student Aid Alliance breakfast.)