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Congress Back in Town; HEA Waiting in the Wings

Congress has begun the second session of the 110th Congress, and the House has announced that it will take up the Higher Education Act (HEA) reauthorization bill on Thursday, February 7 (immediately following the NAICU Annual Meeting).

Passage of a bipartisan economic stimulus package has taken center stage in the early days of the session, but the reauthorization is next in line. The House Education and Labor Committee filed a report (House Report 110-500) on its HEA bill (H.R. 4137) on December 19. The Rules Committee has announced it will consider the bill on February 5 – a step that typically immediately precedes floor consideration.

Conference activity is expected soon thereafter, given that the Senate has already approved its version of the bill (S. 1642) (see WIR, 7/25/07). Education leaders in the House and Senate intend to complete all work on the reauthorization bill and send it to the president before March 31, when the current extension of the act expires.

NAICU members and staff have continued to work the short list of key concerns distributed to the full membership in November (www.naicu.edu/actionalert11-27-07). Specific revisions to the bill have not yet been released; however, it appears we have made major inroads on the issues of accreditation (see related article, below), articulation agreements, and institutional aid packaging – or "last dollar." Unfortunately, there are few signs of movement on college costs, teacher education, or new reporting requirements.

The involvement of NAICU presidents has been a key factor in the progress we have made, and we continue to count on your support. We anticipate that — much like the November 9 introduction and November 15 committee action — things will happen very quickly.

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

Accreditation Agreement – Here’s the Deal . . .

Last month, the accreditors (regional, national, and specialized), the Council for Higher Education Accreditation (CHEA), and the higher education associations (including NAICU) agreed upon language on measures of success in student achievement (see WIR, 12/21/07). Representatives of these groups have asked the House to include this compromise language in their bill, and members seem receptive to this request.

A key component of the agreement among all parties was the assurance that the Secretary of Education would be restricted from prescribing standards and otherwise regulating measures of student achievement success. This restriction has been included in both the House and Senate bills. This means it is critical that the final bill’s language retain the restriction on success measures, and on the Secretary’s regulation of subsection (a)(5).
The proposed language is intended to uphold the cooperative efforts between accreditors and institutions, preventing either from exercising control over the other — in the same way that both reauthorization bills, as currently written, would keep the Secretary from doing so.

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**Senate Finance Committee Questions Colleges with Big Endowments**

The chairman and ranking member of the Senate Finance Committee have sent a detailed letter to 136 institutions with endowments over $500 million. The January 24 letter asks about endowment spending, tuition increases, and more (www.naicu.edu/BaucusGrassleyLetter).

Senators Max Baucus (D-Mont.) and Charles Grassley (R-Iowa) sent the letter following the release of the National Association of College and University Business Officers (NACUBO) annual report on endowments. The report showed a significant investment gain in endowments over the past fiscal year – earning 17.2 percent on average.

The senators' inquiry reflects the ongoing interest in college and university endowments by the Senate Finance Committee over the past several months (see WIR, 10/3/07). The letter also outlines the senators' concerns over rising tuition costs. As Grassley put it, "We're giving well-funded colleges a chance to describe what they're doing to help students. This information will help us make informed decisions about a potential [endowment] payout requirement..."

Many of the questions are straightforward, but others show a lack of understanding by policymakers of how college endowments function. The responses by colleges and universities do provide an opportunity to better educate Congress and staff on the many benefits endowments provide, as well as share impressive financial aid practices. NAICU has encouraged members receiving the letter to reply in a positive way, and to include in their responses additional information about the positive effects of their endowment in enhancing accessibility.

The letter asked targeted institutions to respond in 30 days. It's unclear whether the committee will continue to pursue endowment payout legislation. Much will depend on what they hear from responding institutions — and if they continue to feel pressure to address college costs via the tax committees.

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

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**Oops! MPAA Reveals Math Error**

The Motion Picture Association of America (MPAA) has acknowledged that its contention that college students are responsible for 44% of the total revenue loss from the illegal downloading of movies is based on a math error in a 2005 study conducted by the research firm LEK. This figure has been widely touted by the industry in its efforts to promote legislation aimed at illegal file sharing on college campuses.

MPAA now estimates the collegiate illegal download figure to be 15-16%. This figure includes all college students – not just the estimated 20% of students who live on campus. Although the higher education community does not condone illegal file sharing, community representatives have raised major objections to the legislative solutions proposed by the industry. These proposals have ranged from requiring institutions to report on file-sharing, to requiring all institutions to adopt "technology-based deterrents."

The Senate Higher Education Act (HEA) reauthorization bill includes a requirement on disclosures to students about institutional copyright infringement policies and sanctions (see
The House HEA bill includes an identical requirement, but in addition would require institutions to develop a plan for offering alternatives to illegal downloading, and a plan to explore technology-based deterrents to illegal downloading. The House bill also establishes a grant program designed to assist in programs of "prevention, education, and cost-effective technological solutions" to reduce or eliminate illegal file sharing.

It remains to be seen if this revelation affects the ongoing congressional debate. MPAA believes that even the smaller figure indicates a significant problem, and the recording industry has already played a major role in putting legislative and other pressure on colleges and universities to address the illegal file sharing issue (see WIR, 3/13/07).

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

And the Rules Go Round and Round

The Department of Education has two negotiated rule-making panels working to formulate regulations based on changes in the Higher Education Act made in the recently-passed reconciliation bill, the College Cost Reduction and Access Act. One panel is focused exclusively on the Teacher Education Assistance for College and Higher Education (TEACH) grants. The other is looking at a number of changes to the loan programs, including the new income-based repayment plan and the question of a federal preemption of state law when state law conflicts with provisions of the Higher Education Act.

Funding for TEACH grants become available July 1, 2008, so the department is moving very quickly to develop draft rules for the grants. Negotiations began January 8, and should be completed by February 8. The loan panel is on a somewhat slower track. Its second meeting will be held February 4-6, and there will likely be a third negotiating session.

TEACH grants provide $4,000 per year for students who plan, and take course work, to become teachers. Undergraduates may receive up to $16,000, and master's level students up to $8,000. Recipients must teach for four years in a low-income school in a specified field, or the grant converts to a loan with interest computed from the day the grant was disbursed. Negotiators have uncovered a number of problems that may only be corrected by a change in statute, such as being unable to find a job that fulfills the service obligation.

NAICU nominated two people to serve on either panel. Scott Fleming, assistant vice president for federal relations at Georgetown University, and Tip O'Neill, president of the Association of Independent Colleges and Universities of Nebraska, were selected to serve on the TEACH panel, as primary and alternate negotiators respectively. Maureen Budetti, director of student aid policy at NAICU, was asked to serve as an alternate to Ellis Salim, vice president of student services at Baker College in Michigan, who was appointed to represent private colleges. Janet Dodson, director of financial aid at Doane College in Nebraska and Bernard Pekala, Jr., director of financial strategies at Boston College, also were selected to represent private colleges. Terry Hartle, senior vice president at the American Council on Education, was appointed as the primary negotiator for associations, with Cyndy Littlefield, director of federal relations at the Association of Jesuit Colleges and Universities, as the alternate.

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Outreach to Youth Vote Pays Dividends

National focus groups conducted last fall by the Center for Information and Research on Civic Learning and Engagement (CIRCLE) showed that college students were deeply concerned about issues, involved personally as volunteers, and ready to consider voting.

Flash back for a moment, and recall that 70 percent of young people, ages 18-29 said they were registered to vote in the 2004 election. Separating out individuals with some college or
who have attained their B.A. or above, the voter registration rate rises to 79 to 87 percent. Add to those statistics the fact that since 1972 (with one exception), whenever youth voter registration rates rose from one year to the next, the youth voter turnout also increased.

The National Campus Voter Registration Project (NCVRP), co-chaired by NAICU President David Warren, has long called for candidates and policymakers to reach out to students. In turn, the NCVRP, with the support of college presidents from all sectors, has invested time and energy in encouraging the civic engagement of our campus communities in every gubernatorial or federal election since 1996. This long-term investment paid dividends in the 2006 mid-term elections, when 10 million 18- to 29-year-olds voted in the election – an increase of 2 million over the previous 2002 mid-term elections.

Now fast forward to the current presidential campaign. Youth turnout in the Iowa caucuses tripled compared to 2004. Over 65,000 Iowans under the age of 30 caucused – 60 percent for the first time. In New Hampshire, the youth turnout rate jumped from 18 percent in 2004 to 43 percent in 2008. More than 84,000 18- to 29-year-olds voted in the New Hampshire primary, according to estimates by CIRCLE. That is a 271 percent increase over 2004 levels.

One key difference this year is that the candidates themselves are reaching out to young voters. For example, Hillary Clinton’s campaign has targeted young women and young people in general, between the ages of 25-29. Barack Obama’s campaign has focused on reaching college-aged young people. Candidates such as Mike Huckabee, John McCain, Ron Paul, and Mitt Romney have also benefitted from the youth vote.

We have quite a way to go until the General Election on November 4. If the primaries are any indication, though, college students and their youth vote cohort will be fully engaged in the political process. The NCVRP will continue to encourage every member of the campus community to participate in nonpartisan civic engagement. What an investment!

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The Week in Review is published by the National Association of Independent Colleges and Universities.

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The Week in Review
National Association of Independent Colleges and Universities
1025 Connecticut Ave., N.W., Suite 700
Washington, DC 20036