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It's Not Over 'Til It's Over –  
HEA Bill Now Heads to Conference  

The Higher Education Act reauthorization bill is finally headed to conference after the House approved its version by a margin of 354-58 on Thursday, February 7. It is expected that conference will begin very quickly, and that a final bill will be completed before the current HEA extension expires on March 31.

The bill is a mixed bag for independent colleges. On the plus side, all the major student aid programs have been sustained, despite efforts either to eliminate or fundamentally change programs that have worked effectively for generations. Also in the bill is a strong restriction on the Secretary of Education that prevents her from using accreditation as a tool for regulating student learning outcomes. This restriction triggered an official statement from the administration that stopped just short of a veto threat, and an even angrier op ed by the Secretary (see www.politico.com/news/stories/0208/8361.html).

Traditional colleges also scored a major win over the proprietary sector's efforts to set federal rules for colleges on the awarding of transfer credit. What emerged in the final bill was simply a requirement for colleges to make their transfer policies more transparent. The final bill also removes language that would have prescribed oversight of institutional aid, as well as confusing language on involving private colleges in a mandate for states to establish higher education articulation agreements.

Also in the win column for the college community was the defeat of a proposal by Rep. Peter Welch (D-Vt.) that would have required a mandatory 5 percent pay-out from every college endowment, with the funds used to either reduce tuition or increase need-based aid. Despite the initial appeal of the provision on the Hill, college presidents acted with such speed and force that Welch withdrew his amendment within hours of offering it. Likewise, after vigorous opposition from higher education, the Rules Committee disallowed an amendment by Rep. Steve King (R-Iowa) that would have required tracking of students admitted under affirmative action policies sanctioned by the Supreme Court.

On the negative side, the House bill contains an even more complex array of college pricing requirements than the Senate bill. Under the House bill, the 5 percent most expensive and the 5 percent least expensive colleges, by sector, will appear on public lists. A third group of schools – the 5 percent with the greatest percentage increase in tuition by sector and type over the preceding three years – would face a series of sanctions, including creating “Quality-Efficiency Task Forces” to explore how to reduce costs on campus.

The House bill also calls for the Secretary of Education to develop a net price calculator for families, with colleges required to place the calculator on their Web sites within three years. Additionally, colleges would have to collect and report a dizzying array of new data, for the Department of Education to use in producing a “Higher Education Pricing Summary Page” for each college.

The bill's complexities on cost became even more problematic on the House floor, with the
addition of an amendment by Michael Castle (R-Del.) that borders on price controls. His amendment would require the Quality-Efficiency Task Forces mentioned above to also develop annual benchmarks. Institutions not meeting the benchmarks then would have to give detailed explanations of why the benchmarks weren’t met. NAICU opposed the amendment.

NAICU also opposed a successful amendment by Patrick Murphy (D-Pa.) and Sue Myrick (R-N.C.) to require that colleges provide all students with an estimate of their total net costs until degree completion.

Also overwhelming are the myriad reporting requirements that would be imposed on colleges if the House version of the bill survives conference. These include federal mandates and reports on illegal file sharing, textbooks, drug and alcohol violations, distance education, missing persons, emergency response, and fire safety.

Other provisions in the House bill include new conflict-of-interest rules on student lending, in response to last year’s student loan scandals. The rules would limit the parameters on colleges and lenders working together in developing preferred lender lists. They also would ensure that even students receiving private loans have uniform federal disclosures on the terms and conditions, and that private-loan students are informed of less expensive federal student aid options.

As the bill moves forward, keep an eye open for NAICU Action Alerts in the coming weeks, as we seek your help in assuring that the best bill possible emerges from conference.

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Little Good News in President’s Student Aid Budget

President Bush submitted his last budget to Congress on February 4, with little good news for student aid funding in the final figures.

The budget proposes an increase in the Pell Grant maximum of $69, for a total maximum of $4,800 from discretionary and mandatory funds ($4,310 appropriated, plus $490 mandatory). To help pay for this, the budget eliminates funding for Supplemental Educational Opportunity Grants, Perkins Loans and LEAP state grants. It also level-funds work study, TRIO and GEAR UP. The result is a net loss of grant and low-interest loans for low-income students.

While the $69 increase brings the Pell Grant maximum back to its FY 2007 appropriated level, the discretionary funding would increase by $2.6 billion. This jump in funding covers both the current Pell shortfall of $732 million, and the costs associated with the increased number of students eligible for Pell Grants.

The number of students eligible for Pell Grants has grown as a result of need-analysis changes in the College Cost Reduction and Access Act, the first phase of HEA reauthorization, passed last October. When the appropriations committees write their bills this spring, they will have to start the bidding on Pell Grant funding with the $2.6 billion increase to pay for these new students. Given that a $100 increase in the Pell Grant maximum costs about $450 million, it has become more and more difficult to increase the maximum grant. NAICU and the Student Aid Alliance, however, will continue to advocate for the bipartisan target of $5,100.

Overall, the FY 2009 budget includes $3.1 trillion in total spending. Of that amount, $987 billion is slated for discretionary spending, or appropriations. For domestic spending – also known as "non-security" – the budget proposes $393 billion, a 0.3 percent increase over last year. Out of that domestic spending total, the Department of Education would receive $59 billion, a 3.5 percent increase. Student aid, which totals $17.8 billion, is 30 percent of the education budget.

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The Six Presidential Associations Endorse NAFSA Study-Abroad Report

NAFSA: Association of International Educators has recently issued a study on effective institutional management of study-abroad programs. The report is the result of a task force established by NAFSA, which included presidents of public and private colleges. The study follows recent media coverage of study-abroad programs raising questions about some institutional practices in this area.

The report is intended to be user-friendly, and centers around 14 clear criteria for well-run programs. Its brevity and clarity make it a good starting point for more comprehensive internal conversation and policy review by campuses with study-abroad programs.

In commenting on the report, NAICU President David Warren said, "NAFSA has performed an important service to the higher education community. The task force has issued a highly accessible and informative document that any president would find useful in reviewing institutional study-abroad practices. I hope NAICU members will take the time to review the report, and to circulate it to the appropriate offices on campus."

The document can be found on the NAFSA Web site at www.nafsa.org/_/file/_/final_imsa_taskforce.pdf.

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

NAICU Membership Elects 2008-09 Officers, Board

Members of NAICU have selected 15 new board directors and four board officers for 2008-09.

Leading the board as chair for the coming year will be Victor J. Boschini, Jr., chancellor of Texas Christian University. His one-year term began with the ratification of his selection at the NAICU annual meeting on February 6. Boschini succeeds Leslie Garner, president of Cornell College, Iowa, who remains on the board as past chair.

Walter D. Broadnax, president of Clark Atlanta University, has been named vice chair. Serving as board secretary will be Georgia Nugent, president of Kenyon College. Joseph McGowan, president of Bellarmine University, will serve as treasurer.

Eight new members were elected to three-year terms representing NAICU’s national regions:

- Rev. Brian J. Shanley, president, Providence College, R.I. Region I (Conn., Maine, Mass., N.H., R.I., Vt.)
- Baird Tipson, president, Washington College, Md. Region II (Del., D.C., Md., N.J., N.Y.)
- Peyton R. Helm, president, Muhlenberg College, Pa. Region III (Ky., Ohio, Pa., W.Va.)
- William T. Greer, president, Virginia Wesleyan College, Va. Region IV (Fla., Ga., N.C., S.C., Va.)
- Daniel J. Carey, president, Edgewood College, Wis. Region V (Ill., Ind., Mich., Wis.)
- Roger Parrott, president, Belhaven College, Miss. Region VI (Ala., Ark., La., Miss., Okla., Tenn. Texas)
- R. Alton Lacey, president, Missouri Baptist University, Mo. Region VII (Iowa, Kan., Minn., Mo., Neb., N.D., S.D.)
Named to three-year terms as at-large members of the board are: Pamela Jolicoeur, president, Concordia College at Moorhead, Minn.; Jennifer Braaten, president, Ferrum College, Va.; John DeGioia, president, Georgetown University, D.C.; and Larry Earvin, president, Huston-Tillotson College, Texas.

Serving a three-year term as a representative of the National Association of Independent College and University State Executives (NAICUSE) is Judith Greiman, president, Connecticut Conference on Independent Colleges. Gary Luhr, executive director of the Association of Presbyterian Colleges and Universities, was selected to serve a three-year term representing the NAICU Secretariat, an advisory board of specialized and regional independent college and university associations.

Ellen Smith, director of government relations at Columbia University, N.Y., will serve a three-year term as a non-voting member of the board.