Higher Education Act Set to Receive Final Approval in July

After several years of start-again, stop-again wrestling, the Higher Education Act finally stands poised for formal reauthorization. In the House, Democrats and Republicans are working closely together, while the Senate continues to whittle down the number of outstanding issues raised by members. Although conferees have not been officially appointed, both sides agree that there are only a handful of issues left unresolved between the two chambers of Congress.

While NAICU would prefer to continue current law over a new bill, a new bill is going to pass, and it will contain many improvements over previous versions close to enactment during the past several years. For private colleges, the principal problem in the bill will be "watch lists" of colleges whose tuition or tuition increases fall above the rest of their sector (see "College Cost" item in the accompanying chart, page 4). The most expensive aspect of the legislation will be the costs to colleges in implementing the extensive list of new reporting requirements on a vast array of new topics.

However, while both the cost provisions and the reporting requirements will not be to the liking of private colleges, the active lobbying of NAICU presidents also has improved nearly every problematic requirement in the course of a long legislative process. No final language has yet been released, but in private meetings, bipartisan leadership in the House and Senate have indicated that many modifications have been made. Based on those meetings, and the legislative language that has been made available, NAICU has assembled a preliminary list of legislative accomplishments and compromises that are likely to be in the final bill (see "HEA Predicted Accomplishments and Compromises" chart, pages 4-6).

The newest twist in the legislative process is the indication by Sen. Kennedy's staff that the bill will be extended one more time – until July 31 – to allow Senator Kennedy to fly in from his treatments in Massachusetts for the vote on the final conference report sometime in July. Once the final issues are resolved, the vote most likely will take place at a time that meets his health needs. Conference reports are not open to amendment, so once a final deal is struck, passage is all but assured. The president is expected to sign the measure.

For more information, contact Sarah Flanagan, sarah@naicu.edu
House Makes Pell Top Priority

The House Subcommittee on Labor-HHS-Education Appropriations wrote its FY 2009 funding bill on June 19. With $8 billion more than the president’s request, it sets student aid funding as a top priority, allocating $3.1 billion towards increasing the Pell Grant maximum by $169, to $4,410. If enacted, this would be combined with the automatic increase of $490, taking the total Pell Grant maximum for 2009-10 to $4,900. This is $100 over the president’s budget request, which proposed a $69 increase in the Pell Grant maximum.

The House bill rejects the president’s budget proposal to eliminate funding for Supplemental Educational Opportunity Grants, Perkins Loans, and LEAP state grants, and instead keeps those programs level funded. The bill also slightly increases TRIO and GEAR UP. The Senate Subcommittee and the House Full Committee on Appropriations are scheduled to vote on the bill this week.

How the administration reacts to the subcommittee bills will determine how much further into the process Congress ventures this year. House Appropriations Chairman David Obey (D-Wis.) has already stated that if the President Bush lobos veto threats and doesn't offer to negotiate, Obey will hold off on further action until after the new president takes office.

For more information, contact Stephanie Giesecke, stephanie@naicu.edu

Expanded GI Bill Benefits About to Become Law

Congress is on the verge of completing action on legislation substantially increasing the educational benefits available to veterans (see WIR, 4/28/08, 5/12/08, 5/28/08). The provisions of the "Post-9/11 Veterans Education Assistance Act" are included in the Iraq-Afghanistan supplemental appropriations bill approved by the House on June 19. The Senate will consider the measure the week of June 23, and President Bush has indicated he will sign it.

The expanded GI Bill benefits are identical to those provided in S. 22 – legislation introduced by Sen. Jim Webb (D-Va.) The final measure also includes provisions sought by the administration permitting service members to transfer education benefits to family members. The cost of the benefits is expected to be about $62 billion over ten years.

Among other provisions, veterans with three years of service since September 11, 2001, would be eligible for a tuition benefit up to the cost of in-state tuition at the most expensive public college in a state. The in-state tuition figure is simply a cap on the tuition benefit; the same amount would be available to a veteran who chooses to attend a private institution.

The measure also creates the "Yellow Ribbon GI Education Enhancement Program," under which the federal government would match, dollar-for-dollar, contributions that colleges and universities make to help veterans cover tuition costs above the maximum in-state public college tuition amount. These provisions, which will assist private college participation, were added at the behest of Sen. John Warner (R-Va.). Private institutions participating in the program would enter into an agreement with the Secretary of Veterans’ Affairs. The agreement would spell out how the institutional match will be provided, the maximum amount of the institution’s contribution, and the number of eligible veterans it will serve. (See box, next page, for the provisions of this section of the bill.)

These expanded educational benefits for veterans have broad bipartisan support – offering not only an appropriate acknowledge of the service that members of the military have provided but also a powerful affirmation of the value of a college education.

For more information, contact Susan Hattan, susan@naicu.edu
### Post-9/11 Veterans Educational Assistance Act of 2007

**Provisions of "Yellow Ribbon G.I. Education Enhancement Program"**

**Sec. 3317. Public-private contributions for additional educational assistance**

(a) Establishment of Program- In instances where the educational assistance provided pursuant to section 3313(c)(1)(A) does not cover the full cost of established charges (as specified in section 3313 of this title), the Secretary shall carry out a program under which colleges and universities can, voluntarily, enter into an agreement with the Secretary to cover a portion of those established charges not otherwise covered under section 3313(c)(1)(A), which contributions shall be matched by equivalent contributions toward such costs by the Secretary. The program shall only apply to covered individuals described in paragraphs (1) and (2) of section 3311(b).

(b) Designation of Program- The program under this section shall be known as the “Yellow Ribbon G.I. Education Enhancement Program”.

(c) Agreements- The Secretary shall enter into an agreement with each college or university seeking to participate in the program under this section. Each agreement shall specify the following:

1. The manner (whether by direct grant, scholarship, or otherwise) of the contributions to be made by the college or university concerned.
2. The maximum amount of the contribution to be made by the college or university concerned with respect to any particular individual in any given academic year.
3. The maximum number of individuals for whom the college or university concerned will make contributions in any given academic year.
4. Such other matters as the Secretary and the college or university concerned jointly consider appropriate.

(d) Matching Contributions-

1. In instances where the educational assistance provided an individual under section 3313(c)(1)(A) of this title does not cover the full cost of tuition and mandatory fees at a college or university, the Secretary shall provide up to 50 percent of the remaining costs for tuition and mandatory fees if the college or university voluntarily enters into an agreement with the Secretary to match an equal percentage of any of the remaining costs for such tuition and fees.
2. Amounts available to the Secretary under section 3324(b) of this title for payment of the costs of this chapter shall be available to the Secretary for purposes of paragraph (1).

(e) Outreach - The Secretary shall make available on the Internet website of the Department available to the public a current list of the colleges and universities participating in the program under this section. The list shall specify, for each college or university so listed, appropriate information on the agreement between the Secretary and such college or university under subsection (c).

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### Briefs

**Private College 2008-09 Tuition Increases 5.7 Percent** – Tuition and fees at the nation's private colleges and universities are increasing an average of 5.7 percent for the 2008-09 academic year, according to a survey by the National Association of Independent Colleges and Universities. While the average increase is the lowest recorded by NAICU since 2001 (when tuition and fees increased 5.3 percent), it is roughly in line with average annual increases of the past six years. The survey, based on data from more than 300 independent institutions, collected only percentage increases, not dollar amounts. *(Tony Pals, tony@naicu.edu)*

**Youth Vote in Primaries Hits Record** – Youth voters turned out in record numbers during the 2008 primary season, according to new data released by the Center for Information & Research on Civic Learning (CIRCLE). The data show that more than 6.5 million young people voted. In states with data available for both the 2008 and 2000 primaries, the youth turnout rate rose from nine percent in the 2000 primaries to 17 percent in the 2008 primaries. A fact sheet and state-by-state details are available at [www.civicyouth.org](http://www.civicyouth.org). Voter education and registration activities on campuses are shaping up to be more important than ever this election cycle. The nonpartisan National Campus Voter Project has launched the Your Vote, Your Voice web site, [www.YourVoteYourVoice.org](http://www.YourVoteYourVoice.org), to help campuses share best practices as well as comply with HEA requirements. The site includes state-specific information on voter registration, resources for voter education and participation activities, online tools, and a wealth of timely and useful information. *(Libby May, libby@naicu.edu)*
### HEA Predicted Accomplishments and Compromises
*(See page 1. Includes 2006 and 2007 reconciliation bills, and 2008 anticipated completion of final bills)*

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<tr>
<th>Accomplishments</th>
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<td><strong>Institutional autonomy is preserved:</strong> The bill does not include any provisions that would control admissions, prices, student outcome measures, academic content, or transfer of credit.</td>
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<td><strong>Accreditation:</strong> Secretary of Education is prohibited from dictating rigid measures of student achievement. Appointment authority for members of the body that reviews accreditation agencies (known as the National Advisory Committee on Institutional Quality and Integrity) is broadened – offering further protection against control of the accreditation process by the Secretary. In addition, there are no public disclosures of internal reviews and religious mission is protected.</td>
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| **College Cost:** No price controls. Since 2003, we have pushed back proposals to –  
✓ Cut off all Title IV funding other than loans and Pell Grants to institutions that increased tuition by more than twice the rate of inflation.  
✓ Force institutions that exceeded the federally prescribed “college affordability index” to submit management action plans to the Department of Education, to be reported to their accreditors, and to be subject to audit by the Inspector General.  
✓ Require the establishment of “quality-efficiency task forces” to review the operations of the 5 percent of institutions with the highest cost increases.  
✓ Require institutions to include net price information by income quartile in their admissions materials. | Schools with the largest dollar or percentage increases in price over three years will have to submit special reports to the Secretary of Education, and will be placed on public watch lists. Additional information about an institution’s tuition/fees and net price will be published on the Department’s College Navigator Web site. The net price information will be broken down by income categories. |
<p>| <strong>Transfer of Credit:</strong> No government control of institutional policies on transfer of credit. | Schools will have to publish their transfer of credit policies and any established criteria the institution uses regarding transfer credits. |
| <strong>Articulation Agreements:</strong> NAICU was successful in assuring that private institutions will not be forced into participation in statewide articulation agreements developed by the Secretary of Education and state education officials. |  |
| <strong>Teacher Preparation:</strong> No federal curriculum standards (including a specific ban), and institutions are not required to create new programs to meet national goals. | Schools will have to report on state teacher education report cards their progress toward meeting state or the Secretary of Education goals in teacher shortage areas. |
| <strong>Student Unit Record Data:</strong> The bill prohibits the establishment of a federal student unit record data system | The bill authorizes funding to support the development of statewide student data systems. |</p>
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<td><strong>Student Loan Ethics Rules</strong>: Protects charitable giving by banks to colleges, and preserves the ability of financial experts to serve on college boards and college presidents to serve on bank boards.</td>
<td>Student financial aid administrators will need to follow new codes of conduct and provide annual training on the codes.</td>
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<td><strong>No elimination of Pell Grants (&quot;front-loading&quot;) for third and fourth year students</strong>: Increases both the actual funding* for Pell Grants and the allowable award levels for future years,</td>
<td>Automatic funding for Pell is done through student loan cuts that some believe could contribute to liquidity problems. Establishes an unproven PLUS student loan auction.</td>
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<td><strong>Preserved Perkins Loans, LEAP, and SEOG from elimination. Revitalized LEAP with a new federal-state partnership program, &quot;GAP&quot;</strong></td>
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<td><strong>Increase in Loan Limits</strong>*: Dependent undergraduates’ annual limits were raised to $3,500 (Year 1) and $4,500 (Year 2). The limit for third-year students and beyond remained at $5,500 (Year 3+) in subsidized and/or unsubsidized loans. As of July 1, 2008, undergraduates will be able to borrow an additional $2,000 of unsubsidized loans each year. The aggregate loan limit increased to $31,000, but only $23,000 may be subsidized.</td>
<td>Most recent increase of $2,000 only applies to unsubsidized loans.</td>
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<td><strong>Creates Grad PLUS Program</strong>*: This program will allow graduate students to borrow up to the cost of attendance.</td>
<td>The interest rate is higher than on Stafford loans, but may be better than private loans. It is a fixed rate of 7.9% for DLP and 8.5% for FFELP.</td>
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<td><strong>Improved Borrower Provisions</strong>*: Gradually reduces the fixed rate on Stafford loans from 6.8 to 3.4 percent. Several new loan forgiveness options have been provided; the teacher loan forgiveness of $17,500 is extended permanently; and a new income-based repayment (IBR) option is added.</td>
<td>The loan forgiveness for public service may provide limited benefit. Borrowers who choose the IBR option must be careful to avoid actions that could add significant amounts of interest to the total owed.</td>
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<td><strong>Last Dollar</strong>: No new federal controls over institutional aid through federal oversight of student aid packaging.</td>
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<td><strong>Need Analysis</strong>*: Increases the income protection allowance for students.</td>
<td>Student with dependents will be favored over parents with dependent students.</td>
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<td><strong>Drug Penalty Provision</strong>*: Financial aid penalties for drug use are limited to the period when a student is receiving aid.</td>
<td>Student aid eligibility penalty still remains for drug use, as opposed to other crimes.</td>
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<td><strong>Integrity Provisions</strong>: Extension of the cohort default rate (CDR) collection period for an additional year to reduce manipulation of the rates.</td>
<td>The 90/10 ratio for proprietary schools has become meaningless. The 50 percent rule has been eliminated for telecommunications courses.</td>
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*Already passed into law via 2006 or 2007 reconciliation bills.*
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<td><strong>Compliance Calendar:</strong> The bill includes provisions recommended by NAICU in 2002 to provide institutions with a list of reporting requirements and disclosures required under the Higher Education Act.</td>
<td>Unfortunately, there will be numerous new requirements to be added to this list.</td>
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<td><strong>Reporting/Disclosure:</strong> Over time, provisions relating to peer-to-peer file sharing, fire safety, vaccines, and consumer information reporting under IPEDS have been made less onerous. Required reports on endowments and distance education have been dropped.</td>
<td>As noted above, numerous new reporting requirements remain in the bill. In addition to the ones already mentioned, these include provisions relating to textbooks, alumni activities, student aid status of graduates, campus security, missing students, and alcohol and drug violations.</td>
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<td><strong>Negotiated Rulemaking:</strong> The bill includes language to help assure that individuals truly representative of higher education will be appointed to negotiated rulemaking panels.</td>
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