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NAICU Rolls Out Second Loan Survey

NAICU rolled out its second student loan survey on September 10 to assess the effects of the capital crisis on student loan availability. (The survey is available online at www.surveymonkey.com/s.aspx?sm=kWqGomZPdRaXSmzBBJZPDg_3d_3d.)

Although the survey remains open until September 30, Congress is already using the initial data from the nearly 150 college responses received in the first 48 hours, as background for a one-year extension of the emergency student loan provisions approved last May. The legislation, while imperfect, has helped take the pressure off loan capital for this fall’s enrollments, and is widely viewed as helping the student loan industry avoid the crisis currently facing the housing and broader financial markets.

NAICU will be providing legislators with regular updates on survey results, so we encourage all NAICU members to complete the survey as soon as possible. The survey applies to both direct lending and FFELP schools, and consists of 18 multiple-choice questions, with optional boxes for providing comments as needed. Financial aid directors should be able to complete the survey in a short period of time.

With the Senate expected to vote on the legislation extending the emergency student loan measure later this week, broad-based participation is needed – and deeply appreciated.

For more information, contact Gigi Jones, gigi@naicu.edu, or Wendy Weiler, wendy@naicu.edu

IRS Set to Launch College and University Study

A senior Internal Revenue Service official announced during a recent meeting with higher education tax representatives that the IRS will soon mail out its questionnaire to colleges and universities as part of its review of the charitable activities of these institutions. The IRS had announced in May that it would be conducting the study, and that it would be similar to its study of hospitals conducted last year (See Week in Review, May 28, 2008).

A questionnaire will be sent to approximately 400 public and private four-year colleges and universities. The official – Ron Schultz, senior technical advisor to the Tax Exempt Division Commissioner – indicated the questionnaire would be lengthy, but not difficult to complete. Institutions will have 90 days to respond.

The questionnaire will cover four areas. The first will include demographics and other organizational information. The second will cover activities reportable on the Form 990-T. A
Endowments, College Costs
Discussed at Grassley/Welch Roundtable

Sen. Charles Grassley (R-Iowa) and Rep. Peter Welch (D-Vt.) held a roundtable discussion on September 8, on rising tuition costs and how college and university endowments help offset those costs. While the discussion took place in the Senate Finance Committee hearing room, it was not an official committee function, and Grassley and Welch were the only congressional participants.

Grassley has been examining these issues for over a year, and, during consideration of the Higher Education Act reauthorization in February, Welch had offered an amendment (later withdrawn) that would have mandated a 5 percent endowment payout for all colleges and universities. Grassley reached out to Welch in the spring, and offered a roundtable discussion as a way for both of them to continue a mutual examination of the issues.

Participants included a cross-section of the higher education community, along with other financial experts. NAICU members participating included Larry Shinn, president of Berea College; Shirley Tilghman, president of Princeton University; and Anthony Marx, president of Amherst College. Faculty members representing Yale University and Grinnell College also presented.

The higher education panelists echoed Grassley’s and Welch’s concern over rising college costs, and detailed many of the most burdensome cost drivers institutions face. They made clear that a mandatory endowment payout was not the solution to the problem – and that such a mandate could actually harm many institutions. Daniel Fogel, president of the University of Vermont, expressed his own concern about the effect such a proposal would have on small independent colleges and universities.

Grassley made no commitments on future legislation, but did say he prefers self-regulation, and is pleased with what he sees happening with tuition assistance programs at large research institutions. "It's been really rewarding to get people to sit down and think and talk,” he observed. “A lot can be corrected without Congress stepping in." He also acknowledged the complexity of crafting payout legislation for so many different types of institutions. Welch, however, appeared to remain skeptical of the self-regulatory approach, and seemed to feel that a bill could be crafted with appropriate flexibility.

The Senate Finance Committee has no plans to take up higher education legislation this year, and neither the House Education Committee nor the Ways and Means Committee is considering anything similar.

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

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Higher Education Act “Neg Reg” Process Begins

The Department of Education has scheduled the public hearing portion of the negotiated rulemaking process – or “neg reg” – for Title IV (federal student aid) and Title II (teacher education) of the recently enacted Higher Education and Opportunity Act. This is the first step in implementing the new law. (See the Federal Register notice, posted at http://edocket.access.gpo.gov/2008/pdf/E8-20776.pdf.)

Kick-off of the six public hearings will be at Texas Christian University, in Fort Worth, on September 19. TCU Chancellor and NAICU Board Chair Victor Boschini will open the session. The Department of Education will conduct the hearing as a first-come, first-served open-mike opportunity for interested parties to comment on the legislation, and will also be accepting written comments.

NAICU will have representatives at most of the other five hearings as well: September 29, University of Rhode Island; October 2, Pepperdine University (Calif.); October 6, Johnson C. Smith University (N.C.); October 8, U. S. Department of Education (D.C.); and October 15, Cuyahoga Community College (Ohio).

While colleges may be overwhelmed with the many new reporting requirements in the reauthorized Higher Education Act, the Department is equally overwhelmed with setting the rules on the information they will have to collect. NAICU views it as beneficial to all parties that the process of defining the rules get underway as quickly as possible. The neg reg process is mandated by law for the student aid programs, as well as for many of the key compliance and reporting sections of the law, including accreditation. For more information on negotiated rulemaking in general, visit www.ed.gov/HEOA.

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

Senate Passes ADA, Almost Ready for President

The Senate has passed reauthorization of the Americans with Disabilities Act by voice vote. The intent of the rewrite passed on September 11 is to clarify the definition of disability, and to reverse several U.S. Supreme Court rulings on disability claims that have left some people with disabilities unprotected (see Week in Review, June 12, 2008, and June 27, 2008). Now that a new version has passed the Senate as S. 3406, it will be sent back to the House for passage under suspension of the rules on September 17, and then will then go to the White House for signature.

While it is considered an employment and civil rights law, colleges and universities must comply with the ADA both as employers and as providers of education. Earlier this summer, the Senate Health, Education, Labor and Pensions Committee held a roundtable discussion on education issues in ADA. Through that discussion, higher education representatives were included in the conversations with disability and business representatives.

The result of these negotiations is the new Senate version of the bill, S. 3406, which includes statutory language clarifying that the new definition of disability is not intended to change college and university academic standards:

SEC. 6. RULES OF CONSTRUCTION.

(f) Fundamental Alteration- Nothing in this Act alters the provision of section 302(b)(2)(A)(ii), specifying that reasonable modifications in policies, practices, or procedures shall be required, unless an entity can demonstrate that making such modifications in policies, practices, or procedures, including academic requirements in postsecondary education, would fundamentally alter the nature of the goods, services, facilities, privileges, advantages, or accommodations involved.

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The full text of Senate Bill 3406 is available on the Thomas Web site by searching for the bill number at http://thomas.loc.gov/home/c110bills.html. (http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=110_cong_bills&docid=f:s3406es.txt.pdf)

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

U-CAN 2.0 to Launch on September 17

"U-CAN 2.0" goes live this week, with some important new features.

The re-launch of the University & College Accountability Network on September 17 includes two major upgrades to a Web site already recognized for providing prospective college students and their families with free access to rich and consumer-relevant information in a colorful, user-friendly format:

- An enhanced search function, increasing the number of searchable fields from three to 17.
- A new directory of online sources, providing guidance for preparing for college, searching for and selecting the best college fit, and navigating the admissions and financial aid processes.

U-CAN's new features are the result of consumer focus group conversations conducted across the nation this spring, and feedback from site users over the past year. The findings show that consumers value the kind of transparency, guidance, and user-friendly structure that U-CAN provides – and want even more.

Since its original launch on September 26, 2007, more than 358,000 users have visited the site, viewing more than 850,000 pages.

Over the past year, participation in U-CAN has grown by 21 percent, from 600 nonprofit, private institutions to 725. This includes more than 70 percent of NAICU's 953 member institutions, with the percentage steadily growing each week. (Nonprofit, private colleges that are not NAICU members are also eligible to participate, and many do.)

However, we need your help to reach our goal of 100 percent participation by NAICU members. Check the U-CAN Web site (www.ucan-network.org) to see if your institution has published a public profile or has completed the recent data update. The site also lists institutions that have signed up, but have not yet published their U-CAN profile.

If your institution has not taken these steps – or has yet to join U-CAN – we strongly encourage you to do so. You can sign up using our simple online form at http://www.surveymonkey.com/s.aspx?sm=X0N4oE1_2fw0k4tKileg1Y8g_3d_3d.

We will be supporting the re-launch of U-CAN with a Google marketing campaign, Facebook advertising, and direct marketing to college counselors. The Google marketing plan, which will be activated once the site is live, will consist of keyword search ads and ads on content-relevant sites. As we did with the initial launch, we will coordinate media outreach with participating institutions and the state associations. NAICU staff has begun meeting with reporters at major media outlets and trade publications – an effort we will continue throughout the fall. In the coming days, NAICU will provide participants with updated resources for promoting their involvement in U-CAN.

For more information contact Tony Pals, tony@naicu.edu, or Tony Wagner, tonyw@naicu.edu
Constitution Day: Wednesday, September 17

In 2005, Congress passed legislation mandating all educational institutions receiving federal funds to hold an educational program relating to the United States Constitution on Sept 17 each year. This day commemorates the September 17, 1787, signing of the Constitution. The federal provision does not define "educational program." Therefore, there is a great deal of latitude as to exactly how your college or university chooses to recognize the day. The regulations do not indicate any penalties for failure to comply with the mandate, nor do they indicate that specific activities need to be reported.

If you are looking for some last-minute ideas, several resources are available. The Department of Education lists a number of planning tools and activities for recognizing the day on their Web site at www.ed.gov/policy/fund/guid/constitutionday08.html. In addition, the Constitution Center Web site, http://constitutioncenter.org, offers a number of idea starters.

NAICU is collecting examples of noteworthy Constitution Day activities taking place on campuses across the country, to be used as idea-starters for other colleges and universities next year. If you have a great example to share, please send it to libby@naicu.edu.

For more information, contact Libby May, libby@naicu.edu

Demystifying College Costs for Consumers

It is clear from conversations with members of Congress that there is mounting public frustration and mistrust on the issues of college cost, affordability, and opportunity. Policy makers hear dismay and confusion from their constituents – feelings echoed in recent consumer focus groups.

NAICU sees it as critical that we re-examine the way American higher education demonstrates its commitment to college affordability and opportunity – with consumers, policy makers, and other key constituencies. To this end, NAICU engaged the Opinion Research Corporation (ORC) this past spring to conduct multiple focus groups with consumers across the U.S. We explored their concerns, and learned what they want to hear from colleges on issues of cost, affordability, and opportunity.

The findings document that informing and reassuring consumers through institutional cost transparency, demonstration of value, and help and guidance will be critical to helping them make informed, confident decisions. It will help restore their faith in our commitment to affordability and transparency. It also will open the way to our regaining the high ground in public policy discussions, and in earning the trust of our representatives in Washington.

When backed by institutional data and solid guidance, the research showed the following concepts to resonate well with consumers.

- Private colleges and universities are committed to:
  - Providing educational opportunity for all
  - The quality of the learning environment
  - Success for our students

- It pays to shop around – colleges’ tuition, and the financial aid packages they offer, vary widely

- A quality education costs – and we will help you pay for it
The ORC report summary, available on line at www.naicu.edu/orc2008, lays out a highly useful framework for NAICU and individual institutions to better communicate with the public on these critical matters. We urge you to read the executive summary, and share it with key members of your staff.

It is clear that there are no easy answers to the challenge we face. As you will read, there are no simple, “bumper sticker” taglines or slogans that will relieve consumers’ concerns. Nevertheless, the research offers important concepts and insights for meeting consumer information needs, which can be used to guide communication on these important issues with your constituencies.

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The Week in Review
National Association of Independent Colleges and Universities
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Washington, DC 20036

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