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In Tough Times, Congress Stands by Pell Grant

Despite days of bitter and tumultuous activity on overall economic recovery legislation still to be resolved, Congress found the resources to infuse the Pell Grant program with an unprecedented $2.5 billion in extra funding this weekend. The funding is to help pay down a massive program shortfall that only became public knowledge last week. With this new funding, Congress has given an enormous vote of confidence to the program.

Pell Shortfalls

The Pell program frequently faces shortfalls when more low-income students show up for college than Congress anticipates. The last great shortfall for the Pell Grant program occurred in the early 1990s. Then, it took Congress more than three years to solve the funding dilemma, with the Pell Grant maximum having to be cut for the only time in the program’s history. In most cases, though, the shortfall is modest and can quickly be paid off in the next year’s appropriations bill.

However, when a recession hits, the program can run into deeper problems – more people go to college in search of new job skills, and more families of current students lose jobs and qualify for Pell Grants. This year another factor was added, as the reauthorized Higher Education Act opened the program to more students.

This triple whammy led to an unprecedented shortfall of $6 billion for the $18 billion program. Pell Grant advocates in Washington were extremely concerned about the long-term consequences such a shortfall could have on the program’s future. The cumulative shortfall will be over three academic years – 2007-08, 2008-09 and 2009-10.

This Weekend

With elections too close for any real budget making, and with October 1 – the beginning of the federal fiscal year – around the corner, not a single appropriations bill had been sent to the president. Ultimately, Congress decided to punt any final decisions by approving a bill that funds most government programs at their current levels until March 6, 2009, when a new president and new Congress will have to figure out final FY 2009 funding levels. The House passed this continuation plan on September 24 by a vote of 370 to 58, and the Senate passed it by a vote of 78 to 12 on September 27.

A budgeting rule passed in 2006 requires the Appropriations Committee to pay for any shortfall in the program, instead of letting it accumulate indefinitely or allowing the Department to reduce grants to students. Even so, with Congress and the nation in such an economic crisis, it is still a significant achievement that appropriators found the funds to begin bailing out the program so quickly.
Congress also included language prohibiting the Department of Education from ratably reducing the $490 mandatory Pell Grant add-on, which comes from a special fund set up in the 2007 budget reconciliation legislation. This very important provision ensures that the shortfall will remain an accounting issue, not a threat of cuts to grants for students.

H. R. 2638 includes funding for most agencies at FY 2008 levels; three regular appropriations bills for defense ($487 billion), homeland security ($41 billion), and military construction-veterans ($119 billion); and emergency supplemental appropriations for disaster relief ($23 billion).

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House and Senate Deadlocked Over Tax Extenders

The IRA charitable rollover and the tuition deduction remain in limbo as Congress once again failed to agree on an extension of a host of tax breaks that expired last year. Members in both chambers continue to disagree over the cost of the bill, and how or if that cost must be offset.

The Senate, which had been unable to agree on the details of a package in the past, ended months of debate by passing a compromise bill on September 23. The bill contained a two-year extension of all the expired provisions, including the IRA rollover and tuition deduction. Tax benefits would be retroactive for all of 2008, and would be in effect through the end of 2009.

The House passed a different version of the extenders bill on September 26. While the House bill also would extend the tax provisions for two years, the cost of the provisions was fully offset, unlike the Senate bill which was only partially offset. Conservative Democrats in the House insisted on the bill being fully offset. Senate Republicans, though, view extensions of current law as not requiring offsets, and regard fully paying for the bill as the equivalent of unnecessary new tax increases.

Both sides remain deadlocked. The House reconvenes this week to again consider an emergency rescue plan for the financial services industry, so there is one more opportunity for the House to take up the Senate version of the extenders bill. Unfortunately, though, House Majority Leader Steny Hoyer (D-Md.), has said the House will go no further on the extenders. Similarly, Max Baucus (D-Mont.), chairman of the Senate Finance Committee, has indicated the Senate will not take up additional extender bills this session.

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Regional Meetings on HEA Implementation Begin

Leading off with a meeting at Texas Christian University (TCU), the Department of Education has conducted the first two of six regional meetings to seek the public’s views on how it should proceed with negotiated rulemaking on the new Higher Education Act. (See Week in Review, Sept. 15, 2008)

So far, the two meetings – September 19 in Fort Worth, Texas, and Sept. 29 in Providence, R.I. – have been straightforward public hearings with few ulterior motives on display by either participants or the Department of Education. In Texas, TCU president and NAICU board chair Victor Boschini, was the lead witness, serving both to welcome attendees to a beautiful new campus center, and as a "tone-setter" for the witnesses who followed.

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In his remarks, Boschini both recognized the arduous task facing the Department of Education in implementing the complex legislation, and urged other witnesses to refrain from trying to rewrite the law through the regulatory process. "The negotiated rulemaking process should not be a venue for reopening or trying to undo decisions Congress has made," he noted. "Attempts to turn these hearings from a regulatory process to a legislative process would only waste our time, since the Department does not have the authority to undo congressional decision-making."

Boschini also urged the Department to keep the rules as simple as possible, since colleges are already overwhelmed with requirements and, when the actual negotiations begin, to ensure that experts familiar with the views of independent colleges are included in the panels. He also highlighted student loan sunshine, transfer of credit, and new reporting and disclosure requirements as among the "neg-reg" issues of particular concern to private colleges. (Boschini’s full remarks are online at http://www.washington.tcu.edu/openingremarks.asp.)

In Rhode Island, Dan Egan, president of the Association of Independent Colleges and Universities of Rhode Island, echoed many of the comments made by Boschini, and even got a response to a proposal initially advanced at TCU. Egan repeated Boschini’s recommendation that the Department issue temporary guidance to colleges on implementing HEA provisions that have already gone into effect. Department representatives assured Egan that they were working on it, and that the temporary guidance was already over 100 pages long.

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**Bush Signs ADA Amendments**

President Bush has signed into law amendments to the Americans with Disabilities Act, which his father originally approved in 1990.

In a White House statement on the September 25 signing, Bush said, "The Americans with Disabilities Act of 1990 is instrumental in allowing individuals with disabilities to fully participate in our economy and society, and the Administration supports efforts to enhance its protections. The Administration believes that the ADA Amendments Act of 2008 . . . is a step in that direction, and is encouraged by the improvements made to the bill during the legislative process."

Private colleges and universities must comply with the law as employers and as providers of educational instruction. (For more details, see Week in Review, June 27, 2008.)

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**Ensuring the Rights of College Students to Vote**

That was the title of a recent hearing held by the Committee on House Administration’s Subcommittee on Elections. Stories in the media about restrictive residency and identification requirements and other complaints led to this investigation to make certain students would have a successful voting experience in the November general election. The Supreme Court made it clear in 1972 that students have a right to vote from campus. However, state laws are often confusing to new voters.

Recent weeks have brought accounts of students being given conflicting advice on how best to cast their ballot. The news media have detailed how the confusion is playing out in Virginia –

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but Virginia is not alone. Barriers to student voting have been raised in states across the country – from Maine to Tennessee, from North Carolina to Michigan. And many on campus still remember the 2004 presidential election, with long lines at the polls in Ohio and students from Kenyon College reportedly waiting ten hours to vote. Clearly, students and those who advise them need to receive information from reliable and trustworthy sources.

The National Association of Secretaries of State (NASS) recently issued a report detailing the steps their members are taking in anticipation of high voter turnout November 4. NASS also has provided information on how to find the correct polling place, along with a number of state hotlines to register complaints.

NAICU is actively engaged this election season. We have supported voter registration, education, and get-out-the-vote efforts through the National Campus Voter Registration Project’s Your Vote, Your Voice and its Web site, yourvoteyourvoice.org. As voter registration deadlines approach – in the next few weeks for most states – Your Vote, Your Voice has posted a list of deadlines by state at www.YourVoteYourVoice.org/deadlines.

Through NAICU’s efforts, Your Vote, Your Voice also has partnered with NASS, the Overseas Vote Foundation, and the Commission on Presidential Debates in informing and engaging campus voters. As the election season comes down to the home stretch, Your Vote, Your Voice and its partners continue to encourage campuses to get involved. One new initiative this year is MyDebates.org, an educational Web site created by MySpace and the Commission on Presidential Debates. The site provides interactive quizzes and videos, as well as information on important election issues such as the economy, environment, and national security.

The remaining national candidate debates will all be held at NAICU member institutions: the vice-presidential debate at Washington University in St. Louis, October 2, and the presidential debates at Belmont University (Tenn.) October 7, and at Hofstra University (N.Y.) October 15.

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