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Former Chairman of the Federal Commission on the Future of Higher Education Charles Miller has written a letter to Secretary of Education Margaret Spellings urging policymakers to conduct a thorough review of the current student aid system before creating new federal student aid programs. Referring to studies being conducted by organizations such as the Department of Education, the Lumina Foundation for Education, and the College Board, Miller writes that it is very important that these efforts be recognized and considered so that long-term strategies and policies can be developed based on informed conclusions. He further states that using resources, whether provided from new taxes or by reordering priorities, before the review process is complete would be a tragic miscalculation. Miller has stated that the letter is directed more toward new Democrats in Congress than toward the Secretary of Education and that his decision to write it was not driven by any particular policy proposal.

Student Aid Alliance requests funding increase

In conjunction with the Student Aid Alliance, a coalition of more than 200 organizations wrote a letter to Democratic Congressional leaders-Representative Nancy Pelosi, Senator Harry Reid, Representative David Obey, and Senator Robert C. Byrd-urging them to approve additional funding in the final fiscal year 2007 continuing resolution for programs funded under the education appropriations bill, among other services. Signed by American Council on Education (ACE) President David Ward and National Association of Independent Colleges and Universities President David Warren, the letter asks Congressional leaders for an additional \$2 billion for education and health programs and to make increasing the maximum Pell Grant award "a top priority." The letter asks that the Pell Grant limit be raised to \$5,100, per the Democrats' campaign promise.

Cutting interest rates on Stafford Loans would help millions of working- and middle-class students

A new report by U.S. PIRG's Higher Education Project states that reducing student loan interest rates by half would help average working- and middle-class borrowers save \$4,420 over the lives of their loans. Under the group's proposal, interest rates on undergraduate subsidized Stafford Loans would be cut in half-to 3.4%-over a five-year period. According to the Congressional Research Service, 65% of traditional-age subsidized Stafford borrowers are from families with annual incomes between \$26,000 and \$91,000.

Senator Kennedy and Representative Miller speak on college affordability

Senator Edward Kennedy and Representative George Miller recently spoke at a press conference on making college affordable. Miller discussed the importance of college affordability and cited his election agenda, which called for reducing interest rates on subsidized loans from 6.8% to 3.4%. He also called for students' help with bipartisan efforts to initiate processes that will reduce college costs. Senator Kennedy discussed putting student loan programs out to bid. He also proposed expanding loan forgiveness programs for critical public service careers and bringing back the option to refinance existing loans.



University of Louisville launches program to help low-income students

The University of Louisville is slated to initiate a new program to help students with family incomes of less than 150% of the federal poverty level, or about \$30,000 per year. The “Cardinal Covenant” program will assist 150 in-state incoming freshmen with covering the remaining costs of tuition and fees not covered by financial aid and scholarships. Students will be able to use the money to pay for tuition, books, housing, food, and other college-related costs. The program, which will cost about \$250,000 in its first year, is funded by the university’s budget and by private donations.