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The passage of the \$463.5-billion spending bill by the House of Representatives will increase the maximum Pell Grant amount by \$260. The bill, which was pushed through by the Democrats in order to complete the budget-approval process that began last year, will increase the maximum Pell Grant that a student can receive to \$4,310—the first increase in direct federal aid in five years. The bill will now make its way to the Senate. To fund the Pell Grant budget increase, the Democrats have declared a one-year moratorium on earmarks-pet projects of members of Congress. Although the increase in the maximum Pell Grant amount seems meager when compared with the spiraling costs of college, it will provide some much-needed assistance to thousands of low-income students wanting to pursue higher education.

“Dear Colleagues Letter” outlines new regulations for lenders

The United States Department of Education has published a “Dear Colleagues Letter” restating the requirements outlined by the Higher Education Act and other regulations that control whether FFELP loans funded by tax-exempt sources may be granted eligibility for payments at a 9.5% minimum return rate. The department has announced that lenders will no longer be eligible for subsidies unless they can prove that they are eligible by submitting audits. The overcharging allegations aimed at the National Education Loan Network (Nelnet) and the 9.5% loophole, which has cost the federal treasury a fortune, have led the department to establish new rules for lenders.

Legislation aims at creating community college partnerships

Congressman David Wu has introduced the Community College Partnership Act (H.R. 717)—legislation that would facilitate partnership agreements between community colleges and four-year institutions. Aimed at encouraging students to continue their educations at four-year institutions and earn bachelor’s degrees, the partnership would offer a dual enrollment program that would allow students to transfer class credits, financial aid data, and administrative paperwork more smoothly between institutions. The legislation has been modeled on a partnership between Portland State University and Portland Community College. The partnership between the two schools enables the seamless transfer of papers between them and eliminates the burden on students. The legislation is slated to create a \$50-million competitive grant program that would encourage more schools to form similar partnerships.

New director of research and policy analysis at NASFAA

Dr. Meihua Zhai has been appointed Director of Research and Policy Analysis for the National Association of Student Financial Aid Administrators (NASFAA). Prior to joining NASFAA, Zhai was Assistant Vice Chancellor for Strategic Research and Analysis at the University System of Georgia. Zhai, who wants financial aid administrators to spend more time on institutional research, believes that improvements should be made to the ways in which complex issues such as student funding, college access, and institutional accountability are handled. After earning her Master of Arts in Linguistics at Ohio University, Zhai pursued a doctoral degree in education research and measurement at Ohio University.



Texas governor proposes plan to increase its number of college graduates

Aiming to increase his state's number of graduating students by 171,000 by 2010, Texas Governor Rick Perry has unveiled a program that allocates \$350.2 million for Texas' public colleges and universities. A portion of the money will be given as a reward each time a school graduates a student; schools offering degrees in critical fields will receive even larger rewards. Perry asked legislators to approve a \$1.7-billion increase in higher education funding and a \$362-million boost in financial aid to be provided over the next two years.