



President Bush Delivers Education Budget



In his recent announcement of the 2008 Education Budget, Bush addressed an anticipated Pell Grant increase. The maximum Pell Grant will jump to \$4,600 in the upcoming fiscal year and will increase to \$5,400 by 2012. Bush will back this increase by allocating and reorganizing funds from other grant programs and tapping into bank profits.

Until the recent proposal, the maximum Pell Grant had remained at \$4,050 for four years. According to an *Inside Higher Education* article, Education Secretary Margaret Spellings is heralding the proposed increase as the largest increase in 30 years, but others are less optimistic and more cautious.

The article voices a wary counterpoint: “The fact that the White House is joining Congressional leaders in endorsing a big increase in the government’s primary need-based aid program ought to have college leaders ‘*dancing in the streets*,’ as Becky Timmons, Assistant Vice President for Government Relations at the American Council on Education, put it at an Education Department budget briefing Monday. But they’re not, she said, because the department has tied the proposed increase for the government’s primary need-based aid program to cuts in others.”

One particular program that may be altered in order to increase the Pell Grant is the Supplemental Educational Opportunity Grant (SEOG) Program. The SEOG program, like the Perkins Loan Program and the Federal Work Study Program, distributes funds to campuses using a formula that is based partly on when students entered the program, which tends to favor colleges that have been receiving student aid for a long time. The new Education Budget calls this mode of calculation “outdated.”

However, many believe that changing the funding for the SEOG program may have ironic effects. *Inside Education* continues with its rebuttal: “[A]dvocates of the SEOG program bristle at the idea that the program somehow fails to help needy students. Babel of DeVry, which distributes about \$8 million in SEOG funds to about 8,000 students each year, says all of that money goes to Pell Grant recipients. The president’s proposal would have the ironic effect of replacing those grants-which for many amount to \$2,000 a year-with Pell Grants that grow by only a few hundred dollars a year, leaving many of DeVry’s students worse off. Some of those students would see their loan burden grow, but for others, he said, the loss of as much as \$1,000 in aid a year could mean some of them are deterred from college altogether.”

With the problem of affordability, the attention being paid to increasing funds and having a proactive attitude concerning financial assistance for prospective students is a step forward. Regardless of which side makes the strongest point, the focus on education is positive.