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The Congressional Budget Office (CBO) has released a report that will assist policymakers with their annual budgeting. The budget options report shows mandatory and discretionary outlays from 2002 to 2006 for the Departments of Education, Training, Employment, and Social Services. It proposes an estimated outlay of \$92 billion for 2007, \$80 billion of which will account for discretionary spending. The report says that educational spending makes up about 70% of discretionary funding and examines the possibilities of increasing the maximum Pell Grant and verifying incomes reported by Pell Grant awardees on their student-aid applications. The report includes options that suggest standardizing interest rates on student loans and reducing lenders' yields on PLUS loans; eliminating subsidized loans to graduate students; reducing fees for collection-related services paid to guaranty agencies under the Federal Family Education Loan Program; and eliminating administrative fees paid to schools in the campus-based student-aid and Pell Grant programs.

Report released on California community colleges and their affordability

A report prepared by William Zumeta and Deborah Frankle and released by The National Center for Public Policy and Higher Education examines the affordability of California's community colleges. Major findings of the report reveal that in spite of low fees at community colleges in California, many of the state's students are still unable to afford community college educations. The report says that Cal Grants are not keeping pace with student financial needs and that students miss out on federal financial aid sources. Findings also state that the system's student fees are the lowest in the nation and suggest that fee increases will not necessarily reduce enrollment. The recommendations include increasing annual fees to enable fee payers to gain access to additional federal aid; linking increases in fees and state appropriations to annual growth of personal income per capita in California; directing increased-fee revenues toward improving student perseverance, completion, and transfer; and increasing the state's investment in Cal Grant awards. A nonprofit organization, The National Center for Public Policy and Higher Education prepares analyses of policy issues pertaining to higher education and communicates performance results and key findings to the public or relevant authorities with the aim of improving higher-education policy.

Supplemental funding to boost Missouri's scholarship programs

A bill approved by voice vote in the House will provide \$88.4 million in supplemental funding to Missouri's budget for college scholarship programs and health centers that serve low-income citizens. While \$60 million has been allotted for federally qualified health centers, \$16.7 million will be used to fund the Charles E. Gallagher scholarship program, \$8.3 million will be used to fund the Missouri College Guarantee scholarship program, and \$3.4 million will be used to fund scholarships for medical and dental students. The auxiliary amount will be added to the \$21 billion operating budget for the current fiscal year. The bill provides a boost to Governor Blunt's plans to sell Missouri Higher Education Loan Authority (MOHELA) assets, a move that would provide \$350 million for building projects on college campuses.



ACE president to step down

President of the American Council on Education (ACE) David Ward has announced that he will step down from his position by February 2008. Ward, who will be 70 next year, plans to remain in Washington and intends to provide consulting, write, and lecture on matters pertaining to higher education. Having led the organization since 2001, Ward has been involved in several high-profile higher-education campaigns. Last year, ACE initiated the Solutions for Our Future campaign to promote the social benefits of higher education. Most recently, it launched KnowHow2GO—a college-access campaign—in collaboration with the Ad Council and Lumina Foundation for Education. Established in 1918, ACE lists about 1,800 accredited higher-education institutions and related associations, organizations, and corporations as members and associates.

Kentucky university to offer new grant program

Leading public higher-education institution Murray State University has launched Racer Advantage, a need-based grant that will help low-income students pay for college. Funded by an increase in tuition, the grant will allocate \$600,000 for eligible students over the next four years. Next year's incoming freshmen will receive 70% of grant funding for that year, while new undergraduate transfer students will be allotted the remaining 30%. In order to be eligible, students must be full-time Kentucky residents, complete the Free Application for Federal Student Aid, and be eligible for Pell Grants. Murray State University has more than 10,000 students and 1,200 faculty and staff members.