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Led by Russ Feingold, a bipartisan group of about 40 senators sent a letter to the Senate Budget Committee pressing for an increase in the maximum Pell Grant award for fiscal year 2008 from $4,310 to $5,100. The senators also penned their support for need-based financial aid programs such as the Supplemental Educational Opportunity Grant and the Perkins Loan Revolving Fund. Feingold's colleagues in the effort included Susan Collins, Edward Kennedy, and Norm Coleman. As a result of surging college costs, the Pell Grant has not been able to retain its value in terms of funding a student's education. While in 1975 the maximum Pell Grant covered about 80% of a student's college costs, in 2001-2002, it only covered about 42% of the average recipient's costs; in 2005-2006, this statistic dropped to 33%.

Briggs likely to be Assistant Secretary of Education for Elementary and Secondary Education

Kerri L. Briggs, Deputy Assistant Secretary for Planning, Evaluation, and Policy Development in the Department of Education, is likely to become Assistant Secretary of Education for Elementary and Secondary Education in the Bush administration. President Bush nominated Briggs for the post. She earlier served as Senior Policy Advisor in the Office of the Deputy Secretary for the Department of Education and worked on matters pertaining to the No Child Left Behind Act and the Individuals with Disabilities Education Act. Briggs joined the department as Senior Policy Advisor in the Office of Elementary and Secondary Education in 2001 and prior to that was a research associate and director of evaluation at the University of Texas Center for Reading and Language Arts.

Committee on Education and Labor asks stakeholders for input on HEA

Committee on Education and Labor Chairman Rep. George Miller and Ranking Member Rep. Howard P. McKeon, along with Lifelong Learning and Competitiveness Subcommittee Chairman Rep. Ruben Hinojosa and Ranking Member Rep. Ric Keller, recently sent a letter to stakeholders in the higher-education community. The letter asks them to submit their ideas and recommendations regarding the reauthorization of the Higher Education Act.

It particularly requests views on closing access and completion gaps for first-generation, low-income, and minority students; improving the financial aid delivery system; improving academic, financial, and social college preparation; developing finance and management models to address rising college costs; and increasing transparency with regard to college costs and the accreditation process for students and their families.

Default rates reported by guaranteed-student-loan program may be lower this year

Data provided by the Department of Education to guarantee agencies hint at a decline in the default rate of borrowers who have taken out loans through the guaranteed-student-loan program. During the previous year, the default rate rose to 5.1% from an all-time low of 4.5%. This year, it is expected

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to drop to 4.9%. Draft cohort data on default rates calculate the number of defaulting student-loan borrowers as a percentage of the total number of borrowers entering repayment in the previous fiscal year. Although subsidies to lenders are experiencing a steady decline, this preliminary data may bring some relief to the lending industry.

Iowa proposes tax breaks for employers who pay off student loans

According to a proposal introduced by Iowa legislators, employers paying off employees' student-loan debt should be eligible for a tax break. The move is a way to slow down the flight of Iowa's graduates to other states. The plan proposes a three-year loan-repayment arrangement, under which employers could pay debts of new employees as large as $25,000. The scheme would allow an employer to repay up to 20% of an employee's debt during the first year, up to 30% during the second year, and up to 50% during the third year; as a result, an employee continuing in a job for three years would have his or her entire loan paid off. In return, the employer would benefit from a phenomenal 30% tax credit. According to a report released by the Pew Charitable Trusts, the average Iowa public-college student graduates with $23,198 in debt, the highest average debt in the nation for students graduating from public universities.