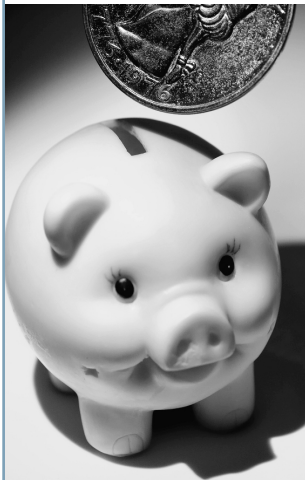




NEWSLETTER

IN THIS ISSUE:

+Fed Panel Examines FinAid
+OPINION on Aid Reform



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BUSH COMMISSION CAUSES CONCERN

- CHARISSE DENGLER

In an effort to fix some of the problems with federal aid programs, a commission is considering different options that would change the accreditation and aid-allocation processes.

Due to recent rises in the cost of higher education and the drop in literacy rates among college graduates, the committee was mandated by the Bush administration to address these and other education problems.

In an issue paper on the subject of accountability, Charles Miller, leader of the commission, and Geri Malandra, a member of the commission, wrote that "our reputation as a world leader is in jeopardy of slipping and our higher education system is at great risk."

The two went on to write that "higher education in this country is a mature sector that is not paying attention to internal problems and globally disruptive forces."

"If we do not forthrightly address these problems, our country will fall farther behind and risk losing the preeminent position that inspires pride and imitation," they wrote.

The group of 19 was put together by Margaret Spellings, Education Secretary, and is made up of both education and business officials.

The primary goal of the commission when it was created was to research the cost of higher education and come up with a way to keep colleges and universities accountable so that the U.S. education system can continue to improve and compete with that of other nations.

Spellings' representative told the *New York Times* that she is confident in the commission's ability to solve the big problems in higher education.

"We have the finest system in the world, but it is right and righteous for us to ask questions, especially about the affordability, accountability, and accessibility of higher education," she told the Times.

One of the major issues being talked about by the commission is the accreditation procedure. Accreditation is the process by which schools are reviewed by an organization and proven to meet specific requirements, making sure programs offered by colleges and universities are held to certain standards. Another phrase to describe the accreditation process is quality assurance.

Currently, accreditation is the responsibility of private groups, but the committee is weighing the option of having

Continued on page 3

OPINION ON STUDENT AID REFORM

- ANNE O'DELL

Student aid reform has become a visible and immediate topic over the past several months. Although President Bush's commission on the subject was only announced last September, dwindling funds for state and federal programs in the face of rising tuition costs have become the depressingly constant subject of complaints from students and administrators year after year. Even more discouraging is the federal government's doublespeak insistence that the administration is bolstering financial aid.

Some streamlining to student aid could be helpful. A single tax credit, for example, would alleviate confusion for many students and their

families. However, the various savings, loan, and grant programs that currently exist all serve a purpose; and the government should continue to offer a variety of options for students to obtain adequate financial aid.

Moreover, I find it difficult to expect that this administration can be trusted to adequately support financial aid for college students. If history is any kind of indicator, we can predict that more budgets would be slashed, more programs would be cut, and fewer students would be able to afford college than ever before.

Continued on page 2

This editorial has been edited to fit in the allotted space. We invite you to visit our online press room at LawSchoolLoans.com to learn more about Law School Loans' official position on this commission's work and other concerns in student aid reform.



NEWSLETTER

Opinion On Student Aid Reform Continued from page 1

Panelists on the commission are calling their preliminary work “provocative” and “bold.” One panelist said in a recent New York Times article, “Some might say we’re considering blowing up the financial aid system.”

No straw men are necessary here. I’ll say it: They’re considering blowing up the financial aid system. In the issue papers and reports that have been published by the commission, some panelists make good suggestions; however, for the most part, the assumptions are entirely too broad. The homogenization of the entire student and graduate population is a consistent problem.

One preliminary report to the commission recommends limiting federal student loan eligibility by cutting off bachelor’s degree students after their fourth years. This would leave many fifth-year seniors who changed majors or are studying subjects such as engineering and accounting out in the financial cold.

Another issue paper suggests entirely removing private lenders from the picture and making the government the sole holder of all education loans. Although the authors speculate that this change would “save billions for other educational assistance programs,” they never specify exactly how this would be accomplished, nor do they acknowledge that this change would eliminate even more options for students and their families.

One of the most alarming recommendations is cutting financial aid across the board as a method of driving down tuition costs. There is an underlying note of hostility toward higher-education institutions throughout the commission’s oeuvre, as though the blame lay with schools’ inflated tuitions, rather than chronic under-funding at the federal level—an interesting accusation to level, considering the background of the panel’s leadership.

The head of the commission, Charles Miller, is a Texas investment consultant who favors “deregulated” tuition, a.k.a., tuition increased freely by the board of each institution rather than controlled by the state.

As a regent on the University of Texas’ Board of Regents, he helped raise tuition consistently several years in a row. This year, UT-Austin students will see a tuition increase of nearly 10 percent from last year, plus a new \$150 “utility” fee.

Miller is also on the Houston board of JP Morgan Chase—the country’s sixth-largest education lender and originator of more than \$2 billion in student loans. Recently, Chase and other education lenders stood to gain billions of dollars when Congress and the Department of Education made cuts that greatly limited students’ and graduates’ choices in student-

debt management. Haven’t those companies made enough money from college students and graduates? Isn’t it time that students rather than corporations derive the most benefit from the education-lending system?

The private sector is not the place to turn for answers on higher education. Many panelists feel that lack of funding is not as large a problem as the high cost of education overall; they lay blame on universities and colleges for being unaffordable. Their alarming solution rests in cutting costs at the institutional level. But for-profit institutions and “career” colleges, touted by this commission’s studies for their costeffectiveness, have been the scourge of the higher-education community for decades for their poor academic reputations, almost wholly part-time faculty, and slipshod general education curricula. Is the for-profit mentality the solution to higher education’s problems?

The commission comes down hard on the practice of granting tenure to faculty members and embracing research as an institutional goal. However, these factors are what grant depth and gravity to an institution’s academic reputation; and students should always have the opportunity to study with the great minds of our time and participate in their research activities. Without these, our country would lose its standing as the world leader in higher education and with it a lot of revenue for its academic institutions.

Is it truly so arrogant for academia to demand both financial support and the political autonomy to manage those funds as administrators see fit? Much of the verbiage directed toward universities is downright hostile on the subject of faculty tenure and research. The point of view promulgated here is essentially capitalist and does not concern itself with the higher goals of higher education. It gives preference to for-profit schools’ methods, including the forced extinction of the full-time faculty and the drastic reduction of general education and core requirements.

In short, I do not believe that academia created the current crisis in higher-education affordability; I believe these institutions have done what is necessary to preserve their and the nation’s reputations for academic excellence.

Simplifying the tax-credit system and creating a better method for overall school evaluation are among the better, saner recommendations of this commission’s reports; however, the first priority in federal student aid reform is not streamlining student aid programs or forcing colleges to cut corners. Rather, the federal government needs to accept responsibility for shoring up our universities’ financial infrastructures by restoring badly needed funds to existing programs.

Continued on page 3



NEWSLETTER

Bush Commission Causes Concern Continued from page 1

schools accredited by a large national foundation put together by the President and Congress. A national review board would benefit students and create a more inclusive standard of accreditation.

Other changes being considered include taking about 17 different grant, tax-credit, and loan programs and lumping them into either one or three federal aid programs. The committee has also suggested implementing standardized testing at colleges and universities.

These proposed changes, however, are causing some unrest between those in the educational field and those in the business field. Miller, who is a former chairman of the University of Texas Board of Regents, is frustrated at the group's refusal to unify and was surprised by those in the educational field that were unaware of the increasing cost of higher education and the changes that need to be made.

"Those who are squawking the loudest are those who have a private place to play and a lot of money, much of which comes from the federal government," Miller said in a *New York Times* interview. "What we hear from the academy is, 'We're the best in the world, give us more money and let us alone.'"

On the subject of standardized testing, many have compared the commission's proposal to President Bush's No Child Left Behind law. Miller said that even though he does not think a required federal test is the answer to the nation's education

problems, he does think colleges and universities should have to report to the public on the quality of learning that is taking place at their institutions; and one of the ways this can be done is by testing the students.

Even though the commission has managed to keep its deliberations out of the media, some college and university presidents have nevertheless gotten wind of the options being considered and are tracking the developments with interest.

Daniel L. Anderson is one of them. Anderson, President of Appalachian Bible College in Bradley WV, told the *New York Times* that he thinks the idea of a national accreditation organization would only cause problems in institutions of higher education.

"The federal government isn't set up to manage the grass-roots affairs of our country," Dr. Anderson said. "Why would the federal government intrude to impose more regulation on higher education?"

On the other hand, many in the business field have spoken out on the myriad of problems with colleges and universities and recognize that these institutions may benefit from national support and regulation.

Nicholas Donofrio, Executive Vice President at IBM and member of the commission, told the *New York Times* that although he is not in full support of government regulation, he does think the government has a right to voice its opinion in regard to federal aid programs and the cost of higher education.

WHITE STUDENTS SEEING MORE AID

WHITE STUDENTS SEEING MORE AID

Many institutions are allowing non-minority student to apply for and receive fellowships and scholarships that were originally intended for minorities. The redirecting of this aid is largely due to pressure from the federal government and the possibility of facing litigation such as the two University of Michigan Supreme Court cases in 2003. UM was targeted for its minority-friendly admissions policy; today, the state of the law remains ambiguous.

KY LAW STUDENTS LOSE FUNDS

Low-income students at Kentucky's three public law schools are losing a badly needed source of financial aid. A scholarship program known as Kentucky Legal Education Opportunity (KLEO) was recently ended by the state Senate, causing a wave of distress in both school administrators and government officials.

KLEO was created by Kentucky Supreme Court Chief Justice Joseph Lambert to increase the opportunities for disadvantaged students to attend law school.

According to one lawmaker, the Kentucky House of

Representatives included \$250,000 for the program in its budget, but the Senate cut the program completely. Some state senators feel it would be more appropriate to fund the program through the state's financial aid agency.

TWO CONGRESSMEN SEEK TO RESTORE FIN AID

U.S. Congressman George Miller (D-CA) and U.S. Senator Dick Durbin (D-IL) are coming to the rescue to American students and financial aid administrators. The Reverse the Raid on Student Aid Act aims to remedy the recent \$12-billion cut from federal student aid programs beginning in the 2007 fiscal year. Part of the plan includes an interest-rate cut for federally guaranteed student loans from 6.8 to 3.4 percent and PLUS loans from 8.5 to 4.25 percent.

As expected, a wide range of activists, student groups, and financial aid administrators are organizing to support the act.

UM CLEARS PATH FOR DEBT-FREE GRADS

In the face of crippling reductions to federal student aid funding, the University of Maryland has initiated a program to graduate debt-free students.

Continued on page 4



NEWSLETTER

Due to a record 11-percent increase in Maryland's budget for higher education financial aid, administrators are planning to use an undisclosed sum to fund three "Pathways" to debt-free graduation.

For the lowest-income students, UM has created a work/grant program.

These students will work between 8 and 10 hours per week at on-campus jobs and will receive significant grants to cover the remainder of their tuition.

The second level provides funding to students who lose out on federal aid because they hold jobs while enrolled in school. The third level gives funding to seniors with more than \$15,900 in federal student loans, allowing them to comfortably afford their senior-year expenses.

Eligibility is determined by how much money students and families are able to contribute and not strictly on a their income. So far, around 500 students have enrolled in the Pathways programs.

SPOT LIGHT ON SCHOLARSHIPS

TWO NEW GRANTS FOR '06-'07

Two grant programs created under the Higher Education Reconciliation Act will take effect beginning with the 2006-

2007 school year. The Academic Competitiveness Grant will be available to first- and second-year, Pell-eligible students who have demonstrated financial need and academic ability. Third- and fourth-year students who are eligible for Pell grants may also qualify for the Science and Mathematics to Retain Talent (SMART) Grant.

The Academic Competitiveness Grants will be worth \$750 first-year students and \$1,300 for sophomores, and SMART Grants will be worth \$4000 per year. Student will be notified of their eligibility upon completing a FAFSA.

RESEARCH GRANT DEADLINE APPROACHES

The National Resource Center for The First-Year Experience and Students in Transition is seeking applications for the Paul P. Fidler Research Grant. The grant is open to faculty, staff, and graduate students who plan to conduct research and disseminate knowledge that has potential to improve the experiences of college students in transition. The comprehensive award package that includes a \$5,000 stipend, travel to two national conferences, and a potential publication has an application deadline of June 1, 2006.

The grant is available to faculty, staff, and graduate students who plan to conduct research on issues of college student transitions. Cross-institutional research teams are encouraged to apply.