



NEWSLETTER

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HOUSE APPROVES BILL ALLOWING MARYLAND RESIDENTS TO QUALIFY FOR IN-STATE TUITION REGARDLESS OF CITIZENSHIP STATUS

- BROOKE HEATH

Last week, the Maryland House of Representatives voted 81 to 57 in favor of a bill that would allow some illegal immigrants to qualify for in-state tuition.

The bill would help to make college more affordable for children of illegal immigrants by allowing residents of Maryland to qualify for in-state residency regardless of their citizenship status.

Currently, the state is required to provide education for children of immigrants through high school. In order to qualify for in-state tuition, nonresident students must apply for college within five years of graduating from a Maryland high school.

"They're young, hardworking people," said House Democratic Leader Kumar Barve.

In a heated debate, those in the House who opposed the proposal argued that if it were allowed to pass, it would benefit those who are breaking the law.

"It is an issue of citizenship and the rule of law," said Republican Delegate Pat McDonough.

Those who opposed the bill argued that it would be a costly choice to make. A state analysis projected that the change could cost Maryland about \$1.1 million per year by 2012.

However, despite opposition—and some veiled personal attacks—the House approved the bill. It will now go to the Senate.

This is not the first time Maryland lawmakers have approved such a bill. In 2003, a similar bill was passed, only to be vetoed by former Republican governor Robert L. Ehrlich, Jr.

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NEW YORK ATTORNEY GENERAL SETTLES WITH SCHOOLS: MAJOR UNIVERSITIES WILL ADOPT NEW COLLEGE CODE OF CONDUCT AND REPAY STUDENTS

- BROOKE HEATH

In an ongoing course of action, New York Attorney General Andrew M. Cuomo announced Monday that his office had signed settlements with major universities. The terms of the settlements require schools to adopt a new landmark College Code of Conduct governing arrangements with student loan lenders as well as reimburse students money that was paid to the schools by lenders for loan business.

According to a press release from Cuomo's office, settlements were signed with the following schools: the State University of New York's 29 four-year campuses, Fordham University, Long Island University, New York University, St. Lawrence University, Syracuse University, and the University of Pennsylvania.

The Attorney General's College Code of Conduct forbids student loan lenders from sharing revenue with schools, includes disclosure standards and restrictions on schools'

"preferred lender" lists, and prohibits gifts or trips given to school employees by lenders. The Code of Conduct also bans lenders from providing staffing or paying for the staffing of any component of a school's financial aid office, in addition to delimiting other aspects of associations between lenders and schools.

Cuomo said, "The College Code of Conduct spells out in black and white that no lender may pay a school for placement on a preferred lender list and no school may hide the reason it chose to recommend a particular lender."

As the other condition of the settlement, the schools involved will make the following reimbursements to students:

- New York University: \$1,394,563.75 for loans issued over a five-year period.
- St. John's University: \$80,553 for loans issued over a one-year period.

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- Syracuse University: \$164,084.74 for loans issued over a two-year period.
- Fordham University: \$13,840 for loans issued over a one-year period.
- University of Pennsylvania: \$1,617,580 for loans issued over a two-year period.
- Long Island University: \$2,435.41 for loans issued over a one-year period.

The money will be disbursed to individual students on a pro-rata basis, contingent upon the amount each student borrowed

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It seems that may not be the result this time around. According to the Associated Press, current Maryland governor Martin O'Malley said that he would, indeed, sign a bill allowing some illegal immigrants to qualify for in-state tuition. Governor O'Malley, a Democrat, referred to education as "the light that

in student loans and the interest rate he or she was given. Money designated for students who cannot be found will go toward a fund to educate college-bound students about the student loan industry.

Cuomo said, "[W]e are beginning the process of restoring trust between universities and students, and now is the time for other schools and lenders to step up and end the conflicts, perks, and revenue sharing that have been costing students in New York and across the country dearly."

allows individuals to create greater opportunity for all of us."

If this bill is enacted, Maryland would be in the company of states such as California, Illinois, and New York which have already extended in-state tuition to residents regardless of their citizenship status.

NEWS IN BRIEF

SUPPORT FOR RESTORATION OF PERKINS STUDENT LOAN PROGRAM FUNDING GROWS STRONGER

Senators Maria Cantwell (D-WA) and Norm Coleman (R-MN) led a group of about 30 senators who urged the chairman and ranking member of the Senate Budget Committee to reinstate funding for the Perkins Student Loan Program in next year's budget proposal. Apart from eliminating all federal aid for the Perkins Loan Program, the current budget proposal annuls the \$7 billion grant previously provided by the federal government to educational institutions that offer Perkins Loans. The appeal to Senators Kent Conrad (D-ND) and Judd Gregg (R-NH) was made in response to the Bush administration's budget resolution, which eliminates Perkins Loans. The House of Representatives also witnessed a similar move. There, about 70 House members signed a letter written by Congressman Tim Bishop (D-NY) and Congresswoman Cathy McMorris Rodgers (R-WA) urging the chair and ranking members of the Subcommittee on Labor, HHS, Education, and Related Agencies of the House Committee on Appropriations to take similar action. The Coalition of Higher Education Assistance Organizations (COHEAO) has also voiced its support for the Perkins Loan Program.

CBA PRESIDENT LASHES BACK AT KENNEDY

In response to Senator Edward Kennedy's letters to student loan lenders asking them for details related to their administration of the Federal Family Education Loan Program (FFELP), President of the Consumer Bankers Association (CBA) Joe Belew issued

a statement. Belew said that, in his letters, Kennedy made no specific allegations against any particular student loan lender and that he selected lenders based on the list of top FFELP loan originators. He stated that it was unfortunate that Kennedy exercised his oversight function with regard to the loan program by requesting detailed documents and speaking out in a press release before discussing these information needs with lenders. According to Belew, by sending the letters and suggesting lenders had engaged in misconduct in a press release, Kennedy made "allegations of unethical conduct" against the lenders in question without any evidence to back them up.

NEW LEGISLATION INTENDED TO EXPAND THE USE OF FIPSE FUNDS

New legislation introduced by U.S. Representative Ric Keller aims at curbing digital piracy, including the downloading of music and movies on college campuses. The Curb Illegal Downloading on College Campuses Act of 2007 would allocate money provided by the Fund for the Improvement of Postsecondary Education (FIPSE), a Department of Education program, to serve this purpose. The act provides for anti-piracy pilot programs on college campuses that aim to persuade students to refrain from digital piracy. According to Keller, such illegal downloading on college campuses consumes a large volume of bandwidth on computer networks and makes computers susceptible to harmful viruses. He also condemned the act, stating that piracy steals billions

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of dollars in intellectual property from hardworking people. Recently, the Recording Industry Association of America (RIAA) accused about 400 students at 13 universities of indulging in this wrongful behavior.

TEXAS LOAN REPRESENTATIVE INDICTED ON THEFT CHARGES

A former employee of the Texas Higher Education Coordinating Board has been indicted on charges of theft. Allan Dee Paiz, who worked as a loan representative, has been accused of stealing more than \$100,000 from the agency's college student loan programs. Paiz allegedly entered false information into the agency's computer systems, seeking loans for individuals who never applied for them. He has been held for executing a document by deception, a second-degree felony for a public servant punishable by 20 years' imprisonment and a fine of \$10,000. The State Auditor's Office conducted a special investigation into improprieties reported in an internal audit that revealed Paiz's wrongdoing. Each year, the Texas Higher Education Coordinating Board processes about \$319 million in grants and loans.

NEW BILL IN MARYLAND PROPOSES GRANTING IN-STATE TUITION STATUS TO ILLEGAL IMMIGRANTS

Following the passage of similar laws in Texas, California, New York, and Utah, the State of Maryland has proposed making illegal immigrants eligible for in-state tuition rates at the state's public universities. In an 81-to-57 vote, the Maryland House of Representatives consented to provide less expensive education for residents regardless of their citizenship status, a move that will save qualifying students about \$10,000 per year. Non-citizen students would be required to possess degrees from Maryland high schools and would also need to apply to colleges within five years of completing high school. Those opposing the decision contend that the proposed law would cost taxpayers thousands of dollars, add to the university system's financial burden, increase tuition costs, and decrease the availability of college seats for legal residents. A few years ago, a similar bill was vetoed by Governor Robert L. Ehrlich. However, Governor Martin O'Malley, a Democrat, is expected to support the latest legislation.