

National Education Association

Memorandum

Date: September 18, 2009
To: Higher Ed State Staff
From: Mark F. Smith, Senior Policy Analyst, Higher Education
Nancy O'Brien, Federal Lobbyist, Higher Education
Re: The Student Aid and Fiscal Responsibility Act

On Thursday, September 17, 2009, the House passed HR 3221, the Student Aid and Fiscal Responsibility Act of 2009, by a vote of: 253-171. The bill includes provisions addressing student aid, community college, early childhood education, and school construction issues. Below is a summary of the student aid/community college provisions.

Obama announced the American Graduation Initiative on July 14, 2009, focusing on increasing access to and completion of postsecondary education, mainly community college, but also improving transfers from 2 to 4 year programs. (See NEA Press release on AGI at <http://www.nea.org/home/34472.htm>)

Immediately after the announcement, on July 15, 2009, Representative George Miller, Chair of the House Education & Labor Committee introduced the Student Aid and Fiscal Responsibility Act (HR 3221.) The Committee passed the bill on July 27, 2009. (See NEA July 20, 2009 letter to committee at <http://www.nea.org/home/34710.htm>.)

The full House took up the bill on September 16, and considered a number of amendments before passing it on September 17, by a vote of 253-171. (See NEA September 16, 2009 letter to the full House at <http://www.nea.org/home/35923.htm>.)

The bill converts the student loan program to a direct, government lending program, cutting out private lenders out disbursement. With the savings of \$87 billion, the bill does the following:

- **COMMUNITY COLLEGE INITIATIVE**
 - Provides to community colleges over the next ten years some \$8.8 billion in funding.
 - Competitive grants will be made available to achieve broad-based institutional objectives.
 - \$6.3 billion over 10 years, with grants in first phase targeted to institutions and grants in the second phase intended for states to implement systemic reforms based on successes from institutional grants.
 - \$2.5 billion for facilities
 - Inclusion of provisions ensuring that faculty are involved in planning, implementation and evaluation, as well as in coordination of articulation agreements between 2 and 4 year programs.

- Has a “reform” component in that grants are for improving persistence and completion, and there is some concern as to how success will be measured and what accountability requirements will go along with the funds.

STUDENT AID

- Higher Pell Grant scholarship of \$5,550 in 2010 and \$6,900 in 2019. About 6 million students received the Pell Grant scholarship in 2007-2008.
- Lower interest rates on need-based (subsidized) federal student loans. Nationwide about 5.5 million students borrow these loans each year.
- Shorter, simpler form that makes applying for financial aid easier. In 2003-2004, over 1.5 million college students who likely were eligible to receive Pell Grants didn't apply for financial aid because they found the form too confusing.

During the process, NEA lobbyists worked with other higher education associations and AFT to make several improvements in the bill, most of which involved explicitly including faculty in the various processes established to implement key provisions of the bill, including:

- In the section ensuring Access and Completion, which requires states to develop articulation agreements between public two-year and public four-year institutions of higher education in the State, language which ensures that such agreements are developed “in consultation with faculty from participating institutions.”
- Also in the section ensuring Access and Completion, the states must include “at least one faculty member whose primary responsibilities are teaching and scholarship” in the “comprehensive planning or policy formulation process.”
- Under the American Graduation Initiative, in the application process for grants, institutions will have to show “how the eligible entity will incorporate and support faculty and staff of the institution in meeting the goals of such programs, services, and policies”.
- Also under the American Graduation Initiative, in describing programs in the state applications the states are required to describe “how the State will involve community colleges and community college faculty in the planning, implementation, and evaluation of such programs, services, and policies.
- Under the Learning and Earning Center, the Centers are required to develop peer-reviewed metrics to help students, workers, schools, businesses, researchers, faculty, and policy-makers assess the programs.

The bill now goes to the Senate. Nancy and Mark will be meeting with staff from the Senate Health, Education, Labor, and Pensions Committee in the coming days.