

The Wellspring

Inclusion is the Wellspring of Democracy

Progress requires people of good will

By the Honorable William Winter

As you may have read, this Reauthorization is becoming more and more complex. With no expectation of additional funds, due to the budget situation, it has been suggested that very little change will occur. However, recent activity, primarily on the House side of Congress seems to be drawing some very partisan lines in the sand.

The House Education and Workforce Committee has produced three of the four bills it plans to present to the House for Reauthorization. The fourth bill, which includes Title IV, has not been completed and there seems to be a struggle within the Committee to reach bipartisan consensus. In that regard, other House members are floating bills that would bypass the Committee, but would address some very significant issues related to the Pell Grant, consolidation and reconsolidation of student loans, changes to the need analysis criteria to maintain the current state tax formula, and potentially significant changes to Direct Loans and Stafford Loans. A major problem facing these proposals is the way the Congressional Budget Office is scoring the cost of these changes. A single facet of one bill was scored at \$1.5 billion in the first year.

Adding to the challenge is that the Senate does not plan on starting a Reauthorization Bill until January or February of 2004. The Senate plans to have only one bill to match up with the four in the House. This situation will present significant issues when the Conference Committee meets for a consensus position.

Although recent surveys have shown that there is significant support for increasing loan limits in Reauthorization by students,

parents, aid officers and others, the funding issue surfaces again. Additionally, two Washington-based student organizations and AASCU have formed a coalition opposed to increased loan limits. Congress is receiving mixed messages, which usually results in no change or Congress going out on its own. Loan limits for freshman (first-year) borrowers have not changed since 1986, but college costs have increased significantly during that period and continue to rise.

Although all parties would like to see significant increases in the Pell Grant, it is just not likely due to the budget situation. Loans then become a focal point not for college choice but access to postsecondary education. Without loan limit increases, many school groups and NASFAA are concerned with access for needy students.

The costs of consolidation and reconsolidation focus new benefits on borrowers who are no longer students but received subsidies when they were in school. If additional subsidies are provided by consolidation or reconsolidation, the resources to help students wanting to go to college will be redirected. Congress has to determine where the focus will be: allowing more students to go to college for the first time or extending benefits to former students throughout the loan repayment period.

Another very significant issue is the focus on affordability and school accountability. Numerous school organizations are concerned about the suggested proposals to tie eligibility for Title IV participation to the tuition increases in comparison to the consumer price index or some similar cost of living index and the difference in the changes.