MESSAGE FROM THE PRESIDENT
JEANNE F. DOTSON

It is with great sadness that I begin this message. As most of you already know, Carolyn Hampton passed away. Carolyn was an active member of our Board of Directors and a solid advocate for our mission. Mark Mundy, who is also a member of our Board, has written a tribute to Carolyn, which we would like to share with you. A memorial service will be held tomorrow, December 11, 2004, and a number of our members will be there to represent their personal sorrow and the sentiments of COHEAO. Please take a moment of your day to remember Carolyn Hampton.
A Tribute to Carolyn Hampton

The first time I met Carolyn her gleaming smile and outgoing, bubbly personality were most evident. We bonded almost instantly and I have had the honor and privilege to call her my friend for close to 20 years. It is hard to think of this world without her in it, and yet I know she will live in our hearts forever. It is difficult not to think about Carolyn’s infectious laugh anytime I think about her. She brought tears to my eyes so often when we would be rolling in laughter. I know now I cry for me because I can’t laugh with her anymore, and yet I smile for her knowing that she is no longer in pain and is back to the old Carolyn, the Carolyn that she would want us all to remember.

I will always remember Carolyn as a most giving and caring person. Her son, David, always came first. She always beamed when she spoke of him, and they have always had such a special relationship. Carolyn always carried a recent picture, and it was with such pride that she would share it with her friends. Carolyn was always thoughtful and was a friend who you could count on for anything. She was my rock three years ago when I was dealing with the deaths of my father and brother. She called me constantly and was always able to get me to laugh and get my mind off the pain that comes from such loss.

Carolyn gave wholeheartedly to causes and ideas she believed in, and she gave COHEAO her full support by giving of herself, her resources and her time, which is such a precious commodity. So, I publicly want to say thank you Carolyn for being you and for giving so much of yourself to our organization. On the personal side, thanks for your friendship, your concern and your laughter for these I will carry in my heart and my memories forever.

Mark P. Mundy
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A draft agenda for the COHEAO Annual Conference is now available and attached. This year’s Annual Conference agenda contains a number of interesting and relevant sessions including addresses from members of Congress; a discussion of the NCES study on IPEDS; a panel of education experts discussing their views on the future of higher education funding; a session on standards and technology, and a session on default prevention techniques. Stuart Pratt, the president and CEO of the Consumer Data Industry Association (CDIA), has just agreed to speak about the E-Oscar process for credit bureau reporting and the change in federal law that led to it.

The Conference will also feature the traditional breakfast on Capitol Hill, followed by visits to Congressional offices. Given the threat that the Perkins Loan program faces, these visits are most important.

COHEAO's Annual Membership Conference will be held starting with a reception the evening of January 30, 2005 and ending with the breakfast and Hill visits on February 2. The conference will take place at the Ritz-Carlton Pentagon City in Arlington, Virginia, just across the river from Washington, DC.

To register for the Annual Conference, go to http://www.coheao.org and click on the link under "2005 COHEAO Annual Conference" or fill out the attached form and fax it to 202-371-0197 or mail it to 1101 Vermont Avenue, NW., Suite 400, Washington, DC 20005.

COHEAO is proud to announce a new online system for paying for the conferences, teleseminars, annual dues and other COHEAO activities. Earlier this week, http://www.coheao.org unveiled its new secure EBS PayMyEbill system. The new system simplifies the previous online credit card payment system with improved security. It will no longer be necessary to go through the PayPal system, although payments already made through PayPal are being processed. If you have any questions about the system, please contact Andrew Stringer at astringer@wpllc.net.

On December 7, COHEAO held a teleconference on the Elections and How to Communicate with Congress. The call was moderated by COHEAO Executive Director Harrison Wadsworth and featured presentations by Bo Newsome, director of outreach at the National Association of Independent Colleges and Universities (NAICU); and Chris Simmons, assistant director of government relations at the American Council on Education.

The call discussed the necessity of improved advocacy efforts in light of cuts to the Perkins Loan Program in the FY2005 omnibus appropriations bill and the prospect of significant cuts to all education-related programs in FY2006.
Simmons spoke about how the new political climate in Washington and a fiscally conservative budget for FY2006 will mean that individuals will have to fight harder for their respective programs. However, Simmons pointed out that there will be a new round of House and Senate elections in two years, which will mean that representatives and senators will feel pressure to respond to their constituents during the appropriations process. This means that grassroots advocacy efforts will be important in convincing elected officials of the importance of funding the Perkins Loan Federal Capital Contribution.

Regarding those grassroots efforts, Newsome spoke about how to effectively make your voice heard as a constituent. Newsome had three central points:

- Study the Congressional calendar – Newsome suggested that it is very beneficial to meet with Representatives and Senators when they are back in their respective states, meeting with constituents;
- Support alliances – Organizations, such as COHEAO and the Student Aid Alliance, are important ways to stay updated on important events and coordinate advocacy efforts; and
- Say “thank you” - Representative and Senator receive thousands of requests, but few letters thank them for what they have done, meaning that a personal thank you really stands out from the clutter.

Silent Auction Scholarship Fundraiser Set for Annual Conference

COHEAO will again host the Silent Auction Scholarship Fundraiser at this year's Annual Conference. The event will take place during the reception after the first full day of the Annual Conference on Monday, January 31, at 6:00 p.m. at the Ritz Carlton Pentagon City Hotel in Arlington, Virginia.

Please participate in COHEAO's charity effort. Please consider helping in one of the following ways:

- Coming to our scholarship fundraiser and participating in the silent auction;
- Donating an item for the auction; or
- Making a financial contribution to the scholarship effort.

For ideas or suggestions of items to donate, please call Andrew Stringer at (202) 289-3903. Please make sure donations and/or contributions sent in advance arrive by Friday, January 28, 2005; last-minute donations will also be collected at the meeting registration desk. Please address items for the silent auction to the attention of Andrew Stringer at 1101 Vermont Ave, NW, Suite 400, Washington, DC, 20005. Make checks payable to COHEAO. A flyer regarding the silent auction is attached to the end of The Torch.

It’s Winter: Time to Find Something for the Cooler Weather at the COHEAO Store

With winter here, and the Annual Conference not far away, why not find appropriate attire at http://www.westernprinting.net/coheao, where you will find high-quality clothing and outerwear bearing the distinctive COHEAO flame logo. The net proceeds from the sale of the clothing will go to the COHEAO scholarship fund, which awards $1,000 scholarships every year to deserving students with financial need who are attending COHEAO-member institutions of higher
education. Check it out today and help yourself – and a student who can really use the assistance.

CONGRESS

109th Congress to Bring Changes to the HELP and Appropriations Committees

Member and staff changes for the Senate HELP Committee are underway as the 109th Congress approaches. Sen. Mike Enzi (R-WY) is in line to be named the new Committee chair in January. Republican Members John Warner (VA) and Kit Bond (MO) are reported to be leaving the Committee. Sen. Mike DeWine (OH) is reported to be considering leaving the Committee as well. New Republican Committee Members on the Committee are likely to be the newly elected Sens. Johnny Isakson (GA) and Tom Coburn (OK) – both coming to the Senate from the House of Representatives. Isakson’s record is moderate; he served as the vice chairman of the Subcommittee on 21st Century Competitiveness of the Education and Workforce Committee. Like Enzi, Isakson is particularly interested in easing access to distance education. Coburn’s is quite conservative with signature issues including creationism and pro-life initiatives. Coburn will join Sen. Frist as one of two medical doctors serving in the Senate.

On the Democratic side, Sen. John Edwards (NC) is retiring, thus leaving a vacancy on the HELP Committee. That vacancy will not be filled, as Republicans will hold a two-person margin on each Committee in the 109th Congress, reflecting their overall gains in the November election.

Sen. Enzi’s new staff director for the HELP Committee will be Katherine McGuire, who currently serves as his legislative director. Sen. Enzi is reported to be actively interviewing for other staff positions on the Committee. Rumors of the possible creation of a Subcommittee on Education, chaired by Sen. Alexander (R-TN), have been circulating this week. Alexander, former Secretary of Education under the first President Bush, is reported to be eager for a larger role in education. Other speculation includes the possibility of adding education laws to the subcommittee jurisdiction for the Children and Family Subcommittee, which Alexander currently chairs.

There will be new Appropriations Committee Chairmen for the House and Senate in the 109th Congress since the previous chairmen are both term-limited under Republican caucus rules. Senator Thad Cochran (R-MS) will replace current Chairman Ted Stevens (R-AK). The House chairman is not yet certain as House leadership are interviewing Representatives Jerry Lewis (R-CA), Ralph Regula (R-OH) and Harold Rogers (R-KY). The three candidates currently chair the Defense; Labor, Health and Human Services and Education; and Homeland Security Appropriations Subcommittees respectively. A decision is expected to be announced by the time the new Congress convenes in early January.

Omnibus Includes Over $400 Million in Earmarks

While many programs at the Department of Education received no increases or funding cuts, Congress passed an estimated $400 million in pork programs as part of the FY2005 omnibus spending bill. According to an analysis done by Education Week, included in the omnibus bill are approximately 1,200 earmarks for programs in Senators’ and Representatives’ home states or
districts. For the most part these projects, known as earmarks, were not debated and avoided the usual competitions for federal funding. According to the analysis, programs for after school activities are the most common earmarks, but other earmarks go to other, more questionable programs.

**INSIDE ED AND THE ADMINISTRATION**

**Deputy Secretary of Education Resigns**

On December 2, Eugene Hickok, deputy secretary of education, announced his resignation. Hickok has served at the U.S. Department of Education for four years, serving as under secretary of education prior to serving as deputy secretary in 2003. In his letter of resignation to President Bush, Hickok said, in part: “I am fortunate to have served under a U.S. Secretary of Education whose experience, integrity, decency and courage made him the right man, for the right job, at the right time.”

In response to Hickok’s resignation, Education Secretary Rod Paige stated, “I am proud to have served alongside Gene Hickok, who has dutifully and tirelessly worked on behalf of America’s children, ensuring that they are part of a system that gives each and every one of them the attention they deserve and academic tools for success...Gene inspired many Department employees. I thank him for his service, dedication, and selfless devotion to the cause of our nation’s children and their futures.”

**NCES to Consider Changes to IPEDS**

The National Center for Education Statistics (NCES) is currently considering changes in the way the Integrated Postsecondary Education Data System (IPEDS) data collection efforts are conducted. NCES has funded a feasibility study to look into redesigning the current IPEDS structure. Specifically, NCES is deciding whether to replace the institutional counts of students, which currently do not identify particular students with student data.

The current student data collected by the web-based IPEDS includes compilations of enrollments, completions, graduation rates, prices and student financial aid. The new system, if authorized, would encompass a series of transaction files on individual students to be uploaded via the Internet pertaining to enrollment, financial aid, completions, and 1098-T tax reporting for the purpose of obtaining better graduation and persistence rates and net price data at institutions. Currently, colleges and universities only provide individual student information to the federal government in connection with federally supported student aid.

Collecting unit record data on individuals has the potential to affect privacy laws. Many education groups are concerned that this prospective system would override the right of individuals to control their own information and would add a major new administrative burden to schools.

Dennis Carroll, associate commissioner at NCES who is leading the study, is scheduled to discuss proposed changes to the IPEDS at the COHEAO Annual Conference on January 31 at 1:30 pm. A draft agenda for the entire Annual Conference is attached to The Torch.
FSA COO Discusses Coming Year

In an interview in Federal Computer Week, Terri Shaw, chief operating officer (COO) at the Federal Student Aid office (FSA) at the Department of Education discussed her job as COO and the status of FSA. In the article, Shaw mentions that she expects that FSA and the Department of Education will receive their third consecutive clean audit. Shaw also believes FSA will be removed from the General Accountability Office’s (GAO) list of high-risk federal programs when the list is released later this month or in early January, 2005.

To view the article, visit: http://www.fcw.com.

INDUSTRY NEWS

Chronicle of Higher Education Reports on Perkins FCC Cut

The December 3 issue of the Chronicle of Higher Education contains an article on the FY2005 omnibus spending bill. The bill discusses several student aid issues, including changes to the Pell grant need analysis formula and the failure to fund the Perkins Loan Federal Capital Contribution. Harrison Wadsworth, COHEAO executive director, is quoted in the article saying:

“The cut means that some 69,000 fewer students will receive Perkins loans next academic year… federal Stafford loans are no substitute for the lost Perkins loans because their limits are too low for many students.”

Also commenting on the cuts to the Perkins Loan and Pell Grant programs is Stephanie Giesecke, director of budget and appropriations for the National Association of Independent Colleges and Universities, who said that the omnibus bill “really represents the erosion of the federal commitment to student aid.”

The entire Chronicle article is attached to The Torch.

Connerly Leaves University of California Board of Regents

Ward Connerly, a national leader in the fight to end racial preferences in college admissions, asked not to be reappointed to the Board of Regents of the University of California system when his term expires in March 2005. Connerly has served on the board for the past 12 years.

His announcement comes in the wake of a movement by a coalition called “By Any Means Necessary” (BAMN) to mount a petition to remove Connerly from his post. The group is a national coalition that supports affirmative action in higher education and has said, “We need to remove Connerly from the Board of Regents because he has allowed the racist, small-minded right wing to employ him to be their front person for their campaign against affirmative action.”

Currently, Connerly is pushing a petition to include an initiative that would ban the use of racial preferences on the ballot in 2006 in Michigan. Last month, Connerly also proposed that a
“multiethnic” box be placed on admissions applications for the California schools. This proposal was defeated by a vote of 12 to 1.

**Fitzgerald to Leave Advisory Committee on Student Financial Assistance**

Dr. Brian Fitzgerald, a major influence in the student aid policymaking community for more than 15 years as the head of the Advisory Committee on Student Financial Assistance, will leave that position to become the new executive director of the Business-Higher Education Forum.

As the Advisory Committee’s staff director, Fitzgerald has played a major role in influencing the direction of congressional student aid policy on need analysis, program simplification, and occasionally funding. Under his leadership, the Advisory Committee has provided both technical advice as well as broader policy guidance.

In the current reauthorization cycle, Fitzgerald oversaw the production and publication of two studies documenting the state of college opportunity. Both reports found that many talented students are still not going to college or are not going to the institution best suited for their talents and abilities.

Fitzgerald has been at the Advisory Committee since 1988 and has worked with over 100 Advisory Committee members, some of which were very knowledgeable on student aid and some of which had but a passing familiarity. He was praised by almost all committee members because of his ability to explain complex student aid issues in a manner in which committee deliberation on them became possible.

Prior to coming to the Advisory Committee, Fitzgerald worked as a research analyst at Pelavin Associates and as a project manager for Preview, Inc. He also served as a research assistant at Harvard University Graduate School of Education and as an assistant dean at Bates College.

Washington insiders expect the Business-Higher Education Forum will become a higher profile organization under Fitzgerald. The Forum, which was founded in 1978, became independent from the American Council on Education in September 2004.

**Robertson to Become President of the Education Commission of the States**

Piedad Robertson, former Massachusetts secretary of education and president of Santa Monica College, will become president of the Education Commission of the States (ECS) in February 2005. Robertson has been a member of the board of directors for student loan guarantor American Student Assistance (ASA) since 1989. Among many positions Robertson held was ECS commissioner and member of the ECS-appointed National Task Force for Minority Achievement in Higher Education. Robertson was unanimously approved by ECS’ Executive and Steering Committees. Arkansas Governor Mike Huckabee, ECS chairman for 2004-06, commented, “After a thorough and exhaustive search, and after considering dozens of very qualified, exceptional prospects, the committee concurred enthusiastically that Dr. Robertson brought a unique blend of experience at both the state and local levels in all phases of education from preschool to higher education.”
Magrath to Leave NASULGC to Consult for College Board

Last week, the president of the National Association of State Universities and Land-Grant Colleges, C. Peter Magrath, announced his resignation and move to become senior adviser to the College Board and work as a consultant. He will make this transition after one more year with the association. Before joining the association in 1992, Magrath was president of the University of Missouri system, the University of Minnesota, and of the State University of New York at Binghamton as well as creator of the Kellogg Commission on the Future of State and Land-Grant Universities. The association will begin searching for someone to replace Magrath in the next couple of weeks.

Chronicle Article Suggests Changing Credit Scoring Systems for College Students

In a recent Chronicle of Higher Education article, Karen Gross, president of the Coalition for Consumer Bankruptcy Debtor Education and professor at the New York Law School, advocates changing credit-scoring procedures to aid recent college graduates. Gross writes that recent graduates, often with high levels of student loan-related debt and low incomes, receive unfairly poor credit scores. This has a large impact in their ability to borrow money for a car, house, or other purpose. According to Gross, scoring student loans differently would improve access to credit, particularly since student loan debt is a sign that an individual values education and therefore is less likely to be a credit risk.

Former Labor Secretary Proposes New Student Loan Program

A recent column in The Washington Post written by Michelle Singletary has brought national attention to former Secretary of Labor Robert Reich’s idea for reforming the student loan system. The idea, discussed by Reich at a recent student aid conference, would apply to graduate students. Under Reich’s plan, after students receive their graduate degree, they would pay back a percentage of their income for 10 to 15 years. The repayment would enter into a general fund, then be re-lent to other graduate students via private banks. The article does not address several issues about the plan, including how to address students who enter graduate programs but do not graduate; how the funds are transferred from the general fund to private lending entities; or what the interest rate structure would be.

Reich presented the idea in light of what he believes is the growing trend of graduate students being forced to choose high-paying careers to pay off their student loans instead of choosing more public good-oriented, but lower paying, careers. Reich said his plan “would allow people to follow their hearts rather than make a lot of money.”

Man Sentenced to 14 Months for Student Loan Fraud

On November 29, James Joseph Stevens was sentenced to 14 months in jail by a Phoenix, Arizona federal judge for his role in a student aid-related fraud scheme. Stevens, as an employee of the collections agency Valley Acceptance Corporation, took part in a plan to make false consolidation loan applications. Ultimately, the scheme resulted in approximately $1 million in fraudulent commissions earned by Valley Acceptance. The commissions came at the expense of SunTrust Bank and the U.S. Department of Education. Stevens pled guilty to fraud charges on August 26, 2004.
MBA Awarded to Pennsylvania Cat

Pennsylvania’s attorney general sued an online university Monday for violating state law, “conducting a massive illegal spam campaign,” and selling fake diplomas. The state is seeking a permanent injunction, civil penalties, costs and restitution for violating consumer law against the two brothers who run the unaccredited Trinity Southern University -- which claims to be based in Dallas.

According to the Associated Press, investigators paid $299 for a bachelor’s degree for a deputy attorney general’s 6-year-old cat, Colby Nolan. The school was so impressed with Nolan’s resume, transcript, and grade-point-average that they awarded him an MBA instead. Doctoral degrees from Trinity are also earned inexpensively; they only cost $599.

Trinity Southern University also made the headlines last year when an adjunct professor at Harvard who heads the Massachusetts infectious disease laboratory apologized for listing a Ph.D. from Trinity on his resume.

Equifax, Experian and TransUnion to Provide Free Credit Reports

The credit bureaus Equifax, Experian, and TransUnion announced a centralized credit report website consumers can use to request the free annual credit report required by the Fair and Accurate Credit Transactions Act. Consumers can access their free credit report by visiting http://www.annualcreditreport.com. The service became available on Dec. 1 for Western U.S. states. It will be available on March 1, 2005 for the Midwest, June 1, for the South, and Sept. 1 for the Eastern states. To see exactly when your state will be affected as well as instructions on how to ask for a credit report, see http://www.ftc.gov/bcp/conline/pubs/credit/freereports.htm

Recent ACE and CEF Activity

On December 3, the Committee for Education Funding (CEF) held its annual meeting. The meeting featured presentations from:

- Thomas Riehle, president of Ipsos U.S. Public Affairs; and
- Martha Coven, analyst at the Center on Budget and Policy Priorities.


Coven’s presentation focused on the federal budget for FY2006 and future years. Coven and the Center’s analysis of the fiscal situation is somewhat dire. Coven said that pending retirements of the baby boom generation (technically starting in four years) will put a large fiscal strain on the government, in a large part due to social security and health care-related entitlement programs. This will force either radical budget reform and/or sharp decreases in both entitlement and discretionary spending.

At the annual meeting, CEF members elected officers for the coming year. Next year, the CEF officers will be:
• President – Mary Kusler, American Association of School Administrators;
• Vice President – Stephanie Giesecke, National Association of Independent Colleges and Universities; and
• Treasurer – Neil Snyder, American Speech-Language-Hearing Association.

The CEF Executive Committee is a group of individuals who act as formal advisors to the officers. From the higher education community, the following individuals will serve on the Executive Committee:

• Dawnita Chandler – American Council on Education;
• Christie Dawson – American Association of State Colleges and Universities;
• Alexis King Holmes – The College Board; and
• Cyndy Littlefield – Association of Jesuit Colleges and Universities.

The American Council on Education (ACE) released a press statement last week regarding higher education funding in the FY2005 omnibus spending bill. The press release mentions the cut to the Perkins Loan Program Federal Capital contribution. The entire press release is as follows:

"NAICU AND ACE PRESIDENTS EXPRESS DISMAY OVER FY2005 HIGHER ED SPENDING"

"We are deeply troubled that Congress, in approving the FY2005 omnibus appropriations bill, voted to continue the slow erosion in the federal student aid programs. It should concern all Americans that students from low-income and working families are being asked to shoulder a larger share of the budget deficit. Funding for key student aid programs has slipped in the past three years, while demand for assistance continues to grow. The maximum Pell Grant remains at $4,050 for the third year in a row. Work-study funding has fallen from $1 billion to $990 million in three years. LEAP, which provides matching funds to states that increase assistance to low-income students, was reduced from $68 million to $66 million. For the first time in recent history, funding for a student aid program was eliminated. New federal capital for Perkins Loans went from $100 million to zero. No new federal Perkins capital will be available for institutions that participate in the program. These colleges will have to provide loans from their revolving funds. Ultimately, this means that students will have less access to Perkins Loans, and more will be faced with taking out private loans at higher interest rates.

These cuts could not have come at a worse time for nearly 1.3 million students in particular. Technical changes to the Pell Grant formula mean that 84,000 fewer students can receive those grants next year, as the U.S. Department of Education must update an old state tax chart that has been used for years. Another 1.2 million students will see their Pell Grants reduced. If the maximum grant had risen over the last three years, these students' status would not be in question."
Overall funding for the Education Department is $780 million below the president's request, $1.12 billion below the House version, and $2.3 billion below the Senate request. The budget outlook and the future of student aid funding is disheartening. The Bush administration plans to squeeze non-defense, non-homeland security domestic spending in next year's budget, and education could be cut by $5 billion over the next five years. Our nation's students deserve better. The federal investment in student aid is an investment in them—and in America's future."

Source: ACE and NAICU press release.
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*Memb...
Omnibus spending bill does provide plenty of pork for colleges

By KELLY FIELD

Before leaving town for the Thanksgiving holiday, Congress hastily approved a $388-billion spending bill for the 2005 fiscal year that was nearly two months late and contained little good news for colleges worried about a shrinking pot of federal dollars for student aid and for research.

The 3,000-page measure, known as an "omnibus" because it includes nine separate spending bills, bore the signs of sharp fiscal limits imposed by the deficit, the war overseas, and terrorism defense at home, even as it was laden with lawmakers' pet projects, including plenty of academic pork.

In order to make the bill conform to an established budget ceiling, all appropriations will be subject to a cut of 0.83 percent.

To the dismay of higher-education advocates, the bill also lacks language, urged by Sen. John S. Corzine, a New Jersey Democrat, that would have blocked Congress from revising the eligibility formula for federal student aid.

In the absence of such a provision, the Bush administration is expected to change the formula in a way that would make thousands of students ineligible for Pell Grants. At the same time, the spending plan freezes the maximum Pell Grant at $4,050 for the third consecutive year.

"Congress needs to do some soul-searching about shortchanging our nation's students," said Cynthia A. Littlefield, director of federal relations for the Association of Jesuit Colleges and Universities.

College lobbyists and leaders were equally disappointed by the appropriations for the National Institutes of Health and the National Science Foundation, the two largest sources of money for academic research. The NIH, which had seen its overall budget double from 1998 to 2003, would get an additional $800-million, bringing spending there to $28.6-billion. The NSF's budget would shrink by $111-million, to $5.5-billion, despite Congress's promises to double spending on the agency by 2007. The cut makes it highly unlikely that the NSF's budget will reach $9.8-billion by 2007, the level Congress authorized in 2002.

Meanwhile, the bill would trim spending by $9-million at the Corporation for National and Community Service, which oversees the AmeriCorps national-service program. The agency's $578-million appropriation is $70-million less than President Bush had requested. The appropriated funds would support 70,000 volunteers.
The cultural endowments fared somewhat better, with the National Endowment for the Arts growing by $2-million, to $123-million, and the National Endowment for the Humanities growing by $4.7-million, to $140-million.

John Hammer, director of the National Humanities Alliance, a lobbying group, said that given the restraints on the federal budget, he was "just relieved we came out higher than we went in."

"Others weren't so lucky," he said.

Some college lobbyists said they did not expect to see major spending increases on higher education for several years.

"We are going to have to look forward for the next few years to either level funding or incremental increases at best," said Richard Harpel, director of federal relations at the National Association of State Universities and Land-Grant Colleges.

The legislation cleared the House of Representatives by a vote of 344 to 51. Hours later, the Senate passed the bill, 65 to 30, after Republican leaders agreed to drop a controversial provision that would have given Congressional staff members broader access to Americans' individual tax returns.

The amended bill now returns to the House, where members must vote to strip the tax provision before the bill can head to President Bush, who has said he would sign it.

**No Money for Pilot Program**

For the Pell Grant program, the bill would provide $12.5-billion, $458-million more than in the 2004 fiscal year but $365-million shy of the level approved by committees in both the House and the Senate. Spending on Supplemental Educational Opportunity Grants, which are intended to supplement Pell Grants for needy students, would grow to $785-million, a $14.5-million increase over the 2004 fiscal year but $9.5-million less than House appropriators offered and $14.9-million less than their Senate counterparts provided.

Congress approved none of the $33-million that President Bush had requested for a pilot program to reward low-income students who take specific college-preparatory courses in high school. Under the administration's proposal, such students would have received an additional $1,000 in Pell Grants for their first year of college.

Spending on the Federal Work-Study Program would dip slightly, to $998.2-million from $998.5-million. Both the House and the Senate had proposed flat funds for the program.

For the Perkins Loan Program, the bill would provide $66.7-million, all of which would go toward reimbursing colleges for loan cancellations, as proposed by the president and the House. The Senate Appropriations Committee would have provided an additional $98.8-million, the same as last year, to help colleges make new loans.

The cut means that some 69,000 fewer students will receive Perkins loans next academic year, said Harrison M. Wadsworth, executive director of the Coalition of Higher Education Assistance
Organizations. He said federal Stafford loans are no substitute for the lost Perkins loans because their limits are too low for many students.

Meanwhile, colleges with largely minority enrollments would get $512-million, a $26.8-million increase, while programs to foster international education and the study of foreign languages would get $93.2-million, a $4-million increase.

The Fund for the Improvement of Postsecondary Education, which provides grants to colleges to support education reform and international exchanges, would increase by $6.2-million, to $164-million. The TRIO Programs for disadvantaged students and Gear Up, a program that helps economically disadvantaged middle-school students prepare for college, would each get a $10.7-million increase, to $843-million and $309-million, respectively. President Bush had not asked for an increase for either program.

Over all, though, college lobbyists were unhappy with the spending levels set in the bill, particularly those for Pell Grants and Perkins loans. As Stephanie Giesecke, director of budget and appropriations for the National Association of Independent Colleges and Universities, put it, the omnibus bill "really represents the erosion of the federal commitment to student aid."

But even as several higher-education programs took a hit, individual colleges reaped millions in Congressionally directed projects, or earmarks.

Those included $5-million for a global-affairs institute named for the late Sen. Daniel Patrick Moynihan, a Democrat from New York, at Syracuse University; $5-million for a fitness-and-wellness center named for the late Sen. Strom Thurmond, a Republican from South Carolina, at the University of South Carolina; and $3-million for curriculum development at the University of Mississippi.

The portion of the omnibus bill that financed the Energy Department included $3-million for a center for pediatric clinical proteomics (the study of proteins associated with disease) at the University of Louisville; $2-million for a science building at Waubonsee Community College, in Illinois; and $2-million for a sustainable-design project at St. Francis College, in New York.

'Severely Constrained'

The spending increase for the National Institutes of Health is $200-million less than last year's and will shrink even further when the 0.83-percent across-the-board cut is taken into account.

That cut, combined with other budgetary adjustments, would bring the agency's increase down to $600-million, said Patrick White, director of federal relations for the Association of American Universities, which represents about 60 leading research institutions. "Clearly we're in a situation as a nation where fiscal resources are severely constrained," he said.

Within the NIH, the biggest increase would go to the National Institute of Allergy and Infectious Diseases, which supports biodefense research, among other things. It would receive a $137-million increase, to $4.4-billion.

In a report accompanying the bill, Congress asked the NIH to provide annual estimates of the cost of establishing a system that would provide public access to the results of research financed
by the agency. Under that policy, which is currently in draft form, researchers would voluntarily submit electronic copies of their studies for publication on the NIH's publicly available database.

The budget package would provide $4.3-billion for research and related activities at the National Science Foundation, a cut of nearly $100-million from the 2004 fiscal year. It would direct $350-million of that total to polar research and $95-million to plant-genome research.

The bill would provide $80-million for the NSF's Math and Science Partnership program, which President Bush had proposed eliminating, and $94-million for Epscor, a program designed to help public colleges in small states better compete for research money.

Undergraduate-education programs would receive $155-million in the NSF budget, while graduate-education programs would get $156-million.

Historically black colleges and universities would get $25-million.

In the accompanying report, Congress ordered the foundation to give researchers for the Smithsonian Institution who are not federal employees equal access to NSF funds, a change opposed by colleges because it would shift some money away from academe.

For the National Aeronautics and Space Administration, the bill would provide $15.9-billion, $229-million less than last year, and cut spending on aeronautics research and development by $262-million. The bill would also provide $291-million for a mission to service the Hubble Space Telescope, a project that is considered essential to saving the ailing observatory.

Appropriators asked NASA to submit a report on the status of the project within 90 days.

Among agriculture programs, $1.1-billion would go to the Agricultural Research Service an increase of $21-million over the 2004 fiscal year, while cooperative research and education would receive $661-million, including $180-million for formula and competitive grants under the Hatch Act, and $37-million for research payments to land-grant colleges, a $1.2-million increase.

Land-grant colleges would also receive $12.4-million for a program of capacity-building grants.

In addition, $5.6-million would go to Hispanic-serving institutions, $3.5-million to colleges serving Alaska Natives and Hawaii Natives, and $3-million to graduate fellowships.

The National Research Initiative, the federal government's primary competitive grant program for agricultural research, would receive $181-million, $17-million more than in the 2004 fiscal year, and a record high, according to John O. Hamilton, deputy director of the office of federal and government relations at the University of California.

"It seems to inch up every year," he said. "I think we ought to be pretty thankful that the program continues to grow."

For cooperative-extension activities in agriculture, the bill would provide $449-million, including $4.6-million for the land-grant colleges to upgrade research, extension, and teaching facilities.
Also included in that total is $59-million for a program under which colleges provide nutrition education to low-income communities, money that was cut in last year's spending bill.

The bill also includes $3.6-billion for the Energy Department's Office of Science, $197-million above the president's request.

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COHEAO Annual Meeting Agenda 2005
All Meetings and Sessions Are At the Ritz Carlton Pentagon City Unless Noted Otherwise

As of 12/07/04

Saturday, January 29th, 2005

1:00 pm-4:00pm Perkins Task Force Meeting

5:00 pm-7:00pm Commercial Members Meeting

Sunday Jan 30th, 2005

8:30am-3:30pm Board of Directors Meeting

4:00pm-6:00pm Registration

6:00pm-8:00pm Welcoming Reception For Attendees

Monday Jan. 31st, 2005

8:00am-8:45am Registration and Continental Breakfast

8:45am-9:00am Session: Message from the President
Jeanne F. Dotson, COHEAO President

9:00am-9:50am Member of Congress
John Boehner (R-OH) – invited

9:50am-10:00am Break

10:00am-11:00am Session: The View From Capital Hill: Senior Staff Discuss HEA Reauthorization and Education Funding
Mark Laisch – Staff Member, Senate Appropriations Subcommittee on Labor, Health and Human Services and Education
Alex Nock – Staff Member, House Education and the Workforce Committee
11:00am –12:00pm Session: *Issues in the Management of a Perkins Loan Portfolio: A View from the Department of Education*
   Pamela Moran, U.S. Department of Education

12:15pm–1:30pm Luncheon
   Congressional Speaker Invited

1:30pm – 2:30pm Session: *Major Changes to the Reporting of Student Information: the NCES Study on IPEDS*
   Dennis Carroll, Associate Commissioner, National Center for Education Statistics

2:30pm-2:45pm Dessert Break

2:45pm-3:45pm Session: *Secrets of Grassroots Activism: how to make the most of your power as a “constituent.”*
   William “Bud” Blakey
   Partner
   Dean Blakey

6:00pm-7:30pm *COHEAO Scholarship Fundraiser Silent Auction/Cocktail Hour*

**Tuesday, Feb. 1st, 2005**

8:00am-9:00am Breakfast

9:00am-9:50am Congressional Speaker Invited

9:50am-10:00am Break

10:00am-11:00 am Session: *The Use of the E-OSCAR Process for Credit Bureau Reporting*
   Stuart K. Pratt, president and CEO, Consumer Data Industry Association

11:00 am-11:45 am The Congressional Budget: What Are the Prospects for Education Funding in 2006? Is the Process Broken?
11:45am -1:15pm Lunch

Congressional Speaker: The 40th Anniversary of the Higher Education Act of 1965

1:15pm-2:15pm Session: Default Prevention Techniques: Guaranty Agency Voluntary Flexible Arrangements Bring Ideas for Campus-Based Programs

2:15pm-3:15pm Session: The Budget for Federal Higher Education Funding: An Inside Look and a Discussion of the Future
Cyndy Littlefield – Association of Jesuit Colleges and Universities
Becky Timmons – American Council on Education

3:15pm-3:30pm Refreshment Break

3:30pm–4:30pm Session: Development of Electronic Standards and Loan Processing Technology
Michael Sessa, executive director, Postsecondary Electronic Standards Council

Wed. Feb. 2nd, 2005

7:45am Ritz Carlton, Board Buses

8:00am Buses leave for Capitol Hill

8:30am-10 am Breakfast on Capitol Hill, 2261 Rayburn House Office Building
Members of Congress and Staff Stop By

10:00am -- Hill Visits by COHEAO Members
Each year, COHEAO raises money for the COHEAO Scholarships that go annually to needy students attending member institutions. During this year’s Annual Conference, COHEAO will hold a silent auction to raise money for the scholarship program on Monday, January 31, 2005 at 6:00 pm.

We are writing to encourage your participation in COHEAO’s charity effort. Please consider helping in one of the following ways:

- Coming to our scholarship fundraiser and participating in the silent auction;
- Donating an item for the auction; or
- Making a financial contribution to the scholarship effort.

Gifts at last year’s auction included: a football signed by Joe Paterno; Waterford Crystal; various bottles of wine; clothing from member institutions; and several other wonderful gifts.

For ideas or suggestions of items to donate, please call Andrew Stringer at (202) 289-3900. Please make sure donations and/or contributions that are sent in advance arrive by Friday, January 28, 2005; last minute donations will also be collected at the meeting registration desk. Please address items for the silent auction to the attention of Andrew Stringer at 1101 Vermont Ave, NW, Suite 400, Washington, DC, 20005. Make checks payable to COHEAO.

We appreciate the work that you do for our nation’s students and we would welcome any support you might be able to offer. Thank you for joining COHEAO in our scholarship efforts.

The COHEAO Scholarship Committee
Register Today
for the
2005 COHEAO Annual Conference
January 30 - February 2
at the
Ritz-Carlton Pentagon City, Arlington, Virginia
THREE WAYS TO REGISTER NOW AVAILABLE
1. ONLINE at www.coheao.org
credit card payment available only online
2. By fax: 202-371-0197
3. By mail: COHEAO, 1101 Vermont Ave., NW, Suite 400,
   Washington, DC, 20005

Name: ____________________________________________

Title: ____________________________________________

Organization: _______________________________________

Address: __________________________________________

City: _____________________________________________

State: _______ Zip: ______________

Email: ____________________________________________

Member $ 495                                                  Non-Member $ 550

Onsite Registration:
$510 for COHEAO Members
$565 for Non-members

Please send check or money order for the appropriate amount to
COHEAO, 1101 Vermont Ave, NW, Suite 400, Washington, DC, 20005
OR REGISTER ONLINE TO PAY BY CREDIT CARD at www.coheao.org.

Hotel reservations should be made separately by calling the Ritz-Carlton Pentagon City
at (703) 415-5000. To ensure that you receive the SPECIAL COHEAO ANNUAL
CONFERENCE HOTEL ROOM RATE OF $195 for a single or double room call for
reservations before January 5, 2005.

Refunds - Requests for refunds will be honored only if notification of cancellation is received five business days
before the conference. Registrants who fail to cancel will not be refunded their registration fee. With at least ten
business days notice, the full registration fee may be applied to a future COHEAO conference. A $50.00
administrative fee will be charged for all cancellations. No refund will be honored after the conference.
Substitutions may be made if registrant cannot attend. Please notify COHEAO of substitutions by fax 202-371-
0197; e-mail astringer@wpllc.net; or telephone 202-289-3910.
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