

Let Your Voice Be Heard

by Deepa Rao

Right now, members of Congress may be deciding your future without any input from you. If you plan on transitioning into college and if you're counting on the federal government to help you pay for some of your college costs, then the measures that Congress is considering will most likely affect you.

The Reauthorization of the Higher Education Act

In 1965 the federal government passed the Higher Education Act (HEA) to "strengthen educational resources of our colleges and universities and to provide financial assistance for students in postsecondary and higher education (HEA 1965)."

Every few years the HEA comes up for reauthorization. This means that members of Congress submit proposals, or changes, that they feel will improve the HEA. The intent of the HEA always remains the same: making college education more accessible. The current law has been extended until September 2005.

The key discussion between the Republicans and Democrats is a partisan discussion. It is centered on the Higher Education Act budget or Title IV - Student Assistance and how need is calculated. The Republicans would like to maintain or improve current services while keeping the budget at its current level. The Democrats, however, would like to significantly increase the budget for certain established programs and make sure that students don't lose access to any federal funding.

Key Issues in This Debate

Pell Grants

Pell Grants are the most accessible form of financial aid for the students with the greatest financial need seeking an undergraduate degree. Unlike a loan, the Pell Grant does not need to be re-

paid. So far, the only thing Republicans and Democrats agree on with regards to the reauthorization of the Higher Education Act is that Pell Grants should be made available year-round. Both parties recognize that making Pell Grants year-round will allow students, both traditional and nontraditional, with the most financial need to take courses over the summer and thereby speed up the process of earning their degrees or certificates.

One of the problems, however, is that while college tuition has soared, the maximum Pell Grant award has not increased significantly despite President Bush's promise, in 2000, to increase it to \$5100. In fact, it has only increased \$50 in the past three years from \$4000 per academic year to \$4050. During that same time frame, the number of students receiving Pell Grants has increased by one million.

Starting in Fall 2005, college students will actually receive less Pell Grant funding if their families earn more than \$15,000 a year. Why? Two days before Christmas the Department of Education changed the formula it uses to calculate the Pell Grant. The updated formula, which looks at income, expenses, and taxes, expects families to pay more out their own pockets for a college education. Many students will see a decrease in their Pell Grant awards and at least 80,000 to 90,000 students will lose it completely.

Also, instead of proposing an increase in the budget for Pell Grants, the Republicans would like to provide "extra Pell Grant aid for high-achieving first and second year students" through the College Access and Opportunity Act. Unfortunately only "lower income students who have completed a rigorous high school curriculum through the State Scholar Program" will be eligible. This Pell Grant Plus proposal completely disregards the fact that the Pell Grants have al-

ways been awarded according to need, not merit. It also completely disregards the financial needs of nontraditional adult students. If overall Pell Grant funding is not increased, both the traditional Pell Grant awards and the additional Pell Grant Plus awards will be pulled from the same pool of funding. This will decrease the amount of money available for many nontraditional students.

The Democrats, on the other hand, recognize that almost half of the college population is made up of nontraditional students. They propose, through the Nontraditional Student Success Act, that the Pell Grant award be increased to \$11,600 over the next five years or \$6500 more than today's limit.

Income Eligibility for Financial Aid

Your income plays a huge role in determining your eligibility for financial aid. Basically, the higher your income, the lower the amount of financial aid for which you are eligible.

The Republicans propose a plan to help dependent students "earn more money without losing their student aid" (HR 4283, 2004). Independent students, those who don't rely on their parent's financial support, are not afforded the same benefit under this proposal.

The Democrats have submitted two slightly different suggestions on behalf of independent students. Through the Part-Time Student Assistance Act, the income protection allowance (the amount of income you can have without jeopardizing your financial aid) for independent students would increase to \$12,000. The Nontraditional Student Success Act also suggests increases in the income protection allowance for independent students "from \$5,000 to \$13,000 for single adults and to \$18,000 for adults with children."

Barriers to College for Non-traditional Students

The Republican proposal does acknowledge the barriers faced by nontraditional students and makes recommendations to remove these barriers. Their recommendations, however, are

geared towards requiring colleges and universities to make changes rather than requiring the government to make changes in the way the system works.

The Democrats took a different approach and are suggesting changes in the following areas:

Tax Credits

The Lifetime Learning Credit exists to help students "offset the cost of higher education by reducing [their] income tax." At this time, the Lifetime Learning Credit equals 20% of qualified education expenses (such as tuition) with a maximum credit of \$2000. The Nontraditional Student Success Act recommends that this be increased from 20% to 50% while maintaining the cap at \$2000.

This Act also requests that the Earned Income Tax Credit and the childcare tax credit be excluded from financial aid decisions.

The Republican proposals including the College Access and Opportunity Act, do not contain tax credits for parents of dependent college students or for independent, nontraditional students.

Childcare

Lack of childcare can make it difficult for nontraditional students to persist in postsecondary education. In 1998, a new proposal called Child Care Access Means Parents in Schools (CCAMPIS) was included in the Higher Education Act. Once again, because the Republicans would like to maintain the same budget level, none of their key proposals mentions additional funding for CCAMPIS.

The Democrats recommend increased financial support for CCAMPIS through both the Part-Time Student Assistance Act and the Nontraditional Student Success Act.

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