

The American Association of State Colleges and Universities (AASCU) represents more than 430 public colleges, universities, and systems of higher education throughout the United States and its territories. Membership is open to any regionally accredited institution offering programs leading to bachelor's, master's, or doctoral degrees, and wholly or partially state-supported or state-controlled.

The association has a four-fold purpose:

- To promote appreciation and support for public higher education and the distinctive contributions of our member colleges and universities;
- To analyze public policy, and to advocate for member institutions and the students they serve;
- To provide policy leadership and program support to strengthen academic quality, promote access and inclusion, and facilitate educational innovation; and
- To create professional development opportunities for institutional leaders, especially presidents, chancellors and their spouses.

## **Enrollment**

- AASCU institutions enrolled over 3.7 million students in fall 2003—56 percent of enrollment at all public four-year institutions.
- Total enrollment is largely undergraduate (83 percent) and full-time (69 percent). One quarter of undergraduate students are older than age 24.

## **Degrees**

- In 2002–2003, member institutions conferred 35 percent of the total baccalaureate degrees awarded nationwide, including 52 percent of education degrees and 34 percent of business degrees.

## **Racial and Ethnic Minorities**

- Students from racial and ethnic minorities represent over a quarter (27 percent) of all enrollments.
- AASCU members awarded over a third (37 percent) of the minority student baccalaureate degrees in 2002–2003, including 41 percent of degrees conferred upon Black/Non-Hispanics and 41 percent conferred upon Hispanics.

### **Student Charges**

- AASCU institutions continue to be among the most affordable of all four-year colleges and universities. Undergraduate tuition and fees for resident students averaged \$4,182 in 2003-04, and close to two thirds (63 percent) of full-time undergraduate enrollment was at campuses charging less than \$4,000.

### **Institutions**

- The average enrollment of AASCU member institutions is approximately 9,400 students. The majority of these institutions (59 percent) have a student population under 9,000, but there is great variation in size—from over 40,000 students to fewer than 600.
- There are 153 metropolitan institutions (38 percent), 148 rural institutions (37 percent), and 96 urban institutions (24 percent).
- Masters Comprehensive institutions comprise nearly two thirds (64 percent) of AASCU's membership.
- Nearly half of AASCU member institutions (49 percent) offer associate-level degrees and certificate programs.

## FROM THE PRESIDENT

Dear Colleagues:

I am pleased to present to you the American Association of State Colleges and Universities' 2005 *Public Policy Agenda*. Each year, the Association develops this statement of guiding public policy principles and their application to current and developing issues at the federal and state levels.

The demand for a stronger human capital pipeline dominates this year's edition of the *Public Policy Agenda*. Specifically, the association calls for decisions through the federal Higher Education Act and other policy venues that focus more intentionally on the needs and interests of students most at risk of being denied higher education opportunity, on the challenges facing the growing "debtor class" of students on our campuses, and on the preparation of students for engaged and globally aware citizenship. Moreover, the association urges the adoption of state and federal policies that promote cohesiveness and collaboration from pre-kindergarten through first professional education as a crucial means of ensuring that no American is left behind.

The stakes for a stronger pipeline could not be higher. The United States' vaunted position in college participation and attainment is under serious challenge from other industrialized nations, while recent evidence shows a widening educational opportunity gap between the nation's "haves" and "have nots." In light of these sobering realities, policymakers in Washington and the states should consider the principles and priorities espoused in the *Public Policy Agenda*, and be prepared to make the requisite decisions and investments that will lead to greater prosperity and security in the world that is unfolding.

Sincerely,



Constantine W. Curris  
President

## 2005 POLICY PRIORITIES

AASCU's advocacy efforts in 2005 will focus around the idea of "Delivering America's Promise"—promoting public policy that expands educational opportunity and seals cracks in the educational pipeline to ensure that our nation is competitive and secure. Following are key public policy priorities for the association in the year ahead:

### **Student Financial Aid**

#### **Pell Grants (Appropriations and Higher Education Act [HEA])**

- ❖ Increase Fiscal Year 2006 appropriations to fund the \$4,500 maximum grant.
- ❖ Change program structure to erase persistent shortfalls and establish year-round awards.

#### **Student Loans—Borrowing Limits (HEA)**

- ❖ Adjust annual limits in subsidized loans to reflect financing realities (from \$2,625 and \$3,500 in first and second years to up to \$5,500).
- ❖ Maintain cumulative undergraduate borrowing limit at \$23,000 for dependent borrowers, reflecting concerns about mounting student debt.

#### **Student Loans— Terms and Conditions (HEA)**

- ❖ Convert to variable interest rates on all new student loans, with a cap of 6.8 percent and allow for re-consolidation of loans for borrowers with fixed rate loans.
- ❖ Eliminate origination fees for borrowers.
- ❖ Provide extended repayment to all borrowers.

### **National Security**

#### **Visa Processing**

- ❖ Streamline visa processing further by providing adequate resources to Department of State to implement new visa interview requirements.
- ❖ Complete implementation of US VISIT program, including use of biometric technology.

#### **Aid Benefits for Students Called to Active Duty**

- ❖ Hold students called to active duty harmless from aid repayment requirements.

## **Tax Policy**

### **Student Borrower Tax Benefits**

- ❖ Establish a tax credit for student loan interest paid by low-income borrowers.
- ❖ Extend indefinitely the repeal of the 60-month limit on the student loan interest deduction (scheduled to expire in 2010).
- ❖ Establish a tax exemption for loan forgiveness proceeds for borrowers in income-contingent repayment.

## **Teacher Preparation, Development, and Support**

### **HEA Title II—Partnership Grants**

- ❖ Provide adequate resources to state-based partnerships that include higher education institutions (Teacher Quality Enhancement Grants, Preparing Tomorrow's Teachers to use Technology, PT3, Centers for Excellence), with a special focus on high-quality clinical experiences, aiding “high need” and “hard to staff” schools, and preparation of school leadership and paraprofessionals.

### **HEA Title II—Reporting**

- ❖ Develop reporting requirements on teacher preparation programs that are directly related to a legitimate federal interest, use measures with a clear and direct relationship to these purposes, provide appropriate contextual information, and avoid duplicative reporting.

## **Access and Inclusion**

### **HEA Programs—Minority-Serving Institutions**

- ❖ Boost funding for Titles III and V of HEA (Historically Black Colleges and Universities, Hispanic Serving Institutions, and Alaska Native and Hawaiian Serving Institutions) and remove unnecessary barriers to institutional participation in these programs.
- ❖ Extend eligibility requirements in Title III and provide additional funding to public Historically Black Colleges and Universities that have created new graduate programs in the sciences and change funding restrictions to allow for the development of new qualified graduate programs.

### **HEA Programs—Students**

- ❖ Increase support for TRIO and GEAR UP, specifically for expansion of those programs to reach community-based institutions and other groups that serve underrepresented students.

## **Economic and Workforce Development**

### **Workforce Investment Act (WIA)**

- ❖ Amend the law to include leaders of public four-year institutions in planning and decision-making processes.

### **Welfare Reform**

- ❖ Remove student aid from eligibility determination for public assistance.
- ❖ Increase time limits for education as countable work activity.

## **Governance and Accountability**

### **Accreditation/Transparency**

- ❖ Amend HEA to require public disclosure and dissemination of findings from final accreditation reports.

### **Transfer of Credit**

- ❖ Do not regulate credit transfer between accredited institutions.

### **Student Outcomes Data**

- ❖ Authorize a feasibility study by the National Center for Education Statistics for a nationwide unit-record data system covering student persistence/attainment, net price, and distribution of federal/state/institutional aid to students.

## INTRODUCTION

The American Association of State Colleges and Universities primary public policy function is to promote communication between its members and policymakers. On federal policy issues, AASCU works with and on behalf of member campuses and systems in relations with Congress and the executive branch, keeping members apprised of recent and forthcoming actions, and ensuring that member views and concerns are clearly articulated in the legislative and regulatory processes. At the state level, AASCU monitors, analyzes, and selectively advocates on current and developing trends, guided by the core principles espoused by the membership.

In 2005, AASCU will focus its advocacy on policies that strengthen the nation's human capital pipeline, amid signs that the gap between educational "haves" and "have nots" is widening, and that the United States is slipping as a global leader in postsecondary education. The association and its members, as institutions historically charged with ensuring broad access to higher education, view these developments with deep concern, especially given the intensifying competition for resources at the state and federal levels. Through the reauthorization of the federal Higher Education Act and other venues, AASCU will aggressively pursue a policy agenda that focuses on delivering America's promise—ensuring higher education opportunity for all students, especially those most at risk of being left behind, and challenging and quipping colleges and universities to turn access into success for more of America's students.

The 2005 *Public Policy Agenda* summarizes AASCU's principles and priorities in key areas of higher education policy. The document is intended to serve as a point of reference for federal and state policymakers, the association's members, and other interested organizations and individuals.

AASCU's public policy values are rooted in an uncompromising commitment to opportunity for the nation's students and expressed through the following core principles:

Higher education is a common good that provides significant benefits to individuals and society as a whole. While the personal gains from higher education are widely acknowledged, the societal benefits are even more significant and lasting, thus warranting continued public investment. These include tangible returns through economic productivity and increased tax revenues, but even more fundamentally, through the promotion of an enlightened citizenry and greater social cohesion.

America's public higher education system stands as an embodiment of the nation's democratic ideals. State colleges and universities accomplish this by promoting broad access to educational opportunity to all students, regardless of station or circumstance, thus transforming society and setting a global standard. Amid fundamental changes in the state-campus relationship, this principle must not be compromised.

State colleges and universities are committed to delivering America's promise through quality undergraduate and graduate programs that reflect responsible stewardship of the public investment; meaningful engagement of the social and economic issues facing their states, regions, and communities; and promoting global awareness, understanding, and competitiveness.

No American should be denied the opportunity to pursue higher education for lack of financial resources. Affordable public sector tuition and need-based federal aid are the two requisite ingredients for realizing this ideal.

The responsibility for investing in public higher education should be assumed equitably by all beneficiaries. Students, their families, and federal and state governments share this responsibility.

## STUDENT FINANCIAL AID

No American should be denied the opportunity to pursue higher education for lack of financial resources. Affordable public sector tuition and need-based federal aid are the two requisite ingredients for realizing this ideal.

The responsibility for investing in public higher education should be assumed equitably by all beneficiaries. Students, their families, and federal and state governments share this responsibility.

- The primary purpose of federal financial aid is to guarantee access to higher education. This aid should be directed to individual students, and is exemplified by programs such as the Pell Grant.
- The primary purposes of state higher education appropriations are to keep student tuition at a reasonable level and to ensure program integrity. Additionally, states should endeavor to coordinate their policies with those of the federal government and institutions, especially on issues pertaining to student access.
- Families should be encouraged and empowered to save for and assume their share of the higher education expenses of their student(s).

### FEDERAL ISSUES

Student financial aid, grant and work-study funds and the Perkins Loan Program authorized by the HEA are part of the federal domestic discretionary budget. These programs will help students only if they receive adequate funding through the annual appropriations process.

#### **Pell Grants**

- ❖ AASCU will continue to advocate for significant increases in the Pell Grant maximum award as the most effective way to ensure access for the nation's neediest students and to address the growing imbalance between grants and loans as a percentage of total federal financial aid awarded.

#### **Supplemental Education Opportunity Grant (SEOG) College Work Study (CWS) and Perkins Loans**

AASCU will continue to advocate for significant increases in SEOG, CWS and Perkins Loan programs as essential elements of federal need-based

aid. Further, AASCU encourages its member institutions to maintain their commitment to applying a portion of their CWS funding to support the America Reads program.

## **Reauthorization of the Higher Education Act (HEA)**

### **Pell Grants**

❖ AASCU calls for HEA amendments that change the way the Pell Grant program is managed and funded. Specifically, AASCU will advocate for three principles that should govern the Pell Grant program:

- (1) Congress will determine annually the maximum award for the Pell Grant program;
- (2) Congress will fund the cost of the Pell Grant Program at the level of maximum award they determine; and
- (3) The U. S. Department of Education will pay all eligible recipients the amount that the student is entitled to receive.

### **Year Round Pell Grants Awards**

❖ AASCU supports legislation that permits the awarding of multiple academic year Pell Grants within a single calendar year to students enrolled in qualifying academic programs, with appropriate review and safeguards to contain long-term program costs.

## **Leveraging Educational Assistance Partnerships (LEAP) [formerly State Student Incentive Grants—SSIG]**

AASCU believes that LEAP should be continued, but should be refocused on its original purpose—providing real incentives for states with weak or non-existent need-based student aid programs. Additionally, priority for aid awards using LEAP matching funds should be given to the neediest (i.e. Pell eligible) students. Fewer than half the Pell Grant recipients receive a state grant at all types of institutions.

AASCU will advocate for the continuation and refocusing of the LEAP program. AASCU will press Congress to revise the LEAP program and to require states to give funding priority to Pell Grant recipients

## **Student Loans**

### **FFEL and Direct Loans: General**

❖ AASCU advocates the continued availability of both Direct and government-guaranteed (FFEL) loans, based on school choice on the front end, and on borrower's choice upon entry into repayment. AASCU will advocate

appropriate improvements that would render these programs more beneficial to borrowers and less cumbersome for institutions. In addition, the association will oppose all efforts to undermine either program through opposing all legislative and regulatory provisions that would impose artificial disadvantages on the efficient operation of each.

### **Borrowing Limits**

❖ AASCU believes that the current annual borrowing limits in the subsidized Stafford loan program are unrealistically low for many students (\$2,625 in the first year and \$3,500 in the second year). AASCU supports amendment of the HEA to allow institutions to certify subsidized Stafford loans for students in their first and second years of college in the FFEL and Direct Loan programs up to \$5,500 per year, which is the same as current law for subsequent years. AASCU supports maintaining the existing \$23,000 cumulative limit for dependent undergraduate students in the subsidized Stafford loan program. Loan limits differ depending on whether a borrower is dependent, independent, a graduate student or a parent borrower. Under current law, if dependent students do not have adequate unmet need to borrow the full amount in the subsidized loan program, they may borrow the remainder in the unsubsidized program. Independent students may borrow an additional \$4000 in the first two years, and \$5000 in subsequent years.

### **Terms and Conditions**

- ❖ AASCU favors legislative changes that make interest rates for all new student loans, both Stafford and Consolidated, in the FFEL and Direct Loan programs variable, not to exceed 6.8 percent. AASCU believes that variable rates provide the best protection for borrowers.
- ❖ AASCU will advocate for policy allowing borrowers that have already consolidated with a fixed interest rate to reconsolidate once more with a variable interest rate.
- ❖ AASCU, with the National Association of Student Financial Aid Administrators (NASFAA), advocates that interest rates and fees in the FFEL and Direct Loan programs be made comparable, with borrowers receiving the same federal benefit in both programs. Lenders should no longer be allowed to charge borrowers a lower interest rate than that authorized in the statute.
- ❖ AASCU calls for policy that would provide borrowers in both the FFEL and Direct Loan programs a 0.25 percent interest rate reduction when the borrowers make direct, on-time loan payments automatically deducted from

their checking or savings account, and a 2 percent interest rate reduction for on-time repayment of their loans if (a) the borrower makes 48 consecutive on-time payments, and (b) continues to make such on-time payments.

#### **Origination and Guaranty Fees**

- ❖ AASCU advocates the total elimination of origination fees for borrowers, which represent an unfair tax on student borrowers and the elimination of all other up-front fees for borrowers in both loan programs. AASCU is not proposing to eliminate origination fees paid by lenders.
- ❖ AASCU calls for the elimination of the option of guaranty agencies to charge borrowers a 1 percent premium in the FFEL program. AASCU believes that the federal government should pay both the operating and default costs of guaranty agencies, not borrowers.

#### **Counseling and Consumer Information**

- ❖ AASCU supports extensive loan counseling before a student begins borrowing, including regional data on starting salaries in all major fields, details on amount of annual and aggregate debt needed to complete the student's academic program, sample payments for that amount of debt, the impact of forbearance and capitalization of interest on unsubsidized loans and forbearance, and repayment options (including the availability of income-contingent repayment).
- ❖ AASCU favors actions that place more responsibility on the Department of Education to make repayment information more broadly available and easily accessible. Institutions could then use this information to help ensure that student borrowers understand the obligations they are assuming. AASCU also calls for periodic communication from lenders, servicers, and the Department of Education to student borrowers in repayment, recommending that they review their payments relative to their current financial circumstances.

#### **Student Options for Repayment**

- ❖ AASCU supports changing the repayment options under the FFEL program to provide extended repayment to all borrowers. Current law restricts extended repayment to borrowers with loans exceeding \$30,000. There is no such limit on extended repayment in the Direct Loan statute. Any limits on extended repayment should be regulatory, not statutory, so that they can be adjusted to reflect a balance between manageable payments and avoidance of excessive interest.

- ❖ AASCU supports the extension of income-contingent repayment to the FFEL program to provide equitable repayment for borrowers who cannot afford to cover interest payments. All other federal repayment plans require the borrower to pay at least all interest owed to avoid negative amortization. Currently, income-contingent repayment is available only to borrowers in the Direct Loan Program.

### **Defaults**

- ❖ AASCU supports changes to the federal loan programs to eliminate default by ensuring that the Department of Education, the guaranty agencies, and the lenders maintain contact with all borrowers after they leave college, and place borrowers in an appropriate repayment program.
- ❖ AASCU calls on Congress to remove the adverse incentives for guaranty agencies in current law, which pays guarantors more money if a borrower defaults than if a borrower remains in good status. Results from the use of Voluntary Flexible Agreements (VFA) for guaranty agencies, authorized by Congress in the 1998 Amendments to the Higher Education Act, provide a useful model for exploring new financing structures for Guaranty agencies. AASCU supports renewal and expansion of the VFA authority in the HEA.
- ❖ AASCU advocates that borrowers unable to make regular loan payments be placed in the Direct Loan Consolidation program, rather than forbearance, so that they can repay their loans on an income-contingent basis.

AASCU believes that the primary mission of guaranty agencies should be advocacy for borrowers who are having difficulty making loan payments, helping them when they first become delinquent on loans to understand the repayment options available to them, and expediting the process of revising repayment plans as needed.

AASCU supports legislative changes to make the “New Hires” data base available to the Department of Education for the purpose of locating borrowers in delinquency as well as in default status so that borrowers do not build up large penalties for non-payment.

### **Federal Subsidies to Lenders**

- ❖ AASCU supports ongoing review of the special allowance payments formula to ensure that lenders are appropriately compensated but that payments are not excessive, thereby limiting funding available for student benefits.

### **Nontraditional Programs**

- ❖ AASCU supports a thorough review of the current statute and regulations affecting eligibility for and delivery of Title IV aid for students enrolled in nontraditional programs, including distance education. Existing regulatory and statutory attempts to use time limits as a proxy for academic quality should be reconsidered.

## NATIONAL SECURITY

In recent years, American colleges and universities have faced increasing demands to become more internationally oriented. Rapidly emerging technologies, evolving trade relationships, and growing cultural awareness have accelerated these demands.

The specter of terrorism requires that the nation take unprecedented measures to protect its citizens while remaining globally engaged. Higher education institutions, with their historical commitment to plurality and diversity, as well as their long-standing contributions to the nation's defense, stand at the crossroads of these demands.

AASCU's analysis and advocacy on national security and internationalization in the year ahead will center on the following basic beliefs:

- Foreign exchange opportunities enhance campus life, contribute to international understanding, and offer life-enriching opportunities for individuals. We support opportunities for all AASCU students and faculty to study and work abroad, and for international students and faculty to study and work on our campuses.
- The federal government will continue to rely upon AASCU institutions to support its priority to make the nation safer against the terrorist threat particularly as Congress moves to implement the recommendations of the *9-11 Commission Report* and centralize national security issues under the Department of Homeland Security.
- AASCU favors targeted expansion of law enforcement authority to access information that will aid security efforts, provided that such authority does not unduly compromise privacy rights, impair civil liberties, or create a climate that suppresses scholarly inquiry or free expression.

## FEDERAL ISSUES

### **Internationalization**

AASCU supports federal legislation that gives authorizing and funding priority to programs that facilitate student, faculty, and administrator exchanges and study abroad such as the International Academic Opportunity Act. This act created the Benjamin A. Gilman International Scholarship Program, which authorizes grants of up to \$5,000 to American college students of limited financial means for study abroad.

AASCU will continue to actively participate in the Coalition for International Education to support legislation and increased appropriations for three important international programs managed by the Department of Education: Title VI (International Education Programs), Fulbright-Hays, and the Institute for International Public Policy.

#### **Immigration and Visa Control of Foreign Students**

- ❖ AASCU will continue to work with the Office of Border and Transportation Security at the Department of Homeland Security as it modernizes the nation's visa system through the adoption of the US VISIT program. AASCU supports use of the biometric technology employed by US VISIT, making it simpler for legitimate foreign students and faculty to enter the country.
- ❖ AASCU will continue to advocate for legislation and regulations that streamline the visa process for students, faculty, and administrators. Similarly, AASCU will work to simplify federal regulations that hinder the successful development of international programs or severely restrict the access of foreign students to American institutions.
- ❖ AASCU strongly urges that sufficient appropriations be made to the Department of State in Fiscal Year 2006 to facilitate the new visa interview requirements and that the interviews be phased in by country and security risk, rather than all at once. Further, AASCU will continue to encourage the Secretary of State to provide a higher education priority for visa interviews for students and faculty coming to our campuses.

AASCU continues its unequivocal support for the SEVIS system.

#### **Support for Students Called to Military/Protective Duty**

- ❖ AASCU will seek to change federal policy to ensure that no student-reservist is required to repay any unearned federal student aid received for an academic term in which they are called to active duty. States and institutions should not suffer adverse financial consequences as a result of federal action.

AASCU will continue to support efforts by the Partnership for Veterans' Education that sets payments for recipients of the Montgomery G. I. Bill using a formula that calculates that payment on the average tuition/fee cost of a resident student attending a four-year public institution.

## STATE ISSUES

AASCU supports access to in-state tuition for active-duty military personnel and their dependents when serving under military orders in a given state.

## TAX POLICY

Against the backdrop of a burgeoning federal deficit and a slow return to fiscal health in the states, policymakers will consider a number of revenue issues affecting students and the institutions that serve them in 2005. On Capitol Hill, the continuing debate over the duration and scope of a major 2001 tax cut (Economic Growth and Tax Relief Reconciliation Act of 2001 or EGTRRA), as well as a renewed push for simplification of the federal tax code, could have a significant impact on efforts to make college more affordable for students and families. In most statehouses, governors and legislators will increasingly feel the effects of a fiscal “perfect storm”—rising service needs combined with outdated and inefficient revenue systems that will further threaten state higher education investments that are already sagging.

AASCU’s analysis and advocacy on tax policy questions in the year ahead will center around the following basic beliefs:

- While the federal tax code can—and does—play a constructive role in promoting college affordability, it is not the most efficient or effective means of aiding college students, especially the neediest students. Direct student aid should command higher priority in the policy process, and tax benefits should never be viewed as a substitute for direct aid to students.
- Where tax benefits are employed, application and delivery mechanisms should be simple and transparent to filers. Additionally, compliance and record-keeping related to student tax benefits should be focused on the responsible government entities, rather than on students or institutions.
- The federal government should carefully consider the impact of its revenue decisions on states and institutions, act to ameliorate any adverse impacts of those decisions, and remove undue barriers to the modernization of state tax systems.

## FEDERAL ISSUES

### **Policy Affecting Students and Families**

#### **Student Loan Interest Benefits**

- ❖ AASCU working with the U.S. Public Interest Research Groups (PIRG) and the United States Student Association (USSA), will actively pursue legislation in

the 109<sup>th</sup> Congress that would provide a tax credit for student loan interest paid by low-income borrowers.

- ❖ AASCU supports efforts to indefinitely extend the current repeal of the 60-month limit on the student loan interest deduction. The limit, currently suspended in EGTRRA, is set to expire in 2010.

#### **Student Loan Forgiveness**

- ❖ AASCU will advance a proposal in the 109<sup>th</sup> Congress to establish a federal tax exemption for loan forgiveness proceeds for borrowers in the income-contingent repayment program.

#### **College Savings Provisions**

AASCU will support efforts to indefinitely extend the increase in the Coverdell Education Savings Accounts contribution limit from \$500 to \$2,000. The current increase provided for in EGTRRA is due to expire in 2010.

#### **HOPE Scholarship and Lifetime Learning Tax Credits**

AASCU supports changes in the HOPE and Lifetime Learning Tax Credits that will make them more accessible to the neediest students, including refundability, expansion to non-tuition expenses, and for removal of the offset against Pell and SEOG awards. Additionally, AASCU will continue to push for streamlining of the programs' institutional reporting requirements.

### **Policy Affecting Institutions**

#### **IRA Provisions—Charitable Giving**

AASCU will support legislation that would permit individuals to transfer proceeds from an Individual Retirement Account (IRA) tax-free to charitable and other non-profit organizations.

#### **Non-Itemizer Deduction for Charitable Giving**

AASCU will support legislation that would allow taxpayers that do not itemize deductions on their federal income tax returns to claim a deduction for charitable contributions.

#### **Permanent Repeal of Federal Estate Tax**

AASCU opposes a permanent extension of the federal estate tax repeal, and calls on Congress to instead consider estate tax reforms that balance the needs of farms and small businesses with those of states and charitable organizations.

## STATE ISSUES

In an effort to modernize their tax systems to reflect the growth in online sales, more than 30 states have now passed measures to streamline their sales and use tax laws, thus effecting the Streamlined Sales and Use Tax Agreement (SSUTA). SSUTA enables participating states to levy sales and use taxes on e-commerce and other remote sales if the state chooses to do so. Congress must exercise its power to regulate interstate commerce and recognize this interstate collaborative if it is to be truly effective.

### **Taxation of Electronic Commerce**

AASCU urges Congress to pass legislation recognizing the SSUTA and requiring remote sellers to remit applicable taxes in participating states.

## SCIENCE AND TECHNOLOGY

Over the past half-century, colleges and universities have played a crucial role in expanding the horizons of the known and improving quality of life through advances in the development and application of knowledge. Indeed, the nation's security and prosperity depend in large measure on scientific and technological initiatives of its higher education institutions.

AASCU's analysis and advocacy on science and technology in the year ahead will center on the following basic beliefs:

- AASCU believes that policymakers must recognize the contributions of each sector of the higher education community when making policy decisions concerning science and mathematics research, education, and information technology. The resources of the entire higher education community must be tapped when gathering and using data, establishing advisory boards, and creating and implementing science, mathematics, engineering, and technology programs.
- AASCU believes that the federal government must play a strong role in funding activities to support and improve basic and applied scientific research and education activities for undergraduate programs, in order to complement established graduate and research programming.

### FEDERAL ISSUES

#### **National Science Foundation (NSF)**

AASCU supports NSF's commitment to science and mathematics teacher preparation through the Mathematics and Science Partnerships (MSP) Initiative. MSP brings states and local school districts together with the science, engineering, mathematics, and education departments of higher education institutions to strengthen math and science at the elementary and secondary levels.

AASCU strongly supports efforts to maintain and strengthen the NSF's Division of Undergraduate Education. To that end, AASCU will encourage NSF to strengthen the agency's commitment to science and mathematics undergraduate education, as well as efforts to increase the number of women and minorities in the sciences. AASCU further calls on the NSF to address the financial and programmatic needs of emerging research universities.

### **National Institutes of Health (NIH)**

AASCU believes that the National Institutes of Health (NIH) should continue its strong commitment to graduate programming while taking a more active role in undergraduate research and education. The Academic Research Enhancement Award (AREA) program supports efforts to establish new opportunities for undergraduate research and education. AREA grants support individual research projects in the biomedical and behavioral sciences conducted by faculty, and involving their undergraduate students, who are located in health professional schools and other academic components that have not been major recipients of NIH research grant funds. To this end, AASCU will advocate for increases in funding for AREA grants.

### **Applied Research**

AASCU's advocacy activities will seek to expand federal support for applied research funding among a wide array of federal agencies that will benefit institutions and the students they serve.

### **Information Technology**

AASCU will continue to work to raise member awareness of the importance of improving the security of college and university computers and networks. AASCU will monitor legislative developments in this area, as well as federal regulations and standards for improving data security and assess the campus impact of compliance with new mandates.

AASCU will support efforts to update copyright law to fully reflect the growing use of digital technologies in higher education. Students and faculty must continue to have access to copyrighted materials with the advent of digital technologies.

AASCU will encourage its members to examine policies governing copyright and use of campus computing networks, and the applicability of those policies to the use of P2P file-sharing technologies. AASCU will work to help institutions seek ways to reduce or eliminate the illegitimate use of P2P file sharing without interfering with legitimate activities or infringing on core academic values.

AASCU will advocate for the expansion of funding for programs and the creation of new programs to assist non-Internet2 institutions gain access to high-speed networks. AASCU will also support efforts by the Federal Communications Commission and Congress that encourage the telecommunications industry to provide broadband services to a greater percentage of consumers so that students will have access to such networks in their living and learning environments.

# TEACHER PREPARATION

## FEDERAL ISSUES

AASCU's involvement with teacher preparation policy at the federal level focuses on two policy areas: HEA, Title II; and federal student loan forgiveness for teachers.

### **HEA, Title II—Teacher Quality Enhancement (TQE) Grants for States and Partnerships**

The reauthorization of Title II of the HEA provides an opportunity for the federal government to invest in the educational continuum—recruitment, pre-service, induction, and in-service professional development of teachers. AASCU believes that federal teacher education policy should:

- Focus on the initial preparation of teachers;
- Align federal teacher education policies with federal K-12 policy to preclude unnecessary duplication;
- Provide financial support to institutional-based teacher education programs because the vast majority of teachers in America receive their preparation in a collegiate setting;
- Recognize the importance of content knowledge, teaching skills, pedagogy, and extensive clinical experiences in all teacher's preparation; and
- Respect and support the important role that states have in regulating teacher preparation programs.

#### **State Grants**

- ❖ **AASCU supports efforts, as part of the reauthorization of Title II of the HEA, to provide resources to states to: reform teacher preparation program approval requirements and develop and implement a process for evaluating the influence that teacher preparation programs have on student learning. Such studies should involve institutions that volunteer to participate and should be for the purpose of improving the quality of teacher preparation programs.**

AASCU further supports efforts to ensure that teachers are properly prepared to evaluate and use scientifically based research and to develop and support innovative teacher preparation programs, such as Charter Schools of Education.

AASCU opposes requiring states to use funds awarded pursuant to Title II of the HEA for reforming teacher licensure requirements, or for developing policies related to merit pay, teacher advancement, or teacher removal. These issues are more appropriately addressed in Elementary and Secondary Education Act.

### **Partnership Grants**

- ❖ AASCU supports efforts as part of Title II of the HEA to provide resources to reform teacher preparation programs.
- ❖ AASCU also supports high quality clinical experiences in all teacher preparation programs, traditional or alternative.
- ❖ AASCU supports simultaneously renewing in-service and pre-service teacher preparation by providing resources for in-service teacher professional development, mentoring and induction.
- ❖ AASCU supports addressing the acute needs of “high-need” and/or “hard to staff” schools by targeting limited federal resources to partnerships that involve these schools.
- ❖ AASCU supports preparation and continuing education of principals, paraprofessionals and other school personnel, as well as teachers.

### **Reporting**

- ❖ AASCU supports federal reporting requirements that are appropriately designed to benefit students and the general public. These reporting requirements should include:
  - A clearly defined purpose that is directly related to a legitimate federal interest;
  - Quantifiable performance measures that have clear and direct relationships to these purposes;
  - Appropriate contextual information;
  - A clearly articulated methodology for calculating performance measures; and
  - An effort to avoid duplicative reporting; and electronic posting and the use of other appropriate technologies to satisfy legislative intent for public dissemination of accountability measures and results.

### **Preparing Tomorrow's Teacher to use Technology (PT3)**

AASCU supports federal programs, such as PT3 that support teacher preparation programs for the purpose of ensuring that all prospective teachers are educated in the use of technology as an effective instructional tool.

### **Centers for Excellence and Recruitment Grants**

AASCU supports federal efforts, such as the Centers for Excellence found in the Ready to Teach Act and the recruitment grants found in current law, to increase the number of educators from underrepresented and non-traditional teaching populations.

### **Federal Student Loan Forgiveness for Teachers**

There are two basic types of loan forgiveness categories – simple forgiveness and service-payback. Simple forgiveness programs aid in retention of teachers because the loan forgiveness provides a financial incentive for teachers to work in targeted school districts where salaries are often not comparable to more affluent school districts. The service-payback model is the most effective way to structure a program to address recruitment problems because the service commitment is made prior to receiving the financial benefits and failure to fulfill the service commitment results in stiff penalties.

AASCU supports both simple forgiveness and service-payback programs that are intended to address the nation's teacher recruitment and retention needs.

### **Teacher Quality Programs**

❖ **AASCU will seek increased appropriations for programs that improve and expand teacher preparation and partnership programs, including: Teacher Quality Enhancement grants, PT3, Centers for Excellence, science and math preparation, and other long-term professional development initiatives.**

AASCU supports increased appropriations to assist states in meeting the requirements set forth under the No Child Left Behind Act (NCLB).

## **STATE ISSUES**

In order to ensure a quality education for all of the nation's children, states are entrusted with the primary responsibility over teacher quality and program standards. In addition, given the challenges faced by schools in recruiting and retaining quality

❖ **2005 Priority**

teachers, states are increasing their involvement in matters pertaining to recruitment, hiring, and compensation. While states and districts bear direct responsibilities for many of these issues, AASCU institutions have a responsibility to work with K-12 schools and others toward common goals.

AASCU supports state efforts to establish and implement rigorous standards of learning for students in teacher preparation programs. These standards should address both specific content area comprehension and knowledge of appropriate methods of instruction to promote public accountability and disclosure of the qualifications of teachers employed in local school districts. The standards also should be consistent with the provisions of the NCLB Act to:

- Aid in recruiting, hiring, and retaining highly qualified teachers;
- Increase the number of educators from underrepresented and nontraditional teaching groups;
- Foster interstate mobility of certified teachers through reciprocal licensing agreements and portable pension plans;
- Eliminate out-of-field placement and emergency credentialing of teachers, while recognizing the challenges facing K-12 schools and districts;
- Ensure that alternate certification programs have sufficient rigor. Qualifications of approval of alternative programs should be comparable to those applied to traditional teacher preparation programs and the teacher licensure standards should be the same regardless of the preparation route; and
- Encourage coordination between two-year and four-year colleges to facilitate seamless transfer of teacher preparation students.

## ACCESS AND INCLUSION

The 50<sup>th</sup> anniversary of the landmark *Brown v. Board of Education* decision in 2004 powerfully reminded policymakers of how much progress the nation has made in delivering the promise of opportunity for all, and perhaps more importantly, how much remains to be done. Within the past decade, it has become increasingly clear that extending the reach of higher education is not simply a requirement for realizing the nation's democratic ideals or maintaining social cohesion—it is an imperative for the United States' long-term security and competitiveness in a global economy. In 2005, these sobering demands will collide with rival policy priorities, and how—or whether—leaders in Washington and the states address access and inclusion as a social mandate and a security strategy will have consequences for years to come.

AASCU's policy priorities in this area emanate from the following basic beliefs:

- The federal government properly carries the mantle of responsibility for ensuring equal access to higher education. Given the considerable recent growth in historically underrepresented and disadvantaged populations, as well as the established track record of existing programs such as TRIO and GEAR UP, continued and increased investment is warranted. Moreover, existing programs should command funding priority over the creation of new programs.
- The principle of diversity is a compelling state interest, as articulated in *Bakke v. Regents of the University of California*, is essential and must inform all executive, legislative, and judicial deliberations regarding educational access and inclusion. Until the goal of educational opportunity for all is achieved, affirmative action has a rightful place in public policy.
- Social, economic, and academic disadvantages are rooted in early childhood, elementary, and secondary years, making it more difficult for underrepresented groups to make the transition to college. The most effective strategies for access and inclusion focus on the pre-college years and must work to reduce barriers in the transition from secondary to postsecondary education.

## FEDERAL ISSUES

### Higher Education Act (HEA) Programs

#### Minority-Serving Institutions

- ❖ AASCU will advocate for increased funding for the programs falling under Title III of HEA (Institutional Aid), specifically those that aid public Historically Black Colleges and Universities (HBCUs), Hispanic Serving Institutions (HSIs), and Alaska Native and Hawaiian Serving Institutions.
- ❖ AASCU calls on Congress to approve amendments to Title III of the Higher Education Act (Section 326) that will strengthen graduate programming at Historically Black Colleges and Universities, specifically:
  - Expanding the number of institutions eligible for graduate programming funds.
  - Increasing the program funding cap from 10 percent to 30 percent, and permitting institutions to develop new qualified programs to the Ph.D. level.
  - Raising the “no match” minimum funding from \$1 million to \$1.5 million.
  - Providing for teaching and research fellowships for students enrolled in graduate programs.
- ❖ AASCU also calls on Congress and the Administration to strengthen and increase funding for programs falling under Title V of HEA (Developing Hispanic-Serving Institutions), and will work for: (a) creation of a new section and funding line for graduate education; (b) reduction or elimination of the two-year waitout period for previous grant recipients; and (c) elimination of the “50 percent low-income” assurance requirement as a funding criterion.

#### Students

- ❖ AASCU will advocate for increased funding of the TRIO and GEAR UP programs, specifically for expansion of those programs to reach community-based institutions and other groups that serve underrepresented students. The TRIO programs have a proven record of reaching out to junior and senior high school students who would not otherwise aspire to higher education, thus making them worthy of more than a level funding recommendation by the Administration.

AASCU will ask Congress and the Administration to increase investment in federal scholarship and fellowship programs such as the Byrd Honors

Scholarship, the Javits Fellowship, and Graduate Assistance in Areas of National Need programs as important means of building a pipeline for historically underrepresented groups into academia.

## STATE ISSUES

### **P-16 Standards Alignment**

AASCU supports efforts to develop statewide P-16 structures that bring together all levels of education to work toward more “seamless” education systems that promote greater access and student success.

AASCU calls on state policymakers and K-12 and higher education leaders to make alignment of secondary and postsecondary curriculum, standards, and assessment a top priority of their P-16 initiatives.

AASCU endorses the National Governors Association’s 2004-2005 Chairman’s Initiative, Redesigning the American High School, especially its emphasis on better use of the high school senior year for college/workforce preparation.

### **Developmental Education**

AASCU urges policymakers to take a long-term, comprehensive approach to developmental education. Specifically, AASCU calls for state/federal partnership initiatives, where appropriate, to provide resources for institutions enrolling a significant number of at-risk students.

### **Articulation/Transfer**

AASCU encourages a coordinated, collaborative approach at the state or system level to policies pertaining to student transition between two- and four-year institutions, and urges adoption of policies that remove undue barriers to baccalaureate programs for students completing associate degree programs.

# ECONOMIC AND WORKFORCE DEVELOPMENT

AASCU institutions are committed to providing a bachelor's degree to students regardless of family resources, and believe that a bachelor's degree will help graduates make a successful adjustment to the workforce.

Of 1999–2000 bachelor's degree recipients from AASCU institutions, 89 percent were working in 2001, and the average annual salary was \$31,000. From those employed, 79 percent reported that their job was related to their undergraduate major. Among graduates, 24 percent were employed in education, and 26 percent in business and management. In addition, 74 percent of those employed indicated that their job is the start of a career.

## FEDERAL ISSUES

AASCU believes that partnerships with federal agencies will be crucial in the years ahead. These partnerships promote the discovery of knowledge and enhance training, stimulate technological innovation, improve the quality of life, and contribute to meeting the demands of the economy.

### **Agency Linkages**

AASCU will explore partnership and program opportunities with federal agencies and entities such as: (1) the Department of Labor—Technical Skills Training Grants, Work Incentive Grant Program and Grants for Community Based Organizations; (2) the Department of Housing and Urban Development—Community Outreach Partnership Centers, Hispanic Serving Institutions, and Historical Black Colleges and Universities; (3) the Department of Education—Strengthening Institutions Program-Development Grants and Minority Science and Engineering Improvement Program; (4) the National Endowment for the Humanities—Extending the Reach: Institutional Grants for Historically Black, Hispanic-Serving, and Tribal Colleges and Universities; and (5) U.S. Chamber of Commerce—Business Coalition for Workforce Development.

### **Workforce Investment Act (WIA)**

- ❖ **AASCU will continue to advocate for amendments to the WIA that more fully include and recognize state college and university leaders in planning and decision-making processes.**

- ❖ **AASCU will continue to advocate for other workforce initiatives, such as the Community College Initiative to allow four- year institutions the opportunity to serve as workforce providers.**

AASCU supports efforts to improve and expand the effectiveness of WIA programs authorized to serve youth most at risk, such as dropouts, court-involved youth and youth with disabilities. AASCU institutions are uniquely situated to assist in this effort because of their existing relationships with community entities that serve children.

AASCU will seek involvement in the development of any regulations related to workforce issues that may affect institutions of higher education, such as the appropriate use of Pell Grants to provide educational assistance to workforce program participants.

### **Nursing and other Health Professions**

AASCU will support efforts to increase the number of qualified nurses and other health professionals as needed to meet the workforce demands in each state.

AASCU will support efforts that provide resources to institutions to expand nursing and other health profession programs. Such expansion is necessary to address the existing shortage of nurses and other health professionals, which is a pipeline capacity problem, not a recruitment issue.

### **Welfare Reform**

AASCU believes that higher education and training for welfare recipients has proven to be a viable and expedient route to moving individuals toward productive employment and enriched lives.

AASCU believes that welfare recipients with higher education and training will have a better opportunity to increase their earning capacity that will enable them to become self-sufficient.

- ❖ **AASCU encourages Congress to remove all federal financial aid and state need-based financial aid from being used in determining need and eligibility of persons applying for government assistance.**
- ❖ **AASCU will advocate for increasing the allowable time limits under which welfare recipients can pursue higher education as a direct work activity.**

To further promote human capital in the states, AASCU will call on federal and state policymakers to provide adequate financial aid for welfare recipients who want to pursue a higher education.

AASCU supports the position of the National Conference of State Legislatures that expresses the need for state flexibility and adequate federal resources to ensure that implementation of the TANF provisions are successful.

# GOVERNANCE AND ACCOUNTABILITY

Lay governance and self-regulation via voluntary accreditation serve as two of the cornerstones of public higher education in the United States. The ability of state colleges and universities to address the dramatic changes of the past half-century is due in no small part to the vision and leadership of citizens and educators entrusted with the governance, coordination, and assessment of these institutions. As AASCU institutions strive to meet the demands of a rapidly changing society, the bodies overseeing and accrediting these institutions must recognize these demands and be prepared to adjust governance relationships and structures, as well as accreditation policies and practices. For their part, federal and state governments are charged with holding colleges and universities and their governing/coordinating entities accountable for responsible stewardship of the public's resources and trust, while scrupulously avoiding unwarranted interference in the management and direction of these institutions.

## FEDERAL ISSUES

### **Accreditation—Transparency**

- ❖ AASCU supports amendments to the Higher Education Act that would require public disclosure and dissemination of findings from final accreditation reports. Additionally, AASCU encourages the six regional accrediting associations to broadly communicate their initiatives in assessing student learning.

### **Transfer of Credit**

- ❖ AASCU opposes Higher Education Act amendments that promote the direct involvement of the federal government in regulating inter-institutional academic practices such as the transfer of credit. Academic matters are most appropriately handled through the collaborative efforts of accreditors and statewide, system, and institutional boards.

### **Student Outcomes Data**

- ❖ AASCU supports authorization of a study by the National Center for Education Statistics to explore the feasibility of a unit-record data system covering all institutions of higher education. Such a system, if it proves technically feasible and contains appropriate privacy safeguards, would

provide needed national data on a wide range of accountability indicators, including persistence/attainment, net price, and distribution of federal/state/institutional aid.

## STATE ISSUES

### **Board Selection, Preparation, and Institutional Relations**

AASCU believes that higher education governing and coordinating boards represent a vital public trust, which therefore demands extreme care in the selection and continuing education of board members. Accordingly, AASCU endorses the selection/appointment criteria forwarded by the Center for Higher Education Policy Analysis: commitment to public education; record of public or community service; knowledge of complex organizations and academic institutions; demonstrated collaborative leadership, willingness and availability for constructive engagement; commitment to open-minded, non-partisan decision-making; and a record of integrity and civic virtue.

AASCU calls on policymakers and the higher education community to provide comprehensive orientation for board members as they assume their duties, and continuing education for them as they strive to carry out those duties.

AASCU encourages the formation and maintenance of appropriate and constructive relationships between institutions, their governing and coordinating entities, and states' elected leaders. Moreover, the terms of these relationships must be absolutely clear. AASCU opposes changes in these relationships that muddle or politicize the decision-making process or compromise the autonomy or integrity of institutions.

AASCU endorses the Association of Governing Boards of Colleges and Universities' statement *Governing in the Public Trust: External Influences on Colleges and Universities* as a constructive articulation of the roles and responsibilities of those charged with governing the nation's higher education institutions.