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House passes Pell Grant Equity Act

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Introduced by Representatives George Miller and Howard McKeon, the Pell Grant Equity Act (H.R. 990) has been approved by the U.S. House of Representatives. The act repeals a rule that limits Pell Grant aid for thousands of low-income students attending low-cost higher education institutions. The rule, which is referred to as "tuition sensitivity," reduces annual maximum Pell Grant scholarships for eligible students based on their tuition costs. The bill, which will provide an immediate one-year fix, is scheduled to be made permanent when the Education and Labor Committee reauthorizes the Higher Education Act. The legislation will benefit 96,000 students during the 2007-2008 academic year and will increase the average Pell Grant by \$108.

Financial aid gurus continue to voice their support for FFELP

Financial aid administrators at higher education institutions across the nation continue to speak out in support of the Federal Family Education Loan Program (FFELP). The private-sector student-lending program faces cuts as legislators are proposing to offer additional Pell Grant funds as incentives to schools that switch from FFELP to the Federal Direct Loan Program. Some financial aid administrators contend that after a \$12 billion cut in student lending last year, the financial aid scenario has not stabilized and that further cuts could worsen the situation. Administrators are happy with the positive experiences they have had with private-sector lenders, whom they claim provide fast and accurate service. Healthy competition in the private financial aid sector also greatly benefits students.

Software solution for financial aid offices

Software service provider Regent Education has announced that seven community colleges in California have implemented and started using its Regent Enterprise Financial Aid Management Software (FAM). Regent, which has 30 years of experience in the higher education industry, has assisted the institutions with maintaining more control over their financial aid activities and provided a solution to meet their objectives.

The software solution helps colleges reach their enrollment, compliance, and student-access goals. A 100% web-based software system designed to operate with any ERP system, FAM was developed using open standards architecture. Regent's solution is customized for financial aid offices and automates processes such as packaging, tracking, awarding, and disbursement.

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PHEAA disappointed with governor's budget

In 2005, both the Pennsylvania Higher Education Assistance Agency (PHEAA) and Governor Ed Rendell stated that they would contribute to the state's need-based grant program. While the agency agreed to use \$265 million of its loan profits over four years, the governor said that he would seek increases in annual state funding for the purpose. PHEAA is now disappointed with the governor's 2007-2008 budget, which does not increase funding for the college grant program. Moreover, the governor has asked the agency to add \$88.6 million in profits from its student loans to the state's \$386 million appropriation. According to Richard E. Willey, PHEAA President and CEO, the agency had planned to contribute \$60 million. The agency says that the failure to increase state funding will result in 5,000 to 6,000 students going without grants.

Governor Jim Gibbons proposes boosting Nevada's Guinn Millennium Scholarship

Nevada Governor Jim Gibbons has proposed setting aside \$2.8 million per year in order to supplement declining funding for Nevada's Guinn Millennium Scholarship. The scholarship, which was established in 2000, has assisted more than 40,000 students by providing \$125.9 million in aid. As a result of dwindling funding, eligibility requirements for the scholarship have gotten tougher. At first, the scholarship covered full tuition for high school graduates with 3.0 or higher grade point averages; this year, the GPA requirement is 3.25. Republican lawmakers are also creating bill drafts that, if passed, would not award Millennium Scholarships based on grade point average but would instead limit the numbers of students eligible for the scholarship on the basis of residency or on ACT or SAT scores.