

## Federal Update – May 30, 2008

### Legislative

- ***New Bill Introduced to Encourage Grad Students to Enter Federal Public Service*** – Reps. David Price (D-NC) and Christopher Shays (R-CT) have introduced legislation - the Roosevelt Scholars Act of 2008 (HR 6160) - that would create a graduate school scholarship program designed to encourage students to pursue careers in public service with the federal government. The bill would establish a nonprofit foundation - called the Theodore Roosevelt Scholarship Foundation - to award the scholarships. Recipients would receive tuition and a stipend for each year they are enrolled in eligible graduate school programs. The stipend would be the lesser of the cost of room and board, books, and fees or \$12,000 (adjusted annually). A scholarship may not exceed \$60,000 for each academic year, minus other scholarships, grants, or cash received from other sources. An applicant could receive this scholarship for up to five years. After graduation, Roosevelt Scholars would be required to sign an agreement to serve with the federal government for 3-5 years. If the service commitment were not fulfilled, the scholarship amount would be converted to an unsubsidized Direct Loan. This bill has been referred to the House Oversight and Government Reform Committee.
- ***New Legislation Would Create Nuclear Science And Engineering Scholarships*** – A new bill introduced by Rep. Fred Upton (MI) has been introduced that would authorize the Energy Department to fund up to 65 new undergraduate scholarships a year to support education in nuclear science and nuclear engineering. Grants of up to \$100,000 (each year for up to four years) would be awarded to schools. Schools would then use the money to award scholarships to individual students. This bill authorizes \$6,500,000 for each of the fiscal years 2009 through 2013. This bill has been referred to the House Committee on Science and Technology.

### Department of Education

- ***Interest Rates for 2008-09*** – The Department posted an Electronic Announcement that shows the interest rates for Stafford and PLUS loans for July 1, 2008 through June 30, 2009. **Note:** for this period, subsidized Stafford loans will carry a lower interest rate (6.0%) than unsubsidized Stafford loans (6.8%). For loans that carry a variable interest rate, the 91-day Treasury bills (T-bill) were auctioned at 1.91, plus the statutory add-ons. See the [corresponding chart](#) for all interest rates.
- ***ED Issues Federal Needs Analysis Methodology for 2009-2010*** - The Secretary has issued revised Federal Needs Analysis Methodology tables to use when determining a student's Expected Family Contribution (EFC) for Title IV programs for award year 2009-2010.  
<http://edocket.access.gpo.gov/2008/pdf/E8-11953.pdf>

## Market Intelligence

- **MOHELA to End Interest Rate Benefits** – The Missouri Higher Education Loan Authority (MOHELA) announced that it will discontinue offering discounted interest rates for new borrowers beginning on June 1st. MOHELA currently offers a 2-3 percent interest rate reduction for borrowers that use auto debit to make their loan payments. As of June 1st, this will drop to one quarter of one percent. MOHELA will also discontinue offering the interest rate reduction for students who agreed to stay in the state and work in certain public service professions.
- **SAF Urging Students to Take Tougher Classes in High School** – The Student Assistance Foundation (SAF) is participating in the second year of the KnowHow2Go campaign, which promotes college access for students in Montana. As part of this year's campaign, students are being encouraged to take more rigorous courses in high school such as Algebra II, biology, and foreign languages. This will include reaching students through television and radio public service announcements, as well as print ads.  
<http://files.safmt.org/MHESAC/PDFs/PressReleases/knowhow2go0508.pdf>

## Reports and Articles

- **Study Finds First-Generation College Students Less Likely to Graduate** – According to a recent study by the College Board, first-generation college students are less likely to earn college degrees than their peers. This study was conducted on 1.1 million records (via the National Student Clearinghouse) of students who took the SAT who graduated from high school in 1999. The study found that among the students enrolled in 4-year schools, the graduation rate of first-generation students was 44.9%, while the graduation rate for non-first-generation students was 59%. The study found that a similar graduation gap existed regardless of the differences in high school preparation. Among the students whose high school offered rigorous coursework, first-generation students had a college graduation rate of 58.6%, while non-first-generation students had a graduation rate of 69.3%. Those students whose SAT scores were 1500 or higher, the graduation rate of first-generation students was 65.1% while non-first-generation students had a graduation rate of 72.7%.

The full text of this report is not yet available.

## State and Worldwide News

- **Arkansas College Administrators Looking to Lottery to Solve Education Budget Shortfall** – College administrators in the state of Arkansas are hoping a measure proposing a state lottery will help solve an estimated \$1 billion budget shortfall for financial aid over the next three decades. The measure for a state lottery, proposed by the state's Lt. Governor, is expected to bring in up to \$100 million per year. The director of the state Department of Higher Education is urging the governor's office to defer all new scholarships program initiatives unless voters pass the measure in November.  
[http://www.wxvt.com/Global/story.asp?S=8391528&nav=menu1344\\_2](http://www.wxvt.com/Global/story.asp?S=8391528&nav=menu1344_2)

- **Canada's Colleges Trying To Streamline Student Loan Process** – The Canadian government's Minister of Education, Kelly Lamrock, announced a joint federal-territorial partnership designed to make the process of applying for student loans easier. There are several systems in use, many of which are still paper-based. The government is trying to work out a loan process that will allow students and parents to electronically select and apply for loans from the best program possible. The government plans to spend more than \$30 million over the next few years to improve the system.