

AMERICAN COUNCIL ON EDUCATION



OFFICE OF THE PRESIDENT

February 7, 2008

U.S. House of Representatives
Washington, DC 20515

Dear Representative:

I write on behalf of the American Council on Education and the higher education associations listed below to express our strong opposition to the Welch amendment to the College Opportunity and Affordability Act of 2007 (H.R. 4137), which would needlessly require all colleges and universities to report endowment spending to the U.S. Department of Education. This amendment is unnecessary and duplicative of other reporting requirements contained in H.R. 4137 and mandated by the Internal Revenue Service (IRS).

In addition to the bill's other significant new disclosure requirements of information related to college costs, Sec. 809 of the legislation mandates that the Secretary of Education conduct a study on the "amounts, uses, and public purposes" of college and university endowments for the past 20 years. A report of this study must be submitted to Congress one year after enactment of the bill.

Moreover, the IRS recently released its revised Form 990, a publicly available form required to be filed annually by tax-exempt organizations including colleges and universities. Beginning with 2008 tax filing, the revised 990 will require colleges and universities, and other tax-exempt organizations with endowments, to annually disclose new information about those funds including the value of their endowments, investment earnings or losses, percentage of restricted funds, and endowment spending on grants, scholarships or other specified purposes.

The higher education community is supportive of appropriate disclosure of information related to college and university endowments. Given the greater cost transparency mandated by H.R. 4137 and the new IRS endowment disclosure requirements, we do not believe the Welch amendment is necessary to achieve that end. We therefore ask you to oppose this amendment when it comes up for a vote.

Sincerely,

A handwritten signature in cursive script, appearing to read 'David Ward', is written in black ink.

David Ward
President

DW\ksm

On behalf of:

Welch Endowments

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American Association of Community Colleges

American Council on Education

Association of American Universities

Association of Community College Trustees

Association of Jesuit Colleges and Universities

Council for Advancement and Support of Education

National Association of Independent Colleges and Universities

National Association of State Universities and Land-Grant Colleges

National Association of Student Financial Aid Administrators