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TO: Kevin Reilly, President  
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Don Mash, Executive Senior Vice President  
Chancellors  
Provosts  
Financial Aid Administrators  
Legislative Liaisons  
Chief Business Officers  
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FROM: Kris Andrews   
Assistant Vice President for Federal Relations

RE: H.R. 609, College Access and Opportunity Act of 2005 – Analysis as passed by the House on March 30, 2006

On March 30, 2006, the U.S. House of Representatives passed H.R. 609, the bill to reauthorize for five years the Higher Education Act. The bill that was passed does not contain mandatory spending provisions which were enacted as part of budget reconciliation. The bill does reauthorize discretionary programs of the higher education law, including the student aid programs in Title IV, teacher training programs, graduate study, international and foreign language programs, institutional programs, Pell grants and the Perkins program.

Victories for UW Institutions and Students

Congressman Ron Kind (D-WI) and Congressman John Tierney (D-MA) worked hand-in-hand with the UW System Office of Federal Relations during committee markup against a provision in the bill that would have changed the distribution formula in the campus-aid program. A formula change would have shifted \$7.5 million from UW institutions and students. During markup, an amendment was offered by Tierney/Kind that would have maintained the current formula used to provide campus-based aid to colleges. Using nationwide data that was compiled by the UW System budget office that showed which schools across the country would lose funding under the proposed formula change, the Tierney/Kind amendment prevailed – and then lost after a move to reconsider – killing the Tierney/Kind amendment on a 24-24 vote.

Because of the work done by Messrs. Tierney and Kind and UW System, the Committee's leaders had trouble winning support from members of even their own party who represent congressional districts in which colleges would lose a significant amount of aid.

As a result, as the bill went to the floor of the House for consideration, the provision was struck. Instead of proposing to phase out the formula, the bill calls on Congress to ask the Government Accountability Office to study the formula and suggest changes.

This is a tremendous victory for UW institutions and students who would have been particularly hard hit if this campus-based aid formula change had not been withdrawn.

**Wisconsin Third District Congressman Ron Kind and Sherry Harper, Legislative Director to Congressman Kind, were especially helpful. Without their efforts, this would not have been possible.**

Further, through the efforts of Sixth District Congressman Tom Petri and Congressman Ron Kind, help is on the way to UW System two-year campuses. The bill defines the term "different campus" and "different population" for purposes of Student Support Services grants.

#### Highlights

The bill would redefine institutions of higher education to include for-profit colleges, which would make them eligible to participate in some federal student aid programs.

The bill creates a non-binding "academic bill of rights" to discourage colleges from discriminating against students based on political ideology. This was pushed by conservatives.

The measure would require the Department of Education to assign an "affordability index" to every college using federal financial aid programs and compile reports on their tuition increases. Federally-funded institutions engaging in tuition hikes at more than twice the rate of inflation over a three-year interval will be put on a federal watch list and will have to provide the government with an explanation of the factors contributing to the increases. However, unlike previous versions of the measure, the Department of Education could not reject a college's explanation for its price increases. Those institutions would be asked to make public information about the causes of tuition increases and strategies to help hold down tuition in the future. A provision that would have allowed the Education Department's Inspector General to audit the financial records of colleges that repeatedly raise their tuition too high was struck. Further, the bill is amended so that institutions would need to establish a quality efficiency task force if they were within the top 5 percent of those in the same "class" of institutions (the original standard was top 25 percent).

The bill would require institutions accredited by the Secretary of Education to have a publicly available policy on transfer of academic credit. An amendment offered on the House floor, and passed on a voice vote, struck the provision that requires accreditors to

confirm that institutions have a transfer of credit policy that is publicly disclosed and does not deny credit based solely on the accreditation of the sending institutions. The amendment replaces the stricken provision with language that requires a school, as part of its review for accreditation or reaccreditation, to disclose any policy that would deny transfers of credit solely on the accreditation of the institution where the credit was earned.

The bill would also require accrediting agencies to publicize information. Accrediting agencies are currently required under federal law to provide information about their activities to the public, but only upon request.

The bill would repeal the “single-holder rule,” which prevents students and parents from shopping for the best deal when they consolidate student loans. The law currently requires borrowers who have all of their loans held by a single lender to consolidate with that lender.

The bill would require lenders to report to all national credit bureaus to protect borrower’s credit history.

The bill would provide an interest-only repayment plan for borrowers having trouble meeting their student loan repayment obligations.

The bill would require that borrowers be given access to consumer financial and economic educational materials, including comprehensive information about total interest, repayment terms and benefits of their loans.

The bill would authorize an increase in the maximum Pell grant to \$6,000.

The bill would provide for year-round Pell grants so students can use them for summer classes and bonus grants of up to \$1,000 for the first two years of school for high-achieving students.

The bill would limit Pell Grant eligibility to 18 semesters or 27 quarters.

The bill would repeal Pell Grant “tuition sensitivity,” a current federal rule that limits the amount of Pell Grant aid a student attending a very low-cost institution can receive.

The bill would reauthorize federal college access programs for low- and middle-income students, including TRIO and GEAR UP. It would authorize an increase in the money available for TRIO programs, calling for \$836.5 million for fiscal year 2006 and funding as needed for each of the five succeeding years. It would also specify that veterans are eligible to participate in all TRIO programs and services.

The bill would establish TRIO program performance measures to assess the quality and effectiveness of those programs and the impact of the services on higher education success for disadvantaged, low-income or prospective first-generation college students.

The bill would clarify that GEAR UP grants are provided for six years. It would authorize an increase in the amount of money available for those grants to \$306.5 million for fiscal year 2006 and funding as needed for each of the five succeeding years.

The measure specifies throughout that program uses of funds would be expanded to include education or counseling designed to improve the financial and economic literacy of students and, where appropriate, their parents.

An amendment on the House floor would provide a \$12 million grant to a group that recruits college graduates to teach in low-income communities; the beneficiary would likely be the Teach for America programs.

The bill would clarify how the “90/10” rule is defined. The “90/10” rule currently requires for-profit schools to demonstrate that at least 10 percent of their revenue is derived from sources other than federal student aid funds. The bill would place the 90/10 rule among the student aid program participation requirements for all institutions of higher education to ensure that the rule would be applied equally to all sectors of higher education.

The bill would ensure that colleges and universities are able to enroll students who have been home-schooled without losing eligibility for participation in federal student aid programs, and would specify that home-schooled students are eligible to enroll in a college or university.

The bill would charge the U.S. Department of Education with redesigning the College Opportunities Online web tool to be easier to use and provide more data to consumers. As part of that effort, the Department would make use of the information being reported to create “College Consumer Profiles” for individual colleges and universities, and make that information available to the public in a format that is consistent. Profiles would include information such as school’s mission, student demographics, accreditation, student/faculty ratios, faculty qualifications, costs, student services, credit transfer policies, graduation rates, and placement rates.

The bill would bar creation of a “unit record” system.

The bill would boost international and foreign language studies programs, authorizing the Education Secretary to make grants to institutions to establish, strengthen and operate comprehensive foreign language and international studies centers and programs, while ensuring the programs are effectively training students in those areas. An amendment passed on a voice vote expressing the sense of Congress that student exchanges and language programs should focus on Chinese and Arabic, in light of the global importance of China and the Middle East.

The bill will also establish a teacher incentive fund to help states and local school districts develop and implement pay-for-performance systems that will reward teachers and principals who demonstrate success in improving student academic achievement

The bill would expand loan relief for nurses, early childhood educators, and other professionals serving in fields with demonstrated national need, providing up to \$5,000. As amended on the House floor, the measure would also make child and adolescent mental health professionals eligible for loan forgiveness under the high-need professional program.

The bill would provide scholarships for students pursuing an undergraduate or graduate degree in science, mathematics, or engineering and would assist states in establishing coordinating councils to implement state-based mathematics and science education policies. As amended on the House floor, the bill would authorize grants aimed at increasing the number of instructors qualified to teach Advanced Placement classes and create an “adjunct teacher corps” of math and science professionals who teach part-time.

As amended on the House floor, the bill would also provide grants to colleges to install fire protection equipment.

An amendment by Steve King that would have required institutions that receive any federal funding whatsoever to submit to the U.S. Department of Education an annual report regarding whether race, color, or national origin is considered in the student admissions process and, if so, how these factors are considered was rejected.

During consideration of the bill, Members engaged in a colloquy regarding illegal file sharing on university campuses. The Chairman of the Education and Workforce indicated he intended to include language that addresses this issue in the final HEA conference report.

### Next Steps

Leaders in the U.S. Senate hope to bring their version of the bill to the Senate floor this month. If you have questions or I can provide you with additional information or details about the legislation, please feel free to contact me by email at [kandrews@uwsa.edu](mailto:kandrews@uwsa.edu) or by phone at 608-263-3362.