

# Long-Overdue Higher-Education Bill Is Close to Becoming Law

By [KELLY FIELD](#)

Washington

It took five years and 14 extensions, but Congress has finally cleared a bill to reauthorize the Higher Education Act, the major law governing federal student aid.

The bill, which would set federal higher-education policy for at least the next five years, easily passed the U.S. House of Representatives on Thursday afternoon by a vote of 380 to 49. The Senate later approved it, 83 to 8. The bill now heads to President Bush, who is expected to sign it into law, even though his administration has criticized the cost of some of the new programs it would create.

During the House's hourlong debate, lawmaker after lawmaker took the podium to celebrate the bill, a compromise measure that House and Senate negotiators endorsed earlier this week. The bill, they said, would clean up conflicts of interest in the federal student-loan programs, make it easier for students to compare colleges on costs, simplify the process of applying for federal student aid, and generally make college more affordable.

On the Senate side, Sen. Barbara A. Mikulski, Democrat of Maryland, read aloud a statement from Sen. Edward M. Kennedy, the ailing chairman of the chamber's education committee, expressing his support for the bill.

In the letter, Mr. Kennedy said he was "particularly proud" of provisions that would help veterans and students with disabilities to attend college. Senator Kennedy, Democrat of Massachusetts, was diagnosed with a brain tumor in May and has been mostly absent from the Senate since then.

"Ted, this is for you tonight," Ms. Mikulski said at the end of the debate.

But Rep. Sheila Jackson Lee, the outspoken Texas Democrat, perhaps captured the mood in both chambers best. "This is a relief," she said during the House's discussion of a rule governing debate on the bill. "This is a hallelujah day."

## **Mixed Response From Colleges**

Not everyone is singing the bill's praises, however. Colleges like many things about the bill, including its dozens of new grant programs and a provision that would make the Pell Grant available year-round so students could complete their education more quickly. They also appreciate language that would prevent the Education Department from dictating how accrediting associations measure student-learning outcomes.

But college officials are less enamored of the cost "watch lists" the bill would create and the dozens of new regulatory requirements it would impose on institutions. Complying with the "extraordinary number" of new reporting requirements in the bill will "be time-consuming and inevitably will increase administrative and personnel costs" on campuses, the American Council on Education said in a letter sent to lawmakers on Thursday.

The National Association of Student Financial Aid Administrators, while generally supportive of the bill, said it worried that its members wouldn't be able to meet the bill's new mandates by the start of the academic year.

"The timing of this bill presents significant challenges for colleges and universities," the association's president, Philip R. Day, Jr., wrote in a letter to Congress.

The aid administrators' association was more enthusiastic about the bill's creation of a federal code of conduct that would govern relationships between colleges and student-loan providers. Colleges have been operating under a patchwork of state codes since New York's attorney general, Andrew M. Cuomo, began his investigation into conflicts of interest in the student-loan programs last year.

The new federal code, Mr. Day wrote, would "provide one law for financial-aid offices and lenders to abide by."

## **Help for Students**

Student groups, meanwhile, are generally supportive of the bill. They especially like provisions that would require textbook publishers to "unbundle" materials like CD's and workbooks and would require colleges to list online the prices of required and recommended textbooks for each course.

They're also pleased that the bill would require lenders to provide borrowers with multiple disclosures about the terms and conditions of the private loans they offer, lock in those rates for 30 days, and give students three days in which to cancel a consummated loan.

Students groups are disappointed, however, that the final bill lacks language that would have required lenders to certify, with the borrower's college, that the student is enrolled in the institution. Under that provision, colleges would have also been required to provide lenders with information about their cost of attendance.

The United States Student Association and the State Public Interest Research Groups had argued that "school certification" would give colleges an opportunity to counsel their students to maximize their use of federal loans before taking on more-expensive private loans. A recent study by the Institute for Higher Education Policy found that 20 percent of dependent undergraduate private-loan borrowers in 2004 had failed to exhaust their federal-loan options first.

But lenders who market loans directly to consumers vigorously fought that provision, arguing that it could reopen the door to the practice of colleges steering their students to preferred lenders. In the end, Congressional negotiators agreed to put the onus on students, requiring them to report information about their expected costs to their lenders.

The student groups say that provision doesn't go far enough. In a letter sent to Congress on Thursday, they said the revised requirement "will not provide schools any notification about students' borrowing and will give them no opportunity to advise students."

Rep. George Miller, the California Democrat who is chairman of the House education committee, disagreed, arguing in a news release that students will still have to work with their financial-aid office to obtain the required information.

## **Dozens of New Provisions**

At 1,158 pages long, the bill contains something for everyone. Among its many provisions are:

- A loan program for institutions hit by hurricanes and other natural disasters (sought by the Association of Jesuit Colleges and Universities).
- A new grant program for master's programs at predominantly and historically black institutions (sought by the Congressional Black Caucus, several groups representing such colleges, and the colleges themselves).
- Increased aid and support for veterans and their families (sought by veterans' groups).

The bill also contains numerous less-noted, but significant provisions, including:

- New accountability requirements for teacher colleges.
- Additional Pell Grant money for institutions that hold down price increases.
- A first-of-its kind study of the amounts, uses, and public purposes of college and university endowments.
- New measures for cracking down on diploma mills.

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