



Conference Report on H.R. 4137 – College Opportunity and Affordability Act of 2007

EXECUTIVE SUMMARY

The conference report to accompany H.R. 4137 is expected to be considered on the floor on July 31, 2008. The House and Senate have been hold informal negotiations on the bill for several months and officially went to conference on July 28, 2008. The conference agreement was filed on July 29, 2008.

The Higher Education Act authorizes the federal government's student aid programs to support postsecondary education attendance. It also authorizes other major programs such as those providing assistance to special groups of institutions of higher education and support services to enable disadvantaged students to complete secondary school and enter and complete college.

H.R. 4137 reauthorizes the Higher Education Act through 2013. This legislation contains provisions that aim to increase transparency in college costs, public and private financial aid. In addition, it establishes grant and scholarship programs to encourage institutions and students to focus on the fields of science, technology, engineering, math, foreign language, and law.

FLOOR SITUATION

H.R. 4137 is being considered on the floor under a closed rule. The Rule:

- Waives all points of order against the conference report and against its consideration.
- Provides that the conference report shall be considered as read.

This legislation was introduced by Representative George Miller (D-CA) on November 9, 2007. The bill was ordered reported, as amended, by the Committee on Education and Labor by a vote of 45 to 0 on December 19, 2007, and passed the House on February 7, 2008, by a vote of 354 to 58. The Senate passed their version of the Higher Education Reauthorization Act (S. 1642) on July 24, 2007.

Following House passage of H.R. 4137, the House and Senate held informal negotiations to reach a compromise on the Higher Education Bill. Upon reaching an acceptable compromise, the Senate agreed to the College Opportunity and Affordability Act as amended under the House number, H.R. 4137, on July 28, 2008, and requested a conference with the House. On July 29, 2008, the conference report was filed.

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BACKGROUND

The Higher Education Act of 1965 was part of President Lyndon Johnson's Great Society domestic agenda. The goal of this Act was "to strengthen the educational resources of our colleges and universities and to provide financial assistance for students in postsecondary and higher education." The Higher Education Act authorizes the federal government's student aid programs to support postsecondary education attendance. It also authorizes other major programs such as those providing assistance to special groups of Institutions of Higher Education and support services to enable disadvantaged students to complete secondary school and enter and complete college. The Higher Education Act of 1965 was reauthorized in 1968, 1972, 1976, 1980, 1986, 1992, and 1998.



On June 28, 2007, the House passed the First Higher Education Extension Act of 2007 by voice vote. The bill extended the Higher Education Act through July 31, 2007. Congress has passed a total of seven extensions to the act. Most recently, on July 30, 2008, the House passed S. 3352, extending the Higher Education Extension Act through August 15, 2008.

The Senate passed their version of the Higher Education Reauthorization Act (S. 1642) on July 24, 2007. The House passed H.R. 4137 on February 7, 2008, by a vote of 354-58. Following House passage of H.R. 4137, the House and Senate held informal negotiations to reach a compromise on the Higher Education Bill. Upon reaching an acceptable compromise, the Senate agreed to the College Opportunity and Affordability Act as amended under the House number, H.R. 4137, on July 28, 2008, and requested a conference with the House. On July 29, 2008, the conference report was filed.

SUMMARY

H.R. 4137 reauthorizes the Higher Education Act of 1965 through 2013.

Title I

Student Speech and Association Rights: The conference report adopts a Senate provision that includes a sense of Congress that an institution of higher education should facilitate the exchange of ideas, students should be treated equally and fairly, and their first amendment rights should be protected.

National Advisory Committee on Institutional Quality and Integrity (NACIQI): H.R. 4137 expands the membership of the committee to eighteen with six members appointed by the Secretary of Education, three members selected by the Speaker, three members selected by the House Minority Leader, three members selected by the Senate President Pro-Tempore, and three members selected by the Senate Minority Leader.

College Costs: H.R. 4137 requires States to maintain a level of funding for institutions of higher education that is equal to funding levels for the past five years. The bill requires the Secretary to make the following lists available to the public on the College Navigator website beginning July 11, 2011: 1) the five percent of institutions that have the highest tuition and fees; 2) the five percent of institutions that have the highest net price; 3) the five percent that have the largest percentage change in tuition and fees over the most recent three academic years; 4) the five percent of institutions that have the largest increase in net price over three years; 5) the ten percent of institutions that have the lowest tuition and fees; and 6) the ten percent that have the lowest net price. If an institution appears on any of the price increase lists, they are required to submit a report to the Secretary describing the factors that contributed to the increase and the steps the institution is taking to reduce costs. H.R. 4137 also requires the Secretary of Education to make public 26 pieces of information, most of which is already collected by the Department, including the total number of undergraduate students who are enrolled at the institution and percentage of enrolled students who receive Federal, State, or other grants, and post the information on the College Navigator website.

Student Loan Sunshine Provisions: Includes provisions from the Student Loan Sunshine Act, which passed the House under suspension of the rules by a vote of 414 to 3 on May 9, 2007. ([Legislative Digest for H.R. 890](#))

Title II

Teacher Quality Partnership Grants: H.R. 4137 consolidates State grants, teacher recruitment grants, and partnership grants into one grant program. The consolidated program awards grants to improve teacher training and professional development. It also requires partnerships that receive grants to report on the progress they are making toward the objectives of their partnership. In addition, it requires colleges and universities that receive funds under the Higher Education Act, each State, and the Secretary to report to



Congress on the quality of teacher preparation. It prohibits the creation of a National System of Teacher Certification.

Enhancing Teacher Education: H.R. 4137 creates the following new programs to encourage individuals to enter into teaching:

- Preparing Teachers for Digital Age Learners: Authorizes the Secretary to provide grants to consortiums consisting of higher education institutions, state or local educational agencies, and other entities with experience in technology and teacher preparation. The consortium can use the funds to develop partnerships focused on effective teaching with modern digital tools and content or to transform the way departments, schools, and colleges of education teach classroom technology integration;
- Honorable Augustus F. Hawkins Centers of Excellence: Authorizes grants to establish centers of excellence for minority serving institutions to expand or enhance teacher preparation programs;
- Teach to Reach Grants: Authorizes grants to partnerships to improve the preparedness of general education teachers to more effectively educate students with disabilities;
- Adjunct Teacher Corps: Authorizes a grant program for local education agencies to recruit and train content specialist mid-career professionals with an expertise in math, science, and critical foreign languages; and
- Graduate Fellowships to Prepare Faculty in High-Need Areas at Colleges of Education: Authorizes grants to be made to institutes of higher education to allow them to make graduate fellowship awards available to students preparing to be professors in math, science, special education, or instruction to individuals with limited English proficiency.

Title III

Predominantly Black Institution Designation: H.R. 4137 authorizes a new grant program to help predominantly black institutions expand the capacity to serve more low- and middle- income African American students. The bill authorizes \$75 million for fiscal year 2009 and such sums for each of the following five years for this program.

**Note: The bill defines a predominantly black institution as an institution that has at least 1,000 undergraduate students where at least 40 percent of the students are low-income Black American students or first generation college students.*

Asian-American and Native American Pacific Islander-Serving Institution Designation: H.R. 4137 provides a new designation for minority-serving institutions with more than 10 percent of enrolled undergraduate students that are Asian American and Pacific Islander. It directs the Secretary to provide formula grants for the expansion and enhancement of services to Asian American and Pacific Islander students. The bill authorizes \$30 million for fiscal year 2009 and such sums for the following five years.

Native American-serving, Nontribal Institution Designation: The bill provides a new designation for institutions where 10 percent of the enrolled undergraduates are Native American students, and the school is not already designated a Tribal College or University. The agreement authorizes \$25 million for fiscal year 2009 and such sums for the following five years.

Partnership for Youth Engagement in STEM Fields: This provision allows the Secretary to provide grants to eligible partnerships to encourage students in kindergarten through twelfth grade to enter STEM



(Science, Technology, Engineering, and Mathematics) fields. It also allows the Secretary to enter into a contract with an advertising agency to implement a campaign to promote STEM fields.

Waiver Authority to Institutions Affected by Gulf Hurricanes: The Secretary has waiver authority for Institutions affected by Hurricanes Katrina and Rita.

Title IV

Pell Grants: The conference agreement increases the authorized Pell grant award to \$6,000 for academic year 2008-2009, \$6,400 for academic year 2009-2010, \$6,800 for academic year 2010-2011, \$7,200 for academic year 2011-2012, \$7,600 for academic year 2012-2013, \$7,600 for academic year 2013-2014, and \$8,000 for academic year 2014-2015. The bill allows Pell awards to be used year round. In addition, it prohibits sex offenders residing in an involuntary civil commitment program from being eligible for Pell Grants and limits student eligibility for a Pell Grant to the equivalent of 18 semesters. It also includes a House passed provision that allows the child of a member of the Armed Forces who died in Iraq or Afghanistan after September 11, 2001, to have receive the maximum Pell Grant.

**Note: The House passed bill would have increased Pell awards to \$9,000 for each academic year.*

TRIO: H.R. 4137 allows the use of funds to identify services for children in foster care and homeless youth. In addition, it gives applicants the opportunity to appeal grant application denials to an Administrative law judge. It also prohibits the Secretary from implementing the absolute priority for Upward Bound program participant selection. The bill authorizes \$900 million for fiscal year 2009 and such sums for the following five years.

**Note: The Department of Education noticed a proposal of rulemaking on September 22, 2006, based on analysis that students are more likely to succeed the longer they receive Upward Bound services. The rule created a priority for applications that admitted students no later than ninth or tenth grade.*

GEAR UP: H.R. 4137 allows GEAR UP grants to be used to support students into the students' first year of college. In addition, it establishes a new priority for students that were in foster care or were homeless or unaccompanied youth. The bill authorizes \$400 million for fiscal year 2009 and such sums for each of the following five years.

Grants for Access and Persistence: The conference agreement repeals the Special LEAP program and replaces it with Grants for Access and Persistence. The grants are to expand college access and increase college persistence by providing states with funding to provide need-based grants to low-income students and encourage more participation in early information and intervention, mentoring, or outreach programs.

Robert C. Byrd Competitiveness Program: The bill reauthorizes the Robert C. Byrd Honors Scholarship Program for such sums for fiscal years 2008-2013. Eligibility for the scholarships is extended to students who are home schooled.

Loan Forgiveness for Service in Areas of National Need: This bill forgives student loans up to \$10,000 for individuals employed full time in areas of national need, including early childhood educators, nurses, librarians, foreign language specialists, and school counselors.

Civil Legal Assistance Attorneys Loan Forgiveness: This legislation creates a new discretionary program that provides \$5,000 of loan forgiveness to employees of a nonprofit that provides legal assistance pro-bono to low-income individuals who agree to work there for three years.



Off-Campus Community Service: The conference agreement retains a House passed provision that allows institutions of higher education to use funding received from the Federal Work Study Program to recruit and compensate students for off campus community service employment.

Free Application for Federal Student Aid (FAFSA): This legislation requires the creation of the EZ-FAFSA that would be a simplified version of the FAFSA application. In addition, it instructs the Secretary to develop a streamlined reapplication process for Federal student aid. H.R. 4137 also requires the Secretary to develop a system so that students applying for Federal aid can receive early estimates on their eligibility.

Drug Provision: Allows students who lost their Federal student eligibility as the result of a drug conviction to regain their eligibility by passing two unannounced drug tests.

Campus-Based Digital Theft Prevention: H.R. 4137 authorizes the Secretary to provide grants to institutions to develop and implement solutions to reduce the amount of illegal downloading.

Title V

Promoting Post-Baccalaureate Opportunities for Hispanic Americans: H.R. 4137 authorizes the Secretary to make five year competitive grants to Hispanic serving institutions that make substantive contributions to graduate educational opportunities for Hispanic Americans. This provision is authorized at \$100 million for fiscal year 2009 and each of the subsequent five fiscal years. The conference report language also adds certain allowed uses of these funds, including the development of articulation agreements, promotion of financial literacy, and remedial coursework development.

Title VI

International and Foreign Language Studies: H.R. 4137 authorizes the Secretary to make grants to promote partnerships with institutions in other countries and the teaching of less commonly taught foreign languages and area studies programs. The bill authorizes such sums as may be necessary for fiscal year 2009 and each of the subsequent five years. Republican provisions prescribing surveys and application procedures are included in the bill.

Business and International Education Programs: The bill allows the use of funds for Centers of International Business Education to encourage partnerships between foreign countries and U.S. higher education institutions. This legislation also allows the use of funds for education and training programs. This provision also ensures that minority serving institutions are able to participate in these programs. These programs are authorized at such sums as may be appropriated for fiscal year 2009 and each of the subsequent five years.

Institute for International Public Policy: The program provides a single grant to assist a consortium of colleges and universities to establish an institute designed to increase the representation of minorities in international services, including private international voluntary organizations and the U.S. Foreign Service. The conference report adds language to ensure that all minority-serving institutions are able to bid for grants to establish the Institute. This program is authorized at such sums as may be appropriated for fiscal year 2009 and each of the subsequent five years.

Science and Technology Advanced Foreign Language Education Grant Program: This provision creates a grant program to institutions to develop programs to teach foreign language and study science and technology in foreign countries. This program is authorized at such sums as may be appropriated for fiscal year 2009 and each of the subsequent five years.

Title VII



Thurgood Marshall Legal Education Opportunity Program: This legislation allows grant funding to be used for pre-college and summer academic programs. It also allows the program to work with middle and high school students to promote their interest in obtaining a legal education.

Fund for the Improvement of Postsecondary Education: This legislation adds several new uses of program funds to encourage institutions to provide innovative post-secondary opportunities for all students, including non-traditional students, as well as to establish distance learning programs. The bill prohibits funds to be used to provide financial assistance directly to illegal aliens through grants or scholarships.

Students with Disabilities: H.R. 4137 establishes a National Center for Information and Technical Support for Post-Secondary Students with Disabilities. In addition, it authorizes the creation of the Advisory Commission on Accessible Instructional Materials to improve materials available for students with disabilities, as well as a model demonstration program for the delivery of materials for students with print disabilities. This legislation also authorizes the Secretary to issue grants to assist higher education institutions to create transition programs for students with intellectual disabilities.

Title VIII

Title VIII implements a number of new initiatives, a selection of which appears below.

Project GRAD: H.R. 4137 authorizes the Project GRAD program, which is a program that works to improve high-school graduation rates and post-secondary attendance and completion for low-income and disadvantaged individuals.

Nursing Students or Faculty: The bill establishes a new program that authorizes the Secretary to award grants to nursing programs to expand faculty and facilities.

Teach for America: The conference agreement provides a five year grant to Teach for America, Inc. The grant is authorized at \$20 million for fiscal year 2009, \$25 million for fiscal year 2010, and such sums for each of the following four years.

Patsy T. Mink Fellowship Program: This new program will assist high qualified minorities and women to attain terminal degrees in academic areas that are underrepresented.

Rural Development Grants for Rural Universities: This bill provides grants to partnerships between rural institutions, as well as partnerships between rural institutions and rural employers to increase college access to rural high school graduates.

Centers of Excellence for Veteran Student Success: This provision allows the Secretary to provide grants to institutions to establish these centers as a single point of contact to coordinate comprehensive support services for veteran students.

University Sustainability Programs: This provision provides grants to institutions to implement sustainability programs and practices on campus.

Title IX

Education of the Deaf Act: H.R. 4137 creates a new cultural experiences grant program to enrich the lives of deaf and hard-of-hearing children and adults and promote the integration of hearing, deaf, and hard-of-hearing persons through shared cultural, educational, and social experiences.



Indian Education: This legislation creates a new Tribally Controlled Postsecondary Career and Technical Institution Program that provides funding to the United Tribes Technical College and the Navajo Technical College to operate post-secondary career and technical programs.

Loan Repayments for Prosecutors and Public Defenders: H.R. 4137 authorizes the Attorney General to provide loan repayments of up to an aggregate total of \$60,000 for prosecutors or public defenders that remain employed in these jobs for at least 3 years.

Expands the Stevenson-Wylder Technology Innovation Act of 1980: The bill establishes a Minority Serving Institution Digital and Wireless Technology Opportunity Program to assist institutions in developing digital and wireless networking technologies.

Title X

Preventing Deceptive Private Lending Practices: This legislation prohibits private lenders from offering gifts to an institution or entering revenue sharing agreements and prohibits lenders from using the name, emblem, mascot, or logo of an institution. In addition, it prohibits lenders from providing any penalty on a borrower who repays their loan early. This provision also prohibits employees of an institution from participating in formal lender advisory meetings, but does make an exception for university presidents who serve on the board for a private lending institution as a requirement of State law. In addition, it imposes civil penalties on private lenders that violate these prohibitions.

Disclosure Requirements for Private Student Loans: H.R. 4137 expands the disclosure requirements for private lenders to include clear explanations on the range of interest rates, eligibility criteria for the loan, and whether the borrower may be eligible for Federal financial assistance.

Title XI

Title XI includes a number of studies, a selection of which appear below.

Study on Foreign Graduate Medical Schools: The bill requires that the Comptroller General complete a study that includes an examination of the amount of Federal student financial aid that is spent on graduate medical schools outside the U.S. and the percentage of overall student aid that this represents. The report is also to include the percentage of students who attend these foreign schools that pass, on their first attempt, the examinations administered by the Federation of State Medical Boards of the U.S. and the National Board of Medical Examiners. This study is to be completed within 18 months of enactment.

Analysis of Federal Regulations on Institutions of Higher Education: The bill directs the Secretary of Education to enter into an agreement with the National Research Council of the National Academy of Sciences to conduct a study determining the amount of Federal regulations and reporting requirements with which institutions of higher education must comply. This study is to be completed within two years of enactment.

Independent Evaluation of Distance Education Programs: The legislation directs the Secretary of Education to enter into an agreement with the National Research Council of the National Academy of Sciences to conduct a statistical evaluation of the quality of distance education programs of higher education institutions compared to on-campus programs. A final report on these findings is to be completed no later than June 30, 2008.

Study on Teaching Students With Reading Disabilities: The Secretary of Education is to conduct a study, in cooperation with the Center for Education of the National Academies, to determine if teachers are adequately prepared to meet the needs of students who may have reading disabilities.



Report on Income Contingent Repayment Through the Income Tax Withholding System: In coordination with the Secretary of the Treasury, the Secretary of Education is to conduct a study on the benefits of loan repayment through income based plans. This report is to be submitted to Congress no more than one year after enactment.

Study on the Financial Compliance Audits of the Federal Student Loan Program: The Comptroller General is to complete a study examining all the financial and compliance audits and reviews required or conducted as part of the proper management of federal student loans. This report is to be completed no more than one year after enactment.

ADDITIONAL VIEWS

Education and Labor Ranking Member Buck McKeon (R-CA): "The bill recognizes the remarkable power of sunshine and transparency to empower consumers and create higher education system that will continue to be the best in the world. This reauthorization has been five years in the making, and for students and families, it's coming not a moment too soon. I look forward to swift passage of this agreement in the House and Senate so that we can send it to the President for his signature."

STAFF CONTACT

For questions or further information contact Brianne Miller at 6-2302.