

HEA Accomplishments and Compromises
*(includes 2006 and 2007 reconciliation bills,
and 2008 final bill)*

Accomplishments	Compromises or Related Provisions
<p>Institutional autonomy is preserved: The bill does not include any provisions that would control admissions, prices, student outcome measures, academic content, or transfer of credit.</p>	<p>A last minute provision was added in conference to ensure that students called to military service are guaranteed college re-enrollment.</p>
<p>Accreditation: Secretary of Education is prohibited from dictating rigid measures of student achievement.</p> <p>Appointment authority for members of the body that reviews accreditation agencies (known as the National Advisory Committee on Institutional Quality and Integrity) is broadened – offering further protection against control of the accreditation process by the Secretary.</p> <p>In addition, there are no public disclosures of internal reviews and religious mission is protected.</p>	
<p>College Cost: No price controls.</p> <p>Since 2003, we have pushed back proposals to –</p> <ul style="list-style-type: none"> ✓ Cut off all Title IV funding other than loans and Pell Grants to institutions that increased tuition by more than twice the rate of inflation. ✓ Force institutions that exceeded the federally prescribed “college affordability index” to submit management action plans to the Department of Education, to be reported to their accreditors, and to be subject to audit by the Inspector General. ✓ Require the establishment of “quality-efficiency task forces” to review the operations of the 5 percent of institutions with the highest cost increases. ✓ Require institutions to include net price information by income quartile in their admissions materials. 	<p>Schools with the largest percent increases in tuition and fees or in net price over three years will have to submit special reports to the Secretary of Education. These schools – along with those having the highest tuition and fees or the highest net price in one year – will also be placed on public watch lists.</p> <p>Additional information about an institution’s tuition/fees and net price will be published on the Department’s College Navigator Web site. The net price information will be broken down by income categories.</p>

<p>Transfer of Credit: No government control of institutional policies on transfer of credit.</p>	<p>Schools will have to publish their transfer of credit policies and any established criteria the institution uses regarding transfer credits.</p>
<p>Articulation Agreements: NAICU was successful in assuring that private institutions will not be forced into participation in statewide articulation agreements developed by the Secretary of Education and state education officials.</p>	
<p>Teacher Preparation: No federal curriculum standards (including a specific ban), and institutions are not required to create new programs to meet national goals.</p>	<p>Schools will have to report on state teacher education report cards their progress toward meeting state or the Secretary of Education goals in teacher shortage areas.</p>
<p>Student Unit Record Data: The bill prohibits the establishment of a federal student unit record data system</p>	<p>The bill authorizes funding to support the development of statewide student data systems.</p>
<p>Student Loan Ethics Rules: Protects charitable giving by banks to colleges, and preserves the ability of financial experts to serve on college boards and college presidents to serve on bank boards.</p>	<p>Student financial aid administrators will need to follow new codes of conduct and provide annual training on the codes.</p>
<p>No elimination of Pell Grants (“front-loading”) for third and fourth year students: Increases both the actual funding* for Pell Grants and the allowable award levels for future years,</p>	<p>Automatic funding for Pell is done through student loan cuts that some believe could contribute to liquidity problems.</p> <p>Establishes an unproven PLUS student loan auction.</p>
<p>Preserved Perkins Loans, LEAP, and SEOG from elimination. Revitalized LEAP with a new federal-state partnership program, “GAP”</p>	
<p>Increase in Loan Limits*: Dependent undergraduates’ annual limits were raised to \$3,500 (Year 1) and \$4,500 (Year 2). The limit for third-year students and beyond remained at \$5,500 (Year 3+) in subsidized and/or unsubsidized loans. As of July 1, 2008, undergraduates will be able to borrow an additional \$2,000 of unsubsidized loans each year. The aggregate loan limit increased to \$31,000, but only \$23,000 may be subsidized.</p>	<p>Most recent increase of \$2,000 only applies to unsubsidized loans.</p>

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<p>Creates Grad PLUS Program*: This program will allow graduate students to borrow up to the cost of attendance.</p>	<p>The interest rate is higher than on Stafford loans, but may be better than private loans. It is a fixed rate of 7.9 % for DLP and 8.5% for FFELP.</p>
<p>Improved Borrower Provisions*: Gradually reduces the fixed rate on Stafford loans from 6.8 to 3.4 percent. Several new loan forgiveness options have been provided; the teacher loan forgiveness of \$17,500 is extended permanently; and a new income-based repayment (IBR) option is added.</p>	<p>The loan forgiveness for public service may provide limited benefit. Borrowers who choose the IBR option must be careful to avoid actions that could add significant amounts of interest to the total owed.</p>
<p>Last Dollar: No new federal controls over institutional aid through federal oversight of student aid packaging.</p>	
<p>Need Analysis*: Increases the income protection allowance for students.</p>	<p>Student with dependents will be favored over parents with dependent students.</p>
<p>Drug Penalty Provision*: Financial aid penalties for drug use are limited to the period when a student is receiving aid.</p>	<p>Student aid eligibility penalty still remains for drug use, as opposed to other crimes.</p>
<p>Integrity Provisions: Extension of the cohort default rate (CDR) collection period for an additional year to reduce manipulation of the rates.</p>	<p>The 90/10 ratio for proprietary schools has become meaningless.</p> <p>The 50 percent rule has been eliminated for telecommunications courses.</p>
<p>Compliance Calendar: The bill includes provisions recommended by NAICU in 2002 to provide institutions with a list of reporting requirements and disclosures required under the Higher Education Act.</p>	<p>Unfortunately, there will be numerous new requirements to be added to this list.</p>
<p>Reporting/Disclosure: Over time, provisions relating to peer-to-peer file sharing, fire safety, vaccines, and consumer information reporting under IPEDS have been made less onerous. Required reports on endowments and distance education have been dropped.</p>	<p>As noted above, numerous new reporting requirements remain in the bill. In addition to the ones already mentioned, these include provisions relating to textbooks, alumni activities, student aid status of graduates, campus security, missing students, and alcohol and drug violations.</p>
<p>Negotiated Rulemaking: The bill includes language to help assure that individuals truly representative of higher education will be appointed to negotiated rulemaking panels.</p>	

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