

## **Higher Education Act Reauthorization H.R. 4137, The Higher Education Opportunity Act Provisions of Interest to the CSU**

The Higher Education Act (HEA) was last reauthorized in 1998. That authorization expired in 2003. Since that time, the HEA has been extended numerous times, and significant pieces of legislation passed through the budget reconciliation process have made changes to the terms and conditions of the federal student loan programs, increased Pell Grant funding, and created the ACG/SMART and TEACH grant programs. In July 2008, the Congress finally passed the latest reauthorization of the HEA. The President signed [HR 4137](#), known as the Higher Education Opportunity Act (HEOA) into law on August 14.

The sprawling, 1158-page bill touches on a vast array of topics directly and at times indirectly related to higher education. The HEOA will be in effect for five years and encompasses eleven titles, covering such subjects as teacher preparation, student financial assistance, developing and minority serving institutions, international education, graduate programs, and more than sixty miscellaneous new programs. The following summarizes provisions that are of particular interest to the CSU and its individual campuses.

**Pell Grants** – The [Pell Grant](#) represents the foundation of federal student financial aid programs. As the most need-focused federal aid, a strong Pell Grant program is essential to closing the gap in college enrollment and completion that exists between low-income students and their more affluent peers. The CSU strongly supported improvements to the Pell Grant program, and notes the following provisions in the HEOA:

- *Additional Pell Grants for year-round study* – A top priority for the CSU, the HEOA requires the Secretary to provide a second Pell Grant for students who pursue year-round study. Students who receive a second Pell award may exceed the authorized maximum grant for the year in which they receive it.
- *Maximum Authorized Pell Award* – The law increases the maximum authorized Pell Grant award to \$6,000 for the 2009–2010 academic year, and increases that level annually in steps to \$8,000 for the 2014-15 academic year.
- *Minimum Pell Award* – The HEOA eliminates the \$400 minimum Pell Grant award, and replaces it with a provision setting the minimum award at 10 percent of the maximum grant in any given year. Students who qualify for between 5 percent and 10 percent of the maximum would receive 10 percent of the maximum grant award.

**ACG/SMART Grants** – [Academic Competitiveness and National SMART grants](#) are need based aid targeting improved math and science education. The HEOA amends these programs to make it easier for students to qualify by increasing state control over what is considered a rigorous course of study in high school, a prerequisite for the grants.

**Teacher Preparation** – The HEOA streamlines three federal grant programs - state, recruitment, and partnership grants - into a single partnership grant program. It also

requires institutions to report data on those completing their teacher preparation programs, including pass rates on credentialing exams, and to set and report quantifiable goals for the preparation of teachers. The law further requires states to assess and report low-performing teacher preparation programs. In the event that a state withdraws its approval or terminates financial support for a program, students enrolled in the program will be ineligible for Title IV aid. Some are concerned that this new provision will lead states to simply report no low-performing schools as a method to avoid such sanctions.

**Early Intervention Programs (TRIO and GEAR UP)** – These outreach programs are strongly supported and utilized by the CSU. As hoped, the HEOA maintains the [TRIO](#) and [GEAR UP](#) programs as separate and distinct. In addition, the legislation authorizes a TRIO Veterans Upward Bound Math/Science program; establishes an appeals process for unsuccessful grants that might have been scored incorrectly; eliminates the recent requirement that Upward Bound students must begin the program in the 9<sup>th</sup> grade; prohibits the Secretary from requiring “control groups” of unserved students; and creates new accountability measures.

**Hispanic-Serving Institutions (HSIs)** – The HEOA creates a new graduate education component for HSIs under Title V of the HEA. This new initiative would be a distinct funding source to improve graduate programs at Hispanic-Serving Institutions (HSIs), and would be similar in nature to the Strengthening Historically Black Graduate Institutions program under Part B of Title III. Approximately half of the CSU’s campuses are HSIs, with more expected to qualify for that designation in the near future. A number of CSU institutions should be well positioned to compete for these grants, assuming they are funded.

#### **Veterans and Service Member Education**

- One of the CSU’s signature outreach efforts is its role in the California [Troops to College](#) initiative, which actively recruits and assists veterans and active duty military personnel in the pursuit of a postsecondary education. Key among these efforts is the establishment of one-stop support centers on campus to help veterans to succeed and graduate. The HEOA authorizes grants for “Centers of Excellence for Veterans Success,” based on the CSU model. The CSU will now advocate funding of this new competitive program.
- The law requires states to give in-state tuition rates to active duty service men and women, their spouses, and their children.
- The law gives the children of service members killed in the Iraq or Afghanistan conflicts automatic eligibility for the maximum Pell Grant award.
- The law establishes a scholarship program for veterans and their dependants under the FIPSE program.

**Community Service/Campus-Based Aid Programs** – The [Campus-Based Aid programs](#) consist of Supplemental Education Opportunity Grants (SEOG), College Work Study, and the Perkins Loan program. Collectively, these programs provide institutions with flexibility to meet unmet student financial need for low-income students. The CSU supports these programs, and is glad to see their continued authorization in the

legislation. In addition, the HEOA amends the Work Study program to encourage community service activities in preparation for and during emergencies and disasters, and provides compensation to students for training and travel directly related to community service activities. These additions will prove valuable to CSU's efforts in this regard.

**Sustainability** – The HEOA authorizes a new program that, if funded, would provide grants for sustainability planning. The CSU would likely be well positioned to compete for such grants.

**College Affordability** –

- *Institutional costs* - The legislation contains provisions designed to provide consumers with information on college affordability. Specifically, it will create lists of institutions with the highest, lowest, and most rapidly increasing tuition and fees. Institutions with the most rapidly increasing tuitions will be required to report a number of data elements to the Secretary. The CSU is supportive of transparency in college costs and pricing, and supports providing students and parents with accurate and understandable information on what a college education is likely to cost them.
- *State spending* - The law also requires the Secretary to compile a report on state spending on higher education, along with a number of data elements, including the percentage of change in tuition and fees for the state's public institutions of higher education, in order to gauge the effect of state spending on the cost of higher education.
- *State Maintenance of Effort* - The law requires states to maintain spending on higher education at least equal to the average amount spent over the past 5 years. States that fail to maintain such effort would lose eligibility to participate in the new State Challenge Grant program, should that program be funded.

**Emergency Notification** – The HEOA requires institutions to provide a statement of current campus policies regarding emergency response and evacuation procedures, and to have a policy in place to immediately notify the campus community in the event of a confirmed threat to health or safety, unless such notification will compromise efforts to contain the emergency.

**Peer to Peer File Sharing** – The law will require institutions to inform students of the penalties for the illegal sharing of copyrighted materials; certify to the Secretary that they have developed plans to effectively combat unauthorized distribution of such material; consider the use of technology-based solutions to illegal file sharing; and to the extent practicable offer alternatives to illegal file sharing.

**Text Book Cost Information** – The HEOA requires, to the extent practicable, that institutions provide information regarding textbooks required for their course schedules, and retail price information on required books. If the information cannot be provided, the institution is to list it as “to be determined.” The institution must also furnish information on required books and course schedules to affiliated book stores.

**Urban Serving Universities** – The HEOA does not establish a new CSU-supported program to aid Urban Serving Universities that had been included in the House version of the legislation. This provision was omitted due to opposition in the Senate.

**Rural Serving Institutions** – The HEOA authorizes a new grant program for Rural-Serving Institutions of Higher Education. If funded, this program would provide money to partnerships that educate underserved populations in rural areas. Some CSU campuses may be well positioned to participate in such partnerships.

**Graduate Assistance in Areas of National Need (GAANN)** – The HEOA reauthorizes the [GAANN](#) program, which the CSU strongly supported. The law also contains a provision authored by the late Rep. Tom Lantos at CSU's request that would ensure that programs terminating in a Masters degree could compete for GAANN grants.

**Implementation** – While in general the HEOA went into effect with the president's signature, implementation of some programs will depend upon annual decisions by appropriators on whether and to what extent to fund them. In addition, some provisions will require additional time to implement. For example, clarifying regulations will be enacted through a negotiated rule-making process (mostly student financial aid and a few teacher preparation provisions). This [process](#) will start with a series of hearings in September, with negotiations likely to occur in February under a new administration. Moreover, given the size and complexity of this legislation, it is extremely likely that a technical corrections bill will be considered next year.

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