

CRS Report for Congress

The Higher Education Opportunity Act: Reauthorization of the Higher Education Act

September 8, 2008

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Prepared for Members and
Committees of Congress

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Summary

The Higher Education Act of 1965 (HEA; P.L. 89-329), as amended, authorizes a broad array of federal student aid programs that assist students and their families with paying for or financing the costs of obtaining a postsecondary education. The HEA also authorizes a series of programs that provide federal aid and support to institutions of higher education. HEA programs are administered by the U.S. Department of Education (ED).

In the 110th Congress, the Higher Education Opportunity Act (HEOA; P.L. 110-315) was enacted to amend, extend, and establish new programs under the Higher Education Act of 1965 (HEA). In most cases, funding authorization for programs extended or newly established under the HEOA is provided through FY2014. The HEOA also makes amendments to a number of other laws. Prior to the enactment of the HEOA, the last comprehensive reauthorization of the HEA occurred in 1998, under the Higher Education Amendments of 1998 (P.L. 105-244), which authorized funding for most HEA programs through FY2003.

Reauthorization of the HEA was considered during the 108th, 109th, and 110th Congresses. While reauthorization of the HEA was being considered, funding authorization for HEA programs had been extended under the General Education Provisions Act (GEPA) and a series of Higher Education Extension Acts. Separate from bills to reauthorize the HEA, significant changes to several HEA programs were made under the Higher Education Reconciliation Act of 2005 (HERA; P.L. 109-171), the College Cost Reduction and Access Act (CCRAA; P.L. 110-84), and the Ensuring Continuing Access to Student Loans Act of 2008 (ECASLA; P.L. 110-227).

In the first session of 110th Congress, the Senate passed S. 1642, the Higher Education Amendments of 2007 (S.Rept. 110-231), to reauthorize the HEA. In the second session, the House passed H.R. 4137, the College Opportunity and Affordability Act of 2008 (H.Rept. 110-500). Many of the provisions contained in either or both the Senate- and House-passed bills were agreed to by House and Senate conferees in the conference report to H.R. 4137 (H.Rept. 110-803). The House and the Senate passed H.R. 4137, the Higher Education Opportunity Act, on July 31, 2008. The President signed it into law as P.L. 110-315, on August 14, 2008.

This report begins with a brief overview of the HEA, its organization into various titles, and the major programs and program requirements specified under each title. It then identifies and describes selected amendments made to the HEA and other laws by the HEOA. This report will be updated as warranted.

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The Higher Education Opportunity Act: Reauthorization of the Higher Education Act

Overview of the Higher Education Opportunity Act

In the 110th Congress, the Higher Education Opportunity Act (HEOA; P.L. 110-315) was enacted to amend, extend, and establish new programs under the Higher Education Act of 1965 (HEA; P.L. 89-329). In most cases, funding authorization for programs extended or newly established under the HEOA is provided through FY2014. The HEOA also makes amendments to and extends funding authorization within a number of other laws.

The HEA authorizes a broad array of federal student aid programs that assist students and their families with paying for or financing the costs of obtaining a postsecondary education, as well as programs that provide aid to institutions of higher education (IHEs). The HEA, as amended by the HEOA, is organized into eight titles. Title I specifies general provisions and definitions for most of the programs authorized under the HEA. Most of the federal student aid programs are authorized under Title IV, Student Assistance. Title IV also authorizes programs that make available services and support to less-advantaged students. In addition, programs that make available assistance to students pursuing international education and certain graduate and professional degrees are authorized under Title VI, International Education Programs and Title VII, Graduate and Postsecondary Improvement Programs. Programs that make available aid and support to institutions are authorized under Title II, Teacher Quality Enhancement, Title III, Strengthening Institutions, and Title V, Developing Institutions. Finally, the HEOA added a new title, Title VIII, Additional Programs, to the HEA.¹ HEA programs are administered by the U.S. Department of Education (ED).

The Higher Education Act of 1965 was enacted as P.L. 89-329, on November 8, 1965. Since then, the HEA and its component programs have been amended and extended numerous times. On several occasions, the HEA has been comprehensively amended and reauthorized. Prior to the enactment of the HEOA, the last comprehensive reauthorization of the HEA occurred in 1998, under the Higher Education Amendments of 1998 (P.L. 105-244), which authorized funding for most HEA programs through FY2003.² During the period leading up to the enactment of

¹ For additional information on the HEA and its component programs, see CRS Report RL34214, *A Primer on the Higher Education Act*, by Blake Alan Naughton.

² See also, the Higher Education Amendments of 1968 (P.L. 90-575), the Higher Education (continued...)

the HEOA, authorization for HEA programs had been extended for one additional fiscal year under the General Education Provisions Act (GEPA), and then incrementally through a series of Higher Education Extension Acts.³

Major amendments to selected HEA programs — particularly those that receive mandatory funding — have also been made as part of recent budget reconciliation measures. In the 109th Congress, the Federal Family Education Loan (FFEL) program and the William D. Ford Federal Direct Loan (DL) program were amended and extended under the Higher Education Reconciliation Act (HERA, part of P.L. 109-171).⁴ In the 110th Congress, the College Cost Reduction and Access Act (CCRAA; P.L. 110-84) made significant changes to FFEL and DL programs, the Federal Pell Grant program, and the federal need analysis formula.⁵ Additionally, in Spring 2008, emergency changes to the federal student loan programs were made under the Ensuring Continuing Access to Student Loans Act of 2008 (ECASLA; P.L. 110-227).⁶

In the first session of 110th Congress, the Senate passed S. 1642, the Higher Education Amendments of 2007 (S.Rept. 110-231), to amend and extend the HEA. In the second session of the 110th Congress, the House passed an HEA reauthorization bill, H.R. 4137, the College Opportunity and Affordability Act of 2008 (H.Rept. 110-500). The two bills contained a number of similar provisions, as well as many that were unique to each bill.⁷ Many of the provisions contained in either or both the Senate and House bills were agreed to by House and Senate conferees in approving the conference report to H.R. 4137 (H.Rept. 110-803). Both the House and the Senate passed H.R. 4137, renamed as the Higher Education Opportunity Act, on July 31, 2008; and it was signed into law by the President on August 14, 2008 (P.L. 110-315).

² (...continued)

Amendments of 1972 (P.L. 92-318), the Higher Education Amendments of 1976 (P.L. 94-482), the Higher Education Amendments of 1980 (P.L. 96-374), the Higher Education Amendments of 1986 (P.L. 99-498), and the Higher Education Amendments of 1992 (P.L. 102-325).

³ Fourteen laws that temporarily extended the HEA were enacted: P.L. 108-366, P.L. 109-81, P.L. 109-150, P.L. 109-212, P.L. 109-238, P.L. 109-292, P.L. 110-44, P.L. 110-51, P.L. 110-109, P.L. 110-198, P.L. 110-230, P.L. 110-238, P.L. 110-256, and P.L. 110-300.

⁴ For additional information about changes made to HEA programs through the HERA, see CRS Report RS22308, *Student Loans and FY2006 Budget Reconciliation*, by Adam Stoll.

⁵ For information on changes to HEA programs made under the CCRAA, see CRS Report RL34077, *Student Loans, Student Aid, and FY2008 Budget Reconciliation*, by Adam Stoll, David P. Smole, and Charmaine Mercer.

⁶ For information on the ECASLA, see CRS Report RL34452, *Proposals to Ensure the Availability of Student Loans During an Economic Downturn: A Brief Overview of H.R. 5715 and S. 2815*, by David P. Smole.

⁷ For a detailed description of the proposals passed by the Senate in S. 1642, and the House in H.R. 4137, see CRS Report RL34283, *Higher Education Act Reauthorization in the 110th Congress: A Comparison of Major Proposals*, coordinated by Blake Alan Naughton.

The HEOA is composed of eleven Titles, as identified below.

- Title I: General Provisions
- Title II: Teacher Quality Enhancement
- Title III: Institutional Aid
- Title IV: Student Assistance
- Title V: Developing Institutions
- Title VI: International Education Programs
- Title VII: Graduate and Postsecondary Improvement Programs
- Title VIII: Additional Programs
- Title IX: Amendments to Other Laws
- Title X: Private Student Loan Improvement
- Title XI: Studies and Reports

In general, Titles I through VII of the HEOA amend, extend, and authorize new programs under the corresponding titles of the HEA. Title VIII of the HEOA adds a new Title VIII to the HEA, which establishes a series of new programs. Together, the eight titles of the HEA specify program requirements and authorize a wide array of programs that assist students and their families with paying for or financing the costs of obtaining a postsecondary education; and also programs that provide aid to institutions. Titles IX and X of the HEOA primarily make amendments to other laws; and Title XI establishes requirements for a series of studies and reports.

In general, amendments made under the HEOA to the HEA are effective the date of enactment (August 14, 2008). However, certain amendments are effective either prospectively or retroactively. Unless otherwise noted, the amendments discussed below are effective the date of enactment. Also, unless otherwise noted, authorizations for the appropriation of funds for discretionary grant programs are provided for FY2009 through FY2014. See **Appendix A** for a complete list of authorizations of appropriations in the HEA, as amended by the HEOA.

The remainder of this report is divided into two parts. The first part is organized in a manner that corresponds with the organization of the HEA and identifies and describes amendments the HEOA makes to the HEA. The second part describes changes the HEOA makes to other laws and the studies and reports it requires.

Amendments to the Higher Education Act

Title I: General Provisions

Title I of the HEA specifies general provisions and definitions that govern most of the programs authorized by the HEA. It includes many institutional reporting requirements, important definitions such as that of an “institution of higher education” (IHE), and authorization of a performance based organization (PBO) to administer federal student aid within ED. The HEOA adds a new Part E to Title I, which specifies lender and institution requirements relating to education loans. Major changes to Title I made under the HEOA are identified and described below. In addition to these changes to the HEA, § 119 of the HEOA establishes a prohibition

against IHEs using any federal funds awarded under the HEA for lobbying purposes or to influence grantmaking processes; however, this provision is not added to the HEA.

Part A: Definitions. Part A of Title I of the HEA is comprised of definitions that are applicable to certain parts of the act. The HEOA amends a number of previously existing definitions and adds several new definitions, including ‘authorizing committees,’ ‘critical foreign language,’ ‘distance education,’ ‘diploma mill,’ ‘early childhood education,’ ‘poverty line,’ ‘universal design,’ and ‘universal design for learning.’

Changes to the Definition of an Institution of Higher Education. The HEA contains two definitions of “institution of higher education” (IHE), which are primarily used to qualify entities as eligible to receive student or institutional assistance authorized under the act. A general definition of an IHE is specified at HEA, § 101 and applies for purposes other than Title IV. For purposes of Title IV, a separate IHE definition is specified at HEA, § 102 (primarily for the purpose of expanding the definition to include for-profit institutions). Effective July 1, 2010, the HEOA makes the changes described below to these previously existing definitions of IHEs. In certain instances, the HEOA incorporates into statute provisions that had previously been established through regulations promulgated by the Secretary of Education (hereafter referred to as the Secretary).

Students within the Definition of an IHE. The definition of an IHE is based in part on the types of students served by an entity. The HEOA explicitly adds home-schooled students to the types of students who may be considered “regular” students at an IHE. The amended definition also permits IHEs to admit as regular students individuals who are dually or concurrently enrolled in the IHE and at a secondary school.

Types of Institutions within the Definition of an IHE. To the delineated types of entities that may be considered IHEs, the HEOA explicitly adds graduate-only institutions, as well as institutions that award a degree that is acceptable for admission to a graduate or professional degree program (subject to review and approval by the Secretary).

IHEs Outside of the United States. The provisions in Title I, Part A defining the eligibility of foreign IHEs to participate in FFEL (Title IV, Part B) are amended as follows. (Foreign schools are excluded from participating in any other HEA programs.) Under the pre-HEOA definition, foreign schools, (including in certain circumstances, proprietary, or for-profit, institutions), were permitted to certify FFEL program loans for their students who are from the United States. The only foreign proprietary institutions permitted to participate had been graduate medical schools and veterinary schools. Effective July 1, 2008, the Title IV definition of IHE is amended to extend eligibility to participate in the FFEL program to proprietary foreign nursing schools, contingent on the schools meeting certain requirements.

Elimination of the “90/10 Rule” for Proprietary Institutions from the Definition of an IHE. To ensure that for-profit institutions do not derive all of their income from Title IV student aid, the definition of an IHE — prior to enactment of

the HEOA — included a provision that proprietary institutions derive at least 10% of their revenues from non-Title IV sources. Failure to meet this requirement resulted in the loss of Title IV eligibility.⁸ The HEOA eliminates the 90/10 rule as a condition of institutional eligibility by removing it from the Title I, Part A definition of an IHE; but the HEOA retains the effect of the provision by making it part of the Program Participation Agreement (PPA) required under Title IV, Part G (see below).

Part B: Additional General Provisions. Title I, Part B of the HEA consists of provisions and other requirements that are generally applicable to IHEs participating in programs authorized by the act. The HEOA amends and restructures provisions establishing the National Advisory Committee on Institutional Quality and Integrity (NACIQI), though without significantly altering NACIQI's purpose of advising the Secretary on decisions related to recognition of accrediting agencies. The HEOA also reauthorizes the Drug and Alcohol Abuse Prevention program established under Title I, Part B and makes the following additional changes.

Sense of Congress Regarding the Rights of Institutions and Students. The HEOA extends the Protection of Student Speech and Association Rights provisions with a Sense of Congress statement that the diversity of institutions and educational missions is a strength of the American higher education system; IHEs should have different missions and design their academic programs in accordance with their educational goals; IHEs should facilitate the free and open exchange of ideas; students should not be intimidated or discouraged from speaking out; students should not be discriminated against; students should be treated equally and fairly; and any sanctions imposed on students should be done objectively and fairly. This provision has commonly been referred to as being similar to an “academic bill of rights,” although it is significantly different than the Sense of Congress resolution regarding an academic bill of rights that was introduced in the House in 2003.⁹

College Planning and Financing Information. The HEOA adds a number of new requirements to Title I, Part B relating to how students and families plan for college and what information is available to them to make informed college selection choices. Provisions include requiring the Secretary to improve the usefulness and accessibility of department-provided college planning and financial aid information; collecting and making information available online about federal aid available from other federal departments and agencies; developing a new website with federal and state financial aid information for members of the Armed Forces, veterans, and their dependents; and developing a website that provides financial assistance information for students interested in science, technology, engineering, and mathematics (STEM) and which includes both public and private sources of aid. Other new information-related provisions are described in further detail below.

⁸ For additional information, see CRS Report RL32182, *Institutional Eligibility and the Higher Education Act: Legislative History of the 90/10 Rule and its Current Status*, by Rebecca R. Skinner.

⁹ See H.Con.Res. 318 in the 108th Congress.

Diploma Mill Information. The HEOA requires the Secretary, working with other federal agencies, to publish information on identifying and avoiding diploma mills, which are unaccredited entities that offer degrees, diplomas, or certificates to individuals for a fee and that require the individual to complete little or no educational coursework.

IHE Data Reporting Requirements. Within one year of the date of enactment of the HEOA, the Secretary is required to make publicly available specified information about institutions, such as data related to student enrollment, graduation rates, cost of attendance, student aid, and specific services offered by the institution. Many of the data items that are delineated in the HEOA are currently collected in some form through the Integrated Postsecondary Education Data System (IPEDS) or other data collection efforts maintained by ED. However, the HEOA expands and codifies these data reporting requirements in statute. These new Title I, Part B reporting requirements are in addition to those added under Title I, Part E and Title IV, Parts B and D (all related to student loans); and Title IV, Part G (in general).

Prohibition Against a Federal Student Record Database. The HEOA provides that, except under specific circumstances, the development, implementation, or maintenance of a federal database containing the personally identifiable information of students is prohibited. This prohibition does not apply to systems necessary for the operation of programs authorized under Titles II, IV, or VII of the HEA, and that were in use the day before enactment of the HEOA.

State Higher Education Information System Pilot Program. The HEOA establishes a competitive grant program to support the development of state-level postsecondary education data systems in up to five states.

Part C: Cost of Higher Education. Title I, Part C of the HEA includes provisions focused on collecting data on college costs and prices. The HEOA establishes new requirements under Title I, Part C related to the increasing price of college and universities.¹⁰ (Title VIII, Part M, Low Tuition, described below, authorizes a new program also related to cost.) The new requirements, which are generally aiming to address college affordability issues through enhanced transparency and consumer information are described below.

College Affordability and Transparency Lists. Beginning July 1, 2011, the Secretary must annually publish six lists related to college affordability, by institution sector (e.g., public four-year institutions):

- the 5% of institutions with the highest tuition and fees,
- the 5% of institutions with the highest net price,

¹⁰ For additional information, see CRS Report RL34224, *College Costs and Prices: Issues for Reauthorization of the Higher Education Act*, by Rebecca R. Skinner and Blake Alan Naughton.

- the 5% of institutions with the largest percentage increase in tuition and fees over the last three academic years (unless the increase was less than \$600),
- the 5% of institutions with the largest percentage increase in net price over the last three academic years (unless the increase was less than \$600),
- the 10% of institutions with the lowest tuition and fees, and
- the 10% of institutions with the lowest net price.

Institutions listed on the third or fourth lists are subject to reporting requirements related to the reasons for cost increases and steps being taken to reduce costs. The provision defines the term “net price.”

State Maintenance of Effort. A new state “maintenance of effort” (MOE) provision is added under Title I, Part C, which requires states to maintain appropriations for the general operations of public IHEs and student financial aid to private IHEs in each academic year beginning on or after July 1, 2008, that equal or exceed the average appropriation over the preceding five years. If a state fails the MOE test, the Secretary is required to withhold the state’s allotment of funds for the College Access Challenge Grant Program (Title VII, Part E) “until such State has made significant efforts to correct such violation.” ED must also report state-level data related to the percentage change in state spending per full-time equivalent student enrolled at a public IHE, the percent change in average tuition and fees at public IHEs, and the percentage change in need-based aid and merit-based aid provided by the state.

Institution Pricing Summary and Net Price Calculator. The Secretary is required to add an institution pricing summary page to the College Navigator website, to be updated annually, and which must include data on tuition and fees, net price, and the average annual percentage change and average annual dollar change in tuition and fees and net price. In addition, ED must develop a net price calculator that would enable current or prospective students to estimate their net price of attendance at an institution. IHEs are subsequently required to make a net price calculator available to current and prospective students. ED must also develop a multi-year tuition and fees calculator to enable students to determine a nonbinding estimate of the price of a postsecondary education for the normal duration of an undergraduate or graduate program.

Textbook Prices. The HEOA established a series of new provisions under Title I of the HEA that affect textbook publishers. Effective July 1, 2010, publishers must provide faculty members with various information about textbooks, including price information and copyright dates of previous editions. Also, except under certain circumstances, textbook publishers must “unbundle” materials, making textbooks, and each supplement to a textbook, available as a separate item. Institutions must publish in online course pre-registration and registration materials information about all required texts that will be used in the class, as well as the retail price of course materials. Finally, IHEs must provide to any college bookstore, upon request, its course schedule, required or recommended materials for each course, and course enrollment information.

In-state Tuition for Active Duty Servicemembers and Families. HEOA amendments that take effect July 1, 2009, require states to provide members of the Armed Forces on active duty, their spouses, and their dependent children with in-state tuition at public institutions if they are domiciled or stationed on permanent duty within the state for more than 30 days. States must also allow such individuals to continue to pay in-state tuition if they are continuously enrolled, even if the member's permanent duty station is relocated outside of the state. No federal funds are made available to assist states in complying with this requirement; and no penalties are specified for non-compliance.

Part D: Delivery of Student Financial Assistance. The HEOA includes technical and other minor amendments to provisions concerning the Performance-Based Organization which administers Title IV student financial aid programs.

Part E: Lender and Institution Requirements Relating to Education Loans. A new Title I, Part E establishes disclosure and reporting requirements which are applicable to lenders and IHEs with respect to federal student loans made under Title IV and private education loans. The newly established reporting and disclosure requirements are summarized below.

Loan Disclosure and Reporting Requirements for Institutions. Institutions participating in preferred lender arrangements, in which the IHE recommends, promotes, or endorses the education loan products of certain lenders, must disclose on their websites and in informational materials: the maximum amount of Title IV grant and loan aid available to students; detailed information about the terms and conditions of loans; and that under the FFEL program, the institution is required to process applications to obtain a loan from any eligible lender. In addition, institutions must provide prospective borrowers of private education loans with the information required to be disclosed under § 128(e) of the Truth in Lending Act (see Title X, below); inform them that they may qualify for federal student aid under Title IV; and inform them that the terms and conditions of federal student loans may be more favorable than the terms and conditions of private education loans.

Disclosure and Certification Requirements for Lenders. Lenders of federal student loans must disclose to borrowers written information about the terms and conditions of loans at or prior to disbursement. Lenders of private education loans are required to disclose to borrowers, detailed information on the terms and conditions of private education loans. In addition, lenders of FFEL program loans are required to disclose to the Secretary, information on expenses paid to institutions; and must annually certify their compliance with the requirements of the HEA.

Model Disclosure Form. Not later than 18 months after the date of enactment, the Secretary, in coordination with the Board of Governors of the Federal Reserve System, is required to determine the minimum information that entities participating in preferred lender arrangements must make available to borrowers. Subsequently, they must develop a model disclosure form that may be used by IHEs and lenders for purposes of disclosing information about FFEL and DL program loans and private education loans to prospective borrowers.

Self-Certification Form for Private Education Loans. The Secretary, in consultation with the Board of Governors of the Federal Reserve System, is required to develop a self-certification form for private education loan applicants. Individuals applying for private education loans must complete and sign the form, using information available from the financial aid office of their IHE. Applicants must enter the following on the self-certification form: (1) cost of attendance (COA); (2) expected family contribution (EFC); (3) estimated financial assistance (EFA); (4) COA minus EFA; and (5) EFC, plus the difference between COA and EFA.

This form must also disclose to loan applicants (1) that the applicant may qualify for federal, state, or institutional aid in addition to a private education loan, (2) that the applicant is encouraged to discuss the availability of federal, state, and institutional aid with the financial aid office, (3) that a private education loan may affect the applicant's eligibility for federal, state, or institutional aid, and (4) that the information the applicant is required to provide on the form is available from the financial aid office.

Title II: Teacher Quality Enhancement

Title II of the HEA authorizes grants for improving teacher education programs, strengthening teacher recruitment efforts, and providing training for prospective teachers. This title also includes the reporting requirements for states and IHEs regarding the quality of teacher education programs. Amendments made to Title II under the HEOA include the following.

Part A: Teacher Quality Partnership Grants. Part A of Title II authorizes grants for improving teacher education programs, strengthening teacher recruitment efforts, and providing training for prospective teachers.¹¹ Prior to the HEOA, 45% of Title II, Part A funds were to be used to award State grants, and 10% were to be used to award Recruitment grants; however, this requirement had been overridden in recent years by language passed through appropriations legislation and ED had not awarded a new State grant since FY2005, nor a new Recruitment grant since FY2007. Under the HEOA amendments, both the State Grant and Recruitment Grant programs are eliminated, and 100% of Title II, Part A funds are authorized for the Partnership Grant program. Amendments made by the HEOA to the Partnership Grant program include the following.

Changes to Eligible Partnerships. Prior to the HEOA, under the Partnership Grant program, an eligible partnership included three entities: a "partner institution," a "school of arts and sciences" at a higher education institution, and a "high need local educational agency" (LEA). The HEOA amends the definition of an eligible partnership to require two additional partners (1) either a "high-need school" or "high-need early childhood education program," and (2) a "school, department, or program of education...within a 4-year institution." The definition of a high-need LEA is amended to require the LEA to serve either (a) not less than

¹¹ For additional information, see CRS Report RL31882, *Teacher Quality Enhancement Grants (Title II, Part A of the Higher Education Act): Overview and Reauthorization Issues*, by Jeffrey J. Kuenzi.

20%, or (b) not fewer than 10,000 children who are from families below the poverty line. The definition of a “partner institution” is amended to include two-year IHEs that offer a dual program with a four-year institution.

New Uses of Partnership Grant Funds. Prior to the HEOA, Partnership grantees were required to use their funds for program reforms, clinical experience, and professional development; and allowable uses included parental involvement, dissemination and coordination, leadership skills, and teacher recruitment. Under the HEOA, Partnership Grant funds are authorized to be used for either a Pre-Baccalaureate Preparation program, a Teacher Residency program, or both. Funds may also be used for a Leadership Development program, but only in addition to one of these other two uses. Activities authorized by the HEOA amendments are described below.

Pre-Baccalaureate Preparation Program. The HEOA specifies a variety of activities to be carried out under a Pre-Baccalaureate program which are similar to the use of funds under the prior Partnership Grant program. The act describes (in much greater detail than in previous law) how program funds for a Pre-Baccalaureate program must be used for program reforms, clinical experience, induction, early childhood education, recruitment, and literacy training. Program funds may also be used for a variety of other activities including “performance-based pay” for teachers who participate as mentors.

Teacher Residency Program. A new Teacher Residency program is established under which recent college graduates and mid-career professionals (who are not teaching) may receive a one-year stipend to obtain graduate-level teacher training in exchange for agreeing to serve three years in a high-need school immediately upon completion of the program.

Leadership Development Program. A new Leadership Development program is established to prepare students for careers as superintendents, principals or other school administrators, as well as to support activities that promote strong leadership skills among other mandatory activities.

Other Partnership Grant Amendments. The HEOA amends several administrative and other partnership grant requirements. The act increases the non-Federal funds matching requirement for Partnership grants from 25-50% to 100%. The HEOA enhances the reporting requirements for States and teacher preparation programs, including a required Report Card (with specified data requirements) from all programs that enroll students receiving Federal assistance under the HEA for both traditional programs as well as those that employ alternative routes to state certification.

Part B: Enhancing Teacher Education. Prior to the amendments made by the HEOA, Title II, Part B authorized a program for Preparing Tomorrow’s Teachers to Use Technology. The HEOA eliminates this program and establishes five new programs.

Subpart 1, Preparing Teachers for Digital Age Learners. The HEOA amendments establish a program called Preparing Teachers for Digital Age Learners,

authorizing the Secretary to award competitive grants to or enter into contracts or cooperative agreements with consortia to (1) prepare graduate teacher candidates to use modern information, communication, and learning tools; (2) strengthen and develop partnerships in the field of teacher preparation to ensure technology-rich teaching and learning environments; and (3) assess the effectiveness of IHEs in preparing teachers to implement technology-rich teaching and learning environments.

Subpart 2, Hawkins Centers of Excellence. The HEOA amendments establish a program called Honorable Augustus F. Hawkins Centers of Excellence, authorizing the Secretary to award competitive grants to eligible minority-serving institutions to ensure that current and future teachers are highly qualified. Grantees are to use funds to support activities similar to those supported under the Title II, Part A programs.

Subpart 3, Teach to Reach Grants. The HEOA amendments establish a program called Preparing General Education Teachers to More Effectively Educate Students With Disabilities, authorizing the Secretary to award Teach to Reach competitive grants to eligible partnerships to improve the preparation of general education teacher candidates' ability to instruct students with disabilities in general education classrooms.

Subpart 4, Adjunct Teacher Corps. The HEOA amendments establish a program called Adjunct Teacher Corps, authorizing the Secretary to award competitive grants to eligible entities to identify, recruit, and train qualified individuals with subject matter expertise in mathematics, science, or critical foreign languages to serve as adjunct content specialists in schools that have a shortage of such expertise.

Subpart 5, Graduate Fellowships to Prepare Faculty in High-Need Areas. The HEOA amendments establish a program called Graduate Fellowships to Prepare Faculty in High-Need Areas at Colleges of Education, authorizing the Secretary to award competitive grants to eligible IHEs to provide fellowships to graduate students preparing to become education professors who will prepare highly-qualified teachers in STEM, special education, or limited English proficient education. Those receiving a fellowship must fulfill a service agreement by teaching one year in a teacher preparation program for each year in which they received a fellowship.

Title III: Institutional Aid

Titles III and V are the primary sources of institutional support authorized by the HEA, including support for minority-serving institutions (MSIs).¹² Both titles award grants to IHEs to strengthen their academic, administrative, and financial capabilities. Title III, Part A includes provisions for IHEs that serve large numbers of needy students, Tribally Controlled Colleges and Universities (TCCUs), and Alaska Native and Native Hawaiian-Serving Institutions (ANNHSIs); and Title III, Part B

¹² For additional information, see CRS Report RL31647, *Title III and Title V of the Higher Education Act: Background and Reauthorization Issues*, by Charmaine Mercer.

establishes programs to support Historically Black Colleges and Universities (HBCUs) and Historically Black Graduate Institutions (HBGIs). Title V authorizes funds for Hispanic-Serving Institutions (HSIs); and Titles II, VI, VII, and VIII authorize other MSI programs (see below).¹³

Part A: Strengthening Institutions. Title III, Part A provides grants to eligible IHEs to support a variety of activities, including improving facilities, faculty development, curriculum development, student services, and others. Prior to passage of the HEOA, this part included three programs: Strengthening Institutions (for IHEs serving needy students), TCCU, and ANNHSI. The act amends the allowable uses of funds for these programs and establishes three new MSI programs, which are described below.¹⁴

Predominantly Black Institutions. The HEOA establishes a new Title III, Part A program authorizing the Secretary to award grants to Predominantly Black Institutions (PBIs). Unlike HBCUs, which are institutions founded during the era of segregation with a mission of educating black students, PBIs are defined as colleges and universities without a specific historical mandate to enroll African Americans, but whose student populations are now over 40% black. Although other programs under Title III, Part A define institutional eligibility criteria collectively under § 312(b),¹⁵ the PBI program establishes its own criteria. To be eligible for a PBI grant, IHEs must be accredited (or making progress toward accreditation); be legally authorized by the state to grant undergraduate degrees; not be an HBCU or HSI; enroll at least 1,000 undergraduates (half of which must be in degree programs); and have expenditures per student that are low compared to similar IHEs. In addition, PBIs must meet a two-part test for enrolling underprivileged students: (1) at least 50% of students must receive Pell Grants, come from a family receiving means-tested federal benefits, attend a high school meeting certain criteria under Title I of the Elementary and Secondary Education Act (ESEA), or be first-generation college students; *and* (2) at least 50% of students must be either from low-income families

¹³ Related MSI programs added or amended by the HEOA, but in parts other than Title III, Part A, include the following: Title II, Part B authorizing teacher education program support for MSIs; Title VI, Part C authorizing international affairs program support for MSIs; Title VII, Part A authorizing master's degree program support for HBCUs and PBIs; and Title VIII, Part G authorizing STEM program support for ANNHISIs.

¹⁴ Although the HEOA establishes three new programs under Title III, Part A, the CCRAA already provided mandatory appropriations for institutions serving these populations. The HEOA moves the CCRAA mandatory appropriations for MSIs from Title IV, Part J to Title III, Part F, and retains the definitions and grant criteria as separate from the Title III, Part A definitions and criteria.

¹⁵ Under § 312(b), IHEs must have expenditures per student that are low compared to similar IHEs; be legally authorized by the state to award undergraduate degrees; be accredited (or making progress toward accreditation); and enroll needy students — defined as either having a student body in which at least half receive Title IV financial aid or in which more than an average number (compared to similar IHEs) receive Pell Grants. Under Title III, Part B, eligibility for the HBCU program is defined in § 322, and is based on being established prior to 1964 for the purpose of educating Black Americans. Specific institutions eligible for the HBGI program are delineated in § 326(e).

(earning less than 150% of the Census definition of poverty) or be first generation college students.

PBI grants may be used for activities similar to those authorized under other Title III Part A programs. Additional uses of funds include academic instruction, enhancing teacher education, academic outreach to elementary and secondary students, and contributions on a matching basis towards an endowment fund. Grants are to be divided among eligible IHEs based on a number of factors, for a minimum grant of \$250,000.

Native American-Serving, Nontribal Institutions. The HEOA establishes a new Title III, Part A program to support Native American-Serving, Nontribal Institutions (NASNIs). NASNIs are defined as IHEs that enroll more than 10% Native American students and meet HEA, § 312(b) eligibility requirements, but are not TCCUs, and are not receiving funds under any other Title III or Title V program. Grants are generally to be used to improve and expand capacity to serve Native Americans and low-income students; and are for a minimum of \$200,000.

Asian American and Native American Pacific Islander-Serving Institutions. The HEOA establishes a new Title III, Part A program to support Asian American and Native American Pacific Islander-Serving Institutions (AANAPISIs). AANAPISIs are defined as IHEs enrolling more than 10% Asian American or Native American Pacific Islander¹⁶ students, must meet HEA, § 312(b) eligibility requirements, must not be TCCUs, and must not be receiving funds under any other Title III or Title V program. Grants are generally to be used to improve and expand capacity to serve the targeted students and low-income students.

Part B: Historically Black Colleges and Universities. Title III, Part B of the HEA authorizes assistance to HBCUs and HBGIs. The HBCU program provides formula grants to eligible IHEs that were founded prior to 1964 to educate African Americans, to be used for similar purposes as Title III, Part A grants. The HEOA lowers the minimum allotment to HBCUs to \$250,000 from \$500,000. In order to receive a grant, the amendments require HBCUs to have enrolled Pell Grant recipients, to have students successfully graduate, and to have alumni attending graduate programs in which black students are underrepresented.

Historically Black Graduate Institutions. Also under Title III, Part B, the HBGI program provides assistance to eligible institutions to increase the number of African Americans in certain professional fields. The HEOA adds six IHEs to the specified list of institutions eligible to receive HBGI grants under HEA, § 326.¹⁷ Hold harmless provisions, however, protect funding for the previously included 18 IHEs, and only funding above that aggregate amount may be awarded to the newly added IHEs. No IHEs may receive HBGI grants while also receiving grants under

¹⁶ Native American Pacific Islanders are defined as native aboriginal people of Pacific island territories and possessions of the United States.

¹⁷ The added institutions are Alabama State University, Prairie View A&M University, Delaware State University, Langston University, Bowie State University, and the University of the District of Columbia David A. Clarke School of Law.

the new Title V, Part B HSI graduate program or the new Title VII, Part A HBCU and PBI master's degree programs.

Part C: Endowment Challenge Grants. While the program has not been funded since FY1995, Title III, Part C authorizes a grant program for IHEs eligible for Title III programs to assist them in increasing their endowments. Endowment Challenge Grants award amounts are increased by the HEOA, with the minimum raised from \$50,000 to \$100,000, and the maximum raised from \$500,000 to \$1,000,000.

Part D: HBCU Capital Financing. Title III, Part D authorizes a program which provides federal insurance for bonds issued to support capital financing projects at HBCU, up to a maximum outstanding principal and interest limit. Under the HEOA amendments, maximum amounts for capital programs are increased, with the total federal bonding authority raised to \$1.1 billion. The HEOA makes other technical amendments to this program, including changes to the membership of the HBCU Capital Financing Advisory Board.

Part E: Minority Science and Engineering Improvement Programs. The HEOA adds two new programs as a second subpart of Title III, Part E. (The first subpart authorizes the Minority Science and Engineering Improvement Program.) First, the purpose of the new YES Partnerships Grant Program is to encourage elementary and secondary minority students to pursue careers in science, technology, engineering, and mathematics (STEM) fields. Grants are for a minimum of \$500,000 and must be matched by non-Federal funds. Under the second program, the Secretary is authorized to enter into a contract for Promotion of Entry into STEM Fields.

Part F: Mandatory Appropriations for Minority-Serving Institutions. The Strengthening Historically Black Colleges and Universities and Other Minority-Serving Institutions program, established at Title IV, Part J, under the CCRAA, provides mandatory appropriations for programs supporting MSIs. The HEOA redesignates these programs under Title III, Part F, of the HEA,¹⁸ and in so doing eliminates the eligibility of for-profit IHEs to participate.¹⁹ Also, the HEOA adds new mandatory appropriations to support master's degree programs at HBCUs and PBIs under Title VIII, Part AA (discussed under Title VIII, below). Mandatory appropriations to MSIs are shown in **Appendix A**.

Part G: General Provisions. The HEOA provides the Secretary waiver authority in relation to Title III programs for IHEs affected by the Gulf Coast Hurricanes of 2005. The act also increases authorizations of appropriations for Title III programs through FY2014. Note that these discretionary authorizations are in addition to the mandatory appropriations; both are shown in **Appendix A**.

¹⁸ Conforming amendments retained the definitions of PBIs, NASNIs, and AANAPISIs under Title III, Part F. These institutional categories are separately defined under new programs established by the HEOA under Title III, Part A.

¹⁹ In general, for-profit IHEs are only eligible to participate in programs under Title IV of the HEA.

Title IV: Student Assistance

Programs authorized under Title IV are the primary source of federal aid to support postsecondary education. The largest Title IV student aid programs are the Pell Grant program, authorized under Part A; and the FFEL and DL programs, authorized under Part B, and Part D, respectively. Title IV, Part A also authorizes the Academic Competitiveness (AC) Grant and National Science and Mathematics Access to Retain Talent (SMART) Grant programs, the federal TRIO programs and the Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP), the Federal Supplemental Educational Opportunity Grant (FSEOG) program, and the Leveraging Educational Assistance Partnership (LEAP) program. The Federal Work-Study (FWS) program is authorized under Part C, and the Federal Perkins Loan program is authorized under Part E. Rules for need analysis are specified in Part F. General provisions relating to student assistance, and requirements for program integrity are specified under Part G, and Part H, respectively. The parent PLUS Loan pilot auction program is authorized under Part I. Amendments made by the HEOA to Title IV of the HEA are described below.

Part A: Grants to Students in Attendance at IHEs. Title IV, Part A authorizes numerous grant programs for students who attend eligible institutions participating in Title IV programs; and also authorizes federal early outreach and student services programs.

Subpart 1: Pell and AC/SMART Grants. The Federal Pell Grant program is the single largest source of grant aid for postsecondary education attendance funded by the federal government.²⁰ The AC/SMART grant programs provide additional aid to certain Pell-eligible students.²¹

Federal Pell Grant Program. The CCRAA amended and reauthorized the Federal Pell Grant Program. The CCRAA amendments provided mandatory appropriations to (1) eliminate the tuition sensitivity provision and (2) provide additional funding for Pell Grant awards through 2017, as shown in **Appendix A**. Under the HEOA, the Pell program is further amended as described below. Note that the HEOA also authorizes an Early Federal Pell Grant Commitment Demonstration Program under Title VIII, Part Y, which is described in a separate section below.

Maximum and Minimum Pell Grant Awards. Under the HEOA amendments, the maximum authorized Pell Grant award amounts²² are established as \$6,000 for

²⁰ For additional information, see CRS Report RL31668, *Federal Pell Grant Program of the Higher Education Act: Background and Reauthorization*, by Charmaine Mercer.

²¹ For additional information, see CRS Report RL33457, *Academic Competitiveness Grants: Background, Description, and Selected Issues*, by Charmaine Mercer.

²² It is important to distinguish the maximum authorized Pell Grant award amount from the maximum appropriated award amount. The authorizing committees authorize a target maximum Pell Grant award amount in the HEA, whereas the appropriations committees establish actual maximum Pell Grant award amounts as part of annual appropriations measures. In most years, the maximum appropriated award amount has been less than the

(continued...)

AY2009-2010, and maximum award amounts increase incrementally to \$8,000 for AY2014-2015, as shown in **Table 1**, below. The authorized maximum represents discretionary appropriations and does not count mandatory add-ons to grants that were included in the CCRAA. The mandatory add-on has the effect of increasing the maximum Pell award, but only for those students who qualify for the maximum discretionary appropriated award amount; these amounts are also shown in **Table 1**. In addition, the minimum Pell Grant award amount is changed from \$400, to 10% of the appropriated maximum award amount, with a “bump” for students who would otherwise qualify for at least 5% of the appropriated maximum award amount to receive 10% instead. For example, if for FY2009, the AY2009-2010 appropriated maximum Pell Grant were to be \$5,000, then the minimum grant would be \$500, and any student who qualifies for an award amount between \$250 and \$499, would receive \$500.

Table 1. Maximum Authorized Federal Pell Grant Award Amounts, Academic Years 2008-2009 through 2014-2015

	Appropriated (\$)	Authorized (\$)					
	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Discretionary	4,241	6,000	6,400	6,800	7,200	7,600	8,000
Mandatory	490	490	690	690	1,090	0	0
Total	4,731	6,490	7,090	7,490	8,290	7,600	8,000

Source: Compiled by CRS, from the HEOA and the CCRAA.

Note: Fiscal year appropriations fund the succeeding academic year grants. For example, FY2008 funds Federal Pell Grants for AY2008-2009. Eligibility for a Federal Pell Grant is calculated based upon the discretionary appropriated grant established annually in appropriations bills. For AY2008-2009 through AY2012-2013, if a student qualifies for the maximum discretionary appropriated grant, the mandatory amount for that year is awarded in addition.

Year-Round Pell Grants. Effective July 1, 2009, eligible students may receive so-called “year-round Pell Grants” as a result of the Secretary being authorized to award a second Pell Grant to students during a single award year. For example, the additional Pell Grant award may support a summer term in addition to the regular academic year. To qualify, students must be enrolled on at least a half-time basis in either an associate’s or bachelor’s degree program.

Ineligibility as a Result of Involuntary Civil Commitment. In addition to a previously existing provision making individuals serving in a federal or state penitentiary ineligible for Pell Grants, the HEOA eliminates eligibility for individuals serving in involuntary civil commitment centers. (These centers are used by some states as an alternative to prison for sexual offenders.)

²² (...continued)

maximum authorized award amount.

Maximum Duration of Eligibility. The HEOA amendments introduce duration of eligibility limitations for Pell Grants. Effective for students who receive their first Pell Grant on or after July 1, 2008, cumulative Pell Grant eligibility is limited to 18 full-time semesters (or the equivalent).

Auto-Zero EFC for Individuals Whose Parent or Guardian Died in a Post-9/11 War Zone. Effective July 1, 2009, individuals who were under 24 years of age, or were enrolled at an IHE, at the time their parent or guardian died while serving in the armed forces of the United States in Iraq or Afghanistan, after September 11, 2001, are assigned an automatic \$0 expected family contribution (auto-zero EFC), for the entirety of the period they are eligible for a Pell Grant. An auto-zero EFC would make a student eligible for a maximum Pell Grant award. It appears that the assignment of an auto-zero EFC to such individuals will also increase their eligibility for other forms of Title IV aid as well.

AC/SMART Grants. The American Competitiveness Grant program makes available two award types to students who are eligible for Pell Grants and who meet certain academic requirements: AC Grants for first- and second-year undergraduates who have completed a rigorous secondary school program; and National SMART Grants for third- fourth-, and certain fifth-year undergraduates majoring in certain fields of science, mathematics, or a critical foreign language. The HEOA amends the AC Grant program (as amended by the ECASLA)²³ to provide authority for recognizing a “rigorous secondary school program” to “the official designated for such recognition consistent with State law” and to require this official to report such programs to the Secretary. It also makes other technical corrections and waives master calendar and negotiated rulemaking for the changes to the AC and SMART grant programs that were made under the ECASLA.

Subpart 2: TRIO and GEAR UP. Subpart 2 of Title IV, Part A authorizes Federal Early Outreach and Student Services Programs. Chapter 1 of this subpart establishes the Federal TRIO programs and Chapter 2 authorizes the Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) program.

Federal TRIO Programs. The TRIO programs, Talent Search (TS), Upward Bound (UB), Student Support Services (SSS), Ronald E. McNair Postbaccalaureate Achievement (MPA), and Educational Opportunity Centers (EOC), each provide direct or indirect service support to students. Grants are competitively awarded to institutions of higher education and other public and private institutions and agencies, and are four or five years in duration.²⁴ Amendments made to the TRIO Programs under the HEOA are described below.

²³ Amendments to the AC Grant program made under the ECASLA are described in CRS Report RL34452, *Proposals to Ensure the Availability of Federal Student Loans During an Economic Downturn: A Brief Overview of H.R. 5715 and S. 2815*, by David P. Smole. The HEOA also changes the effective date of those amendments from January 1, 2009, to July 1, 2009.

²⁴ For additional information on the Federal TRIO programs, see CRS Report RL31622, *Trio and GEAR UP Programs: Status and Issues*, by Jeffrey J. Kuenzi.

Changes to Award Provisions. The HEOA clarifies that community-based organizations are eligible TRIO award recipients, removes a requirement that secondary schools may be eligible only in “exceptional circumstances,” and extends the duration for certain grants in order to synchronize current award cycles. The HEOA extends the duration of TRIO grants from four to five years; and increases the minimum grant amount for each of the TRIO programs to \$200,000, except for Staff Development grants which remain at \$170,000. (Prior to the HEOA, TS and EOC grants were capped at \$180,000; UB and MPA grants were capped at \$190,000; and evaluation grants were capped at \$170,000). The HEOA requires the Secretary to use specified outcome criteria in evaluating TRIO programs and mandates that grantees’ prior experience be taken into account when awarding grants. Note that a mandatory appropriation for years FY2008 through FY2011 was enacted under the CCRAA to support additional Upward Bound awards, as shown in **Appendix A**.

Changes to Eligibility and Uses. The HEOA allows more than one TRIO grant to be awarded to campuses under certain conditions and expands the definition of the term “veterans eligibility.” Prior to the HEOA, the program authority for TS stated that the program should be designed to encourage individuals who have not completed secondary or postsecondary programs, “but who have ability to complete such programs, to reenter such programs.” The HEOA eliminates this phrase and adds to the program authority language encouraging grantees to facilitate students’ application for financial aid. UB is amended to prohibit the Secretary from denying a student participation in a project because the student will enter the project after the 9th grade; and the stipend provision is amended to allow flexibility in defining the period for summer recess.

Under prior law, a list of permissible services was specified for each TRIO program. The HEOA creates two subsections in each program which distinguish between required and permissible services. It also expands the description of individuals to be served by each program to include those who are Limited English Proficient, homeless, aging out of foster care, traditionally underrepresented in postsecondary education, or disabled, as well as other disconnected students.

In recent years, the Secretary established an “absolute priority” for the UB program which set rules regarding which high school students will be given priority for participation in the program and called for an evaluation of the program using a control group of students who do not receive UB services (see *Federal Register* on September 22, 2006 (71 Fed. Reg. 55447 et seq.)). The HEOA prohibits the Secretary from proceeding with implementing or enforcing the absolute priority for student eligibility. In addition to other new requirements placed on TRIO evaluations, the Secretary is further prohibited from requiring a grantee to recruit students to serve as a “control group” for purposes of program evaluation.

Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP). GEAR UP seeks to increase disadvantaged students’ secondary school completion and postsecondary enrollment by providing support services and by assuring students of the availability of financial aid to meet college costs. Amendments made to GEAR UP by the HEOA are described below.

Changes to Award Provisions. The HEOA maintains a grant period of six years; however, this may be increased to seven years in the case of an entity that plans to provide services to students through their first year of postsecondary education. The HEOA further retains the requirement that the Secretary ensure that students served under the program will continue to receive assistance through completion of secondary school. The application for GEAR UP is expanded and the 50% matching requirement is amended to allow entities to accrue non-Federal funds over the duration of the grant, to allow the match to be modified either at the time of the application or in response to a petition, and to clarify what can count toward the match.

Changes to Eligibility and Uses. The HEOA amendments delineate early intervention grant activities under categories of “required activities” and “optional activities.” The list of priority students to be served by an entity not using a cohort approach is expanded to include homeless youth and those “otherwise considered by the eligible entity to be a disconnected student.” State grantees generally had been required to reserve 50-75% of funds received for scholarships, but may now use less than 50% if other funds for scholarships can be demonstrated. State grantees must notify students of their eligibility for scholarships and make scholarships available for students upon completion of secondary school and enrollment in college. State grantees must establish a scholarship trust fund containing amounts sufficient to cover the scholarship for each student in each cohort and must return unused funds to a grantees’ trust fund for redistribution to other eligible students; and any funds unused after redistribution must be returned to the Secretary.

Subpart 4: LEAP and GAP. Subpart 4 of Title IV, Part A authorizes Grants to States for State Student Incentives, which provide matching grant incentives for states to establish scholarship programs. Under the HEOA amendments, the maximum allowable Leveraging Educational Assistance Program grant is increased from \$5,000, to the lesser of \$12,500 or a student’s cost of attendance. In addition, the Special LEAP program is repealed and replaced with a new subsidiary program — Grants for Access and Persistence (GAP). Like LEAP, GAP provides matching funds to states to support state need-based scholarships. Federal funds may be used to contribute up to two-thirds of GAP program costs, depending on certain conditions. GAP requires partnerships between states, IHEs, philanthropic organizations, and private corporations. GAP grants fund early awareness and outreach activities, support services, and scholarships that must be equal to average tuition and fees at similar public IHEs, less any other federal or state aid. A key component to GAP is annually notifying low-income students in grades 7 through 12 of the availability of financial aid in general, and the GAP scholarships in particular. In addition to the general LEAP maintenance of effort (MOE) requirement, GAP has a separate MOE provision requiring that each year’s state contribution to GAP activities not be less than that for the prior year.²⁵

²⁵ The LEAP/GAP state MOE requirements under Title IV, Part A are not related to the general state MOE under Title I, Part C, which ties consequences for a state’s failure to meet the MOE to the College Access Challenge Grant Program under Title VII, Part E.

Other Title IV: Part A Subparts. The HEOA repeals the Chapter 3 of Subpart 2, Academic Achievement Incentive Scholarships; and Subpart 8, Learning Anytime Anywhere Partnerships programs. It reauthorizes Subpart 3, Federal Supplemental Education Opportunity Grant program and increases the program's allowance for books and supplies used in the formula to allocate funds to IHEs. The act amends the Subpart 5, Migrant and Seasonal Farmworker programs by making relatively minor expansions to allowable services under the grants, increasing minimum allocations to \$180,000 for both the High School Equivalency Program and the College Assistance Migrant Program, by changing the distribution of funds among the activities, and by requiring increased data collection. The HEOA amends the Subpart 6, Robert C. Byrd Honors Scholarship Program to clarify that home-schooled children are eligible. It also changes definitions and funding distribution provisions for the Subpart 7, Child Care Access Means Parents in School program. In addition to establishing new requirements relating to disclosures, waivers, and evaluation, the HEOA clarifies that Subpart 9, Teacher Education Assistance for College and Higher Education (TEACH) Grant recipients studying in fields which are subsequently designated as no longer high-need may fulfill their service agreements in their original field.

**Part B: Federal Family Education Loan (FFEL) Program; and
Part D: William D. Ford Federal Direct Loan (DL) Program.**

The federal government operates two major student loan programs: the FFEL program, authorized under Title IV, Part B, and the DL program, authorized Title IV, Part D. Under the FFEL program, loan capital is provided by private lenders, and the federal government guarantees lenders against loss through borrower default, death, permanent disability, or, in limited instances, bankruptcy. Under the DL program, the federal government provides the loans to students and their families, using federal capital (i.e., funds from the U.S. Treasury). While the two programs rely on different sources of capital and different administrative structures, they both make available essentially the same set of loans, with very similar terms and conditions: Subsidized Stafford Loans and Unsubsidized Stafford Loans for undergraduate and graduate students; PLUS Loans for parents of undergraduate dependent students and graduate students; and Consolidation Loans through which borrowers may combine their loans into a single loan payable over a longer term, that varies according to the combined loan balance. Amendments made by the HEOA to the FFEL and DL programs are described below.

Loan Provisions Applicable to Military Personnel and Veterans. The HEOA includes amendments to loan terms and conditions that apply to current military servicemembers and veterans of the armed forces.

Exclusion of Veterans' Education Benefits from Being Treated as Estimated Financial Assistance for Subsidized Stafford Loans. Effective July 1, 2010, all forms of veterans' education benefits are excluded from being treated as estimated financial assistance for purposes of determining a student's eligibility to borrow FFEL and DL program Subsidized Stafford Loans. At present, only veterans' education benefits received under the Montgomery GI Bill-Active Duty (MGIB-AD) program are excluded from a student's EFA. Note that similar provisions exclude veterans' education benefits from the general Title IV need analysis calculation, as described under Part F, below.

Extension of Protections under § 207 of the Servicemembers Civil Relief Act (SCRA) to Federal Student Loans. Individuals who borrow loans under the FFEL and DL program loans after the date of enactment, and who later enter military service, may have the interest rate on those loans capped at 6% for the duration of their military service. Creditors must forgive interest above the rate of 6% and may not accelerate repayment of the loans.²⁶ For loans first disbursed on or after July 1, 2008, on which the interest rate is reduced to 6% in accordance with § 207 of the SCRA, the formula for determining special allowance payments (SAPs) to lenders shall take into account the 6% interest rate, resulting in no reduction in SAPs to lenders.

No Accrual of Interest on DL Program Loans for Certain Active Duty Service Members. The terms and conditions of DL program loans (but not FFEL program loans) for which the first disbursement is made on or after October 1, 2008, must specify that interest will not accrue during any period of up to 60 months while the borrower is serving on active duty or performing qualifying National Guard duty in an area of hostilities during a war or national emergency. Additionally, the Secretary is required to offer a Consolidation Loan under the DL program to any borrower seeking to obtain such a loan for purposes of using the no accrual of interest for active duty service members program. For Consolidation Loans, the benefit is only available with respect to the portion used to repay loans first disbursed on or after October 1, 2008.

Disclosure and Information Requirements. The HEOA adds a number of requirements for IHEs, lenders, and other entities to provide specified information to students, borrowers, or others. These requirements are discussed below.

Forbearance Information Requirements. The HEOA amends the FFEL program guaranty agreements to require lenders, at the time of granting a borrower forbearance,²⁷ to inform the borrower of the impact that the capitalization of interest will have on the total loan principal and interest required to be repaid. At least once during every 180-day period in forbearance, lenders must inform borrowers: that interest will continue to accrue during forbearance; of the total amount of unpaid principal; of the amount of interest that has accrued since the last statement, and when it will be capitalized; that accrued interest may be paid before it is capitalized; and that borrowers may discontinue forbearance at any time.

Disclosures to Borrowers of Consolidation Loans. FFEL and DL program lenders are required to disclose to borrowers of Consolidation Loans whether consolidation of FFEL or DL program loans would result in the loss of any loan

²⁶ For additional information on the Servicemembers Civil Relief Act, see CRS Report RL34575, *The Servicemembers Civil Relief Act (SCRA): Summary and Proposed Amendments*, by R. Chuck Mason.

²⁷ Forbearance is the practice under which lenders grant borrowers temporary relief from their obligation to repay because the borrower is willing but unable to meet regular payment obligations. Forbearance can constitute lower monthly payments than would otherwise be expected, or total cessation of payments (“complete” forbearance). Any borrower under forbearance is liable for all accrued interest during the forbearance period.

benefits, including loan forgiveness, cancellation, or deferment; and that the consolidation of a Perkins Loan will result in a loss of the in-school deferment benefit and loan cancellation benefits.

Disclosure of Terms and Conditions for Federal Student Loans. New requirements are added for lenders to disclose to borrowers detailed information about the terms and conditions of FFEL and DL program loans upon notification of approval of the loan, upon disbursement of the loan, upon the start of repayment, and during repayment. Items required to be disclosed include information on charges, fees, and the rate of interest; an explanation that if the borrower does not pay the interest that accrues on unsubsidized loans while in school, the interest will be capitalized (i.e., added to the principal balance of the loan); a statement of the total cumulative balance owed to the lender, and estimated monthly payments (or sample projections for Unsubsidized Stafford Loans and PLUS Loans); information on repayment options and borrower benefits, such as deferment, forbearance, and forgiveness; and information on the consequences of default.

Consumer Education Information. The HEOA amendments require guaranty agencies (GAs) under the FFEL program to work with the IHEs they serve to develop and make available high-quality and easy to understand educational programs and materials to provide training in budgeting and financial management to prospective and enrolled students and their families. GAs may use existing programs and materials to meet this requirement. Also, consumer education information activities shall be considered default reduction activities.

FFEL Administration Provisions. The HEOA amends requirements related to entities involved in the guaranteed student loan program in the following manner.

Restrictions on Inducements, Payments, Mailings, and Advertising by Guaranty Agencies. The HEOA enhances previously existing restrictions on guaranty agencies to prohibit GAs from offering specified types of inducements to any IHE or its employees in order to secure applicants for FFEL program loans; and to lenders for purposes of being designated as the insurer of its loans. The HEOA amendments also specify that GAs are prohibited from performing for any institution, or paying to have performed, any function that it is required to perform under Title IV, with the exception of exit counseling.

Voluntary Flexible Agreements. Under the HEA, the Secretary is authorized to enter into voluntary flexible agreements with guaranty agencies in which certain requirements otherwise applicable to guaranty agreements may be waived. The HEOA establishes new reporting requirements for voluntary flexible agreements. The Secretary, in consultation with guaranty agencies operating under voluntary flexible agreements, is now required to report annually to the authorizing committees on outcomes with respect to program integrity, cost efficiencies, delinquency prevention, default aversion, consumer education programs, and the availability and delivery of student financial aid.

Expansion of Financial Institutions Treated as Eligible Lenders. Prior to the HEOA, most banks, thrifts, and credit unions were prohibited from being eligible

lenders under the FFEL program unless FFEL program loans constituted no more than half of their consumer credit function. Now, in accordance with the HEOA amendments, national and state chartered banks and credit unions with assets of less than \$1 billion may be eligible lenders under the FFEL program without regard to whether the making or holding of FFEL program loans constitutes more than half of their consumer credit function.

Disqualification as an Eligible Lender for Use of Incentives. Prior to the HEOA, to be an eligible lender under the FFEL program, an entity was prohibited from offering inducements to IHEs, conducting unsolicited mailings of student loan applications, offering loans as an inducement to borrowers to purchase other products, and engaging in fraudulent or misleading advertising. With the enactment of the HEOA, additional forms of incentives are specifically prohibited. These include entering into a consulting arrangement with an IHE's financial aid office; compensating an employee of an IHE's financial aid office for service on an entity established by the lender (except reimbursement of expenses); performing, or paying to have performed, any function an IHE is required to perform under Title IV (except exit counseling); paying or providing benefits to a student to secure loan applications (unless otherwise employed by the lender); and specified forms of inducements.

PLUS Loan Terms and Conditions. The HEOA amends provisions related to PLUS loans in the following manner.

Extenuating Circumstances for Making PLUS Loans. FFEL and DL program PLUS Loans are not available to borrowers with adverse credit histories; and prior to enactment of the ECASLA, lenders were required to consider a PLUS Loan applicant to have an adverse credit history if the applicant was 90 days or more delinquent on a debt payment, unless extenuating circumstances existed.²⁸ An ECASLA amendment specifies that extenuating circumstances exist, if during the period from January 1, 2007, through December 31, 2009, an applicant is no more than 180 days delinquent on mortgage payments for a primary residence or medical bill payments; or if an applicant is no more than 89 days delinquent on any other debt payments. The HEOA further amends this provision, effective July 1, 2008, to specify that extenuating circumstances exist only if an applicant is no more than 180 days delinquent on mortgage payments for a primary residence or medical bills.

Grace Period and Deferment for PLUS Loans. The HEOA amends the terms and conditions of PLUS Loans for which the first disbursement is made on or after July 1, 2008. For parent PLUS Loans, borrowers may request a deferment for any period during which the student on whose behalf the loan was borrowed would qualify for a deferment. With respect to graduate and professional student PLUS Loans, the commencement of repayment is deferred until the end of a six-month grace period beginning immediately after the borrower ceases to be enrolled in school on at least a half-time basis.

²⁸ For additional information on changes to the FFEL and DL programs made under the ECASLA, see CRS Report RL34452.

Loan Forgiveness, Repayment, and Discharge Provisions. In addition to related provisions under Title IV, Part G, the HEOA extends and amends requirements and programs related to loan forgiveness, repayment by others, and discharge.²⁹

Teacher Loan Forgiveness for Employment in Educational Service Agencies. The HEOA extends loan forgiveness under the existing FFEL and DL Loan Forgiveness for Teachers programs to new borrowers who, on or after October 1, 1998, had no outstanding balance on federal student loans and who have been employed by an educational service agency as a full-time teacher for 5 consecutive years. Previously, the teacher loan forgiveness benefit was available only to eligible teachers employed in certain low-income schools.

Loan Forgiveness for Service in Areas of National Need. A new discretionary program is established to provide loan forgiveness of up to \$2,000 in FFEL or DL program student loan debt (other than PLUS Loans borrowed on behalf of a dependent student), per year during which a borrower is employed full-time in an area of national need, with a maximum amount forgiven of \$10,000 for five years of service.³⁰ Specified areas of national need are early childhood educators; nurses; foreign language specialists; librarians; certain highly qualified teachers; child welfare workers; speech-language pathologists and audiologists; school counselors; certain public sector employees; nutrition professionals; medical specialists; mental health professionals; dentists; STEM employees; physical therapists; superintendents, principals, and other (school) administrators; and occupational therapists. The program is available to borrowers on a first come, first served basis; and is subject to the availability of appropriations. It is authorized to be funded at such sums as may be necessary for FY2009-FY2014.

Loan Repayment for Civil Legal Assistance Attorneys. A new discretionary program is established to provide loan repayment to individuals who enter into agreements with the Secretary to serve as civil legal defense attorneys for not less than three years. In return for their service, the Secretary shall assume the obligation to make payments of up to \$6,000 per year, and \$40,000 in the aggregate, on federal student loans made under FFEL, DL and Perkins Loan programs (other than PLUS Loans borrowed on behalf of a dependent student). The program is available on a first come, first served basis; and is subject to the availability of appropriations. Appropriations are authorized at \$10 million for FY2009; and such sums as may be necessary for FY2010-FY2014.

Disability Discharge. At present, the Secretary discharges FFEL and DL program loans for borrowers who die or become permanently and totally disabled. In accordance with the HEOA amendments, effective July 1, 2010, FFEL and DL program loans will also be discharged for borrowers who are unable to engage in any

²⁹ For additional information, see CRS Report RL32516, *Student Loan Forgiveness Programs*, by Gail McCallion and CRS Report RS22762, *Loan Forgiveness for Public Service Employees under the William D. Ford Direct Loan Program*, by David P. Smole.

³⁰ This program is established at HEA, § 428K, replacing the Loan Forgiveness for Child Care Providers program, which is repealed.

substantial gainful activity due to a physical or mental impairment that can be expected to result in death, and that has lasted continuously or can be expected to last continuously for 60 months. Also, effective July 1, 2010, borrowers who have been determined by the Secretary of Veterans Affairs to be unemployable due to a service-connected condition shall be considered permanently and totally disabled.

Default Rate Provisions. The HEOA amends provisions related to IHEs' rates of students defaulting on federal student loans in the following manner.

Cohort Default Rates Calculation. Prior to the HEOA amendments, cohort default rates have been based on the number of current and former student borrowers of Subsidized Stafford Loans and Unsubsidized Stafford Loans made under the FFEL and DL programs who enter repayment in a particular fiscal year, and who default on their loans before the end of the next fiscal year (a two-year period). Effective for FY2009 and succeeding years, the calculation of cohort default rates is amended to be based on the number of current and former student borrowers of Subsidized Stafford Loans and Unsubsidized Stafford Loans who enter repayment in a particular fiscal year, and who default on their loans before the end of the second succeeding fiscal year (a three-year period). (PLUS Loans to graduate and professional students are not included in the calculation of cohort default rates.)

Also effective for FY2009 and succeeding years, a new life of cohort default rate is established which measures, on a year-by-year basis, the cumulative percentage of current and former student borrowers of FFEL and DL program Subsidized Stafford Loans, Unsubsidized Stafford Loans, and graduate PLUS Loans who enter repayment in a particular fiscal year, and who have defaulted on their loans since entering repayment. It appears that the new life of cohort default rate is for informational purposes only.

Cohort Default Rate Penalties. Prior to the HEOA amendments, IHEs have been subject to the loss of institutional eligibility to participate in Title IV programs for having high cohort default rates for FFEL and DL program loans. At present, IHEs are subject to the loss of institutional eligibility if their cohort default rate equals or exceeds 25% for 3 consecutive fiscal years. Beginning with FY2012, IHEs will be subject to the loss of eligibility if their cohort default rates (as measured according to the amended cohort default rate calculation) equal or exceed 30% for 3 consecutive fiscal years. The HEOA also establishes provisions for appeals for regulatory relief if an IHE demonstrates that exceptional mitigating circumstances led to its high cohort default rate; and requirements for IHEs with high cohort default rates to prepare default reduction plans.

Part C: Federal Work-Study (FWS) Program. The Federal Work-Study (FWS) program is authorized under Title IV, Part C, and provides undergraduate, graduate, and professional students the opportunity for paid employment in a field

related to their course of study or in community service.³¹ Amendments made by the HEOA to the FWS program include the following.

Civic Education and Participation Activities. A new use of FWS program funds is added which allows IHEs to compensate students employed in projects that teach civics in schools, raise awareness about the government, or increase civic participation. Whereas the federal share of compensation may not exceed 75% for most types of FWS employment, it may for civic education and participation activities.

Off-Campus Community Service. A new authorization of appropriations is established for grants to IHEs for purposes of compensating students employed in community service jobs.

Part E: Federal Perkins Loan Program. The Federal Perkins Loan program is authorized under Title IV, Part E. The program provides low-interest loans with favorable terms and conditions to undergraduate, graduate, and professional students.³² Amendments to the Federal Perkins Loan program include the following.

Perkins Loan Collections and Fiscal Controls. The HEOA amends requirements for Perkins Loan program participation agreements to provide that if an IHE has not knowingly failed to maintain an acceptable collection record with respect to a defaulted Perkins Loan, the Secretary may allow the institution to refer the loan to the Secretary, without recompense, except that once every six months, any amounts collected (less collection costs) shall be repaid to the referring institution within 180 days of collection and shall be treated as an additional federal capital contribution. The HEOA also restricts the authority of the Secretary to require the mandatory assignment of defaulted Perkins Loans.

Perkins Loan Limits. The HEOA increases annual borrowing limits on Perkins Loans from \$4,000 to \$5,500 for undergraduate students; and from \$6,000 to \$8,000 for graduate and professional students. It also increases aggregate Perkins Loan limits from \$20,000 to \$27,500 for undergraduate students who have completed two years of study; from \$40,000 to \$60,000 for graduate and professional students; and from \$8,000 to \$11,000 for all other students.

Loan Discharge and Cancellation Provisions. The HEOA amends requirements related to the discharge and cancellation of Perkins Loans, as described below.

³¹ For additional information on the FWS program, see CRS Report RL31618, *Campus-Based Student Financial Aid Programs Under the Higher Education Act*, by David P. Smole.

³² For additional information on the Federal Perkins Loan program, see CRS Report RL31618, *Campus-Based Student Financial Aid Programs Under the Higher Education Act*, by David P. Smole.

Disability Discharge. At present, Perkins Loans are discharged by the Secretary for borrowers who die or become permanently and totally disabled. In accordance with the HEOA amendments, effective July 1, 2008, Perkins Loans will also be discharged for borrowers who are unable to engage in any substantial gainful activity due to a physical or mental impairment that can be expected to result in death, and that has lasted continuously or can be expected to last continuously for 60 months. Also, effective July 1, 2008, borrowers who have been determined by the Secretary of Veterans Affairs to be unemployable due to a service-connected condition shall be considered permanently and totally disabled.

Loan Cancellation for Public Service. Under the HEOA, loan cancellation is extended to borrowers of Perkins Loans for full-time employment as public defenders, fire fighters, faculty members at Tribal Colleges and Universities, librarians, and speech language pathologists, at the rate of 15% for their first and second years of service; 20% for their third and fourth years of service; and 30% for their fifth year of service. In addition, loan cancellation for service as a member of the armed forces in an area of hostilities is also provided at those rates; whereas, previously it was provided at the rate of 12.5% per year of service for up to four years.

Sense of Congress Regarding Federal Perkins Loans. The HEOA expresses the sense of Congress that the Federal Perkins Loan program is an important part of federal student aid and that it should remain a campus-based program at colleges and universities.

Part F: Need Analysis. Title IV, Part F provides requirements for calculating the contribution students and their families are expected to pay toward the costs of postsecondary education, known as the expected family contribution (EFC).³³ What the EFC does not cover toward the total cost of attendance (including tuition, room, board, books, supplies, and living expenses) is then defined as the student's need for assistance and is used in determining Title IV financial aid awards. The HEOA makes several changes to the need analysis calculation.

General Changes to Need Analysis. For the purpose of calculating a student's estimated financial need, the HEOA makes several changes: (1) financial aid administrators may make adjustments to need based on nursing home expenses, adult dependent care, or because of a family member who is a dislocated worker; (2) financial aid administrators may award Unsubsidized Stafford loans to students whose parents have ended financial support and refuse to complete the FAFSA; (3) the Secretary may use IRS income information from the second preceding tax year for the purpose of designing a simplified needs application; (4) technical corrections are made to the independent student definition as it relates to foster youth; and (5) income from cooperative education programs is treated as excluded income. Items 1 and 2, above, are effective as of the date of enactment of the HEOA, whereas items 3, 4, and 5 are effective July 1, 2010. The HEOA also changes the effective date of

³³ For additional information, see CRS Report RL33266, *Federal Student Aid Need Analysis System: Background, Description, and Legislative Action*, by Charmaine Mercer.

financial aid administrators' professional judgement provisions enacted under the CCRAA to be as of the date of enactment of the HEOA.

Need Analysis Changes Applicable to Military Personnel and Veterans. Effective July 1, 2010, the HEOA makes significant changes to the calculation of need for military service members and veterans. For military service members living on base or receiving a housing stipend, only board and not room is to be included in the total cost of attendance (COA) for the purpose of calculating need. Also, the value of such housing or housing stipend is not to be counted as untaxed income and benefits. Finally, any portion of veterans' education benefits received by the student (or the student's spouse or parents) is excluded both from the student's "income or assets" and from the student's "estimated financial assistance" (which is aid from non-Title IV sources).

As a result of these changes, it appears that veterans may be eligible to receive veterans' education benefits and Title IV grants, loans, or work study, which combined may exceed their COA. For example, beginning August 1, 2009, a veteran who has served for three years on active duty since September 11, 2001, will be eligible for veterans education benefits under the Post-9/11 Veterans Education Assistance program³⁴ that would pay an amount equal to tuition and fees charged at the most costly public IHEs in the state, a \$1,000 allowance for books, and a monthly housing allowance equal to the basic allowance for housing payable to an E-5 (i.e., a junior non-commissioned officer) with dependents living in the area where the IHE in which the student is enrolled is located. While assistance made available under the Post-9/11 Veterans Education Assistance program may be substantial (in some instances in excess of \$25,000), this and other veterans education benefits will be excluded from being considered as either income or as part of estimated financial assistance from other sources. Thus, it appears that the receipt of any type of veterans education benefits will not impact an individual's eligibility for, nor the amount of, need-based and non-need-based aid available under Title IV.

Part G: General Provisions. Part G contains an array of institutional requirements for Title IV participation and related provisions. The HEOA specifies technical amendments to many of the general provisions which govern Title IV student aid programs, the most significant of which are described below.

Financial Aid Application and Award Process Provisions. The HEOA amends provisions related to the process by which students are made aware of, apply for, and are awarded student financial aid.

Regular and Simplified Applications for Student Aid. The HEOA reconstructs the entirety of HEA, § 483, which establishes the Free Application for Federal Student Aid (FAFSA). In addition to the FAFSA, this section authorizes the EZ-FAFSA for students qualifying under either the Simplified Needs Test or Auto-

³⁴ For additional information, see CRS Report RS22929, *A Brief Overview of the Post-9/11 Veterans Educational Assistance Act of 2008*, by Shannon S. Loane; and CRS Report RL34549, *A Brief History of Veterans' Educational Benefits and Their Value*, by David P. Smole and Shannon S. Loane.

Zero EFC provisions, as well as web-based versions of the FAFSA and EZ-FAFSA. The section also requires the Secretary to pursue a process of streamlining the FAFSA for reapplications and to ultimately reduce the number of data elements required from all applicants by a goal of 50%. In so doing, the Secretary is to determine how Internal Revenue Service (IRS) data may pre-populate the FAFSA in order to reduce income and asset questions on the form and is given the authority to directly obtain such data from the IRS. The Comptroller General is to convene a group including the Secretaries of Education and of the Treasury, the Directors of the Office of Management and Budget and of the Congressional Budget Office, and representatives of IHEs and of state higher education agencies, in consultation with the Advisory Committee on Student Financial Assistance, to study alternative approaches for calculating the EFC.

Early Application and Estimated Award Demonstration Program. A demonstration program is authorized for dependent students to apply for and receive conditional aid offers based on income and other data two years prior to the year of enrollment (as opposed to the current practice of one year prior). The Secretary is to measure whether giving students early award notifications prior to the start of their senior year of high school positively impacts their enrollment in postsecondary education. States in partnership with their IHEs and secondary schools may apply to participate in the demonstration.

Model Institutional Financial Aid Offer Form. The Secretary is required to convene a group to develop a model format for financial aid offer forms, including specified information on college prices, aid, loans, and family contributions.

Student Eligibility Provisions. The HEOA amends and expands student eligibility requirements for federal student aid.

Drug Conviction Ineligibility. The HEOA expands requirements under which students may be able to regain eligibility for Title IV aid following certain drug convictions by mandating that students also pass two random drug tests conducted by a rehabilitation program.³⁵ Also, the Secretary is required to study and report the effects of drug conviction ineligibility.

Students with Intellectual Disabilities. To provide students with intellectual disabilities (including those with mental retardation) the opportunity to participate in comprehensive transition and postsecondary education programs, the HEOA amendments open eligibility for these students to receive Pell Grant, FSEOG, and FWS aid. Specifically, new student eligibility provisions exempt intellectually disabled students from requirements relating to these students' ability to benefit from and enroll in regular recognized postsecondary degree or credential programs and modify requirements relating to maintenance of satisfactory academic progress.

Ability to benefit provisions. The HEOA expands the criteria by which a student who has not graduated from high school may demonstrate the ability to

³⁵ For additional information, see CRS Report RS21824, *Student Eligibility: Drug Convictions and Federal Student Aid*, by Charmaine Mercer and Laura L. Monagle.

benefit from postsecondary education and, subsequently, receive federal student aid. A student who satisfactorily completes six credit hours or the equivalent coursework that is applicable toward a degree or certificate offered by the IHE at which the coursework was taken is considered to demonstrate the ability to benefit from postsecondary education.

General Provisions Applicable to Military Personnel and Veterans.

The HEOA adds a requirement for how IHEs treat servicemembers returning from a leave of absence during which they served on active duty.

Readmission Requirements for Servicemembers. IHEs are required to readmit students who take a leave of absence to serve on active duty in the armed forces. Students must be readmitted at the same academic status they had attained prior to serving on active duty.

Disclosure, Information, and Reporting Requirements. In addition to related provisions under Title I, Part B (in general), as well as Title I, Part E and Title IV Parts B and D (related to student loans), the HEOA adds disclosure and other reporting requirements under the general provisions of Title IV, Part G, as described below.

Compliance Calendar. The Secretary must annually provide to IHEs a list of all reports, disclosures, and other regulatory requirements under the HEA, with deadlines for compliance.

Information that IHEs must Make Available to Enrolled and Prospective Students. IHEs are required, upon request, to disclose various information to current and prospective students. The HEOA expands these requirements to include several new data requirements. Examples of the types of information that must be disclosed including the following:

- institutional policies and sanctions related to copyright infringement, including a description of the institution's policies with respect to unauthorized peer-to-peer file sharing,
- information on student body diversity,
- the placement in employment and types of employment obtained by graduates of the institutions' degree or certificate programs,
- the types of graduate and professional education in which graduates of the institutions' four-year degree programs enroll,
- the institution's fire safety report, and
- the retention rate of certificate- or degree-seeking first-time, full-time undergraduate students entering the university.

Disclosure of Reimbursements for Service on Advisory Boards. Under the HEOA amendments, IHEs are required to annually report to the Secretary, information on the reimbursement of expenses received by employees of the financial aid office of the institution for their service on an advisory board, commission or group established by a private educational lender. The Secretary is required to annually transmit a summary report on reimbursed expenses to the authorizing committees.

Data on Completion and Graduation Rates. Under the HEOA amendments, institutions must disaggregate completion and graduation rate data submitted to ED based on student gender, race/ethnicity, receipt of a Pell Grant, receipt of a federal loan but not a Pell Grant, and non-receipt of a Pell Grant or specific federal loans. These requirements will not apply to two-year degree-granting institutions until the 2011-2012 academic year. Prior to that time, the Secretary is required to convene a group of representatives from the higher education community to consider the mission and role of these institutions, and to recommend additional or alternative measures of student success. The Secretary has until June 30, 2011 to modify the measures of student success for two-year degree-granting institutions.

Campus Crime, Emergency Response, and Fire Safety Requirements.³⁶ The HEOA expands the list of crimes for which IHEs must indicate whether the crime committed was a “hate crime” to include crimes such as simple assault and intimidation. It requires IHEs to establish policies related to immediate emergency response and evacuation procedures, including the use of electronic or cellular communication. This includes having procedures to “immediately notify the campus community” about a significant emergency or dangerous situation occurring on campus that involves an immediate threat to the health and safety of students or staff. IHEs are also required to test their emergency response and evacuation procedures on an annual basis. In addition, IHEs must publish an annual fire safety report, to be available to the public and submitted to the Secretary, that contains information about fire safety practices and standards at the institution and provides data on fires that occurred in on-campus housing facilities.

Transfer of Credit Policy Disclosures, Missing Person Procedures, and Drug Policy Notification. The HEOA requires IHEs to publicly disclose their transfer of credit policies, including any established criteria the IHE uses in determining whether to accept the transfer of credit, as well as a list of any institutions with which the IHE has established an articulation agreement. Each IHE is also required to develop missing person procedures for students living on-campus. Finally, IHEs are required to provide students, upon enrollment, with a written notice detailing the penalties under the HEA for drug violations and to provide students who have lost their Title IV eligibility as a result of a drug violation with information on how to regain Title IV eligibility.

National Student Loan Data System. The HEOA requires the Secretary to take actions to maintain confidentiality in the National Student Loan Data System (NSLDS); to restrict access to NSLDS, and to provide applicants of federal student aid a disclosure of the uses of individual data contained in NSLDS, and their privacy rights with respect to such data. In addition, guaranty agencies, lenders, and institutions must inform borrowers of federal student loans that information on their loans will be provided to NSLDS.

³⁶ For additional information, see CRS Report RL33980, *School Campus Safety Programs and Requirements in the Elementary and Secondary Education Act and the Higher Education Act*, by Rebecca R. Skinner and Gail McCallion.

Articulation Agreements Program. The Secretary is required to carry out a program with public IHEs to develop, enhance, and implement comprehensive articulation agreements between or among such institutions in a state and (to the extent practicable) across state lines by 2010.

Program Participation Agreement (PPA). Under the HEA, IHEs have been required to enter into a Program Participation Agreement; and, in so doing, agree to comply with the laws, regulations, and policies governing institutional participation in Title IV financial aid programs.³⁷ New and amended requirements made by the HEOA to the Program Participation Agreement are described below.

Disclosures to Victims of Crimes. The HEOA adds requirements within the PPA related to the disclosure of the outcome of an institutional disciplinary hearing to victims of certain crimes.

Addition of the “90/10 Rule” for Proprietary IHEs to the PPA. The HEOA moves the 90/10 rule,³⁸ which applies only to proprietary institutions, to the PPA from Title I. By making this change, the 90/10 rule is no longer a condition of institutional eligibility to participate in the Title IV programs. Thus, proprietary institutions that violate the 90/10 rule in a given year will not lose their Title IV eligibility. They will, however, be placed on provisional eligibility status for two years. Proprietary institutions that violate the 90/10 rule for two consecutive years will lose their Title IV eligibility for at least two years, dependent upon further requirements to regain eligibility.

Revenue Sources for Compliance with the 90/10 Rule. The HEOA specifies sources of revenue that may be counted toward the provision of the 90/10 rule that 10% of total revenues must be from non-Title IV sources. While many of these sources were allowed under regulations prior to the enactment of the HEOA, proprietary institutions may now count revenue sources toward the 10% requirement that were not permitted previously. For example, proprietary institutions may now count revenue earned from non-Title IV eligible programs of study toward the 10% requirement, provided the program is approved by the state, accredited, or provides an industry-recognized credential or certification. Under the new provision, a proprietary institution could have its Title IV programs fully paid for by Title IV federal student aid but have this aid count as only 90% of its total revenue if the other 10% of its total revenue is derived from non-Title IV programs. Also, from July 1, 2008 to July 1, 2011, proprietary institutions may count toward the 10% requirement

³⁷ For additional information, see CRS Report RL33909, *Institutional Eligibility for Participation in Title IV Student Aid Programs Under the Higher Education Act: Background and Reauthorization Issues*, by Rebecca R. Skinner.

³⁸ The “90/10 Rule” requires for-profit IHEs to derive at least 10% of their revenues from non-Title IV sources. For additional information, see CRS Report RL32182, *Institutional Eligibility and the Higher Education Act: Legislative History of the 90/10 Rule and its Current Status*, by Rebecca R. Skinner.

the proceeds of Unsubsidized Stafford Loans in excess of the loan limits that existed the day before the enactment of the ECASLA.³⁹

Requirements for Teach-Outs. In the event that the Secretary initiates the limitation, suspension, or termination of an IHE's participation in any Title IV program or initiates an emergency action against an IHE, the HEOA requires the IHE to prepare a teach-out plan for submission to the institution's accrediting agency. A teach-out plan is a written plan that provides for the equitable treatment of students if an IHE ceases operations before all students have completed their program of study.

Code of Conduct for Student Loans. The HEOA adds requirements to the PPA that IHEs develop, publish, administer, and enforce codes of conduct with respect to federal student loans. Codes of conduct must include a ban on revenue-sharing arrangements with lenders; a ban against employees of the financial aid office receiving gifts from lenders, compensation through consulting arrangements or contracts with lenders, and compensation for service on an advisory board, commission, or group established by a lender; prohibitions against IHEs steering borrowers to particular lenders, and against delaying or refusing to certify loans based on a borrower's selection of lender or guaranty agency; a ban against IHEs receiving funds from lenders for private loans or opportunity pools in exchange for entering into a preferred lender arrangement; and a ban against financial aid offices receiving staffing assistance from lenders.

Preferred Lender Arrangements. The HEOA adds requirements to the PPA that IHEs entering into preferred lender arrangements must annually compile, maintain, and make available a list of lenders of federal student loans and private student loans that it recommends, promotes, or endorses. IHEs must also disclose: detailed information about the terms and conditions of loans offered by preferred lenders, as specified under Title I, Part E; why the IHE entered into a preferred lender arrangement with the lender; the terms and conditions of those loans that are favorable to borrowers; that students need not borrow from preferred lenders; and the criteria used by the IHE to select preferred lenders. Preferred lender lists for FFEL program loans must contain at least 3 unaffiliated lenders; and preferred lender lists for private education loans must contain at least 2 unaffiliated lenders.

Transfer of Allotments Between Campus-Based Programs. Previously, institutions were permitted to transfer up to 25% of their Perkins Loan FCC allotment to either or both the FSEOG and the FWS programs; and up to 25% of their FWS allotment to the FSEOG program. Institutions may now also transfer up to 25% of their FWS allotments to either or both the FSEOG or the Perkins Loan program; and up to 25% of their FSEOG allotment to the FWS program.

³⁹ The ECASLA raised loan limits for Unsubsidized Stafford Loans by \$2,000 for most types of undergraduate borrowers. For additional information on changes to the HEA made by the ECASLA, see CRS Report RL34452, *Proposals to Ensure the Availability of Federal Student Loans During an Economic Downturn: A Brief Overview of H.R. 5715 and S. 2815*, by David P. Smole.

Advisory Committee on Student Financial Assistance. The HEOA amends the purposes of the Advisory Committee related to early intervention and awareness programs and federal regulations and the appointment provisions for committee membership. It requires the Advisory Committee, in consultation with expert review panels, to review and monitor all proposed federal regulations in regard to their potential impact on IHEs, to maintain a website with regulatory information (including the study of HEA regulations conducted by the National Academy of Sciences as required under Title XI), and to conduct the committee's own review and analysis of federal regulations affecting IHEs. The act also requires the Advisory Committee to conduct a Study of Innovative Pathways to Baccalaureate Degree Attainment.

Part H: Program Integrity. Part H includes three subparts that specify the roles and responsibilities for the three aspects of the program integrity triad: state authorization, accreditation by an accrediting organization recognized by the Secretary,⁴⁰ and eligibility and certification by ED.

Accrediting Agency Provisions. The HEOA requires accrediting agencies to consistently apply and enforce standards that respect the stated mission of the institution, including religious missions. It adds requirements related to accrediting agency distance education oversight responsibilities, including ensuring students are doing the distance education coursework for which they receive credit. Also modified are existing due process requirements related to the accrediting process, including requiring accrediting agencies to have written accreditation standards and to have a conflict of interest policy for appeals panels. The HEOA also adds requirements related to the growth of programs, teach-out plans, public disclosure of accrediting agency actions, and transfer of credit policies.

Student Achievement Provisions. The HEOA amendments require accrediting agencies to evaluate institutions' success with respect to student achievement in relation to the institution's mission. But, the HEOA prohibits the Secretary from establishing any criteria that specify the standards that accrediting agencies must use to assess an IHE's success with respect to student achievement. It also prohibits the Secretary from issuing regulations related to the standards an accrediting agency must use to assess various aspects of institutions, including, for example, student achievement, curricula, faculty, and facilities.

ED Program Reviews. The HEOA amendments specify that during a program review, ED is required to provide an IHE with an adequate opportunity to review and respond to any relevant materials prior to a final program report being issued. The Department of Education must review and take into consideration an IHE's response in any final program review report or audit determination, including issuing a written statement addressing the IHE's response. The Department must maintain and preserve the confidentiality of any program review report until a final program review is issued, except that information must be shared with the IHE being reviewed and the institution's accrediting agency and state.

⁴⁰ For additional information, see CRS Report RL32989, *Accreditation and the Reauthorization of the Higher Education Act*, by Rebecca R. Skinner and Jody Feder.

Part I: Pilot Parent PLUS Loan Auction Program. Part I, added to the HEA by the CCRAA, authorizes the Secretary to implement a pilot student loan auction program for FFEL program parent PLUS loans beginning July 1, 2009. Under the program, auctions will be held in each state and lenders will bid on the minimum amount of subsidization they will accept to obtain rights to originate parent PLUS loans in that state.

Amendments to Pilot Parent PLUS Loan Auction Program. The program is amended: to require lenders, at the time of submitting bids to participate in the program for a particular state, to make a commitment that if theirs is the winning bid, they will enter into an agreement with the Secretary to originate parent PLUS Loans in that state; to specify penalties for lenders with a winning bid that fail to enter into an agreement with the Secretary; to specify that GAs are responsible for administering federal loan insurance on parent PLUS Loans made under the program; and to require an evaluation of the program.

Title V: Developing Institutions

Title V establishes programs that make available support for Hispanic Serving Institutions (HSIs), similar to those described under the Title III heading, above.

Part A: Hispanic Serving Institutions. The HEOA amends the allowable uses of funds for HSI grants to include remedial and English language instruction, financial literacy counseling, and articulation agreement facilitation.

Part B: Postbaccalaureate Opportunities for Hispanic Americans. The HEOA establishes a new Title V program, to be designated Title V, Part B, to be called Promoting Postbaccalaureate Opportunities for Hispanic Americans (PPOHA). HSIs that offer postbaccalaureate certificate or degree programs are eligible grantees, with funds to be used for a variety of activities to support expansion of graduate programs, including construction and student financial assistance. Under Title VIII, Part AA, \$11.5 million per year is appropriated for the program for FY2009 through FY2014, as shown in **Appendix A**.

Part C: General Provisions. In addition to technical amendments, the HEOA increases the authorization of appropriations for Title V; see **Appendix A**.

Title VI: International Education Programs

Title VI authorizes a variety of grants to IHEs and related entities to enhance instruction in foreign language and area studies. The international education program reflects the special priority placed by the federal government on foreign language and area studies, especially with respect to diplomacy, national security, and trade competitiveness. In addition to the Title VI amendments below, note that the HEOA also establishes a new Deputy Assistant Secretary for International Education through an amendment to the Department of Education Organization Act (see Title IX, below).

Part A: International Education Programs. Authorized Part A programs include Language and Area Centers, International Studies and Foreign Languages, and Research Centers Abroad. The HEOA amends these programs' purposes as well as application, evaluation, and other administrative requirements of these programs. The HEOA also makes certain undergraduate students eligible for Language and Area Studies Fellowships and redistributes how funds appropriated for Title VI, Part A are to be allocated to each program.

Part B: Business and International Education Program. Authorized Part B programs include International Business Education Centers and Business and International Education Projects. The HEOA amends the programs' purposes and grantee assurances to "encourage the advancement and understanding of technology-related disciplines, including manufacturing software systems and technology management" and requires grantees to provide an assurance that "diverse perspectives will be made available to students."

Part C: Institute for International Public Policy. Part C establishes the Institute for International Public Policy which provides a grant to a consortium of certain minority-serving institutions to support the preparation of underrepresented minority students for international and foreign service careers. The HEOA clarifies eligibility criteria so as to include all institutions eligible for assistance under Title III, Parts A and B, and Title V. The act also authorizes financial assistance under Part C consisting of summer stipends and Ralph Bunche Scholarships.

Part D: General Provisions. Part D contains provisions that define terms used in Title VI. In addition to adding a new Title VI program under Part D, the HEOA amendments give the Secretary authority to waive the Title VI grant programs' matching requirements under certain conditions and revise assessment and reporting requirements.

Science and Technology Advanced Foreign Language Education Grant Program. The HEOA establishes a new program authorizing the Secretary to award competitive grants to IHEs to develop programs that teach foreign languages and emphasize understanding of science and technology; foster international scientific collaboration; and provide professional development to K-12 teachers.

Title VII: Graduate and Postsecondary Improvement Programs

Programs authorized under Title VII, Part A are focused on supporting specific graduate and professional degrees. Note that other aid programs targeted toward graduate education are authorized elsewhere in the HEA, including Title VIII, Part G, Mink Fellowships, described below. Title VII, Part B authorizes the Fund for the Improvement of Postsecondary Education (FIPSE). Finally, Title VII, Parts D and E authorize other programs related to educating students with disabilities, and outreach and grant assistance.

Part A: Graduate Education. Title VII, Part A authorizes programs to support graduate education.⁴¹ Amendments under the HEOA include a requirement that representatives from IHEs receiving grants under Titles III or V be represented on the Jacob K. Javits Fellows Program Fellowship Board; new requirements for designating areas that qualify under for Graduate Assistance in Areas of National Need; an expansion of allowable services to include secondary school students (to be called “Associates,” as opposed to the undergraduate “Fellows”) under the Thurgood Marshall Legal Educational Opportunity Program; and a sense of Congress statement encouraging Title VII, Part A institutions to voluntarily establish an inter-institution monitoring organization to address the under-representation by race, ethnicity, and gender in higher education faculty and administration. In addition, a new subpart is established, which creates the two new programs described below.

Master’s Degree Programs at Historically Black Colleges and Universities. The HEOA establishes a new program to support Master’s Degree Programs at HBCUs (MDP-HBCU). Grants are for a minimum of \$500,000 and must be matched with non-Federal funds if over \$1,000,000. Unlike other Title VII, Part A programs that are open to all IHEs meeting specified criteria, MDP-HBCU delineates the 18 specific institutions that are eligible for the program.⁴² Grants may be used for a wide variety of activities to support master’s degree programs in STEM and health fields. Title VIII, Part AA specifies a mandatory appropriation for the program of \$9 million per year for FY2009 through FY2014 (enough for each eligible IHE to receive the minimum grant).

Master’s Degree Programs at Predominantly Black Institutions. The HEOA establishes a new program to support Master’s Degree Programs at PBIs (MDP-PBI). MDP-PBI grants have the same minimums, matching requirements, and purposes as MDP-HBCU grants. The MDP-PBI program delineates the 5 specific institutions that are eligible for grants.⁴³ Title VIII, Part AA appropriates to the program \$2.5 million per year for FY2009 through FY2014 (enough for each eligible IHE to receive the minimum grant).

Part B: Fund for the Improvement of Postsecondary Education (FIPSE). Title VII, Part B authorizes FIPSE, whose purpose is to broadly encourage the reform, innovation, and improvement of postsecondary education.⁴⁴ The HEOA

⁴¹ For additional information, see CRS Report RS21436, *Graduate Fellowship Programs Under Title VII of the Higher Education Act (HEA): Background and Reauthorization*, by Bonnie F. Mangan.

⁴² MDP-HBCU eligible institutions are Albany State, Alcorn State, Claflin, Coppin State, Elizabeth City State, Fayetteville State, Fisk, Fort Valley State, Grambling State, Kentucky State, Mississippi Valley State, Savannah State, South Carolina State, Virginia State, West Virginia State, Wilberforce, and Winston-Salem State Universities and the University of Arkansas, Pine Bluff.

⁴³ MDP-PBI eligible institutions are Chicago State University, Columbia Union College, Long Island University - Brooklyn, Robert Morris College, and York College - The City University of New York.

⁴⁴ For additional information, see CRS Report RS21653, *Fund for the Improvement of* (continued...)

adds five purposes for FIPSE grants and contracts and adds to areas of national need for the purpose of awarding grants for FIPSE Special Projects. In addition, HEOA establishes a priority in FIPSE grant competitions to IHEs using green building standards and creates two programs under FIPSE.⁴⁵

New Uses for FIPSE and FIPSE Special Project Awards. The HEOA establishes new allowable uses for FIPSE grants, including reforms in remedial education, partnerships between high schools and colleges to increase late-entering limited English proficient students to pursue postsecondary education, interdisciplinary programs on poverty with service-learning components, demonstration programs for housing homeless and foster youth during periods when college dorms are closed, and promoting cultural diversity in the entertainment industry.

Center for Best Practices to Support Single Parent Students. The HEOA establishes a new program authorizing a competitive grant or contract to an IHE to establish and maintain a center to study and develop best practices for IHEs to support single parents who are themselves students.

Scholarship Program for Family Members of Veterans or Members of the Military. The HEOA establishes a new program authorizing a competitive contract to a nonprofit organization to provide postsecondary education scholarships to children and spouses of military service members who are on active duty during a war, military operation, or national emergency, or of veterans who served since September 11, 2001, and who were killed or disabled while serving. Scholarships are to be need-based and up to a maximum of \$5,000.

Part D: Programs to Provide Students with Disabilities with a Quality Higher Education. The HEOA repeals Title VII, Part D,⁴⁶ which provided for demonstration projects, and replaces it with several programs related to postsecondary education for students with disabilities. Specific statutory language prohibits Title VII, Part D programs from reducing or expanding any rights or obligations established under the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990, the Individuals with Disabilities Education Act, the Developmental Disabilities Assistance and Bill of Rights Act of 2000, or state laws.

Demonstration Projects to Support Postsecondary Faculty, Staff, and Administrators in Educating Students with Disabilities. The HEOA establishes a new competitive grant or contract program for model demonstrations, technical assistance, and professional development relating to teaching methods,

⁴⁴ (...continued)

Postsecondary Education: Background and Funding, by Bonnie F. Mangan.

⁴⁵ Although not programmatically related to other FIPSE activities, the two new programs are added as subsections of HEA, § 741 (which describes the allowable purposes of FIPSE grants) and therefore these programs share an appropriation authorization with FIPSE.

⁴⁶ The HEOA also repeals Title VII, Part C: Urban Community Service; however, the act does not replace Part C.

secondary-postsecondary transitions, research, distance learning, developing career pathways, professional development, and accessibility.

Transition Programs for Students with Intellectual Disabilities into Higher Education. The HEOA establishes a new competitive grant program for IHEs, or IHEs in partnership with vocational rehabilitation agencies, to create model transition programs to postsecondary education for students with intellectual disabilities. Grant activities include academic enrichment, extracurricular participation, and campus housing integration. Federal funds must be matched by non-federal funds at a 3 to 1 ratio.

Programs to Support Improved Access to Materials. The HEOA establishes two new programs to improve accessibility of course materials. It creates for the Secretary an Advisory Commission on Accessible Instructional Materials in Postsecondary Education for Students with Disabilities, to conduct a study and issue recommendations within a year to improve accessibility of instructional materials for postsecondary education students with print disabilities. The act also creates a competitive grant or contract program for Model Demonstration Programs to Support Improved Access to Postsecondary Instructional Materials for Students with Print Disabilities, available to eligible partnerships of IHEs and expert organizations.

National Technical Assistance Center and Coordinating Center. The HEOA establishes two new programs to provide technical assistance and information to students, their families, and Title VII, Part D grantees. The Secretary is authorized to award a grant, contract, or cooperative agreement to an IHE, nonprofit organization, or partnership to support a National Center for Information and Technical Support for Postsecondary Students with Disabilities. The Center will build a web-based database of information on disability services in higher education and will provide other support, assistance, and information to students and families relating to IHEs' disability support services. The Secretary is also authorized to award a cooperative agreement to create a Coordinating Center for IHEs offering inclusive comprehensive transition programs for students with intellectual disabilities. The Coordinating Center will offer technical assistance, evaluation protocols, program development assistance, and other services; and will convene a working group to make recommendations to NACIQI on accreditation standards for such programs.

Part E: College Access Challenge Grant Program. Title VII, Part E was added to the HEA by the CCRAA. The CCRAA provided mandatory funding for the program for FY2008 and FY2009. The HEOA amended the College Access Challenge Grant program to also authorize discretionary appropriations for FY2009 through FY2014. As discussed above (see Title I), the HEOA also established a new state maintenance of effort (MOE) requirement at HEA, § 137 under which states would lose eligibility to participate in the program for failure to meet the MOE. Authorizations of appropriations for the College Access Challenge Grant program are shown in **Appendix A**.

Title VIII: Additional Programs

Additional HEA Programs. The HEOA adds a new title to the HEA, “Title VIII — Additional Programs,” which includes 27 new Parts, each establishing one or more new programs. Each of these newly authorized programs would be funded through discretionary appropriations. These new programs are each briefly described below.

Part A: Project GRAD. Part A authorizes the Secretary to enter into a contract with the nonprofit organization Project GRAD USA to provide support for programs that assist in secondary-to-postsecondary education transitions, implemented through a series of subcontractors that must match federal funds received.

Part B: Mathematics and Science Scholars Program. Part B authorizes the Secretary to award competitive grants to states to provide support and scholarships for students pursuing STEM or health fields. Freshmen students are eligible for the “Mathematics and Science Scholars Program” and upperclass students are eligible for an additional four years of the “STEM or Health-Related Scholars Program” — each of which provides up to \$5,000 per year.

Part C: Business Workforce Partnerships for Job Skill Training in High-Growth Occupations or Industries. Part C authorizes the Secretary to award competitive grants to partnerships of IHEs, employers, and labor organizations to provide job training in high-growth fields and to strengthen degree programs to meet workforce needs.

Part D: Capacity for Nursing Students and Faculty. Part D authorizes the Secretary to award competitive grants to IHEs to expand associate, baccalaureate, and graduate nursing programs. Grants may be used to purchase technology, conduct assessments, and provide scholarship support for students wishing to become nursing faculty.

Part E: American History for Freedom. Part E authorizes the Secretary to award competitive grants to IHEs to establish or strengthen programs or centers related to traditional American history, free institutions, and Western civilization.⁴⁷ Grants may be used to design and implement academic programs, materials, research, fellowships, teacher preparation, school partnerships, and dissemination.

Part F: Teach for America. Part F authorizes the Secretary to award a directed grant to Teach for America, Inc. to expand its program of recruiting, selecting, training, and supporting new teachers. Such teachers are to be placed in high-need schools.

⁴⁷ These terms are defined in statute. Traditional American history means key constitutional, political, intellectual, economic, and diplomatic trends, issues, events, and individuals. Free institutions refers to democracy, constitutional government, individual rights, market economics, religious rights, and freedom of thought and inquiry.

Part G: Patsy T. Mink Fellowship Program. Part G authorizes the Secretary to award grants to IHEs to make fellowship awards to assist minority and women students acquiring doctoral and other terminal degrees for entering the professoriate. Not less than 30% of funds must be awarded to IHEs eligible for grants under Titles III and V. Fellows must subsequently be employed at an IHE for one year for each year of the fellowship; failure to do so results in fellowship awards having to be repaid through conversion to a DL program Unsubsidized Stafford Loan.

Part H: Improving College Enrollment by Postsecondary Schools. Part H authorizes the Secretary to award a grant to a nonprofit organization to make postsecondary education enrollment rate data available by secondary school attended, to carry out an assessment of 50 urban school districts and 5 rural states as to what factors contribute to improved postsecondary education enrollment rates, and to provide services to improve such rates in 10 districts and states (with a declining federal share of such services).

Part I, Early Childhood Education Professional Development. Part I authorizes the Secretary to award competitive grants to states to establish a State Task Force to develop comprehensive statewide plans for professional development and careers for early childhood education providers, including scholarships to students for up to \$17,500.

Part J: Improving Science, Technology, Engineering, and Mathematics Education with a Focus on Alaska Native and Native Hawaiian Students. Part J authorizes the Secretary to award a grant to a partnership of IHEs (including those with STEM programs and two-year IHEs) and private organizations to develop secondary-to-postsecondary transition programs for students in STEM fields, provide support services, and internships.

Part K: Pilot Programs to Increase College Persistence and Success. Part K authorizes the Secretary to award competitive grants under two programs. The Pilot Program to Increase Persistence and Success in Community Colleges makes available grants to two-year and less than two-year IHEs to provide scholarships (paid as a performance incentive, incrementally up to \$2,000) and counseling services. The Student Success Grant Pilot Program makes available grants, which require a federal to non-federal match on a 3 to 1 ratio, to IHEs to employ student success coaches for at-risk, first-year students, and for other support activities.

Part L: Student Safety and Campus Emergency Management. Part L authorizes the Secretary to award competitive grants, required to be matched with non-federal funds, to IHEs and consortia of IHEs to develop emergency communications systems, measures to improve campus safety, and mental health service coordination with local agencies. It authorizes the Secretary to establish and promulgate regulations for an Education Disaster and Emergency Relief Loan Program for IHEs impacted by major disasters to help fund recovery and operations. It also requires the Secretary, in consultation with the Secretary of Homeland Security and the Attorney General to (1) undertake the following: disseminate model emergency response policies; (2) develop preparation, response, and recovery

procedures for IHEs involved in disasters; and (3) provide guidance for IHEs relating to student mental health issues with a potential to cause harm.

Part M: Low Tuition. Part M authorizes the Secretary to award formula grants to IHEs that meet certain criteria under two programs: Rewards for Low Tuition and Rewards for Guaranteed Tuition. For Low Tuition, IHEs must either (1) have an annual tuition percentage increase in the lowest fifth of similar institutions, (2) be public IHEs that have tuition in the lowest quartile of similar institutions, or (3) be public IHEs that have a tuition increase of less than \$600. Grant funds are used to give additional grants to Pell-eligible students.

For Guaranteed Tuition, the Secretary is to give IHEs a “bonus,” again to be used for grants to Pell-eligible students, if the institution (1) is a public IHE and tuition is in the lowest quartile of similar institutions, or (2) the institution guarantees to students that tuition will not increase by (a) more than \$600 per year for public IHEs, or (b) by more than the previous three-year percentage change for private IHEs. (The guarantee must sustain for 4 succeeding years for bachelor’s degree programs or for 1.5 succeeding years for associate’s degree programs.)

Part N: Cooperative Education. Part N authorizes the Secretary to award competitive grants to IHEs or consortia of IHEs to develop work experiences integrated with the academic program. Grants may support new programs up to \$500,000 or existing programs up to \$75,000, and require matching funds on an increasing basis over the course of the grant. The Secretary is also authorized to support cooperative education demonstration projects, training centers, and research.

Part O: College Partnership Grants. Part O authorizes the Secretary to award competitive grants to consortia of IHEs or state higher education agencies for the purpose of developing articulation agreements, common course numbering, and common general education curricula.

Part P: Jobs to Careers. Part P authorizes the Secretary to award competitive grants to IHEs to improve developmental education and workforce bridge programs.

Part Q: Rural Development Grants for Rural-Serving Colleges and Universities. Part Q authorizes the Secretary to award competitive grants to rural-serving IHEs or consortia of IHEs in partnership with education service agencies or nonprofit organizations to improve postsecondary education enrollment rates for rural secondary school students and nontraditional students, strengthen academic offerings in high-need occupations, and provide career training in fields relevant to the regional economy. Grants are for up to \$200,000.

Part R: Campus-Based Digital Theft Prevention. Part R authorizes the Secretary to award competitive grants or contracts to IHEs, consortia of IHEs, or other organizations to develop programs to reduce the illegal downloading and distribution of intellectual property.

Part S: Training for Realtime Writers. Part S authorizes the Secretary to award competitive grants to postsecondary court reporting programs to promote

training and placement of realtime writers. Grants are for up to \$1,500,000 and may be used for need-based scholarships with a service requirement.

Part T: Centers of Excellence for Veteran Student Success. Part T authorizes the Secretary to award competitive grants to IHEs to develop model programs to support the academic, financial, physical, and social needs of students who are veterans of the armed forces.

Part U: University Sustainability Programs. Part U authorizes the Secretary, in consultation with the Administrator of the Environmental Protection Agency, to award competitive grants to IHEs or partnerships to develop programs and practices in energy management, greenhouse gas emissions reduction, green building, waste management, toxics management, and other aspects of sustainability. Grantees must match grants with nonfederal funds on a 4 to 1 ratio. Grants may be between \$250,000 and \$2,000,000.

Part V: Modeling and Simulation Programs. Part V authorizes the Secretary to award competitive grants to IHEs under two programs to (1) establish and (2) enhance modeling and simulation degree programs. It also establishes within ED a modeling and simulation task force to define, promote, and support the field.

Part W: Path to Success. Part W authorizes the Secretary to award competitive grants to community colleges in partnership with juvenile detention centers to provide counseling, training, and assistance reentering the community and pursuing career or technical training or an associate's degree. Students served are youth aged 16-25 who served in or were released from a detention center, with a priority to serve youth with gang-related convictions.

Part X: School of Veterinary Medicine Competitive Grant Program. Part X authorizes the Secretary of Health and Human Services to award competitive grants to schools of veterinary medicine or other schools offering graduate training or residency for veterinarians to increase the number of veterinarians with specializations in public health practice areas.

Part Y: Early Federal Pell Grant Commitment Demonstration Program. Part Y authorizes the Secretary to award competitive grants to four state agencies to pay administrative costs associated with participating in a demonstration program under which the Secretary makes Pell Grant commitments to two cohorts of 10,000 eighth grade students, each of whom are eligible for free or reduced price lunch. State grantees and local education partners are to conduct a targeted information and outreach campaign.

Part Z: Henry Kuualoha Giugni Kupuna Memorial Archives. Part Z authorizes the Secretary to award a grant to the University of Hawaii Academy for Creative Media to establish the Archives, collect Native Hawaiian historical data, support related programs, create materials, provide outreach and other services, and to fund scholarships.

Part AA: Masters and Postbaccalaureate Programs. Part AA directs the appropriation of mandatory funding for FY2009 through FY2014. As shown in

Appendix A, \$9 million per year is appropriated for Masters Degree Programs at Historically Black Colleges and Universities (Title VII, Part A), \$2.5 million per year for Masters Degree Programs at Predominantly Black Institutions (Title VII, Part A), and \$11.5 million per year for Promoting Postbaccalaureate Opportunities for Hispanic Americans (Title V, Part B).

Additional HEOA Programs. Title VIII also establishes two programs as a part of the HEOA. As these provisions do not amend the HEA, these programs will not be codified within the HEA.

National Center for Research in Advanced Information and Digital Technologies. Part AA establishes a nonprofit research corporation to harness the capacity of technology to improve all levels of learning and education. The Center is to have a board whose members are to be appointed by the Secretary with the advice of Congressional leadership. Funds are authorized to be appropriated for a directed grant to the center.

Pilot Grant Program for Course Material Rental. Part AA also authorizes the Secretary to establish a competitive grant program to award 10 grants to IHEs to pilot bookstore programs of renting course materials and books to students.

Other Provisions of the HEOA

Three additional titles of the HEOA do not amend the HEA. Title IX amends and reauthorizes appropriations to several other higher education-related laws. Title X amends other laws in relation to private student loans. Finally, Title XI mandates studies and reports to be conducted by various entities and submitted to Congress.

Title IX: Amendments to Other Laws

The HEOA amends several laws related to higher education, but separate from the HEA. The HEOA also reauthorizes laws related to education of the deaf, Indian education, and programs established under previous HEA amendments.

Part A: Education of the Deaf Act of 1986. The HEOA names the center for elementary and secondary education programs at Gallaudet University the Laurent Clerc National Deaf Education Center and establishes education and assessment requirements for the center. It establishes a new Cultural Experiences Grants program, authorizing the Secretary to award competitive grants or contracts to provide students with cultural, educational, and social experiences. The act also amends international student provisions for the National Technical Institute for the Deaf and expands previous provisions requiring the Secretary to conduct a study on education of the deaf to now require the establishment of a commission on the education of the deaf. It also includes other technical amendments to the Education of the Deaf Act, and extends its authorization through FY2014.

Part B: United States Institute of Peace Act. The HEOA makes technical amendments and extends authorization through FY2014.

Part C: Higher Education Act Amendments of 1992 and of 1998; Department of Education Organization Act. The HEOA repeals from previous higher education amendments several programs and provisions, including prior studies, Community Scholarship Mobilization; Improving United States Understanding of Science, Engineering, and Technology in East Asia; Web-Based Education Commission; and a Sense of Congress statement regarding good character. It also makes significant amendments to the Grants to States for Workplace and Community Transition Training for Incarcerated Individuals program and the Underground Railroad Educational and Cultural Program, and extends their authorizations through FY2014. The HEOA extends the authorization for Olympic Scholarships through FY2014.

International and Foreign Language Education. The HEOA amends the Department of Education Organization Act to establish within the Office of Postsecondary Education the position of Deputy Assistant Secretary for International and Foreign Language Education.

Part D: Tribally Controlled Colleges or Universities Assistance Act of 1978; Navajo Community College Act. The HEOA reauthorizes the Tribally Controlled Colleges or Universities Assistance Act of 1978 through FY2014, and makes amendments to definitions, continuing education, accreditation, and other provisions. For grants to TCCUs, the act increases the per student allotment from \$6,000 to \$8,000, to be adjusted in the future for inflation. It also adds a new Title V, Tribally Controlled Postsecondary Career and Technical Institutions,⁴⁸ which provide grants to the United Tribes Technical College and the Navajo Technical College. The HEOA also makes technical amendments to the Navajo Community College Act and extends its authorization through FY2014.

Part E: Omnibus Crime Control and Safe Streets Act of 1968.

Loan Repayment for Prosecutors and Public Defenders. The Omnibus Crime Control and Safe Streets Act of 1968 is amended to establish a loan repayment program, under which the Attorney General may assume the obligation to repay up to \$10,000 per year, and a maximum of \$60,000, on federal student loans made under FFEL, DL and Perkins Loan programs (other than PLUS Loans borrowed on behalf of a dependent student) for borrowers who enter into agreements to serve as prosecutors or public defenders for at least three years. The program is authorized to be funded at \$25 million for FY2009; and such sums as may be necessary for FY2010-FY2014.

⁴⁸ This program is similar to the identically-titled Tribally Controlled Postsecondary Career and Technical Institutions program authorized under § 117 of the Carl D. Perkins Career and Technical Education Improvement Act of 2006 (P.L. 109-270). The HEOA makes amendments to this section of the Perkins Act, but does not repeal the program.

Part F: Institutional Loan Repayment Assistance Programs.

Institutional Loan Forgiveness for Federal and District of Columbia Government Employees. This provision of the HEOA specifies that, notwithstanding any other provision of law, IHEs are authorized to provide financial assistance to current and former students who are officers or employees of the United States government, or of the District of Columbia, for the purpose of repaying a student loan or providing forbearance.⁴⁹ Such assistance must be provided in accordance with a published written policy of the institution addressing loan repayment or forbearance for current and former students who perform public service. Note that this provision does not amend any law.

Part G: Stevenson-Wydler Technology Innovation Act of 1980. The HEOA establishes the Minority Serving Institution Digital and Wireless Technology Opportunity Program, authorizing the Secretary to award grants or contracts to IHEs to acquire and build capacity for using digital and wireless networking technologies. Title III and Title V MSIs and minority institutions (IHEs enrolling more than 50% of any minority group) are eligible to apply for these grants.

Title X: Private Student Loan Transparency and Improvement Act of 2008

Title X amends the Truth in Lending Act (TILA), the Community Reinvestment Act of 1977 (CRA), and Title I, Part E of the HEA (discussed above), with respect to education loans. It also establishes new requirements for the Financial Literacy and Education Commission.

Amendments to the Truth in Lending Act. The HEOA amends the TILA with respect to private education loans. These amendments are described below.

Private Education Loans Subject to the Truth in Lending Act. The HEOA amends the TILA to make it applicable to all private education loans (i.e., loans not made, insured, or guaranteed under Title IV of the HEA; and that are issued expressly for expenses included as part of a student's COA), regardless of the amount of such loans. Lenders of private education loans are prohibited from directly or indirectly offering or providing gifts to an IHE or its employees in exchange for any advantage related to the business of making private education loans; from engaging in revenue sharing with an IHE; and from co-branding with an IHE in the marketing of private education loans. Employees of the financial aid office of an IHE, or who otherwise have responsibilities with respect to private educational loans, and who serve on an advisory board, commission, or group established by a lender of private education loans are prohibited from receiving anything of value from the lender, except for the reimbursement of reasonable expenses incurred as a result of such service. Lenders of private education loans are also prohibited from imposing prepayment penalties on borrowers.

⁴⁹ For additional information, see CRS Report RL31102, *Student Loan Repayment for Federal Employees*, by Barbara L. Schwemle and Lorraine H. Tong.

Requirements for Private Education Loans under TILA. The HEOA amends the TILA to require lenders of private education loans to disclose to borrowers detailed information about the terms and conditions of loans, and the right to cancel within three days of consummation, in applications and solicitations, at the time of loan approval, and at the time of consummation. Borrowers of private education loans must be provided 30 days to accept the terms and conditions of the loan and to consummate the transaction, with no changes (other than adjustments to interest rates based on an index). Lenders are also prohibited from consummating private education loans without first obtaining private education loan self-certification forms (specified under HEA Title I, Part E) from borrowers.

Civil liability under the Truth in Lending Act. The HEOA amends the Truth in Lending Act to subject lenders of private educational loans to civil liability for the failure to disclose required information about the terms and conditions of private education loans, including the right to cancel. Borrowers of private educational loans may sue for damages regarding violations of the terms of disclosure until one year following the date on which the first payment of principal is due.

Amendments to the Community Reinvestment Act of 1977. The HEOA amends the CRA as follows.

Community Reinvestment Act Credit for Low-Cost Loans. The CRA is amended to require federal financial supervisory agencies to consider low-cost education loans made to low-income borrowers as a factor in assessing the record of a financial institution in meeting the credit needs of its entire community (including low- and moderate-income neighborhoods, consistent with the safe and sound operation of such institution).⁵⁰

Financial Literacy and Education Commission. The HEOA requires the Financial Literacy and Education Commission to identify programs that promote or enhance financial literacy for college students, evaluate the effectiveness of those programs, promote those that are most effective, and encourage IHES to implement effective financial education programs. The Commission is also required to report to Congress on the state of financial literacy at IHES.

Title XI: Studies and Reports

In addition to performance reporting requirements and formal evaluations mandated for the various programs of the HEA, The HEOA authorizes 24 studies and reports to be conducted by the following designated entities:

Government Accountability Office.

- Study on Foreign Graduate Medical Schools
- Employment of Postsecondary Education Graduates
- Study on IPEDS

⁵⁰ For additional information on the requirements of the Community Reinvestment Act, see CRS Report RL34049, *Community Reinvestment Act: Regulation and Legislation*, by Walter W. Eubanks.

- Report on Proprietary IHEs
- Endowment Report
- Study on Regional Sensitivity in the Needs Analysis Formula
- Study on the Financial and Compliance Audits of the Federal Student Loan Program
- Study and Report on Nonindividual Information
- Feasibility Study for Student Loan Clearinghouse
- Study on Department of Education Oversight of Incentive Compensation Ban

National Academy of Sciences.

- Analysis of Federal Regulations on IHEs
- Independent Evaluation of Distance Education Programs
- Review of Costs and Benefits of Environmental, Health, and Safety Standards
- Study on Bias in Standardized Tests
- Study on Teaching Students with Reading Disabilities
- Nursing School Capacity

Secretary of Education.

- Report and Study on Articulation Agreements
- Study of Minority Male Academic Achievement
- Study of Correctional Postsecondary Education, in consultation with the Secretary of Labor and the Attorney General
- Study of Aid to Less-than-Half-Time Students
- Study of the Impact of Student Loan Debt on Public Service, in consultation with the Office of Management and Budget and coordination with the National Academy of Public Administrators or the American Society for Public Administration
- Report on Income Contingent Repayment Through the Income Tax Withholding System, with the Secretary of the Treasury
- Developing Additional Measures of Degree Completion
- Summit on Sustainability, in consultation with the Administrator of the Environmental Protection Agency

Appendix A. Authorizations of Appropriations Under the Higher Education Act, as Amended

As discussed throughout this report, the HEOA amended the HEA to extend funding authorization for previously established HEA programs and to authorize the appropriation of funds for newly established programs. **Table A-1** presents information on the authorization of appropriations for HEA programs and activities, as amended by the HEOA. It also presents information on higher education programs that are not part of the HEA, but that are established under related acts: the HEOA, the Higher Education Amendments of 1998 (P.L. 105-244), and the Higher Education Amendments of 1992 (P.L. 102-325).

Table A-1 lists, by title and part, programs for which funds are authorized to be appropriated under the HEA or related acts. For each program, the table identifies the section of the act under which the appropriation of funds is authorized for the program; whether the program is a continuing program (C) that had been authorized under the HEA or a related act prior to reauthorization, or is newly established (N) by the HEOA; and whether appropriations for the program are discretionary (D) or mandatory (M). For continuing programs, the table also shows the amount of funding that was provided for FY2008; notations of “n/a” for new programs mean that FY2008 amounts are not applicable. For all programs, the table shows the amount of funding authorized to be appropriated for FY2009 through FY2017, as applicable. Appropriations figures are shown in thousands of dollars; the phrase “such sums” indicates that the amount authorized to be appropriated for a particular fiscal year is such sums as may be necessary. In general, in the absence of legislation to extend or repeal a program in the HEA, the authorization of appropriations would be extended for one additional fiscal year under § 422 of the General Education Provisions Act (GEPA, P.L. 90-247). Therefore, although most HEA program authorizations will expire in FY2014, GEPA will automatically extend these authorizations to FY2015. (The table, however, does not reflect this extension.)

Note that for programs with both discretionary and mandatory components, the discretionary authorization is in addition to mandatory amounts. Mandatory funds may flow under the authority of a particular program, but the funding provision may limit uses of funds. For example, HSI funds are available to HSI-eligible institutions (as defined by Title V, Part A), but for limited purposes of promoting science programs and articulation agreements (described under Title III, Part F, § 371). Mandatory appropriations made under Title III, Part F (§ 371); Title IV, Part A (§ 401); and Title VII, Part E (§ 781) were added by the CCRAA and were amended by the HEOA. Mandatory appropriations made under Title VIII, Part AA (§ 898) were added by the HEOA.

Program, by Title and Part	Auth. Sec.	Cont./ New	Discr./ Mand.	FY2008 Approp. (\$)	Authorization of Appropriations (\$)									
					FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	
Title II: Teacher Quality Enhancement														
Title II, Part A: Teacher Quality Partnership Grants														
Partnership Grants	§ 209	C	D	33,662	300,000	such sums	such sums	such sums	such sums	such sums	-	-	-	
-Pre-Baccalaureate Preparation Program		N												
-Teacher Residency Program		N												
-Leadership Development Program		N												
Title II, Part B: Enhancing Teacher Education														
Enhancing Teacher Education Grants	§ 230		D	n/a	such sums	such sums	such sums	such sums	such sums	such sums	-	-	-	
-Preparing Teachers for Digital Age Learners		N												
-Hawkins Centers of Excellence		N												
-Teach to Reach Grants		N												
-Adjunct Teacher Corps		N												
-Graduate Fellowships to Prepare Faculty in High-Need Areas		N												

Program, by Title and Part	Auth. Sec.	Cont./ New	Discr./ Mand.	FY2008 Approp. (\$)	Authorization of Appropriations (\$)								
					FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017
Title III, Part B: Strengthening Historically Black Colleges and Universities													
Historically Black Colleges and Universities	§ 399	C	D	238,095	375,000	such sums	such sums	such sums	such sums	such sums	-	-	-
	§ 371	C	M	85,000	85,000	-	-	-	-	-	-	-	-
Historically Black Graduate Institutions	§ 399	C	D	56,903	125,000	such sums	such sums	such sums	such sums	such sums	-	-	-
Title III, Part C: Endowment Challenge Grant													
Endowment Challenge Grants	§ 399	C	D	0	10,000	such sums	such sums	such sums	such sums	such sums	-	-	-
Title III, Part D: Historically Black Colleges and Universities Capital Financing													
Historically Black College and University Capital Financing	§ 399	C	D	185	185	such sums	such sums	such sums	such sums	such sums	-	-	-
	§ 343	C	M	18,038	such sums	such sums	such sums	such sums	such sums	such sums	-	-	-
Capital Improvement Technical Assistance	§ 399	C	D	0	such sums	such sums	such sums	such sums	such sums	such sums	-	-	-
Title III, Part E: Minority Science and Engineering Improvement Program													
Minority Science & Engineering Improvement Program	§ 399	C	D	8,577	12,000	such sums	such sums	such sums	such sums	such sums	-	-	-
Programs in STEM Fields	§ 399		D	n/a	such sums	such sums	such sums	such sums	such sums	such sums	-	-	-
-YES Partnerships Grants		N											
-Promotion of Entry into STEM Fields		N											

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Program, by Title and Part	Auth. Sec.	Cont./ New	Discr./ Mand.	FY2008 Approp. (\$)	Authorization of Appropriations (\$)								
					FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017
Title IV: Student Assistance													
Title IV, Part A: Grants to Students in Attendance at Institutions of Higher Education													
Federal Pell Grants	§ 401	C	D	14,215,000	such sums	such sums	such sums	such sums	such sums	such sums	such sums	such sums	such sums
Mandatory Pell Increase	§ 401	C	M	2,030,000	2,090,000	3,030,000	3,090,000	5,050,000	105,000	4,305,000	4,400,000	4,600,000	4,900,000
Academic Competitiveness Grants and National Science and Mathematic Access to Retain Talent (SMART) Grants	§ 401A	C	M	395,000	960,000	1,010,000	-	-	-	-	-	-	-
TRIO Programs:	§ 402A		D	828,178	900,000	such sums	such sums	such sums	such sums	such sums	-	-	-
-Talent Search		C											
-Upward Bound		C											
-Student Support Services		C											
-McNair Postbaccalaureate Achievement Program		C											
-Education Opportunity Centers		C											
-Mandatory Funds for Upward Bound	§ 402C	C	M	57,000	57,000	57,000	57,000	-	-	-	-	-	-
Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP)	§ 404H	C	D	303,423	400,000	such sums	such sums	such sums	such sums	such sums	-	-	-

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Program, by Title and Part	Auth. Sec.	Cont./ New	Discr./ Mand.	FY2008 Approp. (\$)	Authorization of Appropriations (\$)								
					FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017
Federal Supplemental Educational Opportunity Grants (FSEOG)	§ 413A	C	D	757,465	such sums	such sums	such sums	such sums	such sums	such sums	-	-	-
-Leveraging Educational Assistance Partnership (LEAP) Grants	§ 415A	C	D	63,852	200,000 ^a	such sums ^a	such sums ^a	such sums ^a	such sums ^a	such sums ^a	-	-	-
-Grants for Access and Persistence (GAP)		N											
High School Equivalency Program for Migrants	§ 418A	C	D	18,226	75,000	such sums	such sums	such sums	such sums	such sums	-	-	-
College Assistance Migrant Program	§ 418A	C	D	15,108									
Robert C. Byrd Honors Scholarship	§ 419K	C	D	40,284	such sums	such sums	such sums	such sums	such sums	such sums	-	-	-
Child Care Access Means Parents in School	§ 420E	C	D	15,534	such sums	such sums	such sums	such sums	such sums	such sums	-	-	-
Teacher Education Assistance for College and Higher Education (TEACH) Grants	§ 420O	C	M	7,000 ^b	such sums	such sums	such sums	such sums	such sums	such sums	such sums	such sums	such sums
Title IV, Part B: Federal Family Education Loan Program													
Federal Family Education Loan Program subsidy costs	§ 421	C	M	4,533,440	such sums	such sums	such sums	such sums	such sums	such sums	such sums	such sums	such sums
Loan Forgiveness for Service in Areas of National Need	§ 428K	N	D	n/a	such sums	such sums	such sums	such sums	such sums	such sums	-	-	-

Program, by Title and Part	Auth. Sec.	Cont./ New	Discr./ Mand.	FY2008 Approp. (\$)	Authorization of Appropriations (\$)									
					FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	
Title IV, Part G - General Provisions Relating to Student Assistance Programs														
Advisory Committee on Student Financial Assistance	§ 491	C	D	[funded from ED program admin.]	not less than 800	not less than 800	not less than 800	not less than 800	not less than 800	-	-	-	-	-
Title IV, Part I - Competitive Loan Auction Pilot Program														
Parent PLUS Loan Pilot Auction program	§ 499	C	M	n/a	such sums	such sums	such sums	such sums	such sums	such sums	such sums	such sums	such sums	such sums
Title V: Developing Institutions														
Title V, Part A: Hispanic-Serving Institutions														
Hispanic-Serving Institutions	§ 528	C	D	93,256	175,000	such sums	such sums	such sums	such sums	such sums	-	-	-	-
	§ 371	C	M	100,000	100,000	-	-	-	-	-	-	-	-	-
Title V, Part B: Promoting Postbaccalaureate Opportunities for Hispanic Americans														
Promoting Postbaccalaureate Opportunities for Hispanic Americans	§ 528	N	D	n/a	100,000	such sums	such sums	such sums	such sums	such sums	-	-	-	-
	§ 898	N	M	n/a	11,500	11,500	11,500	11,500	11,500	11,500	-	-	-	-
Title VI: International Education Programs														
Title VI, Part A: International and Foreign Language Programs														
International & Foreign Language Programs	§ 610	C	D	93,941 [Includes Title VI, Part B]	such sums	such sums	such sums	such sums	such sums	such sums	-	-	-	-

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Program, by Title and Part	Auth. Sec.	Cont./New	Discr./Mand.	FY2008 Approp. (\$)	Authorization of Appropriations (\$)								
					FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017
Title VII: Graduate and Postsecondary Improvement Programs													
Title VII, Part A: Graduate Education													
Jacob K. Javits Fellowship Program	§ 705	C	D	9,530	30,000	30,000	30,000	30,000	30,000	30,000	-	-	-
Graduate Assistance in Areas of National Need	§ 716	C	D	29,542	35,000	35,000	35,000	35,000	35,000	35,000	-	-	-
Thurgood Marshall Legal Education Opportunity Program	§ 721	C	D	2,895	5,000	5,000	5,000	5,000	5,000	5,000	-	-	-
Master's Degree Programs at Historically Black Colleges and Universities	§ 725	N	D	n/a	such sums	such sums	such sums	such sums	such sums	such sums	-	-	-
	§ 898	N	M	n/a	9,000 ^e	9,000 ^e	9,000 ^e	9,000 ^e	9,000 ^e	9,000 ^e	-	-	-
Master's Degree Programs at Predominantly Black Institutions	§ 725	N	D	n/a	such sums	such sums	such sums	such sums	such sums	such sums	-	-	-
	§ 898	N	M	n/a	2,500 ^e	2,500 ^e	2,500 ^e	2,500 ^e	2,500 ^e	2,500 ^e	-	-	-

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Program, by Title and Part	Auth. Sec.	Cont./ New	Discr./ Mand.	FY2008 Approp. (\$)	Authorization of Appropriations (\$)									
					FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	
Title VII, Part E: College Access Challenge Grant Program														
College Access Challenge Grants	§ 781	C	M	66,000	66,000	-	-	-	-	-	-	-	-	-
	§ 781	N	D	n/a	such sums	such sums	such sums	such sums	such sums	such sums	such sums	-	-	-
Title VIII: Additional Programs														
Part A-Project GRAD	§ 801	N	D	n/a	such sums	such sums	such sums	such sums	such sums	such sums	such sums	-	-	-
Part B-Mathematics and Science Scholars	§ 802	N	D	n/a	such sums	such sums	such sums	such sums	such sums	such sums	such sums	-	-	-
Part C-Business Workforce Partnerships for Job Skill Training	§ 803	N	D	n/a	such sums	such sums	such sums	such sums	such sums	such sums	such sums	-	-	-
Part D-Capacity for Nursing Students and Faculty	§ 804	N	D	n/a	such sums	such sums	such sums	such sums	such sums	such sums	such sums	-	-	-
Part E-American History for Freedom	§ 805	N	D	n/a	such sums	such sums	such sums	such sums	such sums	such sums	such sums	-	-	-
Part F-Teach for America	§ 806	N	D	n/a	20,000	25,000	such sums	such sums	such sums	such sums	such sums	-	-	-
Part G-Patsy T. Mink Fellowship	§ 807	N	D	n/a	such sums	such sums	such sums	such sums	such sums	such sums	such sums	-	-	-
Part H-Improving College Enrollment by Postsecondary Schools	§ 808	N	D	n/a	such sums	such sums	such sums	such sums	such sums	such sums	such sums	-	-	-
Part I-Early Childhood Education Professional Development	§ 818	N	D	n/a	such sums	such sums	such sums	such sums	such sums	such sums	such sums	-	-	-

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Program, by Title and Part	Auth. Sec.	Cont./ New	Discr./ Mand.	FY2008 Approp. (\$)	Authorization of Appropriations (\$)									
					FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	
Part J-Improving STEM Education with a Focus on Alaska Native and Native Hawaiian Students	§ 819	N	D	n/a	such sums	such sums	such sums	such sums	such sums	such sums	such sums	-	-	-
Part K-Pilot Programs to Increase College Persistence and Success	§ 820	N	D	n/a	such sums	such sums	such sums	such sums	such sums	such sums	such sums	-	-	-
Part L-Student Safety and Campus Emergency Management	§ 821	N	D	n/a	such sums	such sums	such sums	such sums	such sums	such sums	such sums	-	-	-
Part L-Education Disaster and Emergency Relief Loan Program	§ 824	N	D	n/a	such sums	such sums	such sums	such sums	such sums	such sums	such sums	-	-	-
Part M-Incentives and Rewards for Low Tuition	§ 830	N	D	n/a	such sums	such sums	such sums	such sums	such sums	such sums	such sums	-	-	-
Part N -Grants for Cooperative Education -Demonstration Programs, Training and Resource Centers, and Research	§ 835	N N	D	n/a	such sums	such sums	such sums	such sums	such sums	such sums	such sums	-	-	-
Part O-College Partnership Grants	§ 841	N	D	n/a	such sums	such sums	such sums	such sums	such sums	such sums	such sums	-	-	-
Part P-Jobs to Careers	§ 851	N	D	n/a	such sums	such sums	such sums	such sums	such sums	such sums	such sums	-	-	-
Part Q-Rural Development Grants	§ 861	N	D	n/a	such sums	such sums	such sums	such sums	such sums	such sums	such sums	-	-	-

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Program, by Title and Part	Auth. Sec.	Cont./ New	Discr./ Mand.	FY2008 Approp. (\$)	Authorization of Appropriations (\$)								
					FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017
Part R-Campus-Based Digital Theft Prevention	§ 871	N	D	n/a	such sums	such sums	such sums	such sums	such sums	such sums	-	-	-
Part S-Training for Realtime Writers	§ 872	N	D	n/a	such sums	such sums	such sums	such sums	such sums	such sums	-	-	-
Part T-Centers of Excellence for Veteran Student Success	§ 873	N	D	n/a	such sums	such sums	such sums	such sums	such sums	such sums	-	-	-
Part U -University Sustainability Programs -Modeling and Simulation Task Force -Modeling and Simulation Establishment Grants	§ 881	N N N	D	n/a	such sums	such sums	such sums	such sums	such sums	such sums	-	-	-
Part W-Path to Success Reentry Education Grants	§ 892	N	D	n/a	such sums	such sums	such sums	such sums	such sums	such sums	-	-	-
Part X-School of Veterinary Medicine Competitive Grants	§ 893	N	D	n/a	such sums	such sums	such sums	such sums	such sums	such sums	-	-	-
Part Y-Early Federal Pell Grant Commitment Demonstration Program	§ 894	N	D	n/a	such sums	such sums	such sums	such sums	such sums	such sums	-	-	-
Part Z-Kapuna Memorial Archives	§ 895	N	D	n/a	such sums	such sums	such sums	such sums	such sums	such sums	-	-	-

Program, by Title and Part	Auth. Sec.	Cont./ New	Discr./ Mand.	FY2008 Approp. (\$)	Authorization of Appropriations (\$)								
					FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017
Programs Authorized in Acts to Reauthorize and Amend the Higher Education Act^f													
Higher Education Opportunity Act													
National Center for Research in Advanced Information and Digital Technologies	§ 802	N	D	n/a	such sums	such sums	such sums	such sums	such sums	such sums	-	-	-
Pilot Grant Program for Course Material Rental	§ 803	N	D	n/a	such sums	such sums	-	-	-	-	-	-	-
Higher Education Amendments of 1998													
Workplace and Community Transition Training for Incarcerated Individuals	§ 821	C	D	22,372	such sums	such sums	such sums	such sums	such sums	such sums	-	-	-
Underground Railroad Educational and Cultural program	§ 841	C	D	1,945	3,000	3,000	3,000	3,000	3,000	3,000	-	-	-
Higher Education Amendments of 1992													
Olympic Scholarships	§ 1543	C	D	953	5,000	5,000	5,000	5,000	5,000	5,000	-	-	-

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Sources: Compiled by CRS based on the Higher Education Act of 1965 (P.L. 89-329), as amended; the Higher Education Opportunity Act (P.L. 110-315); the Ensuring Continued Access to Student Loans Act (P.L. 110-227); the College Cost Reduction and Access Act (P.L. 110-84); U.S. Department of Education, Fiscal Year 2009 Justifications of Appropriation Estimates to the Congress (February 2008); and U.S. Department of Education, Fiscal Year 2009 Congressional Action (July 16, 2008).

- a. Funds appropriated for LEAP and GAP go first to LEAP, with any appropriations over \$30 million to be allocated to GAP.
- b. Funding for TEACH Grants is a permanent, mandatory appropriation for such sums as may be necessary to provide the grants to all eligible applicants. In its FY2009 Budget Justifications, the Department of Education states that the program's budget will be estimated as a loan program (with 100% forgiveness upon service completion) and that the net present value of future costs is estimated at \$7 million for FY2008 and \$14 million for FY2009 (with re-estimates of prior years to be performed annually).
- c. Funds are made available under § 451 for the Secretary to purchase loans under § 459A. The Secretary's authority to purchase loans under § 459A expires July 1, 2009.
- d. Funds for Federal Perkins Loan cancellations are treated as discretionary for congressional budget purposes.
- e. Title VIII, Part AA makes a mandatory appropriation of \$11.5 million per year to be shared between the MDP-HBCU and MDP- PBI programs. During floor debate on final passage of the H.R. 4137 conference report, House Education and Labor Committee Chairman George Miller stated for the record that it was the intention of the conferees that this amount be split proportionally between the HBCU and PBI programs. Title VII, Part A lists 18 IHEs eligible for the MDP-HBCU grants and 5 IHEs eligible for the MDP-PBI grants. Proportional division, then, would provide \$9 million per year to the MDP-HBCU program and \$2.5 million per year to the MDP-PBI program.
- f. These programs were contained in laws that amended and reauthorized the HEA but were not themselves added to the HEA, so they are separately codified. Does not include Title XV of the Higher Education Amendments of 1986, which is cited as a separate act: the "American Indian, Alaska Native, and Native Hawaiian Culture and Art Development Act;" the title has an indefinite authorization of such sums as may be necessary. Also does not include parts of Title VIII of the Higher Education Amendments of 1998 whose authorizations have expired but that have not been repealed: Part B, Advanced Placement Incentive Program; and Part E, Grants to Combat Violent Crimes Against Women on Campus.