



SUNY FEDERAL RELATIONS UPDATE Friday, November 16, 2007

House Panel Approves HEA Reauthorization Bill

Yesterday, the House Committee on Education and Labor unanimously approved the "College Opportunity and Affordability Act of 2007" (H.R. 4137) to reauthorize the Higher Education Act (HEA, P.L. 105-244). The bill is a five year reauthorization and it includes new measures designed to address college costs, state support for higher education and provide students and families with access to consumer friendly information on college pricing and factors driving tuition increases. I am sharing with you below *some* summary information about the legislation.

The Committee's summary of the bill is available at: edlabor.house.gov And, I am attaching additional summary materials shared with our office by the National Association of State Universities and Land Grant Colleges (NASULGC, A Public University Association).

If there are concerns that were brought to your attention by other associations or individuals, please let me, or Angie Anderson, know as soon as possible.

Although some say it won't move again until early next year, we are being told by staff that the legislation is likely to move to the floor in the next few weeks and could move swiftly into conference as the Senate has already passed its version of the legislation. The 740-page bill was only made publicly available late last Friday and we are still learning and analyzing its content.

The legislation makes a number of positive changes to current programs and processes governed by the HEA. However, as passed by the Committee, the bill, which is aimed at addressing costs and transparency, places scores of new mandates on colleges and universities. While some of these new requirements may mandate institutions to report and disclose information, others are problematic because they would force colleges and universities to devote significant new resources to comply with these new mandates. In addition to the host of new mandates, the legislation also calls for the creation a myriad of new programs.

Summaries of the two-day markup of the bill are available on the Inside Higher Education website at <http://www.insidehighered.com/news/2007/11/15/hea> and <http://www.insidehighered.com/news/2007/11/16/house>.

The list and text of the amendments that were adopted during yesterday's markup are available at the following URL: <http://edlabor.house.gov/markups/fc20071114.shtml>.

Here are some of the positive developments:

- Pell grants (p. 237): Maximum authorized award increased to \$9,000 and requires the Secretary to fund year-round Pell grant
- Academic Competitiveness Grants (ACG) (p. 238): Makes permanent residents now eligible for the program
- Supplemental Education Opportunity Grants (SEOG) (p. 266): Increases the authorized amount to \$875 million
- Perkins Loans (pp. 338-339): Loans limits for undergraduates increased to \$5,500
- Work Study (p. 382): Reauthorized and authorized amount increased

However, a number of significant policy concerns remain in the bill.

College Cost

Much of the attention during this reauthorization has been focused on cost issues and, as expected, the House HEA includes provisions related to this issue.

In an attempt to address increasing tuition levels and to hold institutions accountable, the bill includes several sanctions against institutions with unacceptable rates of increase in their tuition. Institutions that increased their tuition beyond the rate of HEPI in any given year would be placed on a higher education price index "watch list" (pp. 36 - 37). If an institution is on the watch list, it would be required to establish a "Quality Efficiency Task Force," which would be responsible for reviewing the costs and operations of the institutions and comparing such expenses to other institutions in the same category.

During the markup on Thursday, Rep. Tim Bishop (D-NY) offered an amendment that would begin to the process of addressing a number of the concerns with respect to the cost provisions. The amendment, which was adopted by voice vote, would add an actual dollar amount to the mechanism that would trigger the watch list sanction. It would allow institutions to raise their tuition at an average of HEPI plus \$500 per year over 3 years. Again, while this does not resolve the various problems on the cost front, this does begin the process of improving the provisions.

On the cost front, the bill does NOT explicitly distinguish between "in-state" and "out-of-state" tuition and fees for public universities.

Accreditation

Unexpectedly, as a result of the proceedings on Wednesday, accreditation may have emerged as a significant policy issue of concern in the House. The bill, as originally

drafted, reflected the Senate language with respect to accreditation, including provisions with respect to student outcomes. The Senate language was agreed to as a result of a series of negotiations after the Department of Education attempted to inappropriately intrude into this arena earlier this year through its "negotiated rulemaking" process.

Late Wednesday, the committee accepted an amendment offered by Rob Andrews (D-NJ) that struck from the bill the core of the negotiated language that explicitly states that institutions, and not other entities, would set outcome goals (p. 414 of the legislation). The language was deleted and was not replaced with alternative language but there was agreement that additional language would be offered before floor action on the bill. As a result of the amendment, there is concern that the federal government may once again try to insert itself into a debate about academic quality and student outcomes.



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Manager



House bill

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