

Washington Update

Virginia Association of Collegiate
Registrars and Admissions Officers
Annual Meeting

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Blacksburg, Virginia

Paul Wiley



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1965 Higher Education Act

“ . . . that for the individual, education is the path to achievement and fulfillment; for the Nation, it is a path to a society that is not only free but civilized; and for the world, it is the path to peace—for it is education that places reason over force.”

Lyndon B. Johnson

Nov. 8, 1965

Southwest Texas State College



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Where We Are

- November 9, 2007: House Committee on Education and Labor introduces its bill to reauthorize the Higher Education Act (H.R. 4137)
- September 27, 2007 : President signed the College Cost Reduction and Access Act of 2007 (H.R. 2669)
- July 24, 2007: Senate unanimously passed its reauthorization bill (S. 1642)



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A Quick History of How We Got Here

- November 2006: Democrats Take Over Both Houses of Congress
- February 2007: Bush Administration Breaks with the Student Loan Industry
- March 2007: New York Attorney General Andrew Cuomo Announces Investigation



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FY 2008 Budget Process

- The Fiscal 2008 budget process mandates a budget reconciliation and requires the Education and Labor Committee to generate a 2007-2012 savings of \$750 million (September 10, 2007 deadline, Section 601, House Budget Committee mark)



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FY 2008 Budget Process

- The College Cost Reduction and Access Act of 2007, H.R. 2669 cuts mandatory (entitlement) spending in student loans by more than \$22 billion, devotes \$752 million to reducing the deficit, but spends the balance of the savings, i.e., more than \$21 billion to enhanced student and institutional aid. (dollar figures are for five years 2007-2012)



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H.R. 2669

- Reduces interest rates for subsidized Stafford borrowers
- Creates a new Income Based Repayment option for borrowers, limiting debt repayment to 20% of discretionary income
- Provides loan forgiveness for borrowers working in specified public-sector jobs
- Expands eligibility by modifying the means-test for financial need
- Extends the deferment period for loan repayments for certain members of the military.
- These changes cost \$7.2 billion over the 2007-12 period and \$8.0 billion over the 2007-17 period.



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H.R. 2669

- Creates a new mandatory (entitlement) add-on to the existing Pell Grant program
- It also creates the Teacher Education Assistance for College and Higher Education (TEACH) Grants program, a grant program for students who agree to teach certain high-need subjects in schools that meet criteria for enrollment of low-income students.
- These changes cost \$11.7 billion over the 2007-12 period and \$30.6 billion over the 2007-17 period.



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Upcoming Reauthorization

- The upcoming reauthorization is taking place under generally favorable circumstances.
- The Senate bill, passed on July 24 originally included language on transfer of credit that AACRAO has consistently opposed.
- AACRAO organized vocal opposition to the bill when the text of the legislation became public
- The bill included language favored by for-profit lobby that would prohibit collegiate institutions from basing transfer credit policy on distinctions between regional and national accreditation
- One day after AACRAO launched its campaign to oppose the mandate, Senate Committee retracted the language and replaced it with acceptable language requiring institutions to publicly disclose their transfer policies



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Upcoming Reauthorization

- The Senate victory comes in the aftermath of a House floor fight two years ago, when AACRAO successfully stripped similar language out of the Republican reauthorization bill
- AACRAO also opposed the efforts of the Bush administration to impose the transfer mandate through new regulations, and successfully forced the Department to back off when the Secretary agreed to cancel the carefully choreographed (and, in our view, inappropriate) rulemaking process she was using to impose the mandate
- Political interference with transfer of credit has now been attempted by the House, the Senate, and the Administration, and has been soundly defeated in all three venues



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Upcoming Reauthorization

- AACRAO's success in defending institutional autonomy with regard to transfer of credit is a direct result of our membership's engagement with the issue
- We need you to continue to pay close attention to the topic, and to keep your campus colleagues—including your provost, faculty, and other stakeholders—informed of the adverse impact of federal intrusion on academic policy
- While we have won every round of this fight, it is very likely that the for-profit lobby will attempt to engineer an amendment to include the mandate in the final bill



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Upcoming Reauthorization

- Beyond the transfer issue, the other big-picture issue for AACRAO will be proposals advanced to improve accountability and promote ethics
- While we are for both (accountability and ethics), it is important to better understand how Congress will attempt to legislate these



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Upcoming Reauthorization

- Accountability:
 - Has included proposals to create a national unit-record student tracking system, which AACRAO has serious misgivings about
 - Senate bill already contains explicit language prohibiting such a system, and we would like to see similar language in any future House bill as well
 - But, the Senate bill also contains enormous additional reporting requirements, and any House bill is likely to be even more demanding



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Upcoming Reauthorization

- Ethics:
 - The Cuomo investigation into student loan issues appears to be spreading into other institutional activities (study abroad for one)
 - AACRAO encourages its members to review their practices, and especially their relationships with vendors, with an eye on how similar activities on the financial aid front have been viewed by the public
 - House and Senate bills will include several pages of legislation of the “dos and don’ts” of ethics



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Upcoming Reauthorization - Senate

- Illegal File Sharing – requires colleges to
 - warn students that unauthorized distribution of copyrighted material can get them in legal trouble;
 - summarize the federal penalties for such activity;
 - describe the college’s policies governing illegal file sharing, including its disciplinary penalties; and
 - describe the steps the institution has taken to prevent and detect such activity on its campus network.



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Upcoming Reauthorization - Senate

- Puts the development of learning measures much more directly in the hands of individual college.
- Directs the Government Accountability Office (GAO) to study the feasibility of collecting employment information on graduates of postsecondary education.
- Sets at \$6,300 the authorization level to which Congress can raise the maximum amount Pell Grant, but provides no funds to assure an actual Pell Grant increase.
- Significantly increases the amount of information that colleges would be required to report about their costs and prices, and create a “Higher Education Price Increase Watch List” to rank institutions with tuition and fees that “outpace the applicable price index” for its type of institution.



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Upcoming Reauthorization - Senate

- Institutes a broad series of restrictions on the relationships between lenders and guarantee agencies and colleges and universities, consistent with many of the changes included in the Student Loan Sunshine Act.
- Opens the Academic Competitiveness Grant Program to students attending college at least half time and to those in certificate programs. The bill would also lift a restriction that limited the grants (and the parallel SMART Grants) to American-born citizens.
- Eases the requirement that for-profit colleges derive at least 10 percent of their revenue from sources other than federal financial aid funds.



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Upcoming Reauthorization - Senate

- Prohibit the Education Department from establishing a national database of student academic records, though it permits states and consortiums of states to do so, which is the direction federal and state policy makers seem to be moving anyway.
- Institute a broad array of changes aimed at simplifying the Free Application for Federal Student Aid and the process of applying for federal financial assistance.
- Require international studies programs applying for federal funds to explain how they “will reflect diverse perspectives and a wide range of views” and how they will deal with disputes regarding whether they are meeting that goal.



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Upcoming Reauthorization - House

- Requires greatly increased reporting about how colleges spend their money
- Creates “Higher Education Price Increase Watch Lists” of institutions that increase their tuitions above the average for their peers
- Offers increased Pell Grant aid to colleges that kept tuition increases low
- Includes a provision that would require states to maintain their financial support of higher education and allow the Education Department to withhold some funds to states that cut their college appropriations



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Upcoming Reauthorization - House

- Mandates that colleges publish the International Standard Book Number (ISBN) for all books in their course schedules to help students shop for books more cost effectively, and that publishers expand the information they provide to faculty members about pricing and changes from past editions.
- Compels colleges that receive funds under the Higher Education Act's Title VI (which related to international education and study abroad) to collect and report as part of the Integrated Postsecondary Education Data System the names and addresses of all donors who contribute at least \$1 million. The genesis of this particular proposal is unclear.



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Upcoming Reauthorization - House

- Gives the Education Department significantly more authority to regulate private student loans, as part of a broad set of provisions — prompted by the recent investigations into illegal inducements given to colleges by lenders — aimed at cracking down on the behavior of lenders and college officials in making loans to students.
- Increases federal reporting of campus alcohol and drug incidents and fatalities and require reporting for the first time on campus fires.



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Upcoming Reauthorization - House

- **Illegal File Sharing – The bill requires**
 - Significantly more reporting by colleges on their policies on illegal file sharing (including how they punish students who engage in the activity);
 - Development of plans for offering alternatives to illegal downloading or peer-to-peer distribution of intellectual property as well as a plan to explore technology-based deterrents to prevent such illegal activity;
 - Warning to students that unauthorized distribution of copyrighted material can get them in legal trouble and summarizes the federal penalties for such activity;
 - Description of the steps that institutions have taken to prevent and detect such activity on its campus network.



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Upcoming Reauthorization - House

- Prohibits the Education Department (through its process for recognizing accreditors) from dictating colleges' policies on measuring the learning outcomes of students,
- Radically restructures the National Advisory Committee on Institutional Quality and Integrity (NACIQI), allowing Congress to appoint 10 of the panel's 15 members (whereas now the department appoints all 15).
- Creates an accreditation ombudsman, whose purpose is left somewhat unclear by the legislation and which seems designed to give the federal government another tool to intervene in the relationship between colleges and accreditors.



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Upcoming Reauthorization - House

- Leaves in place the separate definitions of not-for-profit and for-profit colleges, to the satisfaction of officials from the American Association of Community Colleges and other groups;
- Alters (and in many ways softens) the existing requirement that for-profit colleges draw at least 10 percent of their revenues from sources other than the federal student-aid programs. Among the changes, the House bill
 - Applies the requirement to nonprofit as well as for-profit colleges
 - Allows colleges to count more sources of funds within the 10 percent pool
 - Eases the penalties on colleges that violate the mandate.



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Upcoming Reauthorization - House

- Calls for studies of
 - how colleges are spending their endowment funds
 - the educational success (or lack of it) of black men
 - bias in standardized tests.
- The bill contains a set of provisions that seek to crack down on diploma mills.



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Upcoming Reauthorization - House

- Sets a ceiling on the maximum Pell Grant of \$9,000, and allows for students to receive Pell Grant funds year-round, instead of just during the traditional academic year.
- Makes some much-sought changes in the Academic Competitiveness Grant Program
 - Makes the grants available to part-time students
 - Makes the grants available to those seeking certificates as well as degrees
 - Takes the education secretary out of the business of deciding whether high school programs are of sufficient academic rigor to qualify students for the grants, leaving that decision instead up to state officials



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Upcoming Reauthorization - House

- Creates a new fellowship program to help minority and female scholars attain the doctoral or master's degrees they need for careers in higher education
- Makes several changes designed to make it easier for students to get information about their financial aid awards and to generally simplify the process by which students — particularly those from low-income families — can qualify for federal financial aid.
- Establishes a loan fund to help colleges and universities damaged or otherwise impaired by natural disasters such as the 2005 hurricanes in the Gulf Coast.



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Upcoming Reauthorization

- Timeline:
 - HEA has been extended to April, 2008
 - House-Senate Conference by February 2008
 - Final bill before the expiration of the extension in April.



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What to do?

- Join the AACRAO Advocacy Network by sending an email to advocacy@aacrao.org. The Advocacy Network will coordinate our efforts on a state-by-state basis
- AACRAO will send action alerts to membership should an issue of importance need your attention. We will ask all AACRAO members to take the time and make a quick call to their congressional representatives to ask for their assistance



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What to Do?

- Push for an agenda that puts the nation's best interest before special interests
- Support expansion of need-based grants and an improved and more efficient student loan system
- Support efforts to simplify the aid application process
- Support changes to the ACG/SMART Grant legislation to correct poor drafting and even poorer regulatory choices by the Department of Education
- Support better integrity measures to prevent Title IV mills from victimizing students and taxpayers (90/10 Rule, Single Definition)



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What to Do?

- Support legislation to address the growing problem of diploma mills and credentials fraud (Rep. McCallum's legislation)
- Support appropriate accountability measures that properly measure the return on public investment in higher education, and oppose one-size-fits-all "accountability" metrics



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What to Do?

- Support federal measures that promote and protect privacy of records, but oppose measures that seek to promote privacy through more litigation
- Oppose the uncontrolled growth of IPEDS and the "unit-record data system"



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