



## HIGHER EDUCATION ACT

# Access: The Final Piece of the Puzzle

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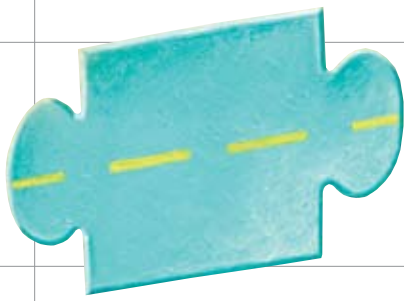
Six years in the making, the 441-page reauthorization of the Higher Education Act promises to improve access to education — but at a hefty price.

TALK ABOUT A LONG-DELAYED COMMENCEMENT: THE REAUTHORIZATION of the Higher Education Act, approved by Congress in the waning hours of July 31, was nearly six years in the making — just enough time for an ambitious student to get a bachelor's and master's degree. "For students and parents who continue to face soaring college costs amidst rough economic times, these reforms could not come soon enough," says U.S. Rep. George Miller (D-Calif.), chairman of the House Education and Labor Committee.

Weighing in at 441 pages, the Higher Education Act (HEA) is considerably longer than the average master's thesis, and that's just the beginning of the documentation it will generate through a host of new reporting requirements colleges will be required to follow. "The current stack of federal rules for higher education is nearly as tall as I am," says Sen. Lamar Alexander (R-Tenn.), a former U.S. Secretary of Education, "and this bill more than doubles it, creating 24 new categories and 100 new reporting requirements."

While Alexander called the reauthorization bill "a well-intended contraption of unnecessary rules and regulations that waste time and money that ought to be spent on students and improving quality," it was approved by both chambers of Congress just days after different versions of the bill cleared a joint conference charged with reconciling the House and Senate versions. President George W. Bush signed the reauthorized HEA into law in August.

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The reporting requirements are considerable (see story, page 10), but the effects of the HEA will be far-ranging. Community colleges, in particular, stand to gain from expansions of federal aid programs and other services for non-traditional and low-income students. Based on their low costs, they also received at least a minimal exemption from the most visible reporting requirement — the so-called “transparency lists,” which identify colleges that significantly increase costs. What follows is a look at selected provisions of the law that present opportunities and challenges for community colleges.

## The Opportunities: Access and Articulation

**Pell Grant authorizations** — The bill increases the authorization level for the Pell Grant Maximum over six years to a maximum level of \$8,000 — a significant increase for the 5.8 million students expected to use them in 2008, and well above ACCT’s longstanding goal of increasing the maximum to \$5,100 before President Bush leaves office. Pell Grants can also be used for certificate programs and by part-time students, though students receiving Pell Grants for the first time after July 1 cannot receive the grants for more than 18 semesters, or the equivalent of 18 semesters for part-time students. However, there’s a difference between authorization and actual funding for the program, as Congress must vote on how much to appropriate each year.

**Year-round Pell Grants** — Providing year-round Pell Grant scholarship aid will make college more affordable and flexible for non-traditional and low-income students — two key constituencies served by community colleges. “For community college students, year-round Pell is huge,” says Jee Hang Lee, ACCT’s director of public policy.

**Streamlining the financial aid process** — A key provision involves simplifying the FAFSA (Free Application for Federal Student Aid) process, including the creation of a simple, two-page FAFSA-EZ form for low-income families. The Act also “encourages” the Secretary of Education to halve the number of questions on the FAFSA over the next five years.

**Creating a new federal program to support states to develop articulation agreements for public institutions** — The reauthorization bill creates a program to encourage states to develop “comprehensive” articulation agreements over the next two years, with the federal Education Department charged with providing technical assistance. It also requires institutions to fully disclose all transfer-of-credit policies to both current and prospective students.

“Funding for new articulation agreements between community colleges and four-year institutions will encourage more of these students to continue and complete their degrees,” says Rep. David Wu (D-Ore.), who as co-chair of the House

Community College Caucus led the push to include the articulation agreements in the reauthorization. “These agreements will make the transition between two-year schools seamless, letting students readily transfer their class credits, financial aid, and administrative paperwork — and ultimately, complete their degree.”

**Expansion of academic competitiveness grants** — which now include part-time students and certificate students, two key constituencies served by community colleges.

**Programs focused on helping community college students in need of remedial coursework and non-traditional students with academic and career goals** — Among these programs are a strengthening of the TRIO and GEAR UP college readiness and support programs for low-income and first-generation students; support of dual enrollment programs with high schools; establishing new sources of college aid and support for veterans and military families, and expanding Pell Grant eligibility and other need-based aid to students with disabilities.

The HEA also encourages reforms in the student loan industry, provides additional resources for colleges that serve minority students, and adds support programs and loan forgiveness for a variety of high-need professions, including teachers, firefighters, and law enforcement officers. Overall, Sen. Barbara Mikulski (D-Md.), who took over as acting chairwoman of the Senate Health, Education, Labor, and Pensions Committee from Sen. Edward M. Kennedy (D-Mass.) in June, says the bill will improve access to education for struggling families. But, she adds, it “is just the beginning.”

“We still need to do more to help middle-class families afford college and give our students the freedom to achieve. We need to double Pell Grants, we need to make sure student loans are affordable, and we need a bigger tuition tax credit for families stuck in the middle who aren’t eligible for Pell Grants, but still can’t afford college,” Mikulski says. “We need to give students freedom to achieve in order to create a world-class workforce. That means making college education affordable.”

Another key point of the HEA reauthorization is what it prohibits the federal government from doing. It specifically bans the Secretary of Education from defining how colleges define student learning standards or efficiency for the purposes of accreditation — a charge led by Senator Alexander, who called such oversight “the additional federalizing of our 6,000 autonomous institutions.”

## The Challenges: Transparency and Accountability

**Transparency lists** — With controlling college costs one of the ongoing themes of the long reauthorization process, the end

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result will be a series of lists published by the Department of Education on what the HEA's sponsors call a “user-friendly Web site.” Those lists, backers say, will “hold colleges accountable for their tuition hikes by requiring them to report their reasons for tuition increases.”

What that will mean in practice is that colleges will be expected to calculate their tuition and fees as well as a “net price” — the total cost of attendance. Those figures will be used by the Department of Education to create six “transparency lists” that will be housed on its Web site. Those lists include:

1. The top 5 percent of colleges with the highest tuition and fees;
2. The top 5 percent of colleges with the highest net price;
3. The top 5 percent of colleges with the largest percentage increase in tuition and fees;
4. The top 5 percent of colleges with the largest percentage increase in net price;
5. The top 10 percent of colleges with the lowest tuition and fees; and
6. The top 10 percent of colleges with the lowest net price.

If a college is included on either list 3 or 4, which reflect the highest percentage gains in tuition and fees or net price, their work isn't over. Those colleges will be required to prepare a report explaining what costs have increased and why, as well as the ways in which the college plans to help reduce costs.

In with the problematic provision, though, is an acknowledgement that community colleges are the lowest-cost providers of higher education. The reporting requirements for lists 3 and 4 don't kick in until costs increase \$600 over a three-year period — “a specific acknowledgement of community college needs,” says ACCT's Lee. With full-time community college tuition under \$1,000 at some institutions, a modest \$100 tuition increase could otherwise have potentially triggered the reporting requirements.

**Maintenance of effort (MOE)** — Intended to pressure states into providing a constant level of funding for public institutions of higher education, the MOE provision requires states to maintain an equal or greater level of funding than the previous five-year academic average for that state. “We have to be realistic,” Senator Mikulski said during discussion of the bill on July 31. “Congress is doing its part by increasing Pell Grants, and [with MOE], families can be assured that as the federal government increases its commitment to colleges, funds will not be offset by the states.”

States that fail to meet the MOE provision may lose funds from a newly created program funded for two years at \$66 million, the federal Challenge Grants, though the Secretary of Education has the ability to grant waivers. This provision was

strongly opposed by governors and state legislators. The National Association of Governors went on record as opposing the bill, stating: “Governors must balance their budgets in both good and bad economic times. This mandate means that states will be unable to make major increases or invest one-time surpluses in higher education during good times, because they will be penalized if forced to reduce spending during difficult times. MOE undermines governors' authority and guarantees that students and their families will be writing larger, not smaller, tuition checks in the future.”

Alexander explains the problem succinctly. “What members of Congress seem to be missing is that the principal reason state support [for higher education] is down is because Congress gives states so many unfunded mandates that there is not much left for higher education,” the Tennessee Senator says.

**Peer-to-peer file sharing** — Student use of college computer networks to illegally download and share copyrighted works such as movies and music has long been a concern of Congress. While the HEA does not impose a one-size-fits-all rule on colleges, it does require them to report policies, offer alternatives to illegal downloads, and report procedures they have put into place to address and deter infractions.

**Textbook provisions** — High textbook prices have also been a favorite target of lawmakers, and the HEA requires publishers to “unbundle” such pricey supplemental materials as DVDs, CDs, and workbooks, as well as provide full pricing information to colleges and faculty members before they decide which materials to use. While the brunt of the textbook regulations is directed at publishers, colleges will be required to list the prices of course materials and textbooks with course schedules before registration — “to the maximum extent possible.”

Taken together with the tuition “transparency lists,” these requirements, says Rep. Miller, “will empower America's college consumers — students and families — by providing them with comprehensive information on tuition and textbook prices and key financial protections when paying for a college degree.”

Because of the HEA's long-delayed approval, many provisions will not go into effect until the 2009-10 school year — after the arrival of a new administration, which will decide how to implement the law. Many observers expect that Congress will need to tinker with the reauthorization next year through a technical corrections process to address conflicting or erroneous provisions currently in the Act.

One of the focuses of the 2009 National Legislative Summit, to be held Feb. 9–11 in Washington, D.C., will be on the HEA's implementation and regulation. For more information, visit [www.acct.org/events](http://www.acct.org/events). ■