

THE HIGHER EDUCATION OPPORTUNITY ACT OF 2008

TITLE-BY-TITLE SUMMARY

The Higher Education Opportunity Act of 2008 reauthorizes the Higher Education Act of 1965, as well as relevant provisions of the Truth in Lending Act and other related laws dealing with higher education. Its core provisions focus on four major areas: holding colleges more accountable for rising costs; improving college access by simplifying the Federal financial aid application process; adding new measures to curb unethical practices in the student loan industry; and enhancing grant aid for low-income students and expanding programs that help them prepare for and enter college.

Below is a title-by-title summary of these and other key provisions of the bill.

Title I – General Provisions

College Cost Information, Accountability, and Transparency

The Act:

- Provides more transparency about college costs by requiring the Department of Education to publish detailed lists on college pricing trends on its website.
- Requires the top 5% of colleges that have the greatest cost increases over three years for their sector to submit detailed reports to the Secretary of Education explaining why their costs have risen, and what steps they will take to hold costs down.
- Requires the Secretary of Education to develop net price calculators to help students and families more accurately determine the cost of college, and requires colleges to adopt one of the calculators, or develop one on their own, within three years.
- Requires the Secretary of Education to published enhanced information about college programs, demographics, and performance indicators as a consumer tool for students, parents, and the public.

Textbook Provisions

The Act:

- Requires textbook publishers to “unbundle” textbooks from supplemental materials, so students can purchase only those materials they need for their classes.
- Requires publishers to provide wholesale price information on textbooks to colleges, so faculty members can make apples-to-apples comparisons on textbook prices when selecting their course materials.
- Requires colleges to make more detailed information about textbooks available on their online course catalogs, so students have greater opportunity to shop around for the best textbook prices.

National Advisory Committee on Institutional Quality and Integrity (NACIQI)

The Act:

- Reforms NACIQI, the panel at the Department of Education that reviews accreditation agencies for Federal recognition, by expanding the number of members on the panel from 15 to 18, and changing the appointment structure so that 6 members each are appointed by the Secretary of Education, the House of Representatives, and the Senate (as opposed to all members being appointed by the Secretary). The terms of the existing members of NACIQI end on the date of enactment of the Act.

Foreign Medical and Nursing Schools

The Act:

- Increases the pass rate on the U.S. medical licensing exam from 60 to 75 percent in order for foreign medical schools to be eligible to offer Federal student loans to U.S. students.
- Allows foreign nursing schools at which students complete their training at a U.S. nursing school or hospital to be eligible to offer Federal student loans to U.S. students.
- Directs the Department of Education's National Committee on Foreign Medical Education and Accreditation to make recommendations on standards for allowing other foreign medical schools to offer Federal student loans to U.S. students, and authorizes the Secretary of Education to issue regulations based on such recommendations.

Title II – Teacher Quality Enhancement

Improving Teacher Preparation Programs and Expanding Proven Strategies

The Act:

- Restructures the teacher quality grant program to focus on partnership grants for teacher training, and focuses the grants on supporting proven teacher preparation approaches, such as clinical experience programs, induction and mentoring programs, and teaching residency programs.
- Also allows grants to support school leadership programs and partnerships with digital education content developers.
- Creates a pipeline for high-quality teachers to teach in high-need schools by promoting partnerships between teacher education programs and high-need districts.
- Requires colleges that offer teacher preparation and alternative certification programs and receive Federal funds to submit annual "report cards" to their state and the public on the quality of those programs.

Supporting New Teacher Education Approaches

The Act:

- Creates the Preparing Teachers for Digital Age Learners program, which supports efforts to train teachers to use technology in teaching and assessment, and create technology-rich learning environments for students.
- Establishes the Augustus F. Hawkins Centers of Excellence program, which provides grants to colleges to establish centers of excellence in teacher preparation, with a focus on efforts that serve low-income students and help teachers narrow the achievement gap.
- Supports Teach to Reach grants, which help teachers educate students with disabilities in general classroom settings.
- Establishes an Adjunct Teacher Corps program, to create opportunities for professionals with subject matter expertise in STEM fields or foreign languages to educate secondary school students on an adjunct basis.

Title III – Institutional Aid

Expanding Support for Historically Black Colleges and Universities (HBCUs)

The Act:

- Reauthorizes the HBCU capital financing program, allowing for \$1.2 billion in new borrowing authority for colleges, and retaining the program's low interest rates and escrow account requirements.
- Expands eligible uses of funds in the HBCU undergraduate program to allow colleges to use grants to acquire real property and provide financial and economic literacy efforts to students and families.
- Expands the HBCU graduate program to include 6 new colleges and universities.

New Support for Minority-Serving Institutions and Minority Students

The Act:

- Authorizes the Predominantly Black Institutions program, which provides grants to strengthen colleges that serve high proportions of African-American and low-income students.
- Creates new programs to support colleges that serve substantial numbers of Asian American, Native American Pacific Islander, and Native American undergraduates.
- Creates the YES Partnerships program, which provides grants to engage underrepresented minority and low-income youth in STEM fields through hands-on, experiential learning.
- Enhances the American Indian Tribally Controlled Colleges and Universities program by allowing grants to be used to support construction, maintenance, and repair projects.
- Expands eligible uses of funds for the Alaska Native and Native Hawaiian Serving Institutions program to allow grantees to provide financial literacy services to students and families.

Title IV – Student Assistance

Increasing Grant Aid for our Neediest Students

The Act:

- Authorizes the maximum Pell Grant at \$6,000 in award year 2009-10, and increases the maximum grant \$400 per award year, through 2014-15, when the maximum award is authorized at \$8,000.
- Allows low-income students, for the first time, to receive Pell Grants year-round, to help students accelerate the completion of their degrees.
- Allows permanent U.S. residents to become eligible for the Academic Competitiveness and National SMART Grant programs.
- Creates the Grants for Access and Persistence (GAP) program, a new matching grant program to allow states to increase need-based grant aid to students.
- Allows students with intellectual disabilities, for the first time, to receive Pell Grants and Work-Study funds help pay for their education in postsecondary transition programs at colleges.

Reforming the Federal Financial Aid Application Process

The Act:

- Immediately replaces the complex, 7-page Free Application for Federal Student Aid (FAFSA) with a 1-page EZ-FAFSA for low-income students, and phases out the current FAFSA for all aid applicants within 5 years.
- Experiments with new ways the financial aid application process can be simplified further, by creating a pilot program that allows students to receive an aid determination or estimate in their junior year of high school, and encouraging the Department of

Education to work with the IRS to share tax data that can be used to pre-populate students' financial aid application forms.

Enhancing Ethics and Transparency in the Student Loan Sector

The Act:

- Strengthens provisions that prohibit lenders, guaranty agencies, and colleges from offering or accepting payments, gifts, and other inducements as a condition of making student loans.
- Requires colleges to establish and follow a code of conduct with respect to student loans.
- Requires colleges that identify “preferred lenders” to place at least three lenders on the list, and clearly explain to students why the college believes the lender is offering attractive terms and conditions.
- Requires lenders to provide student loan borrowers with more information on monthly statements, such as information on interest, fees, and alternative repayment options.

Enhancing TRIO and GEAR UP to Strengthen the College Pipeline

The Act:

- Expands required activities in the TRIO programs, with a special focus on improving students' financial and economic literacy.
- Requires the Secretary of Education to measure the quality and effectiveness of TRIO programs more rigorously, and requires a comprehensive evaluation of the Upward Bound program to be implemented by 2010.
- Creates new due process provisions to ensure that TRIO program applicants are assessed fairly and accurately, including a “secondary review” process in cases where an applicant has evidence of an error.
- Enables GEAR UP programs to offer early intervention and other activities, including extended school day programs, encouraging student enrollment in challenging secondary coursework, professional development, and dropout recovery.

Protecting Students and Ensuring Campus Safety

The Act:

- Requires colleges to notify students of campus policies regarding emergency response procedures, including procedures in the event of a significant emergency, and publicize and test such procedures.
- Enhances data collection regarding hate crimes on college campuses.
- Ensures that colleges have appropriate policies regarding fire safety and missing persons procedures.

Accreditation

The Act:

- Prohibits the Secretary of Education from issuing regulations on the standards that accreditation agencies establish to assess colleges in a variety of areas, including student achievement, faculty, curriculum, and other areas.

Expanding Loan Forgiveness and Discharge Provisions

The Act:

- Authorizes the Secretary of Education to provide up to \$10,000 of loan forgiveness to individuals working in “areas of national need,” including early childhood educators, nurses, foreign language specialists, librarians, highly-qualified teachers in low-income areas, child welfare workers, speech-language pathologists, school counselors, and others.
- Authorizes up to \$40,000 of Federal loan forgiveness to civil legal assistance attorneys who work in the field for at least three years.
- Expands Perkins Loan forgiveness to teachers working for educational service agencies.
- Allows individuals who become disabled and cannot work to discharge their Federal student loans more easily.

Renewing Access to Work-Study Funds and Low-Cost Perkins Loans

The Act:

- Reauthorizes the Federal Work-Study program, increases the annual allowance for books and supplies to \$600 from \$450, and permits the Secretary of Education to allow students to continue to receive Work-Study funds if they are affected by a major disaster.
- Increases annual loan limits under the Perkins Loan program, which provides low-interest loans to the neediest students, to \$5,500 per year for undergraduates and \$8,000 per year for graduate students, aggregate loan limits to \$27,500 for undergraduates and \$60,000 for graduate students, and increases the annual allowance for books and supplies to \$600 from \$450.

Title V – Developing Institutions

Promoting College Opportunities for Hispanic Americans

The Act:

- Reauthorizes the Hispanic-Serving Institutions program, which provides grants to colleges that serve substantial proportions of Hispanic students.
- Creates the Postbaccalaureate Opportunities for Hispanic Americans program, which provides grants to strengthen graduate institutions that serve substantial numbers of Hispanic students.

Title VI – International Education Programs

Supporting the Study of Foreign Languages and Cultures

The Act:

- Enhances the Graduate and Undergraduate Language and Area Centers program to allow grants to support instructors of less-commonly taught languages, and projects to support students in STEM fields to achieve foreign language proficiency.
- Creates the Science and Technology Advanced Foreign Language Education Grant program to help colleges educate more students to become highly proficient in foreign languages critical to the security and competitiveness of the nation.
- Encourages efforts that reflect diverse perspectives and a wide range of views on world regions and international affairs, in programs throughout the title.

Title VII – Graduate and Postsecondary Improvement Programs

Providing New Opportunities for Students with Disabilities to Enter and Succeed in Higher Education

The Act:

- Creates a new grant program to encourage institutions of higher education to develop model comprehensive postsecondary transition programs for students with intellectual disabilities.
- Expands an existing program to help college faculty and staff work with students with disabilities by allowing funds to be used to support “disability career pathways,” or efforts to encourage students with and without disabilities to enter disability-related fields.
- Creates an Advisory Commission on Accessible Instructional Materials at the Department of Education to make recommendations on ways to expand the availability of accessible instructional materials to students who are blind and have other print disabilities.
- Creates a new grant program to support model demonstration projects to help students with print disabilities receive accessible instructional materials efficiently and in a cost-effective manner.
- Authorizes the creation of a National Technical Assistance Center at the Department of Education to coordinate Federal efforts to help students with disabilities enter and succeed in higher education, and work with colleges and other organizations supporting students with disabilities in higher education, as well as students and families.

Support for HBCU and PBI Master’s Programs, and Other Programs to Help Minority Students Prepare for Graduate Study

The Act:

- Authorizes and appropriates funds to help Historically Black Colleges and Universities and Predominantly Black Institutions expand and enhance masters’ programs, by providing per year \$500,000 in mandatory funding to each of these institutions for six years. Eighteen HBCUs and five PBIs will be supported through these programs.
- Reauthorizes the Thurgood Marshall Legal Opportunity Program, which helps low-income and minority students prepare for law school and legal careers, by allowing the program to serve secondary school students as well as college students.

Fund for Postsecondary Education

The Act:

- Expands eligible projects authorized through the Fund for Postsecondary Education, including efforts to help single parents, homeless students, nontraditional students, and older English Language Learners enter and succeed in college, consortia that support poverty studies, and a program to provide scholarships to family members of service members who have died or been disabled after 9/11.

Title VIII – New Programs

The Act authorizes a variety of new programs, including:

- A **capitation grant program to help nursing schools** enroll more students, and strengthen their faculty.

- The **Education Disaster and Emergency Relief Loan Program**, which authorizes the Department of Education to make low-cost loans available to colleges affected by major disasters, including the Gulf hurricane disaster.
- The **Student Safety and Campus Emergency Management program**, which provides grants to colleges to develop and implement state-of-the-art emergency communication systems.
- The **Patsy T. Mink Fellowship program**, which provides fellowships for students from underrepresented groups, including minorities and women, to obtain doctoral degrees.
- The **Improving College Enrollment by Secondary Schools program**, which will support the organization College Summit in its work to improve postsecondary enrollment among low-income students.
- **Pilot Programs to Increase College Persistence and Success**, which will provide cash incentives to low-income parents for passing college exams, courses, and continuing their enrollment in postsecondary education.
- **The Job Skill Training in High Growth Occupations program**, which provides grants to colleges that partner with employers to provide job training in high-growth industries.
- A program to provide **development grants to rural colleges and universities**, to encourage college success among students at colleges that serve rural areas.
- The **Training for Realtime Writers program**, to expand postsecondary programs that train individuals to become closed captioners for the deaf, or court reporters.
- The **Early Pell Grant Commitment Demonstration Program**, which will pilot efforts to make Pell Grant commitments to students as early as the eighth grade.
- Support for **Teach for America** and the **Project GRAD** program, which provides integrated education reform services to help students prepare for and enter college.

Title IX – Amendments to Other Laws

The Act reauthorizes and updates provisions in several related laws, including:

The Education of the Deaf Act

- Authorizes the Cultural Experiences Grants program, which provides grants to support the National Theater for the Deaf.
- Reduces tuition surcharges for international students attending Gallaudet University and the National Technical Institute for the Deaf.
- Establishes a commission on the education of the deaf, to make recommendations on the education-related factors that contribute to successful postsecondary and employment experiences for deaf people.

Higher Education Amendments of 1998

- Reauthorizes grants to help incarcerated individuals obtain college degrees, modifies the program to assist individuals up to age 35, and allows grants to be used to obtain GEDs and pursue pre-baccalaureate study.
- Reauthorizes the Underground Railroad Educational and Cultural program, and modifies program requirements to expand allowable activities among grantees.

Department of Education Organization Act

- Establishes the position of Deputy Assistant Secretary for International and Foreign Language Education at the Department of Education.

Tribally Controlled College or University Assistance Act of 1978

- Adds new title authorizing funding for tribally-controlled postsecondary career and technical institutions

Omnibus Crime Control and Safe Streets Act of 1998

- Creates the John R. Justice Prosecutors and Defenders Incentive program, which provides up to \$60,000 in Federal loan forgiveness to prosecutors and public defenders who work in those professions for three years.

Stevenson-Wydler Technology Innovation Act of 1980

- Creates the Minority Serving Institution Digital and Wireless Technology Opportunity program at the Commerce Department, to award grants to minority-serving institutions of higher education for technology improvements on campus.

Title X – Private Student Loan Transparency and Improvement

Preventing Unfair and Deceptive Practices in the Private Student Loan Marketplace

The Act amends the Truth in Lending Act by:

- Banning gifts between lenders and colleges that offer private educational loans (“school channel” loans)
- Prohibiting private lenders from “co-branding” private loans with words or emblems associated with a college in such a way as to suggest that the college endorses the private loan.
- Making it illegal for a private lender to charge a fee or penalty to a borrower for pre-payment of a private educational loan.

Protection and Transparency for Private Loan Borrowers:

The Act:

- Requires lenders to make a series of new disclosures to potential borrowers in applications and solicitations for private education loans, such as detailed information on loan terms and conditions, and the potential availability of lower-cost Federal aid to the borrower; additional disclosures are required upon loan approval and consummation.
- Guards against the potential for students to over-borrow using private educational loans, by requiring them to obtain and complete a form from their college designed to help them calculate how much they need to borrow after other sources of aid are factored in; a private loan cannot be consummated until the student submits this form to the private lender.
- Requires lenders to guarantee the terms and conditions they offer to a prospective private education loan borrower for 30 days after the borrower’s loan application is approved.
- Allows borrowers to cancel a private education loan, without penalty, within three days after the loan is consummated.

Title XI – Studies and Reports

The Act authorizes a variety of new studies and reports, including:

- A GAO study on the performance of U.S. students who are educated at foreign medical schools.
- A Department of Education study on the effectiveness of articulation agreements at State college and university systems.

- A Department of Education/National Academy of Sciences study on the quality of distance education programs.
- A Department of Education study on new approaches to increase the number of minority males in higher education.
- A GAO study on the amounts, uses, and public purposes of college endowments.
- A Department of Education study making recommendations as to whether students who are enrolled in postsecondary programs on a less-than-half-time basis should be eligible for Federal student aid.
- A Department of Education/Office of Management and Budget study on how student loan debt affects college graduates' ability to enter public service careers.
- A Department of Education/National Academy of Sciences study on recommendations to alleviate the nursing shortage in the U.S.