



H.R. 4137 – College Opportunity and Affordability Act of 2007

EXECUTIVE SUMMARY

H.R. 4137 was introduced by Representative George Miller (D-CA) and was reported out of the Committee on Education and Labor by a vote of 45 to 0 on December 19, 2007.

The Higher Education Act authorizes the federal government's student aid programs to support postsecondary education matriculation. It also authorizes other major programs such as those providing assistance to special groups of institutions of higher education and support services to enable disadvantaged students to complete secondary school and enter and complete college.

H.R. 4137 reauthorizes the Higher Education Act through 2013. This legislation contains provisions that aim to increase transparency in college costs, public and private financial aid, and the accreditation process. In addition, it establishes grant and scholarship programs to encourage institutions and students to focus on the fields of science, technology, engineering, math, and foreign language.

The Congressional Budget Office (CBO) estimates that enacting this legislation would increase discretionary spending by \$97.4 billion over five years.

The Administration has issued a Statement of Administration Policy that outlines their reasons for opposing the current version of the bill, but does not contain a veto threat.

FLOOR SITUATION

H.R. 4137 is being considered on the floor under a structured rule. The Rule:

- Provides one hour of general debate equally divided and controlled by the Chairman and Ranking Minority Member of the Committee on Education and Labor.
- Waives all points of order against consideration of the bill except for clauses 9 and 10 of rule XXI.
- Provides that the amendment in the nature of a substitute recommended by the Committee on Education and Labor, now printed in the bill, shall be considered as the original bill for the purpose of amendment and shall be considered as read.
- Waives all points of order against the amendment in the nature of a substitute except for clause 10 of rule XXI. This waiver does not affect the point of order available under clause 9 of rule XXI (regarding earmark disclosure).
- No amendments shall be in order except those amendments printed in the Rules Committee report accompanying the resolution and the amendments en bloc.
- Provides that the amendments made in order may be offered only in the order printed in the report, may be offered only by a Member designated in the report, shall be considered as read, shall be debatable for the time specified in the report equally divided and controlled by the



proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole.

- Waives all points of order against the amendments printed in the report and the amendments en bloc except for clauses 9 and 10 of rule XXI.
- Provides that the chairman of the Committee on Education and Labor may offer at any time amendments en bloc consisting of amendments printed in the Rules Committee report accompanying the resolution not earlier disposed of. Amendments en bloc shall be considered as read, shall be debatable for 10 minutes equally divided and controlled by the chairman and ranking minority member of the Committee on Education and Labor or their designee, shall not be subject to question in the House or in the Committee of the Whole. The original proponent of an amendment included in such amendments may insert a statement in the Congressional Record immediately before the disposition of the amendment en bloc.
- Provides one motion to recommit with or without instructions.

This legislation was introduced by Representative George Miller (D-CA) on November 9, 2007. The bill was ordered reported, as amended, by the Committee on Education and Labor by a vote of 45 to 0 on December 19, 2007.

H.R. 4137 is expected to be considered on the House floor on February 7, 2008.

BACKGROUND

The Higher Education Act of 1965 was part of President Lyndon Johnson's Great Society domestic agenda. The goal of this Act was "to strengthen the educational resources of our colleges and universities and to provide financial assistance for students in postsecondary and higher education."

The Higher Education Act authorizes the federal government's student aid programs to support postsecondary education attendance. It also authorizes other major programs such as those providing assistance to special groups of institutions of higher education and support services to enable disadvantaged students to complete secondary school and enter and complete college.

The Higher Education Act of 1965 was reauthorized in 1968, 1972, 1976, 1980, 1986, 1992, and 1998. Authorization for the Higher Education Act expired September 30, 2003, but has been extended by a number of temporary measures – most recently by the Third Higher Education Extension Act of 2007 (S. 2258), which extends authorization of the program through April 30, 2008.

SUMMARY

H.R. 4137 reauthorizes the Higher Education Act of 1965 through 2013.

Title I

National Advisory Committee on Institutional Quality and Integrity (NACIQI): H.R. 4137 expands the membership of the committee to eighteen with six members appointed by the Secretary, three members selected by the Speaker, three members selected by the Minority Leader, three members selected by the Senate President Pro-Tempore, and three members selected by the Senate Minority Leader.

College Costs: H.R. 4137 requires States to maintain a level of funding for institutions of higher education that is equal to funding levels for the past five years. In addition, it requires the Bureau of



Labor Statistics to develop a Higher Education Price Index, which will be designed to reflect the average annual change in tuition and fees for undergraduate students. Institutions of higher education that exceed the Higher Education Price Index will be placed on a "Watch List" and required to create a Quality Efficiency Task Force to determine ways to keep costs down. H.R. 4137 also requires the Secretary of Education to collect 30 pieces of information, including the total number of undergraduate students who are enrolled at the institution and percentage of enrolled students who receive Federal, State, or other grants, and post the information on the College Navigator website.

Student Loan Sunshine Provisions: Includes provisions from the Student Loan Sunshine Act, which passed the House under suspension of the rules by a vote of 414 to 3 on May 9, 2007. ([Legislative Digest for H.R. 890](#))

National Electronic Student Loan Marketplace: This legislation requires the Secretary to conduct a feasibility study for the development of an electronic marketplace that would provide information on Federal and private student loans.

Title II

Teacher Quality Partnership Grants: H.R. 4137 consolidates State grants, teacher recruitment grants, and partnership grants into one grant program. The consolidated program awards grants to improve teacher training and professional development. It also requires partnerships that receive grants to report on the progress they are making toward the objectives of their partnership. In addition, it requires colleges and universities that receive funds under the Higher Education Act, each State, and the Secretary to report to Congress on the quality of teacher preparation. It prohibits the creation of a National System of Teacher Certification.

Preparing Teachers for Digital Age Learners: This bill authorizes the Secretary to provide grants to consortiums consisting of higher education institutions, state or local educational agencies, and other entities with experience in technology and teacher preparation. The consortium can use the funds to develop partnerships focused on effective teaching with modern digital tools and content or to transform the way departments, schools, and colleges of education teach classroom technology integration.

Enhancing Teacher Education: H.R. 4137 creates the following new programs to encourage individuals to enter into teaching:

- Recruiting Teachers with Math, Science, or Language Majors: Grant program to institutions of higher education to recruit and retain teacher candidates in these fields;
- Community Colleges as Partners in Education Grants: Grants to establish or enhance teacher education programs at community colleges that are aligned with four year colleges;
- Honorable Augustus F. Hawkins Centers of Excellence: Grants to establish centers of excellence for minority serving institutions to expand or enhance teacher preparation programs;
- Teach for America: Authorizes Teach for America as a separate program; and
- Early Childhood Education Professional Development and Career Task Force: Authorizes grants to states to establish a State Task Force to coordinate better training for early childhood educators.

Title III

Predominantly Black Institution Designation: H.R. 4137 provides formula grants to help predominantly black institutions expand the capacity to serve more low- and middle- income Black American students.



**Note: The bill defines a predominantly black institution as an institution that has at least 1,000 undergraduate students where at least 50 percent of the students are low-income Black American students or first generation college students.*

Asian-American and Native American Pacific Islander-Serving Institution Designation: H.R. 4137 provides a new designation for minority-serving institutions with more than 10 percent of enrolled undergraduate students that are Asian American and Pacific Islander. It directs the Secretary to provide formula grants for the expansion and enhancement of services to Asian American and Pacific Islander students.

Native American-serving, Nontribal Institution Designation: The bill provides a new designation for institutions where 10 percent of the enrolled undergraduates are Native American students, and the school is not already designated a Tribal College or University.

Partnership for Youth Engagement in STEM Fields: This provision allows the Secretary to provide grants to eligible partnerships to encourage students in Kindergarten through Twelfth Grade to enter STEM (Science, Technology, Engineering, and Mathematics) fields. It also allows the Secretary to enter into a contract with an advertising agency to implement a campaign to promote STEM fields.

Waiver Authority to Institutions Affected by Gulf Hurricanes: The Secretary has waiver authority for Institutions affected by Hurricanes Katrina and Rita.

Title IV

Pell Grants: The bill increases the amount of Pell grants to \$9000 from the current level of \$5800 and allows students to receive Pell Grants year round. It also places a cap on the number of semesters or quarters a student can receive a Pell Grant. In addition, it prohibits sex offenders residing in an involuntary civil commitment program from being eligible for Pell Grants.

**Note: The Congressional Budget Office estimates that raising the Pell Grant level to \$9000 "would increase discretionary costs for Pell grants by \$67.7 billion over the 2009-2012 period."*

TRIO: H.R. 4137 allows the use of funds to identify services for children in foster care and homeless youth. In addition, it gives applicants the opportunity to appeal grant application denials to an Administrative law judge. It also prohibits the Secretary from implementing the absolute priority for Upward Bound program participant selection.

**Note: The Department of Education noticed a proposal of rulemaking on September 22, 2006, based on analysis that students are more likely to succeed the longer they receive Upward Bound services. The rule created a priority for applications that admitted students no later than ninth or tenth grade.*

GEAR UP: H.R. 4137 allows GEAR UP grants to be used to support students into the students' first year of college. In addition, it establishes a new priority for students that were in foster care or were homeless or unaccompanied youth.

Robert C. Byrd Competitiveness Program: This provision changes the focus of the Byrd scholarship program to promote students to earn degrees in math and science through scholarships and loan forgiveness if a student agrees to work in those fields for five consecutive years after graduation.

Student Loan Information: H.R. 4137 requires lenders to provide institutions of higher education or third party servicers any student loan information to borrowers maintained by that entity.



Loan Forgiveness for Service in Areas of National Need: This bill forgives student loans up to \$10,000 for individuals employed full time in areas of national need, including early childhood educators, nurses, librarians, foreign language specialists, and school counselors.

Civil Legal Assistance Attorneys Loan Forgiveness: This legislation creates a new discretionary program that provides \$5,000 of loan forgiveness to employees of a nonprofit that provides legal assistance pro-bono to low-income individuals who agree to work there for three years.

Direct Loan Program: H.R. 4137 requires an audit of all loans issued by the Direct Loan Program.

Free Application for Federal Student Aid (FAFSA): This legislation requires the creation of the EZ-FAFSA that would be a simplified version of the FAFSA application. In addition, it instructs the Secretary to develop a streamlined reapplication process for Federal student aid. H.R. 4137 also requires the Secretary to develop a system so that students applying for Federal aid can receive early estimates on their eligibility.

Campus-Based Digital Theft Prevention: H.R. 4137 authorizes the Secretary to provide grants to institutions to develop and implement solutions to reduce the amount of illegal downloading.

Accreditation of Institutions of Higher Education: This legislation creates an Ombudsman who will be responsible for trying to resolve problems between accreditation agencies, institutions, and the Department of Education.

Title V

Promoting Post-Baccalaureate Opportunities for Hispanic Americans: H.R. 4137 authorizes the Secretary to make five year competitive grants to Hispanic serving institutions that make substantive contributions to graduate educational opportunities for Hispanic Americans.

Title VI

International and Foreign Language Studies: H.R. 4137 authorizes the Secretary to make grants to promote partnerships with institutions in other countries and the teaching of less commonly taught foreign languages and area studies programs.

Preparing for Early Foreign Language Instruction: This new provision provides grants to partnerships of States, institutions of higher education, and elementary and secondary schools to provide teachers with the tools and skills they need to encourage students to pursue foreign language studies.

Science and Technology Advanced Foreign Language Education Grant Program: This new provision creates a grant program to institutions to develop programs to teach foreign language and study science and technology in foreign countries.

Title VII

Patsy T. Mink Fellowship Program: This new program will assist high qualified minorities and women to attain terminal degrees in academic areas that are underrepresented.

Fund for the Improvement of Postsecondary Education: This legislation adds several new uses of program funds to encourage institutions to provide innovative post-secondary opportunities for all students, including non-traditional students, as well as to establish distance learning programs.

Students with Disabilities: H.R. 4137 establishes a National Center for Information and Technical Support for Post-Secondary Students with Disabilities. In addition, it authorizes the creation of the Advisory Commission on Accessible Instructional Materials to improve materials available for students with



disabilities, as well as a model demonstration program for the delivery of materials for students with print disabilities. This legislation also authorizes the Secretary to issue grants to assist higher education institutions to create transition programs for students with intellectual disabilities.

Nursing Education: This new program provides grants to institutions to expand nursing programs to accommodate additional students.

Title VIII

**Note: Title VIII implements a number of new initiatives under one authorization, a selection of which appears below.*

Tuition Costs: This provision provides grants to institutions that keep their tuition increases lower than the national average.

Project GRAD: H.R. 4137 authorizes the Project GRAD program, which is a program that works to improve high-school graduation rates and post-secondary attendance and completion for low-income and disadvantaged individuals.

Rural Development Grants for Rural Universities: This bill provides grants to partnerships between rural institutions, as well as partnerships between rural institutions and rural employers to increase college access to rural high school graduates.

Centers of Excellence for Veteran Student Success: This provision allows the Secretary to provide grants to institutions to establish these centers as a single point of contact to coordinate comprehensive support services for veteran students.

University Sustainability Programs: This provision provides grants to institutions to implement sustainability programs and practices on campus.

Title IX

Education of the Deaf Act: H.R. 4137 recognizes the Rochester Institute of Technology for operating the National Technical Institute for the Deaf. In addition, reauthorizes a study on the education of the deaf.

Indian Education: This legislation creates a new Tribally Controlled Postsecondary Career and Technical Institution Program that provides funding to the United Tribes Technical College and the Navajo Technical College to operate post-secondary career and technical programs.

Loan Repayments for Prosecutors and Public Defenders: H.R. 4137 authorizes the Attorney General to provide loan repayments of up to an aggregate total of \$60,000 for prosecutors or public defenders that remain employed in these jobs for at least 3 years.

National Center for Campus Public Safety: This provision authorizes the Attorney General to establish and operate this center.

Expands the Stevenson-Wylder Technology Innovation Act of 1980: The bill establishes a Minority Serving Institution Digital and Wireless Technology Opportunity Program to assist institutions in developing digital and wireless networking technologies.

Title X

Preventing Deceptive Private Lending Practices: This legislation prohibits private lenders from offering gifts to an institution or entering revenue sharing agreements and prohibits lenders from using the name,



emblem, mascot, or logo of an institution. In addition, it prohibits lenders from providing any penalty on a borrower who repays their loan early. This provision also prohibits employees of an institution from participating in formal lender advisory meetings, but does make an exception for university presidents who serve on the board for a private lending institution as a requirement of State law. In addition, it imposes civil penalties on private lenders that violate these prohibitions.

Disclosure Requirements for Private Student Loans: H.R. 4137 expands the disclosure requirements for private lenders to include clear explanations on the range of interest rates, eligibility criteria for the loan, and whether the borrower may be eligible for Federal financial assistance.

AMENDMENTS

(Below is the summary of the amendments that were made in order by the Rules Committee and may be offered on the floor of the House of Representatives)

- 1) Representative George Miller (D-CA): **(REVISED)** The Manager's amendment makes technical changes to the bill, as well as changes to the provisions on college costs to a more consumer friendly approach, while keeping the focus on accountability; a revision to the definition of the state funds that count toward meeting the State Maintenance of Effort requirement; a revised technical amendment to Pell grant funding; modifications to the Cohort Default Rate provisions to provide for a transition period before the new sanctions are imposed and provide for targeted technical assistance to schools in danger of losing their federal student aid as a result of high Cohort Default Rates; provisions to ensure that students are aware of lower-cost federal student aid options before turning to more expensive private loans and a means to help students avoid potentially compromising their federal aid eligibility by inadvertently relying on private student loans or borrowing excess amounts of private student loans; and includes studies.
- 2) Representative Buck McKeon (R-CA): This amendment requires the National Research Council to conduct a study of the regulations on institutions of higher education.
- 3) Representative Dale Kildee (D-MI): The amendment authorizes discretion currently exercised by the Secretary of Education to reserve for competitive grants to Tribally Controlled Colleges and Universities for construction, maintenance, or renovation of campus facilities a percentage of funds appropriated for Tribal Colleges and Universities under Title III of the Higher Education Act.
- 4) Representative Thomas Petri (R-WI): **(REVISED)** the amendment would require the existing Education-Treasury Study Group to evaluate the feasibility of an alternative market-based reform to the Federal Family Education Loan Program. The recommended alternative should reduce federal costs to taxpayers and use savings to increase need-based grant aid to low-income student.
- 5) Representative Thomas Petri (R-WI): The amendment would extend the new audit and reporting provisions applied only to the Direct Loan program to the Federal Family Education Loan Program.
- 6) Representative Mike Castle (R-DE): An amendment to require the Quality Efficiency Task Forces to develop annual benchmarks for the top 5 percent of institutions in each institution category that have the largest increase in their tuition and fees over the most recent three year period in which data is available. The amendment also requires those institutions not meeting the benchmarks to provide the Secretary of Education a detailed explanation of the reasons why the institution did not meet such benchmarks.



- 7) Representative Danny Davis (D-IL): **(REVISED)** an amendment to restore protections to private student loan borrowers similar to those afforded other unsecured debtors by allowing the discharge of private student loans via bankruptcy.
- 8) Representative Susan Davis (D-CA): This amendment will prevent interest from accruing for active duty service members and qualifying National Guard members for the duration of their activation up to 60 months when serving in a combat zone.
- 9) Representative Joe Sestak (D-PA): This amendment includes physical therapists as an occupation defined as an area of national need to qualify for student loan forgiveness under Sec. 428K of the Higher Education Act.
- 10) Representative Joe Sestak (D-PA): This legislation amends the articulation agreement strategies that may be employed by states and institutions of higher education to include management systems regarding course equivalency, transfer of credit, and articulation.
- 11) Representative John Yarmuth (D-KY): **(REVISED)** Provides competitive Teach to Reach grants to eligible partnerships to provide general education teacher candidates with the knowledge and skills to effectively instruct students with disabilities in their classrooms. Eligible partnerships must include an institution of higher education, a special education department within that institution, and a high-need local education agency.
- 12) Representatives Alcee Hastings (D-FL)/Linda Sanchez (D-CA): The amendment authorizes a nationwide pilot program through the Department of Education to promote holistic community-centered partnerships aimed at mitigating gang violence and reducing recidivism rates among juvenile ex-offenders previously detained for gang-related offenses.
- 13) Representative Peter Welch (D-VT): **(2nd REVISION)** Amendment would require annual reporting by colleges and universities on how much of their endowment was paid out each year for the purpose of containing college costs.
- 14) Representatives Tom Lantos (D-CA)/Melvin Watt (D-NC): The amendment makes a technical correction to the Graduate Assistance in Areas of National Need (GAANN) program to clarify Congressional intent that a Masters Degree level institution or program is eligible to be the lead recipient of a grant under the GAANN program.
- 15) Representatives Chet Edwards (D-TX)/Nancy Boyda (D-KS): Prohibits a state from charging members of the armed forces who are on active duty for more than 30 days and whose domicile or permanent duty station is in such state, and such members' dependents, more than the in-state tuition for attending a public institution of higher education (IHE) in that state. Provides that, even if such members' permanent duty station is subsequently changed to a location outside the state, they or their dependents must continue to be charged no more than the in-state tuition if they remain continuously enrolled at such IHE in the state.
- 16) Representatives Eddie Bernice Johnson (D-TX)/Don Young (R-AK): This amendment expands Pell Grant eligibility to children who lost a parent or guardian as a result of the conflicts in Iraq or Afghanistan. These children will be eligible for the maximum amount of Pell Grant assistance.
- 17) Representative Bart Stupak (D-MI): Provides federal student loan relief to borrowers who go into school administration in low-income school districts. Applies to any borrower who has been



employed as a full-time school superintendent, principal, or other administrator for five consecutive complete school years in a school district in a low-income area.

- 18) Representative Lloyd Doggett (D-TX): **(REVISED)** The amendment encourages the repopulation of FAFSA income and asset information, by taxpayer consent, with tax data provided directly from the IRS to the Department of Education, and allows the Secretary of Education to provide for the use of second preceding tax year information.
- 19) Representative Brian Baird (D-WA): This amendment would direct the Secretary of Education to conduct a study on the costs and benefits of making student aid available to less than half-time students. The Secretary would then make recommendations on how to best design a demonstration loan program targeted for less than half-time students.
- 20) Representative Jay Inslee (D-WA): **(REVISED)** Ensures that competitive Sustainability Planning Grants explicitly provide for “greenhouse gas emissions reductions” to reduce the threat of global warming and adds an eligibility requirement to FIPSE to ensure that institutions meet current energy efficiency standards. Additionally, includes a sense of Congress that the Federal Perkins Loan Program, which provides low-interest loans to help needy students finance a degree in higher education, should remain a campus-based aid program and to support increased funds to provide more low-income students with options.
- 21) Representative Joseph Crowley (D-NY): The amendment would allow community college students to have \$10 forgiven from their student loans for every hour they dedicate to mentoring an at-risk child.
- 22) Representative Jim Cooper (D-TN): Increases the authorization level, from \$300 million to \$500 million, for the 103 Historically Black Colleges and Universities. Increases the authorization level, from \$100 million to \$125 million, for the 18 Historically Black Graduate Institutions.
- 23) Representatives Tim Ryan (D-OH)/Jason Altmire (D-PA): Amendment creates a pilot competitive grant program (available to no more than 10 colleges) to assist institutions of higher education in setting up college textbook rental programs.
- 24) Representatives Chris Van Hollen (D-MD)/Mike Castle (R-DE): This amendment authorizes Teach for at \$20 million for FY09 and \$25 million for FY10.
- 25) Representative Kirsten Gillibrand (D-NY): Institutions of Higher Education shall adopt a statement of current policy concerning the working relationship of campus security personnel with State and local law enforcement agencies for the investigation of felonies or a report of a missing student.
- 26) Representatives Patrick Murphy (D-PA)/Sue Myrick (R-NC): The amendment would help students and families plan financially for higher education by requiring that colleges provide information about the anticipated cost of a post-secondary degree. Institutions would have the option of offering either a multi-year tuition and fee schedule or a traditional, single-year tuition and fee schedule with a nonbinding, multi-year estimate of a student's net costs.
- 27) Representative Heath Shuler (D-NC): To authorize a competitive grant program through the Department of Education that would allow institutions of higher education or consortia to create longitudinal data systems to efficiently and accurately manage, analyze, disaggregate, and use individual student data. The amendment authorizes programs in no more than five states for a period of three years.



COST

The Congressional Budget Office (CBO) estimates that H.R. 4137 “would increase direct spending by \$75 million 2008 and decrease direct spending by \$27 million over the 2008-2017 period. For discretionary programs, CBO estimates that implementing H.R. 4137 would cost \$97.4 billion over the 2008-2012 period, assuming appropriations of the necessary amounts.” In addition, CBO has determined that the bill contains several intergovernmental and private sector mandates as defined by the Unfunded Mandates Reform Act. ([CBO Cost Estimate](#))

ADDITIONAL VIEWS

According to the Statement of Administration Policy, “the Administration supports reauthorizing the Higher Education Act in a manner that makes higher education more accessible, affordable, and accountable. However, the Administration strongly opposes House passage of H.R. 4137, the “College Opportunity and Affordability Act of 2007,” as reported by the Committee on Education and Labor, because it would restrict the Department of Education’s authority to regulate on accreditation; create nearly four dozen new, costly, and duplicative Federal programs; condition receipt of Federal grant funding on tuition price; and restrict the Department’s ability to evaluate and effectively manage Upward Bound and other TRIO programs.” ([SAP for H.R. 4137, 2/6/08](#))

**Note: The Republican Views of the Committee Report states that, “Committee Republicans remain concerned about the overall expansion of the federal government included in H.R. 4137. The bill creates approximately 20 new programs and requires many more new reporting requirements. These facts are in direct conflict to the streamlining and simplification effort promoted by the Committee Republicans at the beginning of this reauthorization process.”*

MOTION TO RECOMMIT

Please find the Republican Motion to Recommit [here](#).

STAFF CONTACT

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