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CONTACT: Anthony Coley/ Melissa Wagoner
(202) 224-2633

KENNEDY APPLAUDS APPROVAL OF HIGHER EDUCATION CONFERENCE REPORT

WASHINGTON, D.C.— Senator Edward M. Kennedy (D-MA), Chairman of the Senate Committee on Health, Education, Labor, and Pensions today praised the action of Senate and House conferees in approving a Conference Report to reconcile legislation passed in the Senate and the House of Representatives to reauthorize the Higher Education Act of 1965. Approval of the conference agreement, entitled the Higher Education Opportunity Act of 2008, now clears the way for final passage of the bill later this week.

“Today’s action by the Conference Committee is a major step forward for college students and their families,” said Kennedy. “As the cost of college continues to rise, this bill could not come at a more crucial moment. We must act quickly to move to final passage of this important bill. And I’m enormously grateful to Senator Barbara Mikulski for her leadership in bringing together this agreement.”

The Higher Education Opportunity Act focuses on four major areas: holding colleges more accountable for their costs; simplifying the application process for Federal financial aid; addressing the ethical scandals in the student loan marketplace; and expanding grant aid for the neediest students. Among other provisions, the Act:

- Requires the top 5 percent of colleges that have the greatest cost increases 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;
- Replaces the complex, 7-page Free Application for Federal Student Aid (FAFSA) with a 2-page “EZ-FAFSA”;
- Bans lenders from offering gifts to college officials as a condition of making student loans, and requires colleges to adopt a code of conduct regarding student loans;
- Helps service members, veterans, and their families attend and pay for college by providing interest-free deferral on student loans while service members are on active duty, in-state tuition rates for service members and their families who move to a new state due to military service, and new college scholarships of up to \$5,000 for children and family members of service members who have died since 9/11;
- Allows low-income students to receive Pell Grants year-round, expands eligibility for the Academic Competitiveness and National SMART Grant programs, and expands Federal loan forgiveness for a wide variety of professions, including civil legal aid lawyers, prosecutors, public defenders and teachers;

The Act also contains major provisions to help students with disabilities attend college, supports innovative training programs for K-12 teachers, expands support for minority-serving institutions; and creates special programs to address the nation’s nursing shortage.

A summary of the major provisions in the Higher Education Opportunity Act is attached.

SENATOR EDWARD M. KENNEDY

CHAIRMAN, SENATE HEALTH EDUCATION, LABOR AND PENSIONS COMMITTEE

SUMMARY OF THE HIGHER EDUCATION OPPORTUNITY ACT OF 2008

The Higher Education Opportunity Act of 2008 reauthorizes the Higher Education Act of 1965, strengthening its provisions to hold colleges more accountable for rising costs, improve college access by simplifying the Federal financial aid application process, adding new measures to curb unethical practices in the student loan industry, increasing grant aid to our neediest students, and strengthening college pipeline programs.

Addressing Rising College and Textbook Costs

The cost of college has tripled in the last twenty years, and many students and families are struggling to keep up. The Higher Education Opportunity Act helps students and families deal with rising college costs by:

- Providing more transparency about college costs by requiring the Department of Education to publish detailed data about college pricing trends on its website.
- Requiring 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.
- Requiring textbook publishers to “unbundle” materials so students can purchase only those materials they need for their classes, and requiring colleges to make more detailed information about textbooks available on their online course catalogs.

Reforming the Federal Financial Aid Application Process

The Free Application for Federal Student Aid (FAFSA), which all students must complete to be eligible for Federal student aid, is seven pages long, and acts as a barrier to low- and middle-income students seeking aid for college. The Higher Education Opportunity Act streamlines the Federal financial aid application process by:

- Immediately creating a new 2-page EZ-FAFSA for low-income students, and phasing out the current 7-page FAFSA for all applicants within 5 years.
- Experimenting 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

Investigations by the Senate HELP Committee Chairman and the New York Attorney General showed that some lenders and college financial aid officers have engaged in unethical and questionable practices surrounding student loans, including accepting inappropriate gifts and other inducements. The Higher Education Opportunity Act will halt these practices and protect students by:

- Strengthening provisions that prohibit lenders, guaranty agencies, and colleges from offering or accepting payments, gifts, and other inducements as a condition of making student loans.
- Requiring colleges to establish and follow a code of conduct with respect to student loans.
- Requiring 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.
- Creating a student “self-certification” process for non-Federal private educational loans, to ensure that students maximize low-cost Federal aid first and prevent students from borrowing more private loans than they need to cover the cost of college.
- Requiring 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, and allowing borrowers to cancel a private education loan, without penalty, within three days after the loan is consummated.

Helping More Military Veterans and Their Families Attend College

Our service men and women risk their lives for us every day, and we owe it to them to help them pursue a college education when they return home. The Higher Education Opportunity Act recognizes our veterans by:

- Allowing service members to defer payments, interest-free, on Federal Direct Loans while they are on active duty.
- Providing in-state tuition for members of the Armed Forces and their dependents who have lived in a state for more than 30 days.
- Enabling U.S. students who leave their college for military service to re-enroll easily when they return.
- Ensuring that military benefits do not count against service members’ eligibility for federal grants and loans to pay for college.
- Providing new college scholarships for children and family members of service members who have died since 9/11.
- Creating a new on-line clearinghouse for service members to learn about the college benefits available to them.

Increasing Grant Aid for our Neediest Students

Last year, Congress approved more than \$20 million in new Federal aid for college students, but we still need to do more to help our students fulfill their dreams of a college education, especially for our neediest students. The Higher Education Opportunity Act expands need-based grant aid further by:

- Increasing Pell Grants from \$4,800 to \$6,000 for 2009 and to \$8,000 for 2014.
- Allowing low-income students, for the first time, to receive Pell Grants year-round, to help students accelerate the completion of their degrees.
- Creating the Grants for Access and Persistence (GAP) program, a new matching grant program to allow states to increase need-based grant aid to students.

Enhancing TRIO and GEAR UP to Strengthen the College Pipeline

Many students -- especially low-income and first-generation college students -- face challenges in preparing for college. TRIO and GEAR UP are proven programs that help students prepare for and succeed in higher education. The Higher Education Opportunity Act strengthens these programs by:

- Expanding required activities in the TRIO programs, with a special focus on improving students' financial and economic literacy.
- Requiring the Secretary of Education to measure the quality and effectiveness of TRIO programs more rigorously, and requiring a comprehensive evaluation of the Upward Bound program to be implemented by 2010.
- Creating new due process provisions to ensure that TRIO program applicants are assessed fairly and accurately.
- Enabling 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.

Making College a Reality for More Students with Disabilities

While 77 percent of students with disabilities aspire to go to college, only 31 percent of such students actually begin college. The Higher Education Opportunity Act improves postsecondary opportunities for students with disabilities by:

- Making students with intellectual disabilities who enroll in higher education programs eligible for Pell Grants and Federal Work-Study funds for the first time.
- Creating a new program to expand the number of postsecondary programs for students with intellectual disabilities.
- Supporting model demonstration projects to make college course materials more accessible for students with print disabilities.
- Establishing a National Technical Assistance Center at the Department of Education to support all efforts to enhance the participation of students with disabilities in higher education.

Promoting Innovative and Effective Teacher Preparation Programs

Our nation faces a shortage of high-quality K-12 teachers, and new approaches are needed to make sure every child has an effective teacher. The Higher Education Opportunity Act improves teacher quality, training and retention by:

- Promoting innovative and effective teacher preparation programs for new and prospective teachers, including effective preparation, induction, and residency programs.
- Creating a pipeline for high-quality teachers to teach in high-need schools by promoting partnerships between teacher education programs and high-need districts.
- Holding institutions of higher education accountable for the quality and progress of their teacher preparation and alternative certification programs.

Expanding and Strengthening Nursing Faculty

Retirements and a growing population mean that we'll need 1 million new nurses by 2016. But over 40,000 qualified applicants were rejected from nursing programs last year, due to the limited capacity of these programs. The Higher Education Opportunity Act will expand our nation's supply of nurses by:

- Creating a new capitation grant program to help nursing schools enroll more students.

- Authorizing funds for nursing schools to improve and strengthen their faculty.

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