

**CCCCO Regional Reps/CCCSFAAA Board Meeting  
August 1 -2, 2005  
Sacramento**

**HEA REAUTHORIZATION HIGHLIGHTS  
Amendments Passed by House Committee on Education and the Workforce -  
7/22/05**

**GENERAL PROVISIONS:**

Sec. 101 – “Single Definition” - Conforms the definition of institution of higher education that currently applies to Title IV to all Titles, except that proprietary schools must be in existence for 2 years to be eligible and cannot compete for “grants awarded on any basis other than competition on the merits”

Sec. 103 - (a) Protection of rights - Sense of Congress to promote intellectualism pluralism

Sec. 131 (a – d)– Consumer Information and Public Accountability - expands COOL website information to include college cost, price, instructional cost per student, student/faculty ratio, faculty information, completion/graduation rates and average financial aid received and requires Secretary to form advisory group determine best way to collect and the best ways to inform students and families of the site

Sec 131 (e) College Affordability Index – % tuition increase must not exceed Consumer Price Index over 3 year period by 2.0. Exemption: tuition increase is less than \$500 or charges less than the average tuition for the institutional class

**Part A – Pell Grants**

Sec. 401 – increases authorized limit from \$5800 to \$6000

Sec. 401(b) – establishes year-round Pell for BA programs, limits Pell eligibility to 18 semesters, establishes \$1000 Pell Grant Plus Achievement Grants who are in State Scholars programs, eliminates Tuition-sensitivity

**Part B - LOANS**

Sec. 422 – Increase freshman annual limit to \$3500, increase sophomore annual limit to \$4500

Sec. 455 – Variable rate for consolidation loans with 8.25% cap

Sec. 428 – eliminated 9.5% loophole and required lenders to return excess profits

Sec. 425 – establishes DL as lender of last resort for consolidation loans

Sec. 426 – defers loans for active military duty or national guard duty during war or emergency

Sec 428 – loan forgiveness after 5 years of employment in high need area for early childhood educators, nurses, foreign language specialists, speech pathologists and teacher of critical foreign languages

#### Part C – Work-Study

Sec. 442 – eliminates need to have public participation in campus child care center to qualify jobs for community service

Sec. 443 – 5-year phase out of conditional guarantee in funding formula and provides the Secretary with the authority to award 10% of the total allocation to schools where at least 10% of their students receive Pell and their

transfer/graduation rate exceeds the average  
Sec 445 – increases JLD to 15% or \$75,000

#### Part E – Federal Direct Loans

Sec 461 – Phases out FCC by 2016

Sec. 464 – increases annual loan limit to \$5500 for undergrad and \$8000 for graduates and aggregate of \$20,000 undergrad and \$40,000 total grad/undergrad

Sec. 464(h) – reduces requirement to rehabilitate a loan from 12 to 9 on-time payments

#### Part F – Need Analysis

Sec. 479 – extends simplified needs analysis to recipients of “means-tested federal benefit program” - food stamps, school lunch program, TANF, SSI

Sec. 472 – increased IPA for dependent students from \$2200 to \$3000

Sec. 479 – allows PJ to make students independent who are homeless or were a ward of court at any time up to 18 yrs of age and extends independent definition to include active military

Sec 479(e) - excludes 529 plans from being counted as income unless included in AGI on tax return and treats 529 as parent asset for dependent students

#### Part G – General Provisions

Sec. 481 – Academic Year – minimum of 30 weeks

Sec. 484(c) – sex offenders are not eligible for Title IV funds

Sec. 484 (r) - ineligibility for drug offence only if committed while receiving aid

Sec 485 – R2T4 - disclosure requirements before loan late disbursement, corrects 50% rule to 50% of total grant assistance received, waives R2T4 if withdrawal due to natural disaster

Sec. 490 – Program Participation Agreement – extends 10/90 rule to all institutions

Sec. 490 (c) – requires schools to report any disciplinary action taken for violent or sex crime to the victim

## **FLOOR AMENDMENTS OF INTEREST PASSED**

Sec 131 – track transfer rates for 2-year schools

Sec 511 – provides grants to Hispanic-serving institutions to improve success rates of Hispanic students

Sec 744 – develop partnerships between schools and colleges to expand dual enrollment programs

Sec 423 – Provide option of fixed or variable rate for consolidation loans

Sec. 429 – confirms that School as Lender is restricted to graduate students and proceeds must go into need-based aid

Sec. 428 – extends loan forgiveness to librarians

Sec 472 – exempts small business (less than 100 employees) from being declared as asset

Sec. ?? – extends year-round Pell to 2-year schools that have a completion rate above the average

Sec ?? – makes students adopted after age 13 independent

486 – requires colleges to disclose fire safety plans