


Updates on the Higher Education Act Amendments, Stimulus Act, and Selected Federal Regulations

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National Conference on Law and Higher Education

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Student Aid and Fiscal Responsibility Act

Increase Pell Grants

- Entitlement
- Index to CPI +1%

**Move to one loan program—
Direct Loans**

- Use federal capital
- Existing disbursement systems
- Competition among private servicers

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Student Aid and Fiscal Responsibility Act

Modernize Perkins Loan program

- Increased funding and participation
- Awarded at campus level, serviced at national
- In-school interest

New grant programs

- College Access and Completion grants to states
- Community college modernization

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Senate

- Committee draft not yet introduced



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Recovery Act


Reporting requirements

- January 10 deadline
- Work-Study Guidance

Davis Bacon

Buy America

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Higher Education Opportunity Act

Title I

- College cost
- Textbook provisions
- Private loans


Title IV

- Student aid
- Security
- Peer-to-peer file sharing
- Disclosures

Title X

- Truth-in-Lending Act


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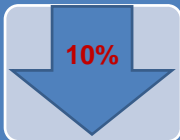
 **Transparency in College Tuition**

- Set of lists to be posted on College Navigator website by institution type


4-yr public	4-yr nonprofit	4-yr for-profit
2-yr public	2-yr nonprofit	2-yr for-profit
<2-yr public	<2-yr nonprofit	<2-yr for-profit

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 **College Affordability Lists**

-  **Five percent with highest**
 - Tuition and fees for most recent year
 - Net price for most recent year
-  **Five percent with largest increase**
 - Tuition and fees over last 3 years
 - Net price over last 3 years
-  **Ten percent with lowest**
 - Tuition and fees for most recent year
 - Net price for most recent year

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College Affordability Lists

Institutions on list for largest increase over three years, must submit report to ED

- Identify areas of greatest cost increases
- Explain increases
- Describe steps it will take to reduce costs

Exception: if amount of increase over three years less than \$600

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College Affordability


States

- State spending chart (over five years)
- Maintenance of effort

Web-Based Calculators

- Multi-year tuition calculator
- Net price calculator - institutions must post ED's calculator, or their own, on Web by August 2011

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Textbook Information

Publishers to provide information to faculty

- Price to bookstore of textbooks
- Copyright dates of three previous editions and what significant revisions were made
- If other formats are available (and price)
- Unbundled price

Institutions to disclose on course schedule


- ISBN and retail price of each required or recommended book
- If information not available, state "to be determined"

Institutions to provide bookstores

- Course schedules
- Information required above
- # students enrolled, max enrollment for each course

Compliance deadline July 1, 2010

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Campus Safety


Clery Act crime reporting

- Authority of campus security
- Relationships with state and local agencies
- More detailed hate crime statistics
 - Additional offenses
 - By category of prejudice

Emergency response policies

- Immediate emergency response and evacuation procedures, including use of electronic or cellular communication
- Immediately notify campus community upon the confirmation of an immediate threat
- Publicize and test procedures annually

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Student Housing Only


Fire safety standards

- Statistics for calendar year
- Log of fires
- Fire safety and sprinkler systems
- Fire drills and evacuation procedures
- Policies and rules
- Education, training, plans for improvement

Missing persons

- Inform students of option to identify contact person
- Requires campus security dept to notify contact or police if student determined to be missing more than 24 hours

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Preferred Lenders

Annually compile and make available a list of specific lenders for Title IV loans or private education loans that the inst recommends, promotes, or endorses

- Detailed information about terms & conditions
- Method, criteria used & why picked
- At least 3 unaffiliated lenders for FFEL
- At least 2 unaffiliated lenders for private loan

Disclose on Web and in all informational materials for prospective students, students, or families that discuss financial aid

- Information on federal aid available
- Info on model disclosure form for each type of loan under preferred lender arrangement

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Preferred Lenders

Disclose, for each type of FFEL loan

- TILA disclosures
- Average amt borrowed from that lender by students who graduated, with same type of loan in preceding year
- Amount borrower may pay in interest based on average of previous year graduates (broken out by three categories) who used that lender

Disclose, for private education loans

- TILA disclosures
- May qualify for federal loans or grants
- Federal loans may have more favorable terms
- Ensure that info on private education loans is distinct from info on Title IV loans

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All Title IV Loan Programs

Institutions that participate in any Title IV loan program must develop a Code of Conduct

- Prohibit conflicts of interest for officers, employees, agents with respect to such loans
- Published prominently on website
- Administered and enforced, including informing all covered individuals annually of provisions
- Affiliated organizations w/ preferred lenders lists need to comply also

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Code of Conduct

Must include, at a minimum

- Ban on revenue sharing
- Gift ban
- Prohibit contracting arrangements
- Cannot assign lender to first-time borrower
- Cannot refuse or delay certification due to choice of lender
- No “opportunity” funds for private loans
- Ban on staffing assistance
- No compensation for advisory board service


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FFEL and Direct Loans

Cohort Default Rates

- New formula adds an additional year
- Defaults of borrowers who entered repayment and defaulted by end of 3rd year now included
- Penalty level raised from 25% to 30%
- Waiver eligibility set at 15% (Oct 2011)
- 2012 implementation



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Pell Grants

Year-Round Pell Grant

- Students may receive up to two Pell Grant awards during a single award year
- To accelerate student's progress toward a degree or certificate
- Must be enrolled on at least a half-time basis for more than one academic year or more than two semesters (or equivalent) during a single award year

Minimum grant set at 10% of maximum

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Campus-Based Programs

Federal Work Study

- Civic education and participation
- Emergency response
- Flexibility for disaster-affected students
- Conform to cash management rules (in proposed regulations)

Perkins Loans

- Eliminates mandatory assignment authority
- Expands disability cancellations (for FFEL, DL too)
- Increases loan limits

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Campus-Based Programs

Transfers

- Up to 25% of FWS allotment to Perkins
- Up to 25% of FSEOG allotment to FWS

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graph TD; FSEOG((FSEOG)) -- red --> FWS((FWS)); FWS -- red --> Perkins((Perkins)); Perkins -- blue --> FWS; Perkins -- blue --> FSEOG;
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Consumer Information


Student body diversity

- Gender
- Race / ethnicity
- Pell eligibility

Retention

- First-time, full-time undergraduates

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Outcome Statistics

Graduation Rates

- Gender
- Race / ethnicity
- Receipt of Pell grant
- Receipt of subsidized FFEL or Direct Loan (but not Pell)
- No Pell or subsidized loans received
- *Does not apply to 2-year institutions until 2011-12*


Job Placement

- Placement in employment of graduates
- Types of employment
- Gathered from alumni surveys, student satisfaction surveys, state data systems, other sources

Graduate Education

- Types of graduate and professional education in which graduates enrolled
- Gathered from alumni surveys, student satisfaction surveys, state data systems, other sources

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Consumer Information

Transfer of credit policies

- Established criteria
- List of institutions with articulation agreements

Copyright infringement

- Annual notice re civil and criminal liabilities for unauthorized distribution, including P2P
- Summary of penalties
- Description of institution's policies

Vaccination policies

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Peer-to-Peer File Sharing

Institution must certify that it:

- Has developed plans to *effectively combat* the unauthorized distribution of copyrighted material
- Use of at least one technology-based deterrent
- Will offer alternatives, to the extent practicable

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ARRA Background Information

Historic, One-time Investment

- Over \$100 billion education investment
- Historic opportunity to stimulate economy and improve education
- Success depends on leadership, judgment, coordination, and communication


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Guiding Principles

-  Spend Quickly to Save and Create Jobs
-  Ensure Transparency and Accountability
-  Thoughtfully Invest One-time Funds
-  Advance Effective Reforms


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American Recovery and Reinvestment Act

- Helping Students and Families
- Research Funding
- Infrastructure
- Job Training
- State Fiscal Relief
- Borrowing

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Helping Students and Families

- Increase Pell Grants
 - \$5,350 in 2009
 - \$5,550 in 2010
- 7 million recipients

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Helping Students and Families

- Increase Work-Study
 - \$200 million over two years
- FY2008 = \$980 million
- Implementation challenge

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Helping Students and Families

- American Opportunity Tax Credit
 - Temporarily replace Hope Tax Credit
\$2,500 credit for four years
 - Covers tuition & fees, books, and course materials
 - Partially refundable

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Research Funding: NIH

- National Institutes of Health: \$10.4 billion
 - \$8.2 billion for research
 - \$1.3 billion for extramural facilities
 - \$500 million for NIH campus
 - \$400 million for comparative effectiveness research
- \$9.5 billion to colleges and universities

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Research Funding: NSF

- National Science Foundation (NSF)
 - \$3 billion
- \$2 billion research grants
- \$900 million for infrastructure
- \$100 million for education



Research Funding: Other Agencies

- Department of Energy
 - \$2 billion
- NASA
 - \$550 million



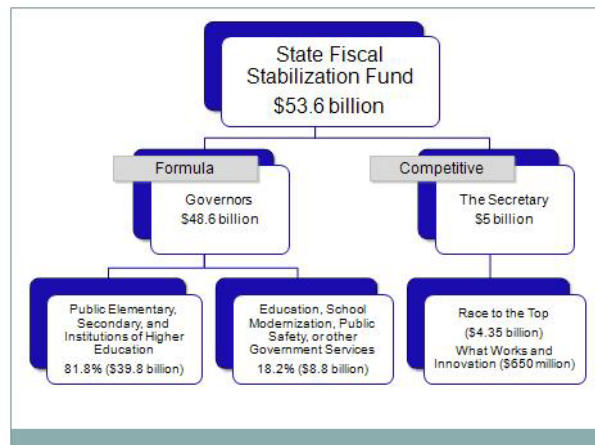
Infrastructure


Academic research facilities:

- NIH: \$1.3 billion
- NSF: \$900 million
- NIST: \$180 million



State Fiscal Stabilization Fund






State Fiscal Stabilization Fund for Education (1)

- 81.8%; \$39.8 billion
- First phase: 67% to States within two weeks of approvable application and in severe economic emergency, up to 90% available
- Application included:
 - Assurances that the State is committed to advancing education reform in four specific areas
 - Baseline data that demonstrate the State's current status in each of the four education reform areas
 - A description of how the State intends to use its Stabilization allocation

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State Fiscal Stabilization Fund for Education (2)

- Second phase: 33%
- Application included:
 - The State's plan detailing its strategies for addressing the education reform objectives described in the assurances
 - A description of how the State is implementing the record-keeping and reporting requirements of ARRA
 - A description of how SFSF and other funding will be used in a fiscally prudent way that substantially improves teaching and learning

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State Fiscal Stabilization Fund for Education: Uses for IHEs

- IHEs may use education funds for:
 - education and general expenditures
 - mitigating tuition and fee increases for in-State students
 - modernization, renovation, and repair of facilities used for instruction, research, student housing

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Borrowing

Three provisions that directly impact higher education borrowing:

- Smaller Issue Exemption
- De Minimus Rule
- Build America Bonds

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Build America Bonds

- Direct Payment BAB rebate appears to offer a very attractive alternative:
- Taxable 30-year bond rate 6.500%
- Less 35% subsidy 2.275%
- Net funding cost 4.225%
- Versus 30-year "AAA" 5.100%
- Savings estimate .875%

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