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H.R. 4508, the PROSPER Act: Proposed Reauthorization of the Higher Education Act

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Summary

During the 115th Congress, the House Committee on Education and the Workforce marked up and ordered reported with amendments the Promoting Real Opportunity, Success, and Prosperity through Education Reform Act (PROSPER Act; H.R. 4508), which would provide for the comprehensive reauthorization of the Higher Education Act of 1965 (HEA).

H.R. 4508 would make numerous amendments to the HEA, many of which address six themes: (1) redesigning the federal approach to providing student aid; (2) modifying federal student aid rules; (3) eliminating or winding down programs; (4) revising the educational quality and financial accountability requirements applicable to institutions of higher education (IHEs); (5) amending public accountability, transparency, and consumer information requirements; and (6) establishing limits on the Secretary of Education's authority.

H.R. 4508 would extend the authorization of many currently operating HEA programs through FY2024, repeal or wind down many HEA programs and activities, and make amendments to myriad HEA programs and activities.

The amendments proposed in H.R. 4508 signal an attempt to redesign the federal approach to providing student aid by transitioning toward the delivery of student aid through fewer programs. The bill would terminate or phase-out several programs (e.g., TEACH Grants, Federal Supplemental Educational Opportunity Grants, Direct Loans), establish a new Federal ONE Loan program, and eliminate programs that have not been funded in recent years or that have never been funded. By 2024, the Title IV federal student aid programs would include two grant programs (Pell Grants and Iraq and Afghanistan Service Grants), the Federal ONE Loan program, and the Federal Work-Study (FWS) program.

Regarding changes to student aid benefit levels and award rules, under H.R. 4508 a new Pell Grant bonus would be available to students who enroll for at least 30 credit hours per award year. In the Federal ONE Loan program, annual loan limits would be increased by \$2,000 above what undergraduate students may borrow through the Direct Loan program, while firm loan limits would be established for graduate students and parent borrowers. Federal ONE Loans would be repaid according to a limited set of repayment plans, and fewer loan forgiveness benefits would be available compared with what is offered under the Direct Loan program. FWS funds would be awarded to institutions according to a restructured allocation formula. Need-based aid would be made available only to undergraduate students through the Pell Grant and FWS programs. All other federal student aid would be made available without regard to financial need.

Aside from changes to the types of aid available and to student aid benefit levels and award rules, other amendments proposed in H.R. 4508 include the following:

- changes to rules for disbursing Title IV aid to recipients, which would include annual aid counseling for recipients and more-frequent, smaller disbursements;
- the elimination or wind down of numerous programs supporting IHEs and programs they operate, which are authorized under the HEA and other higher education laws, including the Strengthening Institutions Program, programs to enhance teacher education and preparation (HEA Title II), and all of the programs in HEA Title VIII;
- changes to HEA provisions designed to hold IHEs accountable for the educational programs they offer, including the repeal of the gainful employment regulations, the establishment of a programmatic loan repayment rate metric, and amendments to Department of Education recognition criteria for accrediting

agencies that would require accreditors to examine student learning and other student outcomes relative to what should be expected from institutions or educational programs;

- adjustments to the fiscal accountability standards institutions must meet to participate in the HEA Title IV programs, including the repeal of the 90/10 Rule, which requires that at least 10% of institutional revenues come from sources other than HEA Title IV aid at proprietary schools;
- amendments to institutional information gathering and reporting requirements, which are designed to generate information that can assist students in making college-going decisions;
- changes to ED's administrative functions and the establishment of specified limitations on the Secretary's authority to promulgate regulations;
- amendments to address campus safety and sexual violence issues at IHEs that would add specificity to procedures for institutional disciplinary actions that must be used by IHEs in alleged incidents of sexual violence and would require most domestic IHEs to administer campus climate surveys of attitudes on campus toward sexual assault; and
- creation of a new competitive grant program to expand earn-and-learn programs developed by partnerships of employers and IHEs that would provide students with on-the-job training and accompanying for-credit classroom instruction.

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Introduction

The Higher Education Act of 1965 (HEA; P.L. 89-329, as amended)¹ authorizes programs and activities that make federal financial assistance available to individuals who are pursuing a postsecondary education and to institutions of higher education (IHEs). It also authorizes a number of other activities and functions related to postsecondary education. The HEA was last comprehensively reauthorized by the Higher Education Opportunity Act of 2008 (HEOA; P.L. 110-315). The HEOA extended the authorization of the appropriation of funds for most HEA programs through FY2014, while the General Education Provisions Act (GEPA) provided an extension of that authority for an additional year, through FY2015. Many HEA programs have continued beyond FY2015 with funding provided under a variety of appropriations legislation and continuing resolutions.

During the 115th Congress, the House Committee on Education and the Workforce marked up and reported with amendments the Promoting Real Opportunity, Success, and Prosperity through Education Reform Act (PROSPER Act; H.R. 4508), which would provide for the comprehensive reauthorization of the HEA. The proposed H.R. 4508 amendments would extend the authorization of most HEA programs through FY2024. In general, for programs with discretionary funding H.R. 4508 would authorize the appropriation of funds in specific, as opposed to indefinite, amounts for each year in which funding would be authorized to be provided. The Congressional Budget Office (CBO) estimates that the enactment of H.R. 4508 would reduce mandatory spending outlays by \$2.2 billion over the FY2018-FY2022 period and by \$14.6 billion over the FY2018-FY2027 period. Also, according to CBO estimates and assumptions, the enactment of H.R. 4508 would lead to discretionary spending outlays increasing by \$87.5 billion over the FY2018-FY2022 period and by \$210.1 billion over the FY2018-FY2027 period.²

This report focuses on changes H.R. 4508 would make to the HEA's programs. It begins with an overview identifying and discussing a number of key themes in H.R. 4508. This discussion highlights major changes proposed in the bill. It may be sufficient to meet the needs of readers seeking a general understanding of the primary proposals included in H.R. 4508. The next section of the report examines in more detail the major features of H.R. 4508 and how they relate to current law. The **Appendix** contains two tables that present information on the proposed authorization of appropriations or budget authority for new programs and for programs currently specified in the HEA and related laws (e.g., the Education of the Deaf Act). The report focuses on the larger changes proposed in H.R. 4508; it does not aim to provide a comprehensive summary of the bill or of technical changes that would be made by the bill.

An Overview of H.R. 4508, as Reported with Amendments

H.R. 4508, as reported with amendments on February 8, 2018, would provide for the comprehensive reauthorization of the HEA, amending numerous programs and activities that make up a large portion of the federal effort to support postsecondary education. Taken collectively, the changes that would be made by H.R. 4508 reflect several key themes: (1) simplifying the federal approach to providing student aid; (2) modifying federal student aid rules;

¹ For a description of current HEA provisions, see CRS Report R43351, *The Higher Education Act (HEA): A Primer*, by Alexandra Hegji.

² Congressional Budget Office (CBO), Cost Estimate, "H.R. 4508 Promoting Real Opportunity, Success, and Prosperity through Education Reform Act," February 6, 2018.

(3) eliminating or winding down programs; (4) revising the educational quality and financial accountability requirements applicable to IHEs; (5) revising public accountability, transparency, and consumer information requirements; and (6) establishing specified limitations to the Secretary of Education's (the Secretary's) authority. This section of the report highlights how these themes are reflected in the provisions of H.R. 4508.

Redesign of the Federal Approach to Providing Student Aid

Title IV of the HEA currently contains provisions authorizing six grant programs,³ three loan programs,⁴ one work-study assistance program, and one service payback program⁵ to assist students and their families finance the cost of a postsecondary education. It also contains two programs that authorize the awarding of funds to states, which may, among other activities, use the funds to award student financial aid to state residents.⁶

Although each of the authorized federal student aid programs has its own student eligibility criteria, award rules, and administrative structures, there are five primary ways in which they may be characterized: general form of aid (grant, loan, work-study, or service payback assistance); broadly available or targeted aid (aid that is widely available to support qualified students pursuing a broad array of educational programs versus aid targeted toward certain fields of study or types of service), aid available by level of study; need-based/non-need-based aid; and portable/non-portable aid.

- **General type of aid:** A grant is gift aid that does not need to be repaid by the recipient. A loan is student aid that must be repaid by the recipient at some later point in time. Work-study assistance is student aid provided to a student as compensation for part-time employment while enrolled. Service payback assistance is aid that is provided contingent on the recipient completing a service obligation in return for the assistance provided.
- **Broadly available versus targeted aid:** Student aid may be made available on a broad basis to support the pursuits of qualified students in a wide array of eligible postsecondary programs of study. Aid may also be made available on a targeted basis, serving populations of students pursuing programs in certain specified fields of study or to those connected to certain types of service.
- **Level of study:** Student aid may be made available to individuals based on whether they are enrolled in an undergraduate or graduate/professional course of study.
- **Need-based/Non-need-based aid:** Need-based student aid is aid for which a student's eligibility is based on his or her demonstrated need for the funds. Nonneed-based aid is aid for which a student's eligibility is determined without regard to his or her financial need.

³ The Federal Pell Grant program; the Federal Supplemental Educational Opportunity Grant program; the Scholarships for Veteran's Dependents program (also known as Iraq and Afghanistan Service Grants); the Academic Competitiveness (AC) Grant program; the National Science and Mathematics Access to Retain Talent (SMART) Grant program; the Robert C. Byrd Honors Scholarship program.

⁴ The Federal Perkins Loan Program, the William D. Ford Direct Loan program, and the Federal Family Education Loan Program.

⁵ The Teacher Education Assistance for College and Higher Education (TEACH) Grant program.

⁶ The Leveraging Educational Partnerships Program (LEAP) and the Grants for Access and Persistence program.

- **Portable/Non-portable aid:** Portable aid may be characterized as being widely available across Title IV-participating IHEs, and as being awarded to eligible students on the basis of statutorily specified, nondiscretionary award criteria. Non-portable aid may be characterized as being less widely available, such as from fewer participating IHEs, and as being awarded to eligible students according to discretionary award criteria that may be institution-specific.

In academic year (AY) 2017-2018, federal student aid is being made available to students only through a subset of the total number of programs authorized under Title IV. Those operational programs comprise aid available by level of study, both need-based and non-need-based aid, and both portable and non-portable aid. They include the following:

- **Three grant programs:** the Federal Pell Grant program, the Federal Supplemental Educational Opportunity Grant (FSEOG) program, and the Scholarships for Veteran's Dependents program (also known as the Iraq and Afghanistan Service Grants). Aid under each program is only available to undergraduate students. The Pell Grant and FSEOG programs are need-based aid programs. The Pell Grant and Iraq and Afghanistan Service Grants are portable aid.
- **Two loan programs:** the William D. Ford Direct Loan program and the Federal Perkins Loan program. Direct Loans are available to help finance the cost of both undergraduate and graduate/professional study; however, loan terms and conditions may vary depending on the level of study. Federal Perkins Loans are only available to undergraduate students.⁷ The Direct Loan program offers one need-based loan (i.e., the Direct Subsidized Loan) among a mix of other non-need-based loans, while the Federal Perkins Loan program is need-based. Direct Loans are portable aid.
- **One work-study assistance program:** the Federal Work-Study (FWS) program, which is need-based, non-portable aid that is available to both undergraduate and graduate/professional students.
- **One service payback program:** the Teacher Education Assistance for College and Higher Education (TEACH) Grant program, which is non-need-based, portable aid that is available to both undergraduate and graduate students.

Collectively, these programs made approximately \$123 billion available in the most recently completed academic year, AY2016-2017.⁸ All told, Title IV aid comprises roughly 49% of all student aid provided to students and their families nationwide.⁹ All but two of the operational programs provide broadly available aid. The two providing targeted aid, Iraq and Afghanistan

⁷ The Perkins Loan program is in the process of being wound down and completely ceasing operations and institutional authority to make new Perkins Loans to undergraduate students expired on September 30, 2017. However if an eligible undergraduate student received a disbursement of a Perkins Loans prior to October 1, 2017 for the 2017-2018 award year, IHEs are permitted to make subsequent disbursements on such loans through June 30, 2018. ED is to begin collecting the federal share of institutions' Perkins Loan Revolving Funds following the submission of the 2019-2020 Fiscal Operations and Application to Participate, which is due October 1, 2018. Office of Federal Student Aid, "Perkins Loan Extension Act of 2015," GEN-17-10, October 6, 2017, <https://ifap.ed.gov/dpclatters/GEN1710.html>.

⁸ CRS analysis of The College Board, *Trends in Student Aid 2017*, p. 9, Table 1.

⁹ Ibid. The remainder of student aid awarded to students and their families is derived from federal veterans and military education benefits, state and institutional grants, private and employer grants, education tax benefits, and nonfederal education loans.

Service Grants and TEACH Grants, collectively provide \$86 million in aid,¹⁰ a relatively small share of federal student aid.

H.R. 4508 would redesign the current federal approach to student aid programs by transitioning toward the provision of aid through a smaller number of programs. To do so, the bill would eliminate those student aid programs that are not currently operational, immediately eliminate or phase-out some others that are currently funded and operational (e.g., TEACH Grants, FSEOG, Direct Loans), continue to wind down the Perkins Loan program (current statute specifies new Perkins Loans may not be made after September 30, 2017), and create a new federal student loan program, the Federal ONE Loan program. As proposed in H.R. 4508, for students who would be new recipients of federal student aid on or after July 1, 2019,¹¹ the mix of available federal student aid programs would consist of the following:

- **Two grant programs:** Pell Grants and Iraq and Afghanistan Service Grants. Pell Grants would be need-based aid, and both programs would be portable.
- **One loan program:** Federal ONE Loans, which would be non-need-based, portable aid. Aid administrators would be authorized to exercise discretion in specifying, within some limits, the amount eligible students may borrow.
- **One work-study assistance program:** FWS, which would be need-based, non-portable aid.

All of these federal student aid programs would be made available to eligible undergraduate students; however, only the Federal ONE Loan program would be made available to graduate students. The lone remaining targeted aid program would be Iraq and Afghanistan Service Grants.

Modification of Federal Student Aid Rules

The HEA currently specifies procedures for identifying students eligible to receive federal student aid and determining a student's expected family contribution (EFC) toward postsecondary education expenses. (A student's EFC is used in the process of determining his or her eligibility for need-based federal student aid.) H.R. 4508 would make changes to the procedures for determining students' eligibility for federal student aid and determining the amount of aid that students would be able to receive. Recently implemented provisions for calculating a student's EFC on the basis of income from the second year prior to enrollment would be incorporated into statute. Students from families with an adjusted gross income (AGI) of less than \$100,000 also would be eligible to have their EFC determined according to a Simplified Needs Test (SNT) that does not require the reporting of information on assets.

Under the amendments proposed in H.R. 4508, the availability of need-based aid would be limited to undergraduate students and made available through the Pell Grant and FWS programs. All other forms of federal student aid would be made available without regard to a student's financial need. In the Federal Pell Grant program, a new Pell Grant bonus would be made available to students who enroll for at least 30 credit hours per award year. In the Federal Work-Study program, federal funding would be distributed to participating IHEs according to a revised allocation formula, and the generally applicable cap on the federal share of compensation for work-study employment would be reduced from 75% to 50%.

¹⁰ U.S. Department of Education, Federal Student Aid, *FY 2017 Annual Report*, p. 11.

¹¹ Students who had previously received federal student aid through the TEACH Grant and Direct Loan programs would remain eligible to continue to receive aid through these programs during a phase-out period. Phase-out provisions for these programs are discussed below.

In the proposed Federal ONE Loan program (in contrast to the Direct Loan program, which it would replace), all loans would be made without borrowers being charged loan origination fees, while interest subsidies would not be offered during periods while borrowers are in school, during a grace period, or during periods of deferment. For undergraduate students, annual borrowing limits would be set at \$2,000 above what may currently be borrowed through the Direct Loan program. For graduate students and the parents of undergraduate dependent students, borrowing would be constrained by the establishment of specified annual and aggregate loan limits. A small set of repayment plans would be offered in the Federal ONE Loan program, and loans would be eligible to be discharged in only a limited set of circumstances.

The HEA also contains numerous provisions relating to when Title IV aid recipients are eligible to receive disbursements of their federal student aid and the timing of such disbursements. To borrow a Direct Loan, the HEA requires that a borrower sign a master promissory note (MPN), which contains the loan's terms and conditions. An individual may borrow multiple loans under a single MPN for up to 10 years without being required to acknowledge having reviewed the loan terms and conditions prior to borrowing a new loan under that MPN. The HEA also requires that certain Direct Loan borrowers undergo loan entrance counseling prior to loan disbursement, and that certain borrowers undergo exit counseling after a student drops below half-time enrollment. Both of these requirements are intended to help ensure that borrowers are aware of their loan terms and conditions and of the potential consequences of borrowing a student loan. The HEA also specifies the timing for Title IV aid disbursement from IHEs to students and the rate at which students are deemed to have "earned" Title IV aid. As a consequence of being deemed to have earned aid, students may be held responsible for repaying a portion of it to ED should they withdraw from school before completing their term of enrollment.

H.R. 4508 would make several changes to the provisions relating to when Title IV aid recipients are eligible to receive disbursements of their federal student aid and the timing of such disbursements. Many of these changes represent a more scaled-back approach to aid disbursement to recipients, potentially helping to ensure that recipients are better able to manage their aid and fully understand the responsibilities that come along with aid receipt. For instance, under the bill, borrowers would continue to be permitted to borrow multiple loans under a single MPN for an extended amount of time, but they would be required to acknowledge the receipt of loan terms and conditions prior to disbursement of the new loans. In addition, all Title IV loan borrowers and Pell Grant recipients would be required to receive annual counseling to assist them in understanding the terms and conditions of the federal student aid they are receiving and the potential consequences of accepting such aid. H.R. 4508 would require that IHEs disburse Title IV funds more frequently and in smaller increments than current practice generally, and would specify that borrowers earn federal student aid at a slower rate than under current law. Taken together, these changes would temper the process of making federal study aid available to students.

Elimination and Winding Down of Programs

The HEA authorizes numerous programs to support both individuals pursuing postsecondary education and institutions of higher education. Included in such programs are those that provide federal student aid directly to students and those that provide federal support directly to institutions to support postsecondary education programs with the aim of meeting specific policy goals (e.g., to support international education programs, to prepare postsecondary students who are preparing for careers in teaching).

H.R. 4508 would eliminate or wind down numerous programs authorized under the HEA and other statutes related to higher education. One of the larger programs that provides aid to students

that would be eliminated under H.R. 4508 is the FSEOG program, which in FY2017 provided nearly 1.5 million FSEOG awards totaling \$712 million.¹² One of the larger programs that provides support for institutions and the programs they operate that would be eliminated is the Strengthening Institutions program, which in FY2017 provided approximately \$85 million to support development of 178 IHEs with a high percentage of needy students and financial limitations.¹³

Many programs that H.R. 4508 would eliminate have never or have not recently received appropriations and, therefore, are not currently operational. This is especially true regarding Title VIII of the HEA, which includes 27 parts, each of which establishes one or more programs focusing on a broad array of topics. All of the programs in Title VIII were incorporated into the HEA by the HEOA and most of them have never been funded.¹⁴

H.R. 4508 would also wind down some currently operational programs. That is, H.R. 4508 would authorize the programs to operate for a limited number of future years but would subsequently curtail the programs' operations. Programs that would be wound down under H.R. 4508 include the TEACH Grant program and the Direct Loan program.

The elimination or wind-down of these programs relates to an effort to streamline and scale back the number of programs included in the HEA, most of which receive small amounts of or no funding. Doing so could lead to a more-focused, discrete federal effort to support postsecondary education that may be easier to administer and could lead to reduced federal expenditures. However, doing so may also result in a reduction of available approaches for addressing priorities that are targeted by programs proposed to be eliminated.

Revisions to Educational Quality and Financial Responsibility Accountability Requirements for Institutions

Currently, the HEA provides for institutional accountability measures throughout many of its programs. Some measures address educational accountability, which relates to institutions providing a quality educational program (e.g., accreditation requirements). Other measures address fiscal accountability, which relate to the manner in which institutions handle Title IV funds and can signify whether they are good stewards of federal student aid. H.R. 4508 would address both educational and fiscal accountability in multiple ways, including by adding accountability requirements and amending or eliminating some existing accountability requirements. Together, the changes discussed below and other provisions of H.R. 4508 signal a congressional interest in treating proprietary and public and nonprofit IHEs equally and with significantly less differentiation—a departure from current statute.

¹² Office of Federal Student Aid, *FY2017 Annual Report*, p. 10.

¹³ U.S. Department of Education, FY2019 Congressional Budget Justification, Vol. II, "Higher Education," p. R-33, <https://www2.ed.gov/about/overview/budget/budget19/justifications/r-highered.pdf>.

¹⁴ Those Title VIII programs that have been funded at some point in time are Part F—Teach for America, Part S—Training for Realtime Writers (funded under Fund for the Improvement of Postsecondary Education (FIPSE)); Part T—Centers of Excellence for Veteran Student Success (funded under FIPSE); and Part Z—Henry Kuualooha Giugni Kupuna Memorial Archives (funded under the Native Hawaiian Education program authorized by Part B of Title VII of the Elementary and Secondary Education Act (ESEA)); and Part AA—Promoting Postbaccalaureate Opportunities for Hispanic Americans.

Educational Accountability

Educational accountability relates to attempts to ensure institutions are providing a quality educational program, and it may be assessed in a variety of ways. H.R. 4508 would address educational accountability in multiple ways.

H.R. 4508 would make adjustments to the standards IHEs must meet to participate in the Title IV student aid programs. The HEA currently specifies that accrediting agencies must meet certain institutional evaluation standards to be recognized by ED as “reliable authorit[ies] regarding the quality of education or training offered.” ED relies on the accrediting agencies it has recognized to certify that an IHE offers quality programs of study. H.R. 4508 would eliminate many of the current institutional evaluation standards required of ED-recognized accrediting agencies (some of which gauge inputs that may be associated with quality programs, such as facilities and equipment, and some of which gauge outcomes such as “success with respect to student achievement in relation to the institution’s mission”) and would require that such agencies evaluate IHE’s success with respect to student educational outcomes in relation to expected measures of educational outcomes.

The bill would also repeal the current regulatory definition of “credit hour,” a measure of how much instruction must be provided in a program, which can be seen as an indicator of the depth of a program.

H.R. 4508 would also repeal several existing regulatory or statutory outcome measures that have been relied upon to gauge education quality. In addition, it would repeal regulatory requirements applicable to certain types of sub-baccalaureate educational programs at public and nonprofit IHEs and most educational programs (including degree programs) at proprietary IHEs that prepare students for gainful employment in a recognized occupation.¹⁵ The institutional cohort default rate metric, which is applicable to IHEs participating in federal student loan programs, would be phased out.

These metrics would be replaced with a new programmatic loan repayment rate metric. Most educational programs offered by IHEs would be required to meet loan repayment rate performance targets for continued Title IV participation. The loan repayment rate metric would measure the extent to which students who borrowed Title IV loans to attend an educational program are able to remain in a positive repayment status on their qualified Title IV loans (e.g., not being delinquent on the loan for 90 days or longer). It appears a presumption behind the metric would be that if an educational program is of sufficient quality, then individuals who borrow to attend the program should be able to earn adequate wages to make sufficient payments on their loans to remain in positive repayment status. The new loan repayment rate differs from the cohort default rate in that it would be used to assess the educational quality of a program of study rather than the entire IHE, and would differ from current gainful employment metrics in that it would apply to all programs at all IHEs regardless of institutional sector.

H.R. 4508 would also add educational performance requirements to HEA programs not part of Title IV. For instance, to be eligible for funding under several of the minority-serving institution

¹⁵ Regulations establish debt-to-earnings ratios that certain educational programs offered by an IHE must meet to be considered as leading to gainful employment and requirements for IHEs to disclose information relating to their gainful employment programs. The regulations attempt to measure whether a sufficient number of graduates in certain educational programs can repay their student loans and have been subject to challenge. Although the regulations are in effect, several aspects of them have been delayed in implementation and ED is currently undergoing a negotiated rulemaking to rewrite them.

(MSI) grant programs under Title III and Title V, H.R. 4508 would require that IHEs have completion rates of at least 25%.

Taken together, these revisions in educational accountability seem to signal an interest in shifting the focus of the overall postsecondary education accountability framework across all institutions and education program types, as opposed to only a subset of institutions or educational programs.

Fiscal Accountability

Fiscal accountability requirements relate to the manner in which institutions handle Title IV funds and whether they are good stewards of federal student aid funds. H.R. 4508 would make several changes to current fiscal accountability provisions.

H.R. 4508 would amend the current Return of Title IV provisions, which specify how and when Title IV funds shall be returned to ED by a school and/or student when a student withdraws from school. In general, when a student withdraws from an IHE, the IHE first determines the portion of Title IV aid considered to be earned by the student while enrolled and the portion considered to be unearned. Unearned aid must be returned to ED. Up to the 60% point of a payment or enrollment period, unearned funds must be returned on a pro rata schedule. After the 60% point, the total amount of funds awarded is considered to have been earned by the student and no funds are required to be returned. Whether an IHE and/or student are required to return the funds to ED depends on a variety of circumstances. Among other amendments, H.R. 4508 would reduce the rate at which federal student aid would be considered as having been earned by a student and would require IHEs to return a larger portion of aid after a student withdraws than under current law. This may ultimately provide financial incentives for IHEs to work toward ensuring that students complete their period of enrollment and, thus, boost both educational and fiscal accountability.

H.R. 4508 would also expand upon the current conditions under which IHEs could be considered financially responsible to participate in the Title IV aid program. In addition, it would repeal the 90/10 Rule (applicable only to proprietary institutions), which specifies that for Title IV eligibility purposes, IHEs may not derive less than 10% of their revenues from non-Title IV funds for any two consecutive years (i.e., no more than 90% of their revenues can come from Title IV funds).

Public Accountability, Transparency, and Consumer Information

The HEA also provides a set of measures that relate to public accountability, transparency, and consumer information. In general, these provisions are intended to provide information to consumers to enable them to make informed college-going decisions. Currently, the HEA addresses issues related to college affordability and the collection and dissemination of consumer information to students and the public by requiring, among other things, the Secretary to administer the College Navigator website, through which certain consumer information about IHEs is made publicly available, and by requiring IHEs to make Net Price Calculators available on their websites. Net Price Calculators allow prospective students to obtain individual estimates of the net price of an IHE, taking into account the financial aid they might be likely to receive.

H.R. 4508 would amend the HEA to provide for a more-tailored approach to public accountability, transparency, and consumer information requirements in some instances, while eliminating such requirements in other instances. For example, H.R. 4508 would amend a primary consumer information tool authorized under the HEA, the College Navigator, by renaming it the College Dashboard. Under H.R. 4508, ED would be required to collect new

information on specified student outcomes such as the median earnings of Title IV aid recipients who have completed a degree or certificate program. This would be published on the Dashboard.

At the same time, the proposed College Dashboard would not make available some information currently made available on the College Navigator, including data on the number of applicants and the percentages who were admitted and who enrolled.

H.R. 4508 would also eliminate Title II transparency provisions that apply to teacher preparation programs at IHEs. These provisions have required collection and reporting of data to assess teacher preparation programs, including those that provide “traditional” and/or “alternative” routes to state teacher certification, and of teacher candidate performance data.

Specified Limitations to the Secretary of Education’s Authority

The Secretary is vested with the authority to undertake numerous actions necessary or appropriate to administer and manage ED functions and programs, including the authority to prescribe rules and regulations and to enter into contracts for supplies and services.¹⁶ While many of these general authorities are granted to the Secretary in statutes other than the HEA, the HEA supplements those general authorities by providing specific direction or specifications related to the Secretary’s authority to administer HEA programs. For instance, the HEA specifies that the Secretary may enter into contracts for the origination, servicing, and collection of Direct Loans and that the Secretary must, in general, engage in negotiated rulemaking when promulgating regulations under HEA, Title IV.

H.R. 4508 would amend the HEA in several ways that would place limitations on the Secretary’s general authority. Many of the bill’s provisions would prohibit the Secretary from promulgating regulations on specific topics, especially within the Title IV student aid programs. For instance, the bill would prohibit the Secretary from promulgating rules related to the term “gainful employment,” the definition of “credit hour,” or state authorization requirements.

Other bill provisions would provide additional oversight of activities within ED’s Office of Federal Student Aid (FSA), including requiring FSA to collect input from stakeholders on the operation of the Title IV programs, and the bill would establish an advisory board to conduct oversight of FSA to ensure it is meeting goals specified in its required performance plans. In other cases, H.R. 4508 would require specific actions of the Secretary. For instance, H.R. 4508 contains provisions providing guidance on how borrower accounts shall be allocated under loan-servicing contracts entered into by ED.

Student Aid

Title IV of the HEA contains provisions authorizing numerous federal student aid programs to assist students and their families finance the cost of a postsecondary education. This section of the report describes some of the changes to the Title IV student aid programs and student aid eligibility criteria that would be made by H.R. 4508.

Federal Programs

Title IV of the HEA contains provisions that authorize more than a dozen federal student aid programs. These programs provide students with loans, grants, and work-study assistance. H.R.

¹⁶ See, for example, Department of Education Organization Act (P.L. 96-88), §§414 and 415, 20 U.S.C. §§3474 and 3475; General Education Provisions Act (P.L. 90-247), §410, 20 U.S.C. §1221e-3.

4508 would make adjustments to the design of several student aid programs and it would reduce the overall number of programs.

Federal Pell Grant Program

Section 401 of the HEA authorizes the Federal Pell Grant program, which is the single largest source of federal grant aid supporting postsecondary education students.¹⁷ The Pell Grant program provides need-based grants to financially needy undergraduate students and is intended to be the foundation for all federal student aid awarded to undergraduate students. In FY2017, over 8.3 million students received Pell Grants totaling approximately \$26.9 billion.¹⁸ H.R. 4508 would make several changes to the program, including authorizing a Pell Grant Bonus award. Pell Grants are funded through mandatory and discretionary appropriations. H.R. 4508 would not modify the permanent mandatory appropriations, but it would extend the current discretionary indefinite authorization of appropriations (i.e., appropriations authorized at “such sums as may be necessary”) through FY2024.

Federal Pell Grant Bonus

Under current law, Pell Grant-eligible students who are enrolled full-time for a full academic year may receive up to the total maximum Pell Grant award. Full-time enrollment is at least 12 semester hours (or the equivalent) for each semester (or the equivalent) and at least 24 semester hours (or the equivalent) for the academic year. The total maximum Pell Grant award amount is the sum of the discretionary maximum award specified in annual appropriations law and the mandatory “add-on” award, which is specified in the HEA and funded through indefinite permanent mandatory appropriations.

H.R. 4508 would authorize the awarding of up to an additional \$300 in an award year to a Pell Grant recipient who enrolls more than full-time for each payment period and whose enrollment will lead to the completion of at least 30 semester hours (or the equivalent) in the award year. The bonus would be paid for using the indefinite permanent mandatory appropriations. The bonus would go into effect in award year 2018-2019.

In addition, H.R. 4508 would require the Secretary to report annually to the authorizing committees on the number of students receiving a Pell Grant bonus and their time to certificate or degree. Within approximately 30 months of the bill’s enactment, the U.S. Government Accountability Office (GAO) would be required to submit a comparative study examining the student loan debt of Pell Grant bonus recipients and Pell Grant recipients who did not receive a bonus, the completion rate of Pell Grant bonus recipients and students who did not receive the Pell Grant bonus, and whether students took an increased course load as a result of the availability of the Pell Grant bonus.

Student Disclosures

Under current law, financial aid administrators (FAAs) inform students of the amount of Pell Grant and other HEA Title IV aid they are eligible for in a payment period or award year. All Pell Grant recipients are subject to a cumulative lifetime eligibility cap equal to 12 full-time semesters (or the equivalent) of Pell Grant aid. H.R. 4508 would require that ED provide an annual status report to Pell Grant recipients of their estimated remaining Pell Grant lifetime eligibility,

¹⁷ For more information, see CRS Report R42446, *Federal Pell Grant Program of the Higher Education Act: How the Program Works and Recent Legislative Changes*, by Cassandra Dortch.

¹⁸ U.S. Department of Education, *Federal Student Aid, FY 2017 Annual Report*, p. 10.

estimated Pell Grant amounts during the remaining lifetime eligibility period, and limitations of such estimates. FAAs would be permitted to provide additional Pell Grant counseling to students, as long as the counseling would not delay or impede Pell Grant disbursements.

Student Fraud Reduction

Under current ED practice, a student with an “unusual enrollment history” loses eligibility for additional HEA Title IV aid until an FAA documents a legitimate reason for the unusual enrollment. An unusual enrollment history occurs when a student displays a pattern of attending multiple institutions, receives Pell Grant or Direct Loan credit balances, and does not earn academic credit during any of the four most recent award years.¹⁹

H.R. 4508 would codify two similar provisions. First, a student who received a Pell Grant for three award years and did not earn academic credit for each such award year would be ineligible for Pell Grant aid unless an FAA could document circumstances as being beyond the student’s control. Circumstances beyond the student’s control could include an illness that precipitated withdrawal, but could not include a withdrawal to avoid a particular grade. The second provision would authorize ED to prevent a student from receiving a second disbursement of a Pell Grant in an award year if the student has an unusual enrollment history until an FAA determines the enrollment history was not unusual.²⁰

Report Comparing Actual and Estimated Federal Pell Grant Costs

Under current practice, ED reports actual Pell Grant program costs. At least annually, CBO estimates 10-year budget projections and the cumulative shortfall or surplus for the Pell Grant program. Under H.R. 4508, ED would be required to compare actual Pell Grant component and total program obligations and expenditures to prior CBO estimates.

Federal Student Loans

Title IV of the HEA specifies provisions for the operation of three federal student loan programs: the Federal Family Education Loan (FFEL) program, the William D. Ford Federal Direct Loan (Direct Loan) program, and the Federal Perkins Loan program. Currently, however, new loans are authorized to be made only through the Direct Loan program. The authority to make new loans through the FFEL program expired June 30, 2010, and the authority to make new loans through the Federal Perkins Loan program expired September 30, 2017.

H.R. 4508 would establish a new Federal ONE Loan program to be a successor to the Direct Loan program. Under the bill, language pertaining to the FFEL program would remain in the HEA, while language pertaining to the Federal Perkins Loan program would be removed from the HEA and would be deemed to be incorporated into the PROSPER Act. This section of the report discusses provisions in H.R. 4508 that would phase out lending through the Direct Loan program and establish a new Federal ONE Loan program. Provisions pertaining to the Federal Perkins Loan program are discussed later in this report.

¹⁹ Department of Education, “Change to Unusual Enrollment History Selection,” Electronic Announcement, January 20, 2016, <https://ifap.ed.gov/eannouncements/012016ChangeToUnusualEnrollmentHistorySelection.html>.

²⁰ H.R. 4508 would not define unusual enrollment history.

William D. Ford Federal Direct Loan program

The Direct Loan program is authorized under HEA, Title IV, Part D, and is the largest federal program that makes financial assistance available to support students' postsecondary educational pursuits. The Direct Loan program is a federal credit program. Permanent indefinite mandatory appropriations are provided for loan subsidy costs, while annual discretionary appropriations are provided for administrative costs. Direct Loans are made to students and their families using funds borrowed by ED from the U.S. Treasury. The institution a student attends originates and disburses Direct Loans, while federal contractors hired by ED perform loan servicing and collection functions. Several types of loans are made available through the program: Direct Subsidized Loans to undergraduate students, Direct Unsubsidized Loans to undergraduate and graduate students, Direct PLUS Loans to graduate students and the parents of undergraduate dependent students, and Direct Consolidation Loans, which enable individuals who have previously borrowed federal student loans to combine them into a single new loan. Loan terms and conditions (e.g., interest rates, borrowing limits) are specified in statute. In FY2017, \$93.0 billion in Direct Loans were made to finance the postsecondary education expenses of 9.4 million students. An additional \$49.0 billion in Direct Consolidation Loans were made in FY2017.²¹

H.R. 4508 would terminate the authority to make new loans through the Direct Loan program after September 30, 2024. Transition language would permit existing borrowers who had obtained a Direct Loan prior to July 1, 2019, to continue to borrow through the Direct Loan program for purposes of financing the remainder of a program of study at the same academic level (either undergraduate or graduate) until September 30, 2024, so long as the first disbursement of the loan would be made prior to that date. However, H.R. 4508 would provide that upon an individual borrowing a loan through the Federal ONE Loan program, the individual would lose eligibility to borrow again through the Direct Loan program. After September 30, 2024, individuals would be able to obtain HEA, Title IV federal student loans solely through the Federal ONE Loan program.

H.R. 4508 would amend existing Direct Loan procedures applicable to borrower defense to repayment and loan discharge. These changes are discussed in greater detail below. Otherwise, the terms and conditions of Direct Loans would generally be unaffected by H.R. 4508. Thus, benefits such as deferments, income-driven repayment plans, Teacher Loan Forgiveness, and Public Service Loan Forgiveness (PSLF) would remain available to Direct Loans borrowers, subject to their satisfying eligibility criteria for these benefits.

Federal ONE Loan program

H.R. 4508 would establish the Federal ONE Loan program as a new direct loan federal credit program. Like the Direct Loan program it would succeed, permanent indefinite mandatory appropriations would be provided for loan subsidy costs, and annual discretionary appropriations would be authorized for administrative costs. Federal ONE Loans would be made to students and their families using funds borrowed by ED from the U.S. Treasury. Beginning July 1, 2019, Federal ONE Loans would be the only type of federal student loans made available to new borrowers under Title IV of the HEA.²² A different type of Federal ONE Loan would be made available to each of three borrower types: Federal ONE Loans to undergraduate students, Federal One Loans to graduate and professional students, and Federal ONE Parent Loans to parents of dependent undergraduate students. In addition, Federal ONE Consolidation Loans would enable

²¹ Office of Federal Student Aid, *FY2017 Annual Report*, p. 9.

²² HEA, §103(12), provides that “[t]he term ‘new borrower’ when used with respect to any date means an individual who on that date has no outstanding balance of principal or interest owing on any loan made, insured, or guaranteed under Title IV.”

borrowers to combine existing federal student loans into a single new loan. Many of the terms and conditions of loans that would be made through the Federal ONE Loan program would be similar to the terms and conditions of Direct Loan program loans, but with some important differences. IHEs would be eligible to participate in the Federal ONE Loan program on a basis similar to their current participation in the Direct Loan program.

Interest Rates and Fees. Federal ONE Loans would be made with market-indexed, fixed interest rates according to the same interest rate formulas that currently apply to the Direct Loan program. Thus, a different interest rate formula would apply to each loan type. Each year, interest rates would become effective for loans disbursed during the period from July 1 through June 30. For Federal ONE Loans to undergraduate students, the interest rate would be the 10-year U.S. Treasury note rate plus 2.05%, with a cap of 8.25%. For Federal ONE Loans to graduate students, the interest rate would be the 10-year U.S. Treasury note rate plus 3.6%, with a cap of 9.5%. For Federal ONE Parent Loans, the interest rate would be the 10-year U.S. Treasury note rate plus 4.6%, with a cap of 10.5%. For Federal ONE Consolidation Loans, the interest rate would equal the weighted average of the interest rates in effect on the loans being consolidated, rounded up to the nearest higher one-eighth of 1%. For all loan types, interest would begin to accrue once a loan was made. Unlike Direct Loans, no loan origination fees would be charged on Federal ONE Loans.

Interest Subsidies. Under the Federal ONE Loan program, borrowers would generally be responsible for paying the interest that accrues on their loans during all periods. An interest subsidy for the period while a borrower is enrolled in an eligible program on at least a half-time basis and during grace periods (akin to what is currently available with Direct Subsidized Loans) would not be available. However, a limited set of interest subsidies—some of which are substantially similar to benefits currently offered on Direct Loans—would be available on Federal ONE Loans. These include an interest rate reduction of 0.25% for borrowers who agree to have their monthly loan payments automatically debited from a bank account and no accrual of interest for up to 60 months for borrowers who are serving on active duty or performing qualifying National Guard duty in an area of hostilities during a war or national emergency.

Loan Eligibility. All types of Federal ONE Loans would be made available to borrowers without regard to financial need. However, in two instances applicants could be required to obtain an endorser²³ to borrow some types of Federal ONE Loans: (1) if the parent of an undergraduate student seeks to borrow a Federal ONE Parent Loan but has an adverse credit history; and (2) if an existing borrower seeks to include a Federal ONE Parent Loan, a FFEL Parent PLUS Loan, or a Direct Parent PLUS Loan in a Federal ONE Consolidation Loan, which could lead to the term of the loan being extended to a period of up to 30 years.

Borrowing Limits. On an annual basis, loans could be borrowed in amounts up to the lesser of the amount by which the student's cost of attendance (COA) exceeds the total estimated financial assistance (EFA) made available to the student, or specified annual loan limits that would vary by borrower type and academic class level. Borrowing would also be limited by aggregate loan limits.

In general, undergraduate students would be eligible to borrow up to \$2,000 more per year through the Federal ONE Loan program than they currently may borrow through the Direct Loan program. In contrast, graduate students and parents of undergraduate dependent students generally would be eligible to borrow less per year through the Federal ONE Loan program than

²³ An endorser is an individual who does not have an adverse credit history and who agrees to repay the loan should the borrower not do so.

they currently may borrow through the Direct Loan program, as annual and aggregate borrowing limits would newly apply to these borrowers.

For undergraduate dependent students, borrowing would be limited to \$7,500 for the 1st year of study, \$8,500 for the 2nd year, \$9,500 for the 3rd and each subsequent year; and \$39,000 in the aggregate. For undergraduate independent students, borrowing would be limited to \$11,500 for the 1st year of study, \$12,500 for the 2nd year, \$14,500 for the 3rd and each subsequent year; and \$60,250 in the aggregate. For graduate students, in general, borrowing would be limited to \$28,500 per year and \$150,000 in the aggregate; however, higher borrowing limits would apply to students in health professions programs.²⁴ For Federal ONE Parent Loan borrowers, on a per-student basis, borrowing would be limited to \$12,500 per year and \$56,250 in the aggregate.

Financial aid administrators would be newly permitted to reduce the amounts that students enrolled in a particular program of study at an IHE could borrow on the basis of certain factors, which would be required to be uniformly applied. Borrowing could be limited based on the IHE's ability to reasonably demonstrate that student debt levels would otherwise be excessive for occupations typically pursued by graduates of a particular program, a borrower's enrollment on less than a full-time basis, the credential level of the program (e.g., degree, certificate), or a student's year of enrollment. Financial aid administrators would also be permitted, upon request, to authorize borrowing up to otherwise applicable limits for students with special circumstances or who have exceptional need.

Loan Repayment Plans. Under current law, numerous loan repayment plans are available to borrowers of loans made through the Direct Loan program. These include the standard repayment plan, the graduated repayment plan, the extended repayment plan, and several income-driven repayment (IDR) plans: the income-contingent repayment (ICR) plan, the income-based repayment (IBR) plan, the Pay As You Earn (PAYE) repayment plan, and the Revised Pay As You Earn (REPAYE) repayment plan. In general, borrowers may choose any of these repayment plans and may switch from one repayment plan to another. However, PLUS Loans made to parent borrowers may not be repaid according to any of the income-driven repayment plans.²⁵

H.R. 4508 would attempt to reduce the number of repayment plans available to borrowers. Borrowers of Federal ONE Loans would be permitted to choose between a fixed-term standard repayment plan and an income-based repayment (IBR) plan. Under a standard repayment plan, for loans other than Federal ONE Consolidation Loans, borrowers would make level payments over a period of 10 years; while for Federal ONE Consolidation Loans, borrowers would make level payments over a period that could range from 10 to 30 years, depending on the loan balance. The IBR plan would be available for loans other than Federal ONE Parent Loans and Excepted Federal ONE Consolidation Loans,²⁶ and, in general, borrowers would make monthly payments equal to the greater of 1/12th of 15% of the amount (if any) that their adjusted gross income (AGI) exceeded 150% of the federal poverty guideline applicable to their family size, or \$25. (For borrowers who become unemployed or who have high medical expenses that constitute an extreme economic hardship, minimum monthly payments could be reduced to \$5 for a period of

²⁴ For graduate students in certain health professions programs, borrowing would be limited to \$45,500 per year for students in programs with a 9-month academic year, and to \$55,167 for students in programs with a 12-month academic year, and would be capped at \$235,500 in the aggregate.

²⁵ Consolidation Loans that repaid PLUS Loans to parent borrowers also may not be repaid according to the IDR plans, with the exception of the ICR plan.

²⁶ An Excepted Federal ONE Consolidation Loan would be a Federal ONE Consolidation Loan that was borrowed to repay a Federal ONE Parent Loan, a Direct Parent PLUS Loan, a FFEL Parent PLUS Loan, or a Direct Consolidation Loan or FFEL Consolidation Loan that was borrowed to repay a Direct Parent PLUS Loan or a FFEL Parent PLUS Loan.

up to three years.) In the case of a married borrower, the AGI of both spouses would be considered for purposes of calculating payment amounts, regardless of their tax filing status. If two borrowers were married and each wished to repay their loans according to the IBR plan, monthly payment amounts would be calculated on the basis of both borrowers' combined loan balance.

Limitations on maximum cumulative payments required to be made would apply to Federal ONE Loans repaid exclusively according to either the IBR plan or a standard repayment plan with a term of no more than 10 years. For these loans, borrowers would be required to make cumulative payments of no more than the amount of principal and interest that would otherwise have been paid based on a 10-year repayment period beginning when the borrower entered repayment on such loans, plus any interest that accrued during periods of in-school deferment. Any remaining loan balance would be forgiven. Borrowers of Federal ONE Consolidation Loans who ever opt to repay their loans according to a standard repayment plan with a term greater than 10 years would be ineligible for the IBR limitation on maximum cumulative payments.

Deferment. A deferment is the temporary cessation of a borrower's obligation to make payments on a loan. In contrast to the Direct Loan program, borrowers of all types of Federal ONE Loans would generally be eligible for deferments based on only a limited set of criteria (e.g., on the basis of being enrolled in-school at least half-time or performing certain types of qualifying military service). Borrowers and endorsers of Federal ONE Parent Loans and Excepted Federal ONE Consolidation Loans would also be eligible for deferments on the basis of having an economic hardship, having exceptionally high medical expenses, or being unemployed but seeking to obtain employment. Any interest that would accrue during a period of deferment would be capitalized into the principal balance of the loan when the deferment ended.

Loan Forgiveness and Loan Discharge due to Death or Total and Permanent Disability. The Direct Loan program currently authorizes two loan forgiveness benefits: Loan Forgiveness for Teachers and Public Service Loan Forgiveness (PSLF). Through the Loan Forgiveness for Teachers program, teachers in general may have up to \$5,000 of their student loan debt forgiven following five years of service as a full-time teacher in a qualifying low-income school, while those who are also special education teachers or secondary school teachers of mathematics or science may have up to \$17,500 forgiven. Through the PSLF program, borrowers who make 120 qualifying monthly payments on or after October 2, 2007, according to an IDR plan or any of the standard, graduated, or extended repayment plans in amounts equal to or greater than the monthly amount due as calculated according to a standard 10-year repayment period, while concurrently being employed full-time in one or more public service jobs, may have the remaining balance of their Direct Loans forgiven. H.R. 4508 would retain these loan forgiveness benefits for borrowers of Direct Loans. However, the Loan Forgiveness for Teachers and PSLF programs would not be made available to borrowers of Federal ONE Loans.

Under current law, liability for federal student loans made through the Direct Loan, FFEL, and Perkins Loan programs is discharged in the case of borrowers who die, become permanently and totally disabled, or are unable to engage in any substantial gainful activity due to a physical or mental impairment that can be expected to result in death or that has lasted continuously or can be expected to last continuously for 60 months. H.R. 4508 would retain these benefits for existing borrowers and extend them to borrowers of loans made through the Federal ONE Loan program.

Borrower Defense to Repayment and Other Loan Discharge Provisions

In certain instances, borrowers may have their Title IV student loans discharged, and thus be relieved of the responsibility to repay them. The HEA specifies these instances, and regulations

add some specificity to them.²⁷ H.R. 4508 would make changes to the statutory requirements related to these loan discharge provisions.

Borrower Defense to Repayment. HEA Section 455(h) provides that ED shall specify in regulations the acts or omissions of an IHE that a Direct Loan borrower may assert as a borrower defense to repayment (BDR). Current regulations promulgated under this authority require that an IHE's acts or omissions must give rise to a cause of action against an IHE under applicable state law.²⁸ In addition, FFEL regulations provide that in more limited circumstances, FFEL borrowers may assert claims similar to Direct Loan BDR to receive debt relief.²⁹ Perkins Loan borrowers may not assert BDR claims. In implementing the regulations, ED has established subregulatory procedures and standards, which include specifying that FFEL and Perkins Loan borrowers may consolidate their loans into a Direct Consolidation Loan to have the underlying FFEL and Perkins Loans evaluated under the same BDR standards as a Direct Loan.³⁰

Effective July 1, 2018, H.R. 4508 would establish new standards and procedures for BDR that would apply to Direct Loans and Federal ONE Loans. FFEL and Perkins Loan borrowers seeking relief under the BDR procedures would first be required to consolidate their loans into a Federal ONE Consolidation Loan. H.R. 4508 would specify that a borrower has a BDR if (1) the borrower has obtained a nondefault, favorable contested judgment based on state or federal law against the IHE; (2) the IHE for which the borrower received the loan failed to perform its obligations under the terms of a contract with the student; or (3) the IHE made a substantial misrepresentation that the borrower reasonably relied on when the borrower decided to attend or continue attending the IHE. The bill would also specify the following:

- ED may approve a borrower's BDR application in full or in part;
- ED may consolidate individually filed applications that have common facts and claims to allow for faster processing of applications;
- a borrower may not recover amounts previously collected by ED later than three years after the IHE's actions giving rise to a cause of action have occurred; and
- ED may initiate proceedings against IHEs to recover amounts resulting from successful BDR claims from IHEs.

Finally, H.R. 4508 would repeal BDR regulations promulgated in 2016 but delayed in implementation until July 1, 2019.

Other Types of Loan Discharge. The HEA specifies that borrowers of FFEL and Direct Loan program loans may have the balance of their loans discharged if they (or the student on whose behalf a parent borrowed) are unable to complete the educational program in which they enrolled due to the closure of the school³¹ or if they were falsely certified as eligible for the loan by an IHE or as a result of a crime of identity theft.³² The HEA also provides that FFEL and Direct Loan borrowers may have a portion of their loans discharged if an IHE failed to make a refund of

²⁷ For information on two types of loan discharge available to Title IV borrowers (closed school discharge and borrower defense to repayment), see CRS Report R44737, *The Closure of Institutions of Higher Education: Student Options, Borrower Relief, and Implications*, by Alexandra Hegji.

²⁸ 34 C.F.R. §685.206(c).

²⁹ 34 C.F.R. §682.209(g).

³⁰ Joseph Smith, Fourth Report of the Special Master for Borrower Defense to the Under Secretary, U.S. Department of Education, June 29, 2016, p. 4.

³¹ The HEA also specifies that Perkins Loan borrowers are eligible for a closed school discharge. HEA §464(g).

³² HEA §§437(c)(1); 455(a)(1).

loan proceeds that the IHE owed to the borrower.³³ Regulations add specificity to borrower qualification requirements and procedures for each of these discharge options.³⁴

- H.R. 4508 would largely codify the current FFEL and Direct Loan regulations relating to borrower qualifications and procedures for closed school discharge and apply them to FFEL, Direct Loan, and Federal ONE Loan program loans. H.R. 4508 would also codify many aspects of the current FFEL and Direct Loan regulations relating to borrower qualification for false certification discharge and unpaid refund discharge and apply them to FFEL, Direct Loan, and Federal ONE Loan program loans.

Pell Grant and Loan Disbursement

HEA Section 428G requires that federal student loans be disbursed in at least two installments for any period of enrollment (e.g., an academic year). Under ED regulations,³⁵ Pell Grant payments must also be disbursed to students in at least two installments. IHEs may disburse funds in a lump sum for each payment period³⁶ or more frequently, as best meets a student's needs. IHEs are required to provide a way for Title IV eligible students to obtain or purchase the books and supplies applicable to the payment period by the seventh day of the period.³⁷ IHEs may disburse funds as early as 10 days before the beginning of a payment period.

H.R. 4508 would require IHEs to disburse Pell Grant and Federal ONE Loan payments to recipients in substantially equal weekly or monthly installments. IHEs would be permitted to make adjustments in the amount of various disbursements to account for factors such as the upfront payment of tuition and fees. Disbursements would be required to be made within 30 days of the beginning of the payment period. IHEs with a loan repayment rate (see discussion below) at or below 60% would not be permitted to make payments of loans to entering first-year undergraduate students who are new federal student loan borrowers until 30 days after the student begins a course of study.

Federal Work-Study program

HEA, Title IV, Part C authorizes the Federal Work-Study (FWS) program, the purpose of which is to provide part-time employment to postsecondary students in need of earnings to pursue their course of study and to encourage student participation in community service.³⁸ In FY2017, approximately \$949 million in FWS assistance was disbursed to approximately 634,000 students.³⁹

H.R. 4508 would make several significant changes to the FWS program. The bill would amend the current procedures used to allocate FWS funds to IHEs, provide a set-aside from appropriations to make allocations of additional funds to “improved institutions,” and make

³³ Ibid.

³⁴ 34 C.F.R. 682.402(d), (e), (l); 685.214-.216.

³⁵ 34 CFR §§668.4 and 690.63.

³⁶ For instance, an IHE using a semester system could disburse a lump sum of aid funds to a student at the beginning of the fall and spring semesters.

³⁷ 34 C.F.R. §668.134(m).

³⁸ For additional information, see CRS Report RL31618, *Campus-Based Student Financial Aid Programs Under the Higher Education Act*, by Joselynn H. Fountain.

³⁹ Office of Federal Student Aid, *FY2017 Annual Report*, p. 11.

changes to student employment requirements and the proportion of student compensation comprised by the federal share. H.R. 4508 would authorize discretionary appropriations of approximately \$1.723 billion annually for the FWS program for FY2019 through FY2024. Indefinite discretionary appropriations have been authorized to be provided for the FWS program, and in FY2017 the appropriations for the federal share of FWS compensation totaled approximately \$984.8 million.⁴⁰

Allocation Procedures

HEA Section 442 specifies that FWS funds are to be allocated to IHEs through a two-stage process. First, each participating IHE is allocated a base guarantee, which generally is equal to a portion of the amount of program funds an IHE received in prior award years. In the second stage, any remaining appropriated funds are allocated to IHEs according an IHE's "fair share," which is determined by calculating the self-help need⁴¹ of the institution's eligible undergraduate and graduate students. If an IHE's fair share is greater than its base guarantee, it has a shortfall in funding and is eligible to receive additional funding (a fair share increase) to help reduce the shortfall between its base guarantee and its fair share. If an institution's base guarantee is greater than its fair share, it receives only the base guarantee amount. The sum of an IHE's base guarantee and fair share amount accounts for nearly all of an IHE's allocation.⁴²

H.R. 4508 would ultimately eliminate the base guarantee and all program funds would be allocated to IHEs according to new fair share allocation procedures. One-half of an IHE's fair share allocation would be allocated based on an IHE's total undergraduate need.⁴³ The other half of an IHE's fair share would be based on the proportional amount of Pell Grant funds awarded at the IHE relative to the total Pell Grant funds awarded at all FWS-participating IHEs in the preceding fiscal year. Under H.R. 4508, an IHE could receive a "new base guarantee" in the period from FY2019 through FY2023 that would be equal to a declining percentage of the combined base guarantee and fair share increase it received in FY2017. An IHE would only receive the new base guarantee (instead of its fair share allocation) if the amount of the new base guarantee were greater than the fair share allocation it would receive under the new fair share allocation procedures. Beginning in FY2024, all available funds would be allocated using new fair share allocation procedures.

Reservations and Improved Institutions

Under current law, the Secretary is authorized (but not required) to reserve 10% of the amount of FWS appropriations in excess of \$700 million for allocation to IHEs from which 50% or more of Pell Grant recipients either graduate or transfer to a four-year IHE. It does not appear that the Secretary has ever reserved funds under this authority.

⁴⁰ There is a practice employed in H.R. 4508 of generally replacing open-ended discretionary authorized appropriation levels with specified levels. This is one of the few instances in which an existing program's newly specified appropriations level would substantially exceed the most recent appropriations level.

⁴¹ Self-help need is calculated based on an approximation of the average cost of attendance and expected family contribution of eligible undergraduate and graduate students.

⁴² If schools return funds, ED reallocates funds to institutions using a separate formula.

⁴³ Similar to current law, undergraduate need would be based on the difference between the average cost of attendance and each undergraduate student's expected family contribution. However, under H.R. 4508, undergraduate need for each student could not exceed \$12,500.

H.R. 4508 would eliminate the Secretary's current authority to reserve FWS funds and instead require that the Secretary reserve for allocation to "improved institutions" the lesser of (1) 20% of the amount of the appropriation that is in excess of \$700 million, or (2) \$150 million. An improved institution would be determined based on its completion or graduation rate of Federal Pell Grant recipients relative to similar FWS-participating IHEs⁴⁴ or based on the improvement in its graduation or completion rates relative to FWS-participating IHEs.

An improved institution would be eligible to receive an allocation amount from the reserved funds that is proportional to the dollar amount of Pell Grants awarded at the IHE relative to the total dollar amount of Pell Grants awarded in the second preceding fiscal year at all FWS institutions that meet at least one of the improved institution criteria. The minimum allocation an improved institution could receive would be \$10,000, and the maximum allocation would be \$1,500,000.

Student Eligibility, Employment, and Maximum Federal Compensation

Currently, undergraduate, graduate, and professional students that demonstrate financial need are eligible to receive FWS awards. FWS employment may consist of work for the IHE a student attends, government entities, private nonprofit organizations, or private for-profit organizations. IHEs are required to use at least 7% of their FWS allocation to compensate students employed in community service jobs and to ensure that at least one FWS student is employed in a reading tutoring or family literacy project. IHEs may not use more than 25% of their FWS allocation to compensate students employed by for-profit organizations. For all FWS jobs, students are compensated with a combination of federal funding and a matching amount provided by either the IHE or the employer. The share of compensation that may be provided through federal funding varies according to the type of FWS employment. For most FWS jobs, the maximum federal share of compensation is 75%; however, in certain instances the federal share may be higher. For employment in the private for-profit sector, the federal share of compensation is limited to 50%.

Under H.R. 4508, graduate and professional students would no longer be eligible to participate in the FWS program; FWS assistance would only be available to undergraduate students with financial need. The bill would also eliminate the requirements that IHEs use 7% of FWS allocations to compensate students employed in community service jobs and ensure that at least one student is employed in a reading tutoring or family literacy project. H.R. 4508 would eliminate the 25% restriction on the use of FWS funds for students employed in the private for-profit sector. Finally, H.R. 4508 would, in general, reduce the maximum federal share of compensation for all FWS employment to 50% over a five-year period, but would permit the federal share to equal 100% for funds received through the improved institution reservation and would permit the federal share to exceed 50% if the Secretary determines that it would be necessary to further the purpose of the FWS program.

Expiring or Eliminated Programs

In addition to the federal student aid programs described above, several other student aid programs are authorized under HEA, Title IV. The authority to make new awards or the authorization of appropriations for some of these programs has already expired, and H.R. 4508

⁴⁴ For instance, a four-year IHE's completion or graduation rate would be evaluated in relation to all other four-year FWS-participating IHEs.

would either not act to extend the authorization or would explicitly repeal some programs. Other programs that currently receive funding and are operational, would be repealed by H.R. 4508.

Federal Perkins Loan program

HEA, Title IV, Part E authorizes the Federal Perkins Loan program.⁴⁵ Under the program, IHEs established and maintained revolving loan funds for the purpose of making of low-interest loans to students with exceptional financial need to help cover the cost of postsecondary education. The loan funds were capitalized with a combination of federal and institutional funds, and IHEs are responsible for several administrative aspects of the program, such as servicing and collecting outstanding Perkins Loans. Among other loan terms and conditions specified in statute, IHEs are required to cancel the Perkins Loans for borrowers who have completed specified types of public service, and the Secretary is required to reimburse IHEs for those cancellations. In the past, Congress has specifically appropriated funds for reimbursing IHEs; however, funds for the reimbursement of Perkins Loan cancellations were last appropriated in FY2009. In FY2017, 356,000 Perkins Loan awards, totaling approximately \$885 million were disbursed to students under the program.⁴⁶

The authorization for IHEs to make new Perkins Loans to students expired on September 30, 2017. Under current law, beginning on October 1, 2017, each IHE was to begin returning to the Secretary the federal share of its Perkins Loan fund and the federal share of payments and collections made on outstanding Perkins Loans.⁴⁷ Institutions are permitted to retain any remaining funds after remitting the federal share.

H.R. 4508 would remove from the HEA the current language pertaining to the Perkins Loans program and would deem the current Perkins Loan program language incorporated into the PROSPER Act. Thus, although the current provisions pertaining to the Perkins Loan program (e.g., loan terms and conditions) would not appear in the HEA, they would still retain the full force and effect as on the day before enactment of H.R. 4508.

H.R. 4508 also includes several provisions pertaining to how IHEs should wind down the operation of the Perkins Loan program. The bill would allow institutions to continue servicing Perkins Loans during the wind-down or assign the loans to the ED for collection and servicing. The bill would also permit an IHE that, on or after October 1, 2006, made a short-term loan to its Perkins Loan revolving fund and subsequently reimbursed itself from the fund, to collect interest earned on Perkins Loans made with those funds. Finally, pursuant to regulations, an IHE is required to complete a final program audit upon the IHE's termination of participation in a Title IV HEA program.⁴⁸ H.R. 4508 would provide some flexibilities to IHEs in submitting such audits. H.R. 4508 does not address institutional reimbursement for cancelled Perkins Loans.

⁴⁵ For additional information, see CRS Report RL31618, *Campus-Based Student Financial Aid Programs Under the Higher Education Act*, by Joselynn H. Fountain; and CRS Report R44343, *The Federal Perkins Loan Program Extension Act of 2015: In Brief*, by Alexandra Hegji.

⁴⁶ Office of Federal Student Aid, *FY2017 Annual Report*, p. 10.

⁴⁷ ED has indicated that it will begin the process of collecting the federal share of IHEs' Perkins Loan revolving funds following the submission of the 2019-2020 Fiscal Operations and Applications to Participate (FISAP), which is due October 1, 2018. See ED Dear Colleague Letter, "Perkins Loan Extension Act of 2015" GEN-17-10, October 6, 2017, <https://ifap.ed.gov/dpcletters/GEN1710.html>.

⁴⁸ 34 C.F.R. 668.26.

Federal Supplemental and Educational Opportunity Grant program

HEA Title IV, Part A, Subpart 3 authorizes the Federal Supplemental Educational Opportunity Grant (FSEOG) program.⁴⁹ The program provides need-based grants to undergraduate students with exceptional financial need to assist them in financing the cost of postsecondary education. In FY2017, nearly 1.5 million FSEOG awards totaling \$712 million were disbursed.⁵⁰

Effective June 30, 2018, H.R. 4508 would repeal the FSEOG program. Funds appropriated for the program in FY2018 would be made available to IHEs until the end of FY2019. Discretionary indefinite appropriations have been authorized to be provided for the FSEOG program, and in FY2017, approximately \$729.5 million was appropriated for the federal share of FSEOG awards.

TEACH Grant program

HEA Section 420M authorizes the Teacher Education Assistance for College and Higher Education (TEACH) Grant program, which is a service payback program. The program provides grants of \$4,000 per year to undergraduate and graduate students who are preparing for a career in teaching. Recipients must commit to teaching a high-need subject in a high-poverty elementary or secondary school for four years within eight years after completing the course of study for which the TEACH Grant was received. If recipients do not fulfill their service requirement, TEACH grants are converted to Federal Direct Unsubsidized Stafford Loans, with interest accrued from the date each grant was awarded. ED has estimated that approximately 74% of program grants will convert to loans.⁵¹ In FY2017, ED disbursed approximately 38,200 grants totaling \$85.3 million under the program.⁵²

H.R. 4508 would terminate authority to make new TEACH Grants to new recipients after June 30, 2018. However, the bill would authorize additional TEACH Grants to be made to individuals who received a TEACH Grant on or prior to June 30, 2018 to enable such individuals to complete their course of study.

Additional Programs

The Leveraging Educational Assistance Partnership Program (LEAP), Grants for Access and Persistence Program (GAP), and the Robert C. Byrd Honors Scholarship Program all provide federal funds either directly to students or to students through states for additional financial assistance in postsecondary education.⁵³ Each of these programs was last funded in FY2010. The Academic Competitiveness Grant program and the National Science and Mathematics Access to Retain Talent (SMART) Grant program also previously provided federal funds to Pell-eligible students to help cover the cost of postsecondary education.⁵⁴ These two programs were last funded in FY2011.

H.R. 4508 would repeal each of these programs.

⁴⁹ For additional information, see CRS Report RL31618, *Campus-Based Student Financial Aid Programs Under the Higher Education Act*, by Joselynn H. Fountain.

⁵⁰ Office of Federal Student Aid, *FY2017 Annual Report*, p. 10.

⁵¹ Department of Education, FY2018 Congressional Budget Justifications, Volume II, "TEACH Grants," p. P-2.

⁵² Office of Federal Student Aid, *FY2017 Annual Report*, p. 11.

⁵³ For additional information on these programs, see CRS Report R43351, *The Higher Education Act (HEA): A Primer*, by Alexandra Hegji.

⁵⁴ *Ibid.*

Student Aid Eligibility

HEA, Title IV contains provisions that generally apply across the various Title IV student aid programs, such as student eligibility criteria for receipt of federal student aid and the establishment of the need analysis formula to calculate the Expected Family Contribution (EFC) for federal student aid applicants. H.R. 4508 would make numerous changes to various Title IV student aid eligibility criteria and the processes used to determine aid eligibility.

Expected Family Contribution and FAFSA Completion

Several types of federal student aid are contingent upon a student demonstrating financial need. A key component of student need is the ability of the student, and if applicable the student's family, to pay for postsecondary education expenses. This ability to pay is determined by a group of formulas in the Title IV that translate responses from the Free Application for Federal Student Aid (FAFSA) into a single EFC.⁵⁵ H.R. 4508 would make changes to the way in which the EFC is calculated and provide for tools to assist with the FAFSA completion process.

Calculating EFC Using Prior Prior Year Income

Section 480 of the HEA specifies that the EFC formula will consider income from the year immediately preceding the award year for which the student is applying for aid, but gives ED the authority to use income from the second preceding year (known as "prior prior year"). To ease the student aid process by allowing students to complete the FAFSA earlier in the college application process by using prior prior year income information,⁵⁶ ED exercised this authority beginning with the 2017-2018 award year when it required students to complete the FAFSA using income information from the 2015 tax year.⁵⁷

H.R. 4508 would amend the HEA to require that the EFC be calculated using prior prior year income information.

Changes to EFC Formula

The HEA establishes a "Simplified Needs Test" (SNT) which bases the EFC calculation for certain students on a reduced set of factors.⁵⁸ Under current law, a student can qualify for the SNT if the student's family has an adjusted gross income of less than \$50,000 and meets other criteria.⁵⁹ Applicants who are not eligible for the SNT must report the assets of the student and any applicable family members on the FAFSA. Assets can increase the EFC and include balances

⁵⁵ For a detailed description of the EFC formulas, see CRS Report R44503, *Federal Student Aid: Need Analysis Formulas and Expected Family Contribution*, by Benjamin Collins.

⁵⁶ Students and applicable family members are likely to have filed tax returns for the second preceding tax year before completing the FAFSA, using income from the second preceding year may increase usage of the Internal Revenue Service Data Retrieval Tool (IRS-DRT) when completing the FAFSA.

⁵⁷ See Department of Education, "Early FAFSA Electronic Announcement #1 – President's Announcement of FAFSA Filing Changes," September 14, 2015, <https://ifap.ed.gov/eannouncements/091415PresidentAnnounceFAFSAFilingChanges.html>.

⁵⁸ Students who are eligible for the SNT are not required to provide information on assets (e.g., bank account balances, stocks, and business equity) when completing the FAFSA. For these students, EFC is based on a formula that considers various forms of taxable and untaxed income.

⁵⁹ Generally, the non-AGI criteria relate to filing a simplified tax form or not being required to file a tax return, receiving a means-tested benefit, or being a dislocated worker. See HEA §479.

of bank accounts and certain investments, as well as college savings vehicles commonly known as “529 accounts.”⁶⁰ In the case of dependent students, balances of 529 accounts are considered an asset of the student’s parent, regardless of if they are owned by the student or student’s parent. This treatment is beneficial for students who own 529 accounts, as assets owned by a parent will typically have less of an effect on the EFC than similar assets owned by a dependent student. Distributions from a 529 account that is owned by a student or the parent of a dependent student are not considered income in the EFC formula if the distributions were used for a qualified educational expense. Distributions from an account that is not owned by the student or the parent of a dependent student and therefore not reported on the FAFSA as an asset (such as an account owned by a grandparent of a dependent student) are not excluded from consideration in the EFC and must be reported on the FAFSA as untaxed income of the student.

H.R. 4508 would increase the SNT AGI threshold to \$100,000 and retain the other SNT criteria. The bill would also exclude certain 529 accounts from consideration as assets in calculating the EFC. This could be seen as excluding a family’s savings for higher education from the amount the family is expected to contribute to higher education costs. The bill would retain the current law’s treatment of distributions from these accounts: distributions from accounts owned by a student or the parent of a dependent student would be excluded from the EFC calculation and distributions from other accounts would be counted as untaxed income of the student.

Tools to Assist the FAFSA Completion Process

Currently, aid applicants can file a paper FAFSA or complete the FAFSA online. Applicants who file the FAFSA online and who have already completed their tax returns for the applicable year have the option of using the Internal Revenue Service Data Retrieval Tool (IRS-DRT). The tool provides tax data to the applicants that they can then choose to import into the FAFSA. Some FAFSA items do not have tax form equivalents and therefore only a portion of the FAFSA responses can be imported using the IRS-DRT.

H.R. 4508 would direct ED to make available an electronic version of the FAFSA that is “optimized for mobile devices” and would allow a student to complete the form on such a device. The mobile-optimized form would be required to be available within one year of the enactment of H.R. 4508.⁶¹ The bill would also direct ED to make efforts to allow applicants to use the IRS-DRT while maintaining rigorous authentication processes and would require ED to provide annual reports to the authorizing committees⁶² on the progress of FAFSA simplification efforts and the security of the IRS-DRT.

Informational Tools

H.R. 4508 would direct ED to make available online tools to increase awareness of student aid opportunities and provide students with nonbinding estimates of aid eligibility. The bill would direct ED to make available an online tool that would use “basic financial information” from the

⁶⁰ See HEA §479(f) for full definition of assets.

⁶¹ It is unclear how this policy would interact with ED’s initiatives related to mobile-based FAFSA filing that are expected to be available in Spring 2018. See U.S. Department of Education, “U.S. Department of Education Announces Vision to Transform Federal Student Aid, Improve Customer Service,” press release, November 29, 2017, <https://www.ed.gov/news/press-releases/us-department-education-announces-vision-transform-federal-student-aid-improve-customer-service>.

⁶² House Committee on Education and the Workforce and the Senate Committee on Health, Education, Labor, and Pensions.

student to estimate a student's eligibility for federal grants, loans, and work-study assistance.⁶³ The estimate would be accompanied by net price information from institutions specified by the student. The net price estimates would be disaggregated by income level.

In addition and separate from the estimator tool, H.R. 4508 would direct ED to develop annual tables that would present the percentage of full-time, full academic year students at IHEs who filed a FAFSA that received Pell Grants of specified amounts. These tables would disaggregate data by each of three dependency statuses and income levels specified in the legislation.

Additional Student Eligibility Requirements

HEA Section 484 specifies criteria related to academics that students must meet to receive any Title IV aid. In general, a student must have a high school diploma or its recognized equivalent to be eligible for Title IV aid. However, a student not meeting that criterion may receive Title IV aid if the student is enrolled in an eligible career pathway program and demonstrates an ability to benefit from the education or training through one of three mechanisms. In addition, Section 484 specifies that a student must maintain satisfactory academic progress (SAP) in his or her course of study to remain eligible for Title IV aid, which includes the student having a cumulative C average (or the equivalent) at the end of the second academic year. ED's regulations implementing SAP require that, in general, a student must maintain a pace of completion that ensures he or she will complete the program within 150% of the published length of the educational program (known as the maximum timeframe) and specify how an IHE must calculate the student's pace.⁶⁴

H.R. 4508 would amend eligibility requirements for students who do not have a high school diploma to allow any students that have satisfactorily completed six credit hours of coursework (or the equivalent) applicable to a degree or certificate offered by the IHE to be eligible for Title IV aid. The bill would also codify SAP regulations related to a student's pace of completion within the maximum timeframe, would require a student to maintain a cumulative C average (or the equivalent) at the end of each academic year, and would permit IHEs to determine how to calculate the pace of completion.

Institutional and Programmatic Title IV Eligibility

To participate in the Title IV federal student aid programs, postsecondary institutions and their educational programs must meet numerous criteria. This section of the report describes some of the changes to institutional and programmatic participation requirements that would be made by H.R. 4508.

Eligible Institutions

To participate in the Title IV federal student aid programs, postsecondary institutions must meet several requirements, including meeting the HEA Section 102 definition of an institution of higher education (IHE). Currently, the HEA includes two definitions of IHE. The Section 101 definition of an IHE applies to institutional participation in HEA programs, other than the Title IV federal student aid programs, and includes public and private nonprofit institutions that typically offer educational programs leading to a degree and those public and nonprofit institutions that

⁶³ This portion of the tool may be similar to the existing FAFSA4Caster, which is maintained by ED at <https://fafsa.ed.gov/FAFSA/app/f4cForm?execution=e1s1>.

⁶⁴ 34 C.F.R. §668.34.

provide not less than a one-year program that prepares students for gainful employment in a recognized occupation. The Section 102 definition of an IHE applies to institutional participation in HEA Title IV federal student aid programs and includes all institutions included in the Section 101 definition and also proprietary (for-profit) institutions, postsecondary vocational institutions, and foreign institutions. In general, under Section 102, proprietary and postsecondary vocational institutions must offer education programs that prepare students for gainful employment in a recognized occupation, regardless of whether they lead to a degree. Many references in federal law to the term institution of higher education use the Section 101 definition.

Because the Section 102 definition of IHE references the Section 101 definition, both definitions have several overlapping components. For instance, both definitions require that an IHE be legally authorized to provide a postsecondary education by the state in which it is located. Regulations add specificity to this requirement.⁶⁵ For instance, effective July 1, 2018, an IHE offering postsecondary distance or correspondence education in a state in which it is not physically located must meet any requirements within that state.

H.R. 4508 would combine several aspects of the current Section 101 and Section 102 IHE definitions into a new Section 101 IHE definition. The new Section 101 definition of IHE would include public, private nonprofit, proprietary, and postsecondary vocational institutions and would apply to all HEA programs; however, a proprietary institution would not be considered an IHE for purposes of the Title III and Title V institutional aid programs for minority-serving institutions. All references to programs that prepare students for gainful employment in a recognized occupation would be removed. All IHEs under the new Section 101 definition would continue to be required to meet current statutory state authorization requirements, but H.R. 4508 would repeal regulations relating to state authorization and prohibit the Secretary from promulgating or enforcing any rules or regulations relating to state authorization. Under H.R. 4508, an amended Section 102 would define foreign institutions and would only apply to the Title IV, Part D (Direct Loan) and new Part E (Federal ONE Loan) programs.

Eligible Programs

Under current law, students must be enrolled in an eligible program at an eligible IHE to be eligible to receive Title IV federal student aid. At public and nonprofit IHEs, eligible programs include those that lead to certain defined degrees or certificates (e.g., associate's degrees); those that are not less than two years in length and that are acceptable for full credit toward a bachelor's degree; and those that are less than one year in length, lead to a certificate or other nondegree recognized credential, and prepare students for gainful employment in a recognized occupation. Such programs are not required to meet durational requirements. Programs offered by proprietary and postsecondary vocational institutions must fulfill durational requirements to be eligible for Title IV participation and virtually all programs offered by such institutions must prepare students for gainful employment in a recognized occupation. In general, such programs that admit students without an associate's degree or the equivalent must provide at least 600 clock hours, 16 semester hours, or 24 quarter hours of instruction over a minimum of 15 weeks, and such programs that are graduate or professional programs or that only admit students with an associate's degree or the equivalent must provide at least 300 clock hours, 8 semester hours, or 12 quarter hours of instruction over a minimum of 10 weeks.⁶⁶

⁶⁵ See 34 C.F.R. §600.9.

⁶⁶ In addition, gainful employment programs may also be undergraduate programs offering 300-599 clock hours if they admit at least some students who do not have an associate's degree or the equivalent and meet specific qualitative standard (e.g., a verified completion rate of at least 70%).

In addition, as described above, most educational programs offered by proprietary and postsecondary vocational IHEs and nondegree programs offered by public and nonprofit IHEs must prepare students for gainful employment in a recognized occupation. Regulations establish debt-to-earnings ratios that educational programs offered by an IHE must meet to be considered as leading to gainful employment and requirements for IHEs to disclose information relating to their gainful employment programs.⁶⁷

H.R. 4508 would eliminate the requirement that nondegree programs lead to gainful employment in a recognized occupation and would require that all nondegree programs leading to a recognized educational credential and offered by any type of institution meet specified durational requirements. Specified durational requirements would be shorter than what is currently specified in the HEA and would require that nondegree programs leading to a recognized educational credential provide at least 300 clock hours, 8 semester hours, or 12 quarter hours of instruction over a minimum of 10 weeks. The bill would also specify criteria that competency-based education programs must meet to be considered Title IV eligible programs and would define several terms related to competency-based education.

H.R. 4508 would also repeal these gainful employment regulations, would eliminate from the definition of an IHE the requirement that certain postsecondary institutions must offer programs leading to gainful employment in a recognized occupation, and would prohibit the Secretary from promulgating or enforcing any rules or regulations relating to the term gainful employment.

Educational Quality and Financial Responsibility Requirements

The HEA contains several provisions related to ensuring the quality of educational offerings of Title IV participating IHEs and to ED being required to certify that IHEs meet Title IV participation requirements, including fiscal responsibility requirements. H.R. 4508 would make several changes to these requirements.

Accreditation

To participate in Title IV programs, IHEs must be accredited by an accreditation agency that is recognized by ED as a reliable authority as to the quality of education offered at an IHE.⁶⁸ HEA Section 496 sets forth the recognition criteria to be used by ED. In general, accreditation agencies may establish their own educational quality standards against which to evaluate IHEs and their own operating procedures, so long as they meet HEA-specified criteria. Accreditation agency standards to evaluate the educational quality of an IHE and its offerings must assess student achievement in relation to an IHE's mission (including, as applicable, course completion, passage of state licensing exams, and job placement rates) and a variety of other factors such as an IHE's faculty, curricula, facilities, and fiscal and administrative capacity. Accreditation agency operating procedures must include, among other criteria, onsite reviews of IHEs at regularly established intervals, and upon request, making available to the public summary information on specified agency actions (e.g., denial or withdrawal of an IHE's accreditation).

H.R. 4508 would eliminate many of the currently required institutional evaluation standards and instead would require that accreditation agencies evaluate IHEs' success with respect to student

⁶⁷ 34 C.F.R. §668.401 et seq. ED is currently undertaking a negotiated rulemaking to make changes to the gainful employment regulations. U.S. Department of Education "Gainful Employment," <https://www2.ed.gov/policy/highered/reg/hearulemaking/2017/gainfulemployment.html>.

⁶⁸ For additional information on accreditation, see CRS Report R43826, *An Overview of Accreditation of Higher Education in the United States*, by Alexandra Hegji.

learning and educational outcomes in relation to expected measures of learning and outcomes at the institutional or program level, as determined by the agency or the institution or program. The bill would also establish criteria that accreditation agencies must meet to include within their scope of recognition the evaluation of competency-based education. H.R. 4508 would require agencies to develop mechanisms to identify IHEs that are experiencing difficulties in accomplishing their student learning and educational outcome goals. The mechanisms would be required to include, as appropriate, information on student loan default and repayment rates, graduation and retention rates, and other specified indicators. H.R. 4508 would permit accreditation agencies to review an IHE less frequently or under differing procedures, based on an IHE's demonstration of exceptional past performance in meeting the agency's accreditation standards (known as differentiated or risk-based review) and would require accreditation agencies to make publicly available summary information on specified agency actions on their websites and without being specifically requested. Finally, H.R. 4508 would prohibit the Secretary from promulgating regulations regarding agencies' established mechanisms for identifying IHEs that may be experiencing difficulties in accomplishing their student learning and educational outcome goals or agency policies and procedures relating to an IHE's substantive change to its educational mission or educational programs.

Credit Hour Definition

Credit hours are one measurement IHEs may use to determine how much instruction a program must provide to students for it to be Title IV eligible and are used as a metric for determining student work and achievement.⁶⁹ Regulations define the term "credit hour" and establish certain procedures that ED-recognized accrediting agencies and state authorizing agencies must have in place to determine whether an institution's assigned of a credit hour meets federal standards.⁷⁰ H.R. 4508 would repeal the regulatory definition of credit hour⁷¹ and prohibit the Secretary from promulgating or enforcing any rules or regulations relating to the term credit hour.

Programmatic Loan Repayment Rate

For accountability purposes, the HEA currently requires the use of limited student outcome metrics as indicators of institutional quality. Most notably, IHEs must meet cohort default rate (CDRs) requirements to maintain Title IV eligibility. HEA Section 435 specifies that IHEs with high CDRs for a specified number of years may lose Title IV eligibility. The CDR is the percentage of an IHE's FFEL and Direct Loan program Stafford (Subsidized) and Unsubsidized Loan recipients who enter repayment in a given fiscal year and who default prior to the end of the second succeeding fiscal year. H.R. 4508 would sunset the CDR provisions during a transition period and would establish a new accountability metric for Title IV participation. This new metric would be a programmatic loan repayment rate (PLRR). The CDR transition period would end on the date on which the Secretary publishes programmatic loan repayment rates that would be newly established under H.R. 4508 for FY2018.

⁶⁹ When promulgating the regulations, ED stated "We believe that the definition of a *credit hour* in § 600.2 in these final regulations emphasizes that institutions may award credit to courses for an amount of work represented by verifiable student achievement of institutionally established learning outcomes." Department of Education, "Program Integrity Issues," 75 *Federal Register* 66846, October 29, 2010.

⁷⁰ 34 C.F.R. §§600.2, 602.24, 603.24, and 668.8.

⁷¹ See 34 C.F.R. §600.2.

In general, the PLRR would apply to each educational program at an IHE and would be defined as the number of current and former students who enter repayment on their qualified federal student loans in a fiscal year and who are in a “positive repayment status” on each such loan at the end of the second succeeding fiscal year.⁷² Positive repayment status would be defined as borrowers who are less than 90 days delinquent on their loans, who have repaid their loans in full, or who are in specified periods of deferment or forbearance on their loans. An educational program with PLRRs of less than 45% for each of the three most recent fiscal years would lose Title IV eligibility for the remainder of the fiscal year in which the determination was made and for the two succeeding fiscal years. The loan repayment metrics would be established with the presumption being that if an educational program’s loan repayment rate meets the specified thresholds, then its educational offerings are of sufficient quality such that borrowers should be able to remain in good standing on the repayment of loans. The bill would also provide for a transition period during which both CDRs and PLRRs would be calculated.

Return of Title IV Aid

To address issues of waste and abuse in the Title IV aid programs and to minimize loan defaults, in the Higher Education Amendments of 1992 (P.L. 102-325), Congress enacted provisions that specify how and when Title IV funds shall be returned to ED by a school and/or student when a student withdraws from school.⁷³ HEA Section 484B specifies that when a Title IV aid recipient withdraws from an IHE before the end of the payment or enrollment period for which funds were disbursed, Title IV funds must be returned to ED according to a statutorily prescribed schedule. In general, when a student withdraws from an IHE, an IHE first determines the portion of Title IV aid considered to be earned by the student while enrolled and the portion considered to be unearned. Unearned aid must be returned to ED. Up to the 60% point of a payment or enrollment period, unearned funds must be returned on a pro rata schedule. After the 60% point, the total amount of funds awarded is considered to have been earned by the student and no funds are required to be returned. Whether an IHE and/or the student is required to return the funds to ED depends on a variety of circumstances, including whether Title IV funds have been applied directly to a student’s institutional charges. Unearned funds must be returned to their respective programs in a specified order, with loans being returned first, followed by Pell Grants, and then other Title IV aid. In some instances, a student may have earned more aid than has been disbursed, and the difference is disbursed to the student after the student withdraws.

H.R. 4508 would reduce the rate at which federal student aid would be considered as having been earned by a student and would require IHEs to return a larger portion of aid after a student withdraws than under current law. This may ultimately provide financial incentives for IHEs to work toward ensuring that their students complete their period of enrollment and, thus, boost educational and fiscal accountability. H.R. 4508 would also require IHEs to return Pell Grant funds first, then loans, and finally other Title IV aid. Aid would be classified as either having been earned or unearned by the student according to the following schedule. If the student completed

- 0% to 24% of the payment or enrollment period, 0% of Title IV aid would be earned and 100% would be unearned;
- 25% to 49% of the payment or enrollment period, 25% of Title IV aid would be earned and 75% would be unearned;

⁷² Education programs that can demonstrate a low borrower participation rate may appeal the application of the PLRR.

⁷³ U.S. Congress, House Committee on Education and Labor, *Higher Education Amendments of 1992*, report to accompany H.R. 3553, 102nd Cong., 2nd sess., February 27, 1992, H.Rept. 102-447 (Washington: GPO, 1992), p. 10.

- 50% to 74% of the payment or enrollment period, 50% of Title IV aid would be earned and 50% would be unearned; or
- 75% to 99% of the payment or enrollment period, 75% of Title IV aid would be earned and 25% would be unearned.

IHEs would be permitted to require a student to pay to the IHE up to 10% of the amount of unearned aid required to be returned to ED by the IHE. In addition, H.R. 4508 would allow IHEs to design institutional policies regarding student eligibility for and amounts of post-withdrawal aid disbursements. Finally, the bill would require IHEs to first return Pell Grants, then loans, and finally other Title IV aid.

Financial Responsibility

Another condition of Title IV institutional eligibility is certification by ED, wherein ED is responsible for, among other actions, evaluating an IHE's financial responsibility to administer the Title IV programs.

HEA, Section 498(c) specifies that, among other criteria, a public IHE meets Title IV financial responsibility standards if its debts and liabilities are backed by the full faith and credit of a state or another government entity, and a proprietary or nonprofit IHE is financially responsible if it meets specific financial ratios established by ED (known as a composite score).⁷⁴ Regulations provide specificity to these requirements and provide for additional oversight of IHEs that do not meet all of the financial responsibility standards.⁷⁵

H.R. 4508 would retain many of the current financial responsibility standards and expand the conditions under which an IHE may be considered financially responsible. The bill would also require the Secretary to establish policies and procedures to address an IHE's failure to meet financial responsibility standards that would include providing additional oversight and cash monitoring restrictions, as appropriate, allowing an IHE to submit third-party financial guarantees to ED; and providing for the removal of such requirements once financial responsibility standards are met.

The 90/10 Rule

To address issues of waste and abuse in the Title IV aid programs and concerns that proprietary institutions were failing to consistently provide students with a quality education or training and focusing instead on obtaining federal student aid dollars, Congress adopted the predecessor to the 90/10 Rule (the 85/15 Rule) in the Higher Education Amendments of 1992 (P.L. 102-325).⁷⁶ Under the 90/10 Rule, proprietary IHEs may not derive less than 10% of their revenues from non-Title IV funds for any two consecutive years (i.e., no more than 90% of their revenues can come from Title IV funds). If a school does so, it loses its Title IV eligibility for at least two years.⁷⁷ The presumption underlying the rule is that if a proprietary IHE is providing a high-quality education, they should be able to attract a specific percentage of their revenue from non-Title IV sources. H.R. 4508 would repeal the 90/10 Rule.

⁷⁴ In evaluating an IHE's financial responsibility, ED will calculate a composite score based on its equity, primary, and net income ratios. 34 C.F.R. §668.172.

⁷⁵ 34 C.F.R. §668 Subpart L.

⁷⁶ See, for example, U.S. Government Accountability Office, *Testimony: Ensuring Quality Education from Proprietary Institutions*, GAO/T-HEHS-96-158, June 6, 1996.

⁷⁷ HEA §487(a)(24) and (d)(2).

Student Financial Aid Counseling and Information

As a condition of Direct Loan program participation, IHEs are required to provide a variety of information related to Direct Loans to borrowers. H.R. 4508 would make several changes to these requirements.

Student Financial Counseling

HEA Section 485(l) requires IHEs to provide entrance counseling to enrolled students who are first-time Direct Loan borrowers at or prior to the time of disbursement of Direct Loans.⁷⁸ Individuals who only receive Pell Grants are not required to undergo any statutorily prescribed financial aid counseling, but any Pell Grant recipients who are also first-time Direct Loan borrowers are required to undergo student loan entrance counseling. HEA Section 485(l) specifies the information that must be provided in entrance counseling, which generally relates to loan terms and conditions and borrower rights and responsibilities. HEA Section 485(b) requires IHEs to provide all Title IV loan borrowers (except parents borrowing on behalf of their dependent students and borrowers of Consolidation Loan) with exit counseling if they are graduating, leaving school, or dropping below half-time enrollment. The information provided in the exit counseling generally pertains to available repayment plans and debt management strategies and to borrower rights and responsibilities in relation to the loan. IHEs may develop their own entrance and exit counseling or they may use the ED-developed online entrance and exit counseling tools.⁷⁹

H.R. 4508 would replace entrance counseling with a requirement that financial aid counseling be provided annually. All students who are Title IV loan borrowers (except Consolidation Loan borrowers) and/or Pell Grant recipients, and all parent borrowers of Direct PLUS Loans and Federal ONE Parent Loans would be required to receive counseling for each award year for which the individual receives aid. The bill would require that specified information be given to all Title IV recipients and that additional specified information be given to individuals on the basis of the types of federal student aid received. For instance, it would require that Pell Grant recipients receive an explanation of the terms and conditions of the Pell Grant and a statement of the amount of enrollment periods remaining for which the student may be eligible to receive future Pell Grants. For all loan borrowers, the bill would require that financial counseling include the anticipated monthly payment amount under the Standard repayment plan and, for enrolled students who borrow loans, the anticipated monthly payments amount under an income-based repayment plan.

H.R. 4508 would retain the current exit counseling requirements and would require some additional information to be provided to all Title IV borrowers (other than parents borrowing on behalf of their dependent students). New information to be included in exit counseling would include a summary of the outstanding balance and principal due on all Title IV loans, an

⁷⁸ In general, entrance counseling is not required for borrowers of Direct PLUS Loans who are parents borrowing on behalf of their dependent students. However, as of March 2015, regulations specify that special loan counseling is required for any PLUS loan applicant, including parent borrowers, who has an adverse credit history but who otherwise qualifies for a PLUS loan. 34 C.F.R. §685.200(c)(2)(viii)(A) and U.S. Department of Education, “Early Implementation of Changes in Regulations on Adverse Credit History Under the Direct PLUS Loan Program,” electronic announcement, January 27, 2015.

⁷⁹ See Office of Federal Student aid “Entrance Counseling,” <https://studentloans.gov/myDirectLoan/counselingInstructions.action?counselingType=entrance> and Office of Federal Student Aid, “Exit Counseling,” <https://studentloans.gov/myDirectLoan/exitCounseling.action?execution=e1s1>.

explanation of the grace period preceding repayment, and information on available repayment plans based on the borrower's outstanding loan balance.

Finally, H.R. 4508 would require IHEs to provide annual and exit counseling through the use of interactive programs. IHEs could develop their own counseling programs or use an ED-developed online tool. The bill would require the Secretary to develop a consumer-tested online tool for annual and exit counseling.

Student Loan Plain Language Disclosure Form and Annual Loan Acceptance

Under current law, the terms and conditions of federal student loans are specified in a Master Promissory Note (MPN). The MPN must be read and signed by the borrower before loan funds may be disbursed. IHEs may choose to use MPNs with a multi- or single-year feature. IHEs that use a single-year MPN may only make loans under the MPN for one academic year. IHEs that use the multi-year feature may make one or more Direct Loans to borrowers for multiple award years for up to 10 academic years. IHEs that use a multiyear MPN must confirm a borrower's acceptance of a new Direct Loan for subsequent years by either obtaining written confirmation from the borrower (active confirmation) or by receiving notification from the borrower that he or she is specifically declining the loan in whole or in part (passive confirmation).⁸⁰ In addition, a Plain Language Disclosure (PLD) form explains loan terms and conditions in simplified terms and is provided with an MPN and prior to each disbursement of a Direct Loan, regardless of whether an IHE uses a single-year or multi-year MPN.⁸¹

H.R. 4508 would amend existing requirements for the PLD so that it would also disclose the annual percentage rate (APR) of the loan, as calculated using a standard 10-year repayment term. It would require the Secretary, within 24 months of enactment, to develop a new PLD, based on consumer testing and in consultation with the Federal Reserve Board, student borrowers, and other stakeholders. The new PLD would be required to include personalized information about the borrower and the borrower's loans. H.R. 4508 would also require borrowers to acknowledge in writing having read the PLD prior to disbursement for the year that a loan is obtained.

HEA Administrative Functions

The Department of Education (ED) administers the various programs authorized under the HEA. In administering these programs, the Secretary has authority to undertake a variety of functions including engaging in rulemaking, monitoring and enforcing program requirements, and entering into contracts for supplies and services. Multiple offices within ED may undertake any or all of these tasks; however, two primary offices performing HEA administrative functions are the Office of Postsecondary Education (OPE) and the Office of Federal Student Aid (FSA).⁸² Several statutes specify provisions that apply to ED administrative functions in general,⁸³ and the HEA

⁸⁰ 34 C.F.R. §668.165(a).

⁸¹ HEA Sections 433(a) and 455(p) require Direct Loan participating IHEs to make a variety of disclosures related to loan terms and conditions to borrowers throughout various phases of the lending relationship. HEA Section 432(m)(2)(D) requires the Secretary to develop and require the use of the MPN. Neither the HEA nor regulations require ED to develop a PLD; however, ED has developed a PLD to enable IHEs to meet HEA Section 433(a) disclosure requirements.

⁸² Typically, OPE is responsible for the development and promulgation of policies and regulations relating to Title IV programs, while FSA is responsible for the day-to-day operational functions of the Title IV program and the enforcement of Title IV requirements.

⁸³ For instance, the General Education Provisions Act contains statutory provisions that are applicable to the majority of

supplements or provides specificity to these provisions. This section of the report describes the changes H.R. 4508 would make to the several HEA administrative functions.

Rulemaking

HEA Section 492 specifies several requirements the Secretary must meet in promulgating regulations for the Title IV federal student aid programs. In general, the Secretary must provide for a comprehensive exchange of information in developing proposed Title IV regulations through mechanisms such as regional meetings and must engage in negotiated rulemaking.

H.R. 4508 would retain these requirements and add further steps the Secretary must take when promulgating Title IV regulations. New requirements would include providing information to the authorizing committees about certain actions taken as part of the rulemaking process, including notice of ED's intent to establish a negotiated rulemaking committee and a copy of proposed regulations.⁸⁴ After providing notice of each of these actions, the Secretary would not be permitted to proceed with the rulemaking process until the authorizing committees have had a sufficient amount of time to comment on the proposals and, if necessary, the Secretary has responded to such comments.

H.R. 4508 would provide multiple general secretarial prohibitions relating to Title IV rulemaking, including explicitly prohibiting the Secretary from defining any term used in the HEA in a manner that is inconsistent with the HEA and imposing a condition of participation in an HEA program that exceeds the scope of requirements specifically set forth in the HEA.

The Office of Federal Student Aid

HEA Section 141 establishes FSA as a performance-based organization,⁸⁵ operating as a discrete management unit with ED and responsible for the administrative and oversight functions supporting the Title IV federal student aid programs. The administrative functions for which FSA is responsible include collecting and transmitting data to federal student aid stakeholders, providing customer service and support related to Title IV administration, ensuring the integrity of the Title IV programs, and annually developing a budget. The Secretary may also allocate additional functions to FSA as necessary and appropriate. FSA is led by a Chief Operating Officer (COO) who is appointed by the Secretary, and by other senior managers who are appointed by the COO. Annually, the COO and the Secretary develop an FSA performance plan for the succeeding five years that establishes goals and objectives for FSA that addresses specified areas. In developing the performance plan, FSA is required to consult with stakeholders such as students and IHEs.

federal education programs administered by ED, as well as provisions related to the powers and responsibilities of ED. For additional information, see CRS Report R41119, *General Education Provisions Act (GEPA): Overview and Issues*, by Rebecca R. Skinner and Jody Feder.

⁸⁴ House Committee on Education and the Workforce and the Senate Committee on Health, Education, Labor, and Pensions.

⁸⁵ Performance-based organizations are intended to be results-driven organizations that have clear objectives and measurable goals intended to improve an agency's performance and transparency. PBOs are led by chief executives who are personally accountable for meeting measurable goals within the organization. In exchange, PBOs are granted greater discretion to operate more like private sector companies, with more control over budget, personnel decisions, and procurement. For additional information, see CRS Report R44845, *Administration of the William D. Ford Federal Direct Loan Program*, by Alexandra Hegji.

H.R. 4508 would make multiple changes to HEA Section 141 that largely relate to additional oversight and accountability of FSA. It would require FSA to collect input from stakeholders on the operation of Title IV programs and accountability practices and to address operational transparency in its performance plan.⁸⁶ H.R. 4508 would also require the Secretary to develop a performance evaluation system for the COO and senior managers and to establish an advisory board to conduct oversight of FSA to ensure it is meeting its performance plan goals.

Finally, to improve transparency in the federal student aid programs as a whole, H.R. 4508 would direct the Secretary and FSA to collect and publish on a publicly accessible website a variety of information on the performance of the Title IV student loans programs.⁸⁷

Student Aid Contracts

HEA Section 456 requires the Secretary, to the extent practicable, to award contracts for the origination, servicing, and collections of Direct Loans⁸⁸ and other ED-held loans.⁸⁹ Operating under this general authority, FSA is the office within ED that is responsible for and maintains contracts for servicing and collections. HEA Section 142 provides FSA with procurement flexibility in procuring property and services for student aid administration and requires FSA, to the extent practicable, to maximize the use of performance-based contracts.⁹⁰ Beyond these statutory requirements, however, the HEA is relatively silent regarding student aid procurement.

H.R. 4508 would largely maintain the provisions of Section 456 (but would relocate them to a new Section 493E), would extend to the Secretary authority to award contracts for the origination, servicing, and collection of Federal ONE Loans, and would establish some specific procedures for ED to follow in allocating new borrower loan accounts to contracted loan servicers. H.R. 4508 would require ED to develop and biannually update a guidance manual for contracted loan servicers. The bill would also provide for federal preemption of state and local laws relating to several activities associated with student loan origination, servicing, and collections, such as disclosure requirements.

Administrative Expenses

HEA, Title IV, Part D, provides authorization for indefinite discretionary funding to be appropriated for administrative expenses for the FFEL program and the Direct Loan program; and

⁸⁶ H.R. 4508 would also require that the performance plan be developed not less than every three years for the succeeding three year period and that the Secretary consult with stakeholders regarding any subsequent revisions to the plan.

⁸⁷ FSA currently makes available data on numerous aspects of the Title IV student aid programs. See Office of Federal Student Aid “The Federal Student Aid Data Center,” at <https://studentaid.ed.gov/sa/data-center>.

⁸⁸ For additional information on Direct Loan servicing and collections, see CRS Report R44845, *Administration of the William D. Ford Federal Direct Loan Program*, by Alexandra Hegji.

⁸⁹ In 2008, the Ensuring Continued Access to Student Loans Act of 2008 (ECASLA; P.L. 110-227) granted ED the temporary authority to purchase student loans made under the FFEL program. In 2008, the Higher Education Opportunity Act (HEOA; P.L. 110-315) extended ED’s temporary purchase authority through July 1, 2010. After purchasing loans made under the FFEL program, control of loan servicing was transferred to ED. In addition, in some instances, ED may hold Perkins Loans that IHEs do not otherwise service; thus, control of Perkins Loan servicing is transferred to ED.

⁹⁰ Performance-based contracts are those in which FSA specifies desired results and the contractor has discretion to decide how best to achieve them. The use of performance-based contracts is intended to promote competition among federal student loan servicers to provide the best possible services to FSA borrowers.

for mandatory funding to be obligated for account maintenance fees payable to FFEL program guaranty agencies.

H.R. 4508 would amend the HEA to authorize the appropriation of indefinite discretionary funding for administrative costs for all the various programs authorized under Title IV of the HEA for FY2019 through FY2024. It would also extend the authority for mandatory funding to be obligated for account maintenance fees for guaranty agencies through FY2024; and would provide \$50 million for FY2019 for the Secretary to provide technical assistance to IHEs that participate in the federal student loan programs.

Public Accountability, Transparency, and Reporting of Consumer Information

The HEA contains several provisions relating to public accountability, transparency, and consumer information. Many of these provisions are aimed at providing information to consumers to enable them to make informed college-going decisions. H.R. 4508 would make several changes relating to these topics.

Institutional Information for Students

HEA Section 485(a) requires IHEs to disseminate to current and prospective students a variety of information related to the institution in general (e.g., information on the cost of attending the institution). Information to be disseminated also includes numerous student enrollment and outcome measures such as student body diversity statistics, the retention and completion rates of students disaggregated for certain groups of students, and employment placement rates of the institution's graduates.

H.R. 4508 would eliminate many of the dissemination requirements relating to institutional student enrollment and outcome measures, but would require IHEs to include on their websites a link to the new authorized College Dashboard website, which would contain a variety of institutional student enrollment and outcome measures and which is described later in this section of the report.

Cost of Higher Education

Provisions in HEA, Title I, Part C generally address issues related to college affordability and to the collection and dissemination of consumer information to students and the public. Selected Title I-C requirements include the following:

- The Secretary must administer a College Navigator website through which certain consumer information about IHEs is made publicly available. The College Navigator website primarily presents information that is collected through the Integrated Postsecondary Education Data System (IPEDS) institutional data collection. The College Navigator includes multi-year tuition calculators for IHEs.
- The Secretary must publish College Affordability and Transparency Lists, which identify the IHEs with the highest and lowest tuition and fees and net prices.
- The Secretary must publish State Higher Education Spending Charts, which present information on changes in state funding for postsecondary education.

- IHEs must make available Net Price Calculators on their websites. These allow prospective students to obtain individual estimates of the net price of an institution, taking into account the financial aid they might be likely to receive.

The federal government is prohibited from developing, implementing, or maintaining a federal student record database containing the personally identifiable information of students, except with regard to systems necessary for the operation of programs authorized under Title IV, Title IV, or Title VII of the HEA that were in use by the Secretary prior to the enactment of the Higher Education Opportunity Act of 2008 (P.L. 110-315).

College Dashboard

H.R. 4508 would amend Title I-C by renaming the College Navigator the College Dashboard and by revising the information required to be collected and disseminated through the website. Information not currently made available on the College Navigator that would be made available on the College Dashboard would include, for each educational program offered by an IHE, the average federal student loan debt of borrowers and the median earnings of Title IV aid recipients who have completed a degree or certificate program.

Information on completion rates, net price, federal student aid receipt, student-faculty ratios, and campus safety would continue to be disclosed on the College Dashboard. The Secretary would also be required to make available through the College Dashboard links to information on student enrollment, data on completion rates disaggregated for different types of students, data on college costs, financial aid receipt, and rates of repayment on federal student loans, and links to institutional Net Price Calculators. Individuals who complete a FAFSA would be required to be provided with a link to the information made available through the College Dashboard.

Under H.R. 4508, information that would no longer be made available would include data on the number of applicants, the percentages who were admitted and who enrolled, and the SAT and ACT scores of applicants who enrolled.

Data Collection

Within two years of enactment of the bill, the Secretary would be required to complete a review of all HEA institutional data reporting requirements to identify any that are duplicative or no longer necessary to provide information for compliance, accountability, or transparency in decision-making. The Secretary would also be required to examine approaches for best collecting data from institutions on all students concerning their enrollment, retention, transfer, completion, and post-collegiate earnings with an aim of limiting collection burden while also capturing sufficient information to ensure compliance, accountability, and transparency in decision-making. In completing this task, the Secretary would be required to explore the feasibility of working with the National Student Clearinghouse to collect data on individual students as a third party agent.⁹¹ The Secretary would be required to implement changes to data collection as necessary, and to submit a report to the authorizing committees⁹² on any legislative changes needed to facilitate improvements in data collection.

⁹¹ The National Student Clearinghouse is a tax-exempt, 501(c)(4) nonprofit social welfare organization that serves the education community by facilitating the exchange and understanding of student enrollment, performance, and related information. National Student Clearinghouse, <http://www.studentclearinghouse.org/>, accessed January 9, 2018.

⁹² House Committee on Education and the Workforce and the Senate Committee on Health, Education, Labor, and Pensions.

Repeals

H.R. 4508 would repeal Title I-C requirements pertaining to College Affordability and Transparency Lists, State Higher Education Spending Charts, and Multi-Year Tuition Calculators.

Accountability for Programs that Prepare Teachers

HEA, Title II contains provisions intended to hold teacher preparation programs accountable for preparing highly qualified teachers and to improve the quality of prospective and new teachers.⁹³ Title II requires ED to issue an annual report on the quality of teacher preparation in the United States. ED's report is based on information provided by states that, in order to receive HEA funds, are required to collect information from every teacher preparation program in the state, including those programs that provide "traditional" and/or "alternative" routes to state teacher certification or licensure. ED's report must contain all state-provided information, which includes a wide array of data used by the state to assess preparation program and teacher candidate performance. In addition, Title II stipulates that in order to receive funds under the HEA, each state must conduct an assessment to identify low-performing teacher preparation programs in the state and report on such findings to ED. Finally, Title II authorizes a variety of grants and programs to enhance teacher education and preparation. Although the Title II, Part A, Teacher Quality Partnership program has consistently received appropriations (\$43.1 million in FY2017), several other Title II programs have not been funded in several years.

H.R. 4508 would repeal all current provisions in HEA Title II and insert a new Title II that would authorize a new grant program to expand earn-and-learn programs (discussed later in this report).

Protection of Student Speech, Association of Rights, and Religious Institutional Missions

The HEA expresses the sense of Congress relating to the protection of student speech and association rights and addresses the treatment of religious IHEs by accrediting agencies. This section of the report describes some of the changes H.R. 4508 would make related to these topics.

Protection of Student Speech and Association of Rights

HEA Section 112 expresses the sense of Congress that no student of an IHE should be excluded from participation in, be denied the benefits of, or be subjected to discrimination or official sanction under any education program or activity based on participation in protected speech or protected association.

H.R. 4508 would amend HEA Section 112 to additionally express the sense of that individuals should be free to profess religious opinions on campus without impacting their civil liberties and that free speech zones and restrictive speech codes are inherently at odds with the First Amendment of the U.S. Constitution and should not be used by IHEs to restrict free speech. It would require all IHEs receiving funds under the HEA to annually certify that they have disclosed to current and prospective students institutional policies related to protected speech on campus and would require the Secretary to establish procedures to resolve submitted complaints regarding IHEs believed not to be in compliance with the disclosure requirements.

⁹³ For additional information on Title II, see CRS Report R43351, *The Higher Education Act (HEA): A Primer*, by Alexandra Hegji.

H.R. 4508 would create a new HEA Section 122 that would specify that no funds made available under the HEA may be provided to any public IHE that denies a religious student organization any right, benefit, or privilege that is generally afforded to other student organizations at the institution because of the organization's religious beliefs or practices. Finally, the bill would create a new Section 125 that would prohibit IHEs with policies allowing for the official recognition of single-sex student organizations from requiring or coercing such recognized organizations to admit or permit participation of members of the opposite sex.

Protection of Religious Institutional Missions

HEA Section 496(a) specifies that ED-recognized accrediting agencies must consistently apply and enforce accreditation standards with respect to an IHE's stated mission, including missions that are religious in nature. HEA Section 496(k) requires the Secretary to maintain the Title IV eligibility of a religious institution whose loss of accreditation, whether voluntary or not, is related to its religious mission or affiliation and not to HEA accreditation standards for a period sufficient for the institution to obtain accreditation from another accrediting agency.

H.R. 4508 would amend Section 496(k) by specifying that a standard used by an accreditation agency fails to respect an IHE's religious mission if the IHE determines that the standard induces, pressures, or coerces the institution to act contrary to any aspect of its religious mission. It would also establish a process through which an IHE may file a complaint with the Secretary against the accreditation agency for failing to respect its religious mission. The bill would prohibit the Secretary from issuing guidance, "or otherwise determine or suggest, when discussions to remedy the failure by an accrediting agency or association to respect the religious mission of an institution of higher education ... have failed or will fail."

H.R. 4508 would also create a new HEA Section 124 that generally would prohibit a government entity from taking an adverse action against a Title IV IHE that would have the effect of prohibiting or penalizing the IHE for its acts or omissions that are in furtherance of its religious mission or are related to its religious affiliation.

Campus Safety and Sexual Violence at IHEs

The HEA contains several provisions related to helping ensure the safety of students and faculty on college campuses. In general, these provisions require IHEs to disclose campus crime statistics and to establish and disseminate campus safety and security policies and procedures.⁹⁴ H.R. 4508 would make several changes to the HEA that relate to campus security in general and specifically to sexual violence.

Clery Act Requirements

HEA Section 485(f), referred to as the Clery Act, generally requires Title IV participating IHEs to report to ED and disseminate to students in their annual security reports (ASRs) campus crime statistics and campus safety and security policies. These requirements apply to sexual violence⁹⁵ on campus and to other crimes and offenses specified in statute. ASRs must contain statements of

⁹⁴ For information on two federal statutes that address sexual violence on college campuses, see CRS Report R43764, *Sexual Violence at Institutions of Higher Education*, by Heather B. Gonzalez and Jody Feder.

⁹⁵ For purposes of this report, sexual violence includes the following crimes specified in the Clery Act: domestic violence, dating violence, sexual assault, or stalking.

campus policies relating to alleged sexual violence, including procedures for institutional disciplinary actions and the standard of evidence the IHE uses in disciplinary proceedings.

H.R. 4508 would add some specificity to procedures for institutional disciplinary actions that must be used by IHEs. It would require that any institutional investigation into an alleged incident of sexual violence must ensure all parties to a proceeding have access to all material evidence within a specified timeframe and that the proceeding is free from conflicts of interest. H.R. 4508 would also specify that an IHE may establish a standard of evidence for disciplinary proceedings involving allegations of sexual assault that may be based on standards and criteria the IHE considers appropriate, so long as it is not arbitrary and capricious and that it is applied consistently throughout all such proceedings.⁹⁶

Responding to Sexual Assault on Campus

The Clery Act requirements described above are the primary way in which the HEA addresses sexual assault at IHEs. H.R. 4508 would add several additional provisions aimed at addressing sexual assaults at IHEs. Specifically, H.R. 4508 would require most domestic IHEs⁹⁷ that receive federal financial assistance under the HEA to conduct campus climate surveys regarding attitudes on campus toward sexual assault and the institution's treatment of sexual assault at least once every three academic years. IHEs would be required to use the survey results to improve their ability to prevent and respond to incidents of sexual assault. The bill would also require such IHEs to retain the services of qualified sexual assault survivors' counselors to support students who are victims of sexual assault and to develop and disseminate a form containing information that would be of assistance to students who may become victims of sexual assault. Finally, H.R. 4508 would amend the HEA by including provisions intended to encourage IHEs to enter into a memorandum of understanding (MOU) with the local law enforcement agency having primary jurisdiction for responding to reports of sexual assault on campus so that reports of sexual assault on an IHE's campus might be addressed "in an appropriate and effective manner."

Additional Campus Safety Provisions

The HEA contains several other provisions relating to campus safety and security. HEA Section 485 requires Title IV participating IHEs that maintain on-campus student housing facilities to annually publish a fire safety report with information on fire safety practices and to establish a missing student notification policy for students residing on-campus. HEA Section 120 requires all IHEs eligible to receive federal funds to certify to ED that they have adopted and implemented a program to prevent the use of illicit drugs and the abuse of alcohol by students and employees that meets minimum requirements. Section 120 also authorizes the Alcohol and Drug Abuse Prevention Grants program, which authorizes ED to make grants and enter into contracts with IHEs and other organizations to develop and implement prevention and education programs to

⁹⁶ In 2011 and 2014, ED had released guidance relating to Title IX of the Higher Education Amendments of 1972 (P.L. 92-318), which required IHEs to adopt a preponderance of the evidence standard in disciplinary proceedings involving sexual misconduct (which includes sexual violence). This requirement proved controversial. Recently, ED rescinded these guidance documents and issued interim guidance permitting IHEs to adopt either a preponderance of the evidence or clear and convincing evidence standard in disciplinary hearings involving sexual misconduct. (The clear and convincing evidence standard is considered to be the more rigorous of the two standards.) U.S. Department of Education, "Q&A on Campus Sexual Misconduct," September 2017, available at <https://www2.ed.gov/about/offices/list/ocr/docs/qa-title-ix-201709.pdf>.

⁹⁷ IHEs providing instruction primarily through online courses would be excluded from H.R. 4508's requirements.

reduce the illegal use of drugs and alcohol. Appropriations for the purpose of making grants and entering into contracts under this program have never been provided.

H.R. 4508 would retain requirements that IHEs that maintain on-campus student housing facilities annually publish fire safety reports and maintain missing student notification policies, but the bill would eliminate several requirements related to the contents of such reports and policies. H.R. 4508 would expand upon the requirement that IHEs adopt and implement a program to prevent the use of illicit drugs and alcohol by students and employees to address substance abuse more broadly and to require that such programs be evidence-based. The bill would also eliminate some minimum requirements currently specified in statute. H.R. 4508 would eliminate the Alcohol and Drug Abuse Prevention Grants program. H.R. 4508 would add a requirement for IHEs to disclose to students, faculty, and administrators information on institutional policies and procedures relating to hazing.

Institutional Aid

Titles III and V of the HEA are the primary sources of institutional support authorized by the HEA. Both titles contain a variety of programs intended to provide grants and other financial support to institutions that serve high concentrations of minority and/or needy students to help strengthen their academic, administrative, and financial capabilities. H.R. 4508 would make several changes to multiple programs authorized under Titles III and V.

Strengthening Institutions

HEA, Title III-A authorizes the Strengthening Institutions Program (SIP), which provides grants to institutions with financial limitations and concentrations of needy students. Title III-A also authorizes separate similar programs for American Indian Tribally Controlled Colleges and Universities (TCCUs); Alaska Native and Native Hawaiian-serving Institutions (ANNHs); Predominantly Black Institutions (PBIs); Native American-serving, Nontribal Institutions (NASNTIs); and Asian American and Native American Pacific Islander-serving institutions (AANAPISIs). Title III-B authorizes a similar program that makes grants available to Historically Black Colleges and Universities (HBCUs), and Title V authorizes similar programs to make grants available to Hispanic Serving Institutions (HSI).⁹⁸

Under current law, for IHEs to receive a grant under most of the Title III-A programs and the Title V programs, an IHE must have low educational and general expenditures as compared to other similar institutions, enroll a requisite amount of needy students, and enroll a statutorily specified percentage of minority students. To be eligible for a Title III-B Strengthening HBCUs program grant, among other criteria, an IHE generally must, have been established prior to 1964 with a primary mission that was, and is, to educate Black Americans. HBCUs are not required to meet any of the Title III-A eligibility requirements related to educational and general expenditures or requisite number of needy students.

H.R. 4508 would repeal the SIP program, but would extend the authorization of discretionary appropriations for the remaining aforementioned programs as levels equal to their FY2017 funding levels for FY2019 through FY2024; the bill would not extend the mandatory appropriations provided in HEA Section 371, which are scheduled to expire at the end of FY2019.

⁹⁸ For additional information on the HEA Title III and Title V programs, see CRS Report R43237, *Programs for Minority-Serving Institutions Under the Higher Education Act*, by Alexandra Hegji.

In addition, H.R. 4508 would retain the eligibility criteria that currently apply to the aforementioned programs, but would require IHEs to have a completion rate of at least 25% to be eligible for the ANNH, NASNTI, AANAPISI, PBI, and HSI program grants. Completion rates would be calculated as the percentage of students who graduate within 150% of the normal time to completion or who enroll in another program at an IHE for which the previous program provided substantial preparation within 150% of the normal time to completion.

HBCU Capital Financing Program

HEA, Title III-D authorizes the HBCU Capital Financing (Cap Fin) Program, which is a loan guarantee program that was established to assist HBCUs in obtaining low-cost capital financing for campus maintenance, renovation, and construction projects. HBCUs participating in the program must deposit 5% of their capital financing loans into a pooled escrow account that is used to cover any delinquencies or defaults by an institution in the program.

H.R. 4508 would replace many of the references to an “escrow” account in current law with the phrase “bond insurance fund.”⁹⁹ The pooled escrow account containing institutional contributions on the date prior to date of enactment of H.R. 4508 would remain. For loans issued on or after the date of enactment, participating IHEs would be required to deposit 5% of the loan into a bond insurance fund. In the event that funds in either the escrow account or the bond insurance fund are insufficient to cover any delinquencies or defaults on loans associated with the escrow account or bond insurance fund, H.R. 4508 would authorize the use of funds from the other account to make payments to cover such delinquencies or defaults.

Minority Science and Engineering Improvement Program

HEA Section 355 authorizes the Yes Partnership Grant Program, which authorizes the Secretary to make grants to support the engagement of underrepresented minority youth in STEM outreach. HEA Section 356 authorizes Promotion of Entry into STEM Fields, which authorizes the Secretary to contract with a firm to implement an advertising campaign to encourage youths to enter STEM fields. Neither of these programs has ever been implemented. H.R. 4508 would repeal both programs.

Grants to Expand Earn and Learn Programs

As described above, H.R. 4508 would repeal the entirety of the existing Title II and replace it with a competitive grant program to expand “earn-and-learn programs” developed by partnerships of employers and IHEs. An earn-and-learn program would be defined as “an education program, including an apprenticeship program, that provides students with structured, sustained, and paid on-the-job training and accompanying, for credit classroom instruction[.]” Qualified programs would be between three months and two years in length and lead to a recognized postsecondary credential. The bill would provide an authorization of appropriations of \$183,204,000 annually for FY2019 through FY2024.

⁹⁹ It has been reported that the escrow account component of the HBCU Cap Fin program presents a problem for some state institutions because, under the laws of their state, they are prohibited from assuming the liability of another institution. U.S. Government Accountability Office, *Capital Financing: Department Management Improvements Could Enhance Education’s Loan Program for Historically Black Colleges and Universities*, GAO-07-64, October 2006, p. 19. Replacing the term “escrow” with the term “bond insurance fund” is intended to maintain the current form and functionality of the escrow account, while increasing access to the HBCU Cap Fin program for those HBCUs for which the escrow account component is a barrier to participation under state law.

Eligible grantees would be partnerships of one or more businesses and one or more IHEs. The duration of grants would be not less than one year and not more than four years. The maximum grant amount would be \$1.5 million. Grantees would be required to provide a match equal to or greater than 50% of the amount of the grant.

Competitive Process and Award Criteria

In their applications, applying partnerships would be required to describe the earn and learn project and specify the number of students to be served by the grant, as well as the anticipated earnings of the students one year and three years after program completion. The application would be required to describe how the project would be aligned with state-identified in-demand industry sectors¹⁰⁰ and how the partnership would finance the program after the end of the grant period.

Prior to consideration by the Secretary, applications for grants under this program would be considered by a review panel. The majority of the review panel would comprise members from business and the remainder of the panel would comprise representatives from IHEs that offer programs of two years or less and representatives from state Workforce Investment Boards. The review board would recommend if a proposal should be funded.

ED would award grants to eligible partnerships on the basis of a variety of factors including the number of participants to be served by the grant, the anticipated income of program participants, the alignment of the program with state-identified in-demand industry sectors, and the recommendations of the aforementioned review board.

Allowable Uses of Grant Funds and Evaluations

Grantees would be permitted to use grant funds for program development including the purchase of equipment, development of industry-specific programs, and the transition of industry professionals to an academic setting. Grantees would also be permitted to use grant funds to reimburse up to 50% of wages of participating students.

Finally, H.R. 4508 would direct ED to provide for an independent evaluation of the program. The evaluation would include an assessment of the effectiveness of the program in expanding earn-and-learn opportunities, as well as specified performance indicators related to program participation during the grant period, program completion, earnings of participants, and participation levels in the programs after the completion of the grant period.

International Education Programs

Title VI of the HEA authorizes a variety of grants to IHEs and related entities to enhance instruction in foreign language and area studies (FLAS). The two primary Title VI programs are National Language and Area Centers (NLACs) and FLAS Fellowships. This pair of programs under Title VI has been the primary recipients of funds authorized while the other programs are smaller scale and often support supplementary activities or serve narrower goals.

H.R. 4508 would amend the NLAC and FLAS Fellowship programs and eliminate some of the smaller Title VI programs. Specifically, the bill would make more explicit the Secretary's authority to approve applications for NLAC and FLAS Fellowship awards based on assurances

¹⁰⁰ The program uses the definition of "in-demand industry sector or occupation" from Section 3 of the Workforce Innovation and Opportunity Act, 29 U.S.C. 3102.

that grantee’s “activities will reflect diverse perspectives and a wide range of views” and would require the Secretary annually to report on compliance with these assurances.

H.R. 4508 would eliminate the following six programs or activities: (1) Undergraduate International Studies and Foreign Language Programs, (2) Technological Innovation and Cooperation for Foreign Information Access, (3) American Overseas Research Centers, (4) Education and Training Programs, (5) Institute for International Public Policy, and (6) Science and Technology Advanced Foreign Language Education Grant.

Programs to Support Students

The HEA contains several programs intended to support students in entering into and succeeding in postsecondary education. These programs include the TRIO programs, GEAR UP, and programs to support special populations such as migrant and seasonal workers and low-income students who are parents. H.R. 4508 would make several changes to these programs and would create a new TRIO program, IMPACT Grants.

TRIO Programs

HEA, Title IV, Part A-2 authorizes the federal TRIO programs, which are the primary federal programs providing support services to disadvantaged students to promote achievement in postsecondary education.¹⁰¹ There are seven TRIO programs, each serving a different student demographic: Talent Search (TS), Regular Upward Bound (UB), Upward Bound Math-Science (UBMS), Veterans Upward Bound (VUB), Student Support Services (SSS), Ronald E. McNair Postbaccalaureate Achievement Program (McNair), Educational Opportunity Centers (EOC). The TRIO student-serving programs are supported by a Staff Development (Training) program and ED evaluation, research, and technical assistance activities. The TRIO programs have been authorized to receive discretionary appropriations at \$900 million for FY2009 and an indefinite amount for each of the five succeeding fiscal years. H.R. 4508 would provide an authorization of appropriations for the TRIO programs at \$900 million, \$50 million below the FY2017 appropriation, for each of FY2019-FY2024.

Coordination and Duplication of Services

Under current law, ED encourages TRIO grantees to coordinate their TRIO program(s) with their other program(s) that are similar to the TRIO program(s). Under H.R. 4508, an applicant sponsoring a program that is similar to the TRIO program and that is not serving a different population or a different campus would be ineligible for the TRIO program grant. H.R. 4508 would also require the student-serving program grantees to maintain, to the extent practicable, a record of any services participants receive during the project year from another TRIO program or other federally funded programs serving similar populations.

Current law does not prohibit a TRIO participant from being served by multiple TRIO projects, with one exception. TS projects may not serve participants over 27 years of age if they can be served by an area EOC grantee. H.R. 4508 would prohibit TS projects from serving participants that have access to services from a UB, UBMS, or VUB project. Also, H.R. 4508 would prohibit UB projects from serving participants that have access to services from a TS or EOC project or another UB project.

¹⁰¹ For more information, see CRS Report R42724, *The TRIO Programs: A Primer*, by Cassandra Dortch.

Participant Eligibility

Under current law, with one exception, at least two-thirds of participants served by TRIO student-serving grantees must be low-income, first-generation college students.¹⁰² Low-income is defined as an individual from a family whose taxable income for the preceding year did not exceed 150% percent of the Bureau of the Census poverty level. An individual's low-income status may be documented in a variety of ways. H.R. 4508 would expand the list of qualified documentation to include documentation that the individual is Pell Grant-eligible.

Current law prescribes additional eligibility criteria for the remaining one-third of participants served by TRIO student-serving grantees except those served under TS and EOC. Generally, the remaining participants must be one of the following: low-income individuals, first-generation college students, or, if statutorily specified, qualifying on the basis of another relevant criterion. H.R. 4508 would require that the remaining TS participants be low-income individuals, first generation college students, or students who have a high risk for academic failure. H.R. 4508 would require that the remaining EOC participants be either low-income individuals or first-generation college students.

Program Funds

Current TRIO statutory provisions do not require a nonfederal match of program funds and do not contain a supplement-not-supplant provision. H.R. 4508 would require TRIO student-serving grantees to provide at least 20% of program costs from state, local, institutional, or private funds unless the Secretary were to approve a reduced match. H.R. 4508 would also require that TRIO funds supplement and not supplant funds expended for existing programs.

Required and Permissible Services

With the exception of EOC, current law defines a list of required services for each of the student-serving TRIO programs. H.R. 4508 would modify the required lists of services for each of these programs in a variety of ways. For example, for TS, the bill would expand the list of services to include providing connections to remedial education services and connections to services regarding career choice. For UB, UBMS, and VUB, the bill would delete requirements related to guidance and assistance relevant to secondary school reentry, alternative education programs, and GED program entry.

Outcome Criteria

All student-serving TRIO projects must annually report the extent to which they meet or exceed the objectives approved in their application for outcome criteria listed in statutory provisions. H.R. 4508 would expand and modify the outcome criteria to be examined under many of the programs. For instance, H.R. 4508 would specify VUB outcome criteria in accordance with regulations and would modify the SSS postsecondary completion criteria to measure progress within a statutorily specified number of years—four years at IHEs that do not primarily award bachelor's degrees and six years at IHEs that primarily award bachelor's degrees

¹⁰² For SSS programs, at least two-thirds of participants must be either students with disabilities or low-income, first-generation college students.

Grant Award Processes

Under current law, TRIO applicants for each program are awarded grants based on the rank order of the applications' total score—the sum of a peer review score and, for prior grantees, additional points for 'prior experience of service delivery.' Prior experience points are awarded according to the extent to which a TRIO program grantee met or exceeded the objectives in its prior application. Under the general authority of the Secretary and to reflect administrative policies and objectives, the Secretary may establish additional priorities for use in any appropriate grant competition.¹⁰³

H.R. 4508 would allow prior grantees to earn additional application points for 'prior success in achieving high quality service delivery' unless the prior grantee failed to meet or exceed at least two objectives from its prior application. ED would be required to reserve at least 10% of the funds to be awarded under each new program competition for applicants that have not received any TRIO grant.¹⁰⁴ H.R. 4508 would prohibit ED from establishing additional priorities and criteria in TRIO competitions.

Current law allows certain unsuccessful applicants to request a second review of their application, sometimes referred to as an appeal. Per regulations, ED reserves a portion of the appropriation to award grants under the second review. In addition, current law permits the Secretary to use no more than 0.5% of the TRIO appropriation for evaluations, studies, the peer review of applications, grantee oversight, outreach, and technical assistance. H.R. 4508 would increase the set-aside to no more than 1% and expand its use to include supporting applications funded under the second review.

Evaluations

Under current law, the Secretary is expected to make grants to, or enter into contracts with, IHEs and other organizations for rigorous evaluations of effective practices of the programs. The results of such evaluations should be disseminated.

H.R. 4508 would eliminate the requirement for rigorous evaluations of effective program practices. Instead, H.R. 4508 would require the dissemination of evaluations on the effectiveness of programs. H.R. 4508 would further require that the Secretary submit to the authorizing committees an interim report on the progress and preliminary results of the evaluation of each TRIO program within two years of enactment and a final report within three years of enactment. Finally, the evaluations and underlying data would be made available to the public upon request.

IMPACT Grants

H.R. 4508 would authorize a new TRIO program entitled IMPACT Grants and reserve at least 10% of the TRIO appropriation for the IMPACT Grants. The program would be intended to improve postsecondary access and completion rates for qualified individuals. Three types of grants would be awarded—early-phase grants for developing and testing promising practices, mid-phase grants to implement and evaluate successful early-phase grants, and expansion grants to reproduce and rigorously evaluate successful mid-phase grants.

Similar to SSS, at least two-thirds of participants would be either students with disabilities or low-income, first-generation college students. The remaining one-third of participants would be

¹⁰³ 20 U.S.C. §1221e-3.

¹⁰⁴ If there were an insufficient number of new qualified applicants, ED would use the remainder of the reservation to award applicants who have received a TRIO grant previously.

low-income students, first-generation college students, or students with disabilities. H.R. 4508 would prevent an IMPACT project from serving participants with access to services from another IMPACT project.

Unlike the other TRIO student-serving programs, H.R. 4508 would not establish a list of outcome criteria for IMPACT grantees. Conversely, IMPACT grantees would annually conduct and submit to ED an independent, quantitative evaluation of project effectiveness.

Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP)

HEA, Title IV, Part A-2 also authorizes GEAR UP, which provides six-year grants to states and partnerships to provide services at high-poverty middle and high schools to increase the number of low-income students who are prepared to enter and succeed in postsecondary education. The GEAR UP program has been authorized to receive discretionary appropriations at \$400 million for FY2009 and such sums as may be necessary for each of the five succeeding fiscal year. H.R. 4508 would extend the authorization of appropriations for GEAR UP at approximately \$339.8 million, the same as the FY2017 appropriation, for each of FY2019-FY2024.

Under current law, all grantees must provide a variety of services to prepare students to enter and succeed in postsecondary education, including improving secondary schools completion and postsecondary enrollment. In addition, state grantees must, and Partnership grantees may, provide postsecondary scholarships to eligible participants. Under current regulations, grantees that were awarded initial GEAR UP grants on or after August 14, 2008, may not impose additional eligibility criteria that would have the effect of limiting or denying a scholarship to an eligible student. H.R. 4508 would expand the currently required grantee activities and would modify the requirements to improve secondary school completion and postsecondary enrollment to require the provision of supportive services to improve such measures. The bill would authorize all grantees to establish student eligibility criteria in addition to those specified in statutory provisions.

Current law authorizes the Secretary to require that applicants address additional assurances in the application to ensure compliance with the statutory GEAR UP requirements. It also requires a 50% nonfederal match of the GEAR UP project costs, and authorizes the Secretary to establish regulations to modify the amount of the nonfederal match required. Additionally, current law requires that grantees biennially evaluate their GEAR UP activities in accordance with Secretary-prescribed standards. H.R. 4508 would eliminate the specific statutory authority related to applicant assurances and would codify current regulations relating to nonfederal match requirements and would require additional information in the evaluation, such as the number of students completing the FAFSA and the number of students enrolling in postsecondary education.

Special Programs for Students Whose Families are Engaged in Migrant and Seasonal Farmwork

HEA authorizes two programs designed to assist migrant and seasonal farmworkers and their dependents complete secondary school equivalency programs and enroll and persist in postsecondary education. The Special Programs for Students Whose Families are Engaged in Migrant and Seasonal Farmwork has been authorized to receive discretionary appropriations at \$75 million for FY2009 and such sums as may be necessary for each of the five succeeding fiscal years. H.R. 4508 would extend the authorization of appropriations for the programs at

approximately \$44.6 million, the same as the FY2017 appropriation, for each of FY2019-FY2024.

Child Care Access Means Parents in School (CCAMPIS)

CCAMPIS provides grants to IHEs to promote the participation of low-income parents in postsecondary education through the availability of campus-based child care. The program has been authorized to receive discretionary appropriations at such sums as may be necessary for FY2009 and for each of the five succeeding fiscal years. H.R. 4508 would extend the authorization of appropriations for the programs at approximately \$15.1 million, the same as the FY2017 appropriation, for each of FY2019-FY2024.

Under current law, ED gives priority to CCAMPIS applicants that leverage “significant” local or institutional resources and use a sliding fee scale for child care services in order to support a high number of low-income parents. Grantees are required to submit annual program reports to ED. ED makes CCAMPIS continuation awards to grantees if they are making a good faith effort to ensure that low-income students at the IHE have access to affordable, quality child care services.

H.R. 4508 would give priority to applicants that leverage “significant” nonfederal, local, or institutional resources; use a sliding fee scale to support a high number of low-income parents; and coordinate with other community programs to improve on-campus program quality and limit cost. The bill would modify the information required in each grantee’s annual program report and would require that ED publish the reports on a publicly accessible website. Finally, H.R. 4508 would require grantees to provide low-income students with priority access to affordable, quality child care services and demonstrate a continued need for CCAMPIS funding despite leveraging nonfederal sources to be eligible for continuation awards.

Model Comprehensive Transition and Postsecondary Programs¹⁰⁵

HEA, Title VII, Part D authorizes several programs related to postsecondary education for students with disabilities. The programs include model transition programs for students with disabilities (Model Transition Programs), demonstration projects to support postsecondary educators in educating students with disabilities, programs to support access to materials for students with print disabilities, a National Technical Assistance Center, and a Coordinating Center for IHEs offering transition programs for students with intellectual disabilities. With the exception of the model transition program, none of these programs has received funding in at least several years.

H.R. 4508 would repeal the demonstration projects and the programs to support access to materials for students with print disabilities. The Model Transition Program has been authorized to receive indefinite discretionary appropriations since FY2009. H.R. 4508 would also authorize appropriations for the Model Transition Programs of \$11,800,000 (equal to the FY2017 appropriations level) for each of FY2019 through FY2024 and would specify that the Coordinating Center would receive a percentage of the Model Transition Program appropriation.

¹⁰⁵ This section of the report was authored by Kyrie Drago, Analyst in Education Policy.

Programs Outside of the HEA

H.R. 4508 would amend laws related to higher education, but separate from the HEA. These laws include the Education of the Deaf Act and the Tribally Controlled Colleges and Universities Assistance Act of 1978.

Education of the Deaf Act¹⁰⁶

The Education of the Deaf Act (P.L. 99-371) authorizes programs and activities to foster improved educational programs for deaf individuals, including providing federal funding for Gallaudet University and the National Technical Institute for the Deaf. H.R. 4508 would repeal several programs under the Education of the Deaf Act that have not received funding in recent years (e.g., Cultural Experiences Grants) and would provide an authorization of appropriations for Gallaudet University and the National Technical Institute for the Deaf for each of FY2019 through FY2024.

Tribally Controlled Colleges and Universities Assistance Act of 1978 and Diné College Act

The Tribally Controlled Colleges and University Assistance Act of 1978 (TCCUAA; P.L. 95-471, as amended) is administered by the U.S. Department of the Interior. The act funds the operation, improvement, and expansion of TCCUs to ensure continued and expanded educational opportunities for Indian students. TCCUAA Title I authorizes grants for general TCCU operations, planning grants, technical assistance contracts, eligibility studies, facilities' studies, and construction grants. Title II authorizes grants for Diné College. Title III authorizes a TCCU endowment program. Title IV authorizes the tribal economic development program, and Title V authorizes grants to tribal technical colleges.

The technical assistance contracts have been authorized to receive discretionary appropriations at \$3.2 million for FY2009 and an indefinite amount for each of the five succeeding fiscal years. Title III has been authorized to receive discretionary appropriations at \$10 million for FY2009 and an indefinite amount for each of the five succeeding fiscal years. The programs for general TCCU operations, TCCU renovation and reconstruction, TCCU construction grants, Diné College construction, and Diné College maintenance and operation and Titles IV and V have each been authorized to receive indefinite discretionary appropriations for each of FY2009-FY2014.

H.R. 4508 would extend the authorization of appropriations for the programs at a total of approximately \$78.4 million, the same as provided through the FY2017 appropriations, for each of FY2019-FY2024. Approximately \$57.4 million would be authorized for Titles I and IV. The authority for Title I planning grants would be repealed. Approximately \$13.6 million would be authorized for Title II. Finally, approximately \$7.4 million would be authorized for Title V, the same amount as specified in the explanatory statement to the FY2017 appropriation.

Title I Operating Grants

H.R. 4508 would make several amendments to the allocation and payment of funds for general TCCU operations under Title I, which accounts for a majority of TCCUAA appropriations. Under the current TCCUAA, Title I funds are allocated to eligible colleges on the basis of the full-time

¹⁰⁶ This section of the report was authored by Kyrie Drago, Analyst in Education Policy.

equivalent number of registered Indian students at the conclusion of the third week of each academic term of the preceding academic year. H.R. 4508 would allocate Title I funds on the basis of the prior-prior academic year full-time equivalent number of enrolled Indian students (1) at the conclusion of the third week of each academic term or (2) on the fifth day of a shortened program beginning after the third full week of an academic term. H.R. 4508 would further expand the credit hours used to determine full-time equivalency by including credit hours used to obtain a high school degree or its equivalent as long as those credit hours were also used for other purposes such as postsecondary credit. H.R. 4508 would shift the grant payment schedule from October 15 and January 1 of each fiscal year to July 1 and September 30 in accordance with the shift to forward-funding initiated by the FY2010 appropriations act.¹⁰⁷

Title II Diné College Act

Under the current TCCUAA, Title II, the Navajo Community College Act, authorizes grants to Diné College, formerly known as Navajo Community College. H.R. 4508 would rename Title II as the Diné College Act and change references from ‘Navajo Community College’ to ‘Diné College.’

Title III Endowment Program

Under the current TCCUAA, Title III authorizes grants for the establishment and funding of TCCU endowments. H.R. 4508 would repeal that authority; however previously funded endowments would be held to the Title III requirements as in effect prior to the bill’s enactment for 20 years. After the 20-year period, TCCUs may use the endowment for operations or academic programs.

¹⁰⁷ U.S. Congress, House Committee on Appropriations, *Department of the Interior, Environment, and Related Agencies Appropriations Bill, 2010*, Report to accompany H.R. 2996, 111th Cong., 1st sess., June 23, 2009, H.Rept. 111-180 instructed that the tribal colleges and universities receive forward funding, and U.S. Congress, House, *Department of the Interior, Environment, and Related Agencies Appropriations Act, 2010*, Conference Report to accompany H.R. 2996, 111th Cong., 1st sess., October 28, 2009, H.Rept. 111-316 instructed that the directions in the House Report apply. H.R. 2996 was enacted as the Interior Department and Further Continuing Appropriations, Fiscal Year 2010 (P.L. 111-88).

Appendix. Program Authorizations under the HEA and H.R. 4508, as Reported with Amendments

As discussed through this report, H.R. 4508, as reported on February 8, 2018, with amendments, would amend the HEA to extend the authorization of appropriations or budget authority for previously established HEA programs, to authorize the appropriation or budget authority for newly established programs, and to repeal the authorization of appropriations or budget authority of several programs. This appendix presents two tables that provide information on the authorization of appropriations or budget authority of programs currently specified in the HEA or related laws (e.g., the Education for the Deaf Act) as they would be affected by H.R. 4508. **Table A-1** presents information on the authorization of appropriations and budget authorities for HEA programs and activities that would be authorized under the HEA, should the amendments proposed in H.R. 4508 be enacted. **Table A-2** presents information on programs specified under the HEA and related laws that, under H.R. 4508, would be eliminated, would have their authorization of appropriations or budget authority repealed, or would not have their authorization of appropriations or budget authority extended.

Table A-1 lists, by title and part as they would appear in the HEA if H.R. 4508 were enacted, programs for which funds would be authorized or for which mandatory budget authority would be provided under H.R. 4508. **Table A-1** does not include information on programs that are addressed in H.R. 4508 but that would not appear in the HEA. For each program, the table identifies the section of the HEA (as amended should H.R. 4508 be enacted) under which the authorization of appropriations or budget authority would be provided; whether the program is a continuing program (C) that is currently specified in the HEA, or would be newly established (N) by H.R. 4508; and whether appropriations or budget authority for the program are discretionary (D) or mandatory (M). For continuing programs, the table also shows the amount of funding that was provided in FY2017¹⁰⁸; notations of a dash (—) for new programs mean that FY2017 appropriations are not applicable. For all programs, the table shows the amount of authorization of appropriations or budget authority for FY2019 through FY2024, as applicable. Appropriations figures are shown in thousands of dollars; the phrase “such sums” indicates that the amount authorized to be appropriated for a particular fiscal year is such sums as may be necessary (i.e., an indefinite amount).

In general, in the absence of legislation to extend or repeal a program, the authorization of appropriations for a program for which ED has responsibility to administer would be extended for an additional fiscal year under Section 422 of the General Education Provisions Act (GEPA; P.L. 90-247). Therefore, although the authorization of appropriations provided under H.R. 4508 would expire in FY2024 for most programs, GEPA would automatically extend those authorizations through FY2025. (The table, however, does not reflect this extension).

¹⁰⁸ Full-year FY2018 figures are not yet available. The table will be updated accordingly when such figures become available.

Table A-1. New and Continuing HEA Programs

By title and part, as they would appear in the HEA if H.R. 4508, as reported with amendments to the House of Representatives on February 8, 2018, were enacted

HEA Title, Part and Program	Auth. Sec.	Cont./ New (C/N) ^a	Disc./ Mand. (D/M) ^b	FY2017 Approp. Or Budget Authority (\$)	Authorization of Appropriations and Budget Authority (\$ in thousands)					
					FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Title I: General Provisions										
Title I, Part B: Additional General Provisions										
Prior Obligations (Repealed facilities loan programs)	§121		M							
College Housing and Academic Facilities Loans Program (CHAFL): Liquidating Account		C		-364	Such sums ^c	Such sums	Such sums	Such sums	Such sums	Such sums
CHAFL: Upward reestimates of existing loan subsidies		C		54	Such sums	Such sums	Such sums	Such sums	Such sums	Such sums
Title I, Part D: Administrative Provisions for Delivery of Student Financial Assistance										
Performance Based Organization	§141	C	D	(combined with §458 below)	Such sums	Such sums	Such sums	Such sums	Such sums	Such sums
Title II: Expanding Access to In-Demand Apprenticeships										
Apprenticeship Grant program	§201	N	D	—	183,204	183,204	183,204	183,204	183,204	183,204

Authorization of Appropriations and Budget Authority (\$ in thousands)

HEA Title, Part and Program	Auth. Sec.	Cont./ New (C/N) ^a	Disc./ Mand. (D/M) ^b	FY2017 Approp. Or Budget Authority (\$)	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Title III: Institutional Aid										
Title III, Part A: Strengthening Minority-Serving Institutions										
Tribally Controlled Colleges & Universities	§399	C	D	27,599	27,599	27,599	27,599	27,599	27,599	27,599
	§371	C	M	27,930	30,000	—	—	—	—	—
Alaska Native and Native Hawaiian-Serving Institutions	§399	C	D	13,802	13,802	13,802	13,802	13,802	13,802	13,802
	§371	C	M	13,965	15,000	—	—	—	—	—
Predominantly Black Institutions	§399	C	D	9,942	9,942	9,942	9,942	9,942	9,942	9,942
	§371	C	M	13,965	15,000	—	—	—	—	—
Native American-Serving, Nontribal Institutions	§399	C	D	3,348	3,348	3,348	3,348	3,348	3,348	3,348
	§371	C	M	4,655	5,000	—	—	—	—	—
Asian American and Native American Pacific Islander-Serving Institutions	§399	C	D	3,348	3,348	3,348	3,348	3,348	3,348	3,348
	§371	C	M	4,655	5,000	—	—	—	—	—
Title III, Part B: Strengthening Historically Black Colleges and Universities										
Historically Black Colleges and Universities	§399	C	D	244,694	244,694	244,694	244,694	244,694	244,694	244,694
	§371	C	M	79,135	85,000	—	—	—	—	—

Authorization of Appropriations and Budget Authority (\$ in thousands)

HEA Title, Part and Program	Auth. Sec.	Cont./ New (C/N) ^a	Disc./ Mand. (D/M) ^b	FY2017 Approp. Or Budget Authority (\$)	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Historically Black Graduate Institutions	§399	C	D	63,281	63,281	63,281	63,281	63,281	63,281	63,281
Title III, Part D: Historically Black College and University Capital Financing										
Historically Black College and University Capital Financing: New loan subsidies	§399	C	D	20,150	20,484	20,484	20,484	20,484	20,484	20,484
Administrative Expenses	§343 ^d	C	D	334	1.63% of above	1.63% of above	1.63% of above	1.63% of above	1.63% of above	1.63% of above
Historically Black College and University Capital Financing: Reestimate of existing loan subsidies	§343 ^e	C	M	201,110	Such sums	Such sums	Such sums	Such sums	Such sums	Such sums
Title III, Part E: Minority Science and Engineering Improvement Program										
Minority Science & Engineering Improvement Program	§399	C	D	9,648	9,648	9,648	9,648	9,648	9,648	9,648
Title IV: Student Assistance										
Title IV, Part A: Grants to Students in Attendance at Institutions of Higher Education										
Federal Pell Grants										
Discretionary Pell Grants	§401	C	D	22,475,352	Such sums	Such sums	Such sums	Such sums	Such sums	Such sums

Authorization of Appropriations and Budget Authority (\$ in thousands)

HEA Title, Part and Program	Auth. Sec.	Cont./ New (C/N) ^a	Disc./ Mand. (D/M) ^b	FY2017 Approp. Or Budget Authority (\$)	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Mandatory Appropriations to Supplement Discretionary	§401	C	M	1,320,000	1,409,000	1,430,000	1,145,000	1,145,000	1,145,000	1,145,000
Mandatory Add-On Award	§401	C	M	6,630,676	Such sums	Such sums	Such sums	Such sums	Such sums	Such sums
TRIO Programs ^f	§402A	C	D	950,000	900,000	900,000	900,000	900,000	900,000	900,000
Talent Search		C								
Upward Bound		C								
Student Support Services		C								
McNair Postbaccalaureate Achievement Program		C								
Education Opportunity Centers		C								
IMPACT Grants		N	—							
Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP)	§404H	C	D	339,754	339,754	339,754	339,754	339,754	339,754	339,754
Special Programs for Students Whose Families are Engaged in Migrant & Seasonal Farmwork	§418A	C	D	44,623	44,623	44,623	44,623	44,623	44,623	44,623

Authorization of Appropriations and Budget Authority (\$ in thousands)

HEA Title, Part and Program	Auth. Sec.	Cont./ New (C/N) ^a	Disc./ Mand. (D/M) ^b	FY2017 Approp. Or Budget Authority (\$)	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
High School Equivalency Program for Migrants		C								
College Assistance Migrant Program		C								
Child Care Access Means Parents in School	§419N	C	D	15,134	15,134	15,134	15,134	15,134	15,134	15,134
Teacher Education Assistance for College and Higher Education (TEACH) Grants: New loan subsidies	§420O	C	M	14,930	— ^g	— ^g	— ^g	— ^g	— ^g	— ^g
TEACH Grants: Net reestimates of existing loans (non-add)	§420O	C	M	138,412	Such sums	Such sums	Such sums	Such sums	Such sums	Such sums
Iraq and Afghanistan Service Grants	§420R	C	M	442	Such sums	Such sums	Such sums	Such sums	Such sums	Such sums
Title IV, Part C: Federal Work-Study Programs										
Federal Work-Study	§441	C	D	987,728	1,722,858	1,722,858	1,722,858	1,722,858	1,722,858	1,722,858
Work Colleges ^h	§448	C	D	(included with §441 amount)	Such sums	Such sums	Such sums	Such sums	Such sums	Such sums
Title IV, Part D: William D. Ford Federal Direct Loan Program										
Direct Loan program: Net new subsidy costs ⁱ	§451	C	M	-1,961,127	Such sums	Such sums	Such sums	Such sums	Such sums	Such sums

Authorization of Appropriations and Budget Authority (\$ in thousands)

HEA Title, Part and Program	Auth. Sec.	Cont./ New (C/N) ^a	Disc./ Mand. (D/M) ^b	FY2017 Approp. Or Budget Authority (\$)	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Direct Loan program: Net reestimate of existing loans (non-add)	§451	C	M	28,430,232	Such sums	Such sums	Such sums	Such sums	Such sums	Such sums
Direct Loan program: Net modification of existing loans (non-add)	§451	C	M	364,394	Such sums	Such sums	Such sums	Such sums	Such sums	Such sums
Student Aid Administration	§458	C	D	1,576,854	Such sums	Such sums	Such sums	Such sums	Such sums	Such sums
Account Maintenance Fees	§458	C	M	0	Such sums ⁱ	Such sums ⁱ	Such sums ⁱ	Such sums ⁱ	Such sums ⁱ	Such sums ⁱ
Technical Assistance to IHEs	§458	C	M	—	50,000	—	—	—	—	—
Title IV, Part E: Federal ONE Loan Program										
Federal ONE Loan program: Net new subsidy costs	§461	N	M	—	Such sums	Such sums	Such sums	Such sums	Such sums	Such sums
Federal ONE Loan program: Net reestimate of existing loans (non-add)	§461	N	M	—	Such sums	Such sums	Such sums	Such sums	Such sums	Such sums
Federal ONE Loan program: Net modification of existing loans (non-add)	§461	N	M	—	Such sums	Such sums	Such sums	Such sums	Such sums	Such sums
Title V: Developing Institutions										
Title V, Part A: Hispanic-Serving Institutions										
Hispanic-Serving Institutions	§528	C	D	107,795	107,795	107,795	107,795	107,795	107,795	107,795
	§371	C	M	93,100	100,000	—	—	—	—	—

Authorization of Appropriations and Budget Authority (\$ in thousands)

HEA Title, Part and Program	Auth. Sec.	Cont./ New (C/N) ^a	Disc./ Mand. (D/M) ^b	FY2017 Approp. Or Budget Authority (\$)	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Title V, Part B: Promoting Postbaccalaureate Opportunities for Hispanic Americans										
Promoting Postbaccalaureate Opportunities for Hispanic Americans	§528	C	D	9,671	9,671	9,671	9,671	9,671	9,671	9,671
Title VI: International Education Programs										
Title VI, Part A: International and Foreign Language Programs										
International Education Programs	§630	C	D	n.a. ^k	61,525	61,525	61,525	61,525	61,525	61,525
Graduate and Undergraduate Language and Area Centers Programs		C		22,743						
Fellowships for Foreign Language and Area or International Studies		C		30,343						
Language Resource Centers		C		2,747						
International Research and Studies Program		C		589						

Authorization of Appropriations and Budget Authority (\$ in thousands)

HEA Title, Part and Program	Auth. Sec.	Cont./ New (C/N) ^a	Disc./ Mand. (D/M) ^b	FY2017 Approp. Or Budget Authority (\$)	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Title VI, Part B: Business and International Education Programs										
Centers for International Business Education	\$630	C	D	4,571	(combined with International Education Programs, above)	(combined with International Education Programs, above)	(combined with International Education Programs, above)	(combined with International Education Programs, above)	(combined with International Education Programs, above)	(combined with International Education Programs, above)
Title VII: Graduate and Postsecondary Improvement Programs										
Title VII, Part A: Graduate Education										
Graduate Assistance in Areas of National Need	\$716	C	D	28,047	28,047	28,047	28,047	28,047	28,047	28,047
Masters Degree Programs at Historically Black Colleges and Universities	\$725	C	D	7,500	7,500	7,500	7,500	7,500	7,500	7,500
Title VII, Part D: Programs to Provide Students with Disabilities with a Quality Higher Education										
Model Transition Programs	\$736	C	D	11,800	11,800	11,800	11,800	11,800	11,800	11,800
National Technical Assistance Center		C								
Coordinating Center		C								

Sources: CRS analysis of H.R. 4508; U.S. Department of Education, FY2018 Congressional Action Budget Table, October 4, 2017; and U.S. Department of Education, FY2018 Congressional Budget Justifications.

- a. An entry of “C” or “N” indicates whether program is a continuing program that is currently specified in the HEA or would be newly established by H.R. 4508, respectively.
- b. An entry of “D” or “M” indicates whether appropriations or budget authority for the program are discretionary or mandatory, respectively.

- c. An entry of “such sums” indicates that the amount authorized to be appropriated for a particular fiscal year is such sums as may be necessary (i.e., an indefinite amount).
- d. Section 505(e) of the Federal Credit Reform Act of 1990 (FCRA) authorizes appropriations for administrative costs for federal agencies that are authorized to make direct loan obligations or loan guarantee commitments. In accordance with this provision, discretionary appropriations to administer the program are made annually.
- e. Section 504(f) of FCRA provides permanent indefinite budget authority to make loan re-estimates under this program.
- f. The TRIO Programs’ authorization of appropriations provides authority for Talent Search, Upward Bound, Student Support Services, McNair Postbaccalaureate Achievement Program, Education Opportunity Centers, Staff Training, and other activities under current law. Under H.R. 4508, the TRIO Programs authorization of appropriations would also provide authority for Impact Grants.
- g. H.R. 4508 would repeal the authority to make TEACH Grants after June 30, 2018 to individuals who had not received a TEACH Grant prior to that date. H.R. 4508 would authorize individuals who had received a TEACH Grant prior to June 30, 2018, to remain eligible to receive TEACH Grants until the recipient completes the program of study for which the first disbursement of the TEACH Grant was made or the recipient received cumulative TEACH Grants totaling \$16,000 for undergraduate study or \$8,000 for graduate study.
- h. From amounts authorized to be appropriated under HEA, Section 441, the Secretary would be required to reserve such sums as may be necessary for allocation to work colleges under HEA, Section 442(a)(2).
- i. H.R. 4508 would terminate the authority for loans to be made through the Direct Loan program after September 30, 2024. Transition language would permit existing borrowers who had obtained a Direct Loan prior to July 1, 2019, to continue to borrow through the Direct Loan program for purposes of financing the remainder of a program of study at the same academic level (either undergraduate or graduate) until September 30, 2024, so long as the first disbursement of such loan would be made prior to that date.
- j. Account maintenance fees shall be calculated on the basis of 0.06 percent of the original principal amount of outstanding loans on which insurance was issued under HEA, Title IV, Part B.
- k. Currently under the HEA, authorizations of appropriations are provided for each Part of Title VI. H.R. 4508 would provide one authorization of appropriations for all of Title VI.

Table A-2 lists existing HEA programs and other related programs (e.g., programs authorized under the Education for the Deaf Act) that under H.R. 4508 would be repealed, for which authorizations of appropriations would be repealed, or for which authorization of appropriations would not be extended. HEA programs are listed in the order in which they appear in the HEA. For each program, the table identifies the current statutory citation for the program, a brief description of the program, how the program is treated under H.R. 4508 (i.e., program is repealed; authorization of appropriations is repealed; authorization of appropriations are not extended) and the most recent appropriation or budget authority provided for FY2009 or after. (FY2009 was the first year for which authorizations of appropriations were provided under the HEAO amendments to the HEA.)

Table A-2. Existing HEA and Related Programs that Would Be Repealed or for which Authorization of Appropriations Would be Repealed or Not Extended

Under H.R. 4508, as reported with amendments to the House of Representatives on February 8, 2018

HEA Title, Part, and Program	Auth. Sec.	Description	Action	Most Recent Appropriation or Budget Authority for FY2009 or After (\$ in Thousands)
Title I: General Provisions				
Title I, Part B: Additional General Provisions				
Title I, Part B, Drug and Alcohol Abuse Prevention Grants	§120(e)	Authorizes grants and contracts with institutions of higher education (IHEs) and other organizations to develop and implement prevention and education programs to reduce the illegal use of drugs and alcohol.	Program repealed	n.a.
State Higher Education Information System Pilot	§136	Authorizes a pilot program to award competitive grants to assist not more than five states to develop state-level postsecondary student data systems.	Authorization of appropriations not extended	n.a.
Title II: Teacher Quality Enhancement				
Title II, Part A: Teaching Quality Partnership Grants				
Teacher Quality Partnership Grants	§209	Authorizes grants to support pre-Baccalaureate preparation, teacher residencies, and leadership development activities.	Program repealed	FY2017: 43,092
Pre Baccalaureate Preparation Program		Authorizes grants to partnerships to carry out activities to prepare individuals to enter the teaching profession.		
Teacher Residency Program		Authorizes one-year stipends to recent college graduates and mid-career professionals to obtain graduate level teacher training in exchange for agreements to serve three years in a high-need school.		
Leadership Development Program		Authorizes grants to partnerships to prepare students for careers as school administrators and to support activities that promote leadership skills.		

HEA Title, Part, and Program	Auth. Sec.	Description	Action	Most Recent Appropriation or Budget Authority for FY2009 or After (\$ in Thousands)
Title II, Part B: Enhancing Teacher Education				
Preparing Teachers for Digital Age Learners	§230	Authorizes grants to ensure teachers are prepared to use modern information, communication, and learning tools.	Program repealed	n.a.
Hawkins Centers of Excellence	§230	Authorizes grants to establish centers to prepare teachers at minority serving IHEs.	Program repealed	n.a.
Teach to Reach Grants	§230	Authorizes grants to improve the preparation of general education teachers to provide instruction to students with disabilities.	Program repealed	n.a.
Adjunct Teacher Corps	§230	Authorizes grants to create opportunities for individuals with subject matter expertise in mathematics, science, or critical foreign languages to provide such expertise to secondary school students on an adjunct basis.	Program repealed	n.a.
Graduate Fellowships to Prepare Faculty in High-Need Areas	§230	Authorizes grants to support graduate fellowships to individuals who are preparing for the professorate in order to prepare teachers in certain high-need subject areas.	Program repealed	n.a.
Title III: Institutional Aid				
Title III, Part A: Strengthening Institutions				
Strengthening Institutions	§399	Authorizes grants to institutions with financial limitations and a high percentage of needy students.	Authorization of appropriations repealed	FY2017: \$86,534
Title III, Part C: Endowment Challenge Grants for Institutions Eligible for Assistance Under Part A or Part B				
Endowment Challenge Grants	§399	Authorizes matching grants to eligible institutions to either establish or increase endowments.	Authorization of appropriations repealed	FY1995: 8,000
Title III, Part E: Minority Science and Engineering Improvement Program				
Programs in STEM Fields	§399		Program repealed	n.a.
YES Partnerships Grants		Authorizes grants to support the engagement of underrepresented minority youth in STEM outreach.		

HEA Title, Part, and Program	Auth. Sec.	Description	Action	Most Recent Appropriation or Budget Authority for FY2009 or After (\$ in Thousands)
Promotion of Entry into STEM Fields		Authorizes the Secretary to contract with a firm to implement an advertising campaign to encourage youths to enter into STEM fields.		
Title IV: Student Assistance				
Title IV, Part A: Grants to Students in Attendance at Institutions of Higher Education				
Academic Competitiveness Grants and National Science and Mathematics Access to Retain Talent (SMART) Grants	§401A	Authorizes financial assistance to postsecondary students who take challenging courses in high school and pursue high-demand college majors.	Program repealed	FY2011: 1,000
Mandatory Funds for Upward Bound	§402C	Authorized grants to 186 unsuccessful Upward Bound applications from the FY2007 competition and supported technical assistance and administration costs for the Upward Bound program.	Authorization of appropriations not extended	FY2011: 57,000
Federal Supplemental Educational Opportunity Grants (FSEOG)	§413A	Authorizes supplemental grants to IHEs to assist them in providing financial assistance to students who demonstrate financial need.	Program repealed	FY2017: 733,130
Leveraging Educational Assistance Partnership (LEAP) Grants	§415A	Authorizes matching grants to states to assist them in providing need-based financial assistance to eligible postsecondary students.	Program repealed	FY2010: 30,000 ^a
Grants for Access and Persistence (GAP)	§415A	Authorizes matching grants to states to establish need-based scholarship programs, fund early awareness and outreach activities, and support services to students.	Program repealed	FY2010: 33,852 ^a
Robert C. Byrd Honors Scholarship	§419K	Authorizes grants to states to award scholarships to "exceptionally able" high school graduates.	Program repealed	FY2010: 42,000

HEA Title, Part, and Program	Auth. Sec.	Description	Action	Most Recent Appropriation or Budget Authority for FY2009 or After (\$ in Thousands)
Title IV, Part B: Federal Family Education Loan (FFEL) Program				
Federal Family Education Loan program	§421	Authorized a federally guaranteed loan program through which loans were originated by private sector and state-based lenders; were funded with nonfederal capital; and guaranteed against loss by the federal government. The authority to make new FFEL program loans was terminated, effective July 1, 2010. No new loans are being made through the FFEL program, however, outstanding FFEL program loans are due to be repaid over the coming years.	Authority to make new loans not extended	FY2010: -1,701,415 (Net new loan subsidies)
Loan Forgiveness for Service in Areas of National Need	§428K	Authorizes loan forgiveness for borrowers who are employed full-time in an area of national need.	Authorization of appropriations not extended	n.a.
Loan Repayment for Civil Legal Assistance Attorneys	§428L	Authorizes loan repayment benefits for individuals who are employed as civil legal assistance attorneys.	Authorization of appropriations not extended	FY2010: 5,000
Title IV, Part C: Federal Work-Study Programs				
FWS Off-Campus Community Service	§447	Authorizes grants to IHEs to supplement off-campus community service employment	Program repealed	FY2010: 750
Title IV, Part D: William D. Ford Federal Direct Loan Program				
Federal Payments to loan servicers for job retention	§458	Authorized funding for FY2010 and FY2011 for payments to servicers of FFEL program loans for the purpose of retaining jobs at locations in the United States where those servicers were operating in the capacity of FFEL servicers on January 1, 2010.	Program repealed	FY2011: 25,000
Title IV, Part E: Federal Perkins Loans				
Federal Perkins Loans Authorization to Make New Loans ^c	§461	Authorizes IHEs to make loans to eligible students with financial need.	Authority to make new loans not extended	—
Federal Perkins Loan Repayments	§461	Repayments of Perkins Loans made by borrowers.	Program repealed	FY2017: -179,038

HEA Title, Part, and Program	Auth. Sec.	Description	Action	Most Recent Appropriation or Budget Authority for FY2009 or After (\$ in Thousands)
Federal Perkins Loan Cancellations	§465	Authorizes the Secretary to reimburse IHEs for Perkins Loans cancelled for a borrower's employment in specified public service jobs.	Program repealed	FY2008: 67,164
Title IV, Part G: General Provisions Relating to Student Assistance Programs				
Advisory Committee on Student Financial Assistance	§491	Authorizes the establishment and operation of a committee to provide advice to the Secretary and the authorizing committees on student financial aid matters.	Program repealed	FY2015: (funded from ED program admin., but not less than \$800)
Title IV, Part I: Competitive Loan Auction Pilot Program				
Parent PLUS Loan Pilot Auction program	§499	Authorizes the Secretary to implement a pilot student loan auction program for FFEL program parent PLUS Loans.	Authority to make FFEL PLUS Loans not extended	n.a.
Title VI: International Education Programs				
Title VI, Part A; International and Foreign Language Studies				
Undergraduate International Studies and Foreign Language Programs	§604	Authorizes grants to strengthen and improve undergraduate instruction in international studies and foreign languages.	Program repealed	FY2017: 2,863
Technological Innovation and Cooperation for Foreign Information Access	§606	Authorizes grants to support activities that address national teaching and research needs in international education and foreign languages.	Program repealed	FY2011: 2,108
American Overseas Research Centers	§609	Authorizes grants to establish and operate centers that promote postgraduate research, exchanges, and area studies.	Program repealed	FY2017: 540
Title VI, Part B: Business and International Education Programs				
Business and International Education Projects	§613	Authorizes grants to support linkages between IHEs and American businesses that engage in international economic activity.	Program repealed	FY2011: 994

HEA Title, Part, and Program	Auth. Sec.	Description	Action	Most Recent Appropriation or Budget Authority for FY2009 or After (\$ in Thousands)
Title VI, Part C: Institution for International Public Policy				
Institute for International Public Policy	§629	Authorizes a grant to support an institute designed to increase the representation of minorities in international services, including private international voluntary organizations and the U.S. Foreign Service.	Program repealed	FY2011: 1,541
Title VI, Part D: General Provisions				
Science & Technology Advanced Foreign Language Education Grant Program	§637	Authorizes grants to support the teaching of foreign languages.	Program repealed	n.a.
Title VII: Graduate and Postsecondary Improvement Programs				
Title VII, Part A: Graduate Education Programs				
Jacob K. Javits Fellowship Program	§705	Authorizes fellowships for graduate study in the arts, humanities, and social sciences.	Program repealed	FY2011: 8,084
Thurgood Marshall Legal Education Opportunity Program	§721	Authorizes a grant to the Council on Legal Education Opportunity for the purpose of providing low-income, minority, or disadvantaged students with services and financial assistance needed to gain access to and to complete law school study.	Program repealed	FY2010: 3,000
Masters Degree Programs at Predominantly Black Institutions	§725	Authorizes grants to specified predominantly black institutions to improve graduate education opportunities in mathematics, sciences, and nursing for Black Americans.	Authorization of discretionary appropriations not extended	n.a.
Title VII, Part B: Fund for the Improvement of Postsecondary Education				
Fund for the Improvement of Postsecondary Education	§745	Authorizes grants and contracts to improve postsecondary education opportunities.	Program repealed	FY2015: 67,775 ^d
Center for Best Practices to Support Single Parent Students		Authorizes the Secretary to award one grant or contract to an IHE to establish and maintain a center to study and developed best practices for IHEs to support single parents who are also students.		

HEA Title, Part, and Program	Auth. Sec.	Description	Action	Most Recent Appropriation or Budget Authority for FY2009 or After (\$ in Thousands)
Scholarship Program for Family Members of Veterans or Members of the Military		Authorizes grants to carry out a program to provide postsecondary education scholarships to family members of veterans and servicemembers.		
Title VII, Part D: Programs to Provide Students with Disabilities with a Quality Higher Education				
Demonstration Projects to Support Postsecondary Faculty, Staff, and Administrators in Educating Students with Disabilities	§765	Authorizes competitive grants, contracts, and cooperative agreements to support model demonstration project to support postsecondary faculty, staff, and administrators in educating postsecondary students with disabilities.	Program repealed	FY2010: 6,755
Commission and Programs to Support Improve Access to Materials	§775			n.a.
Advisory Commission on Accessible Instructional Materials		Authorizes the establishment and operation of a committee to conduct a study and develop recommendations on ways in which to inform federal regulations and identify improved practices relating to the quality and delivery of postsecondary instructional materials in specialized formats to postsecondary students with disabilities.	Program repealed	
Model Demonstration Programs		Authorizes grants to support model demonstration programs to encourage the development of systems to improve the quality and delivery of postsecondary instructional materials in specialized formats to postsecondary students with disabilities.	Program repealed	
Title VII, Part E: College Access Challenge Grant Program				
College Access Challenge Grants	§781	Authorizes matching grants to foster partnerships to increase the number of low-income students who are prepared to enter into and succeed in postsecondary education.	Program repealed	FY2014: 139,2000

HEA Title, Part, and Program	Auth. Sec.	Description	Action	Most Recent Appropriation or Budget Authority for FY2009 or After (\$ in Thousands)
Title VIII: Additional Programs				
Part A-Project GRAD	§801	Authorizes the Secretary to enter into a contract with the nonprofit organization Project GRAD USA to provide support for programs that assist in secondary-to-postsecondary education transitions.	Program repealed	n.a.
Part B-Mathematics and Science Scholars	§802	Authorizes competitive grants to states to provide support and scholarships for students pursuing STEM or health fields.	Program repealed	n.a.
Part C-Business Workforce Partnerships for Job Skill Training	§803	Authorizes competitive grants to partnerships to provide job training in high-growth fields and to strengthen degree programs to meet workforce needs.	Program repealed	n.a.
Part D-Capacity for Nursing Students and Faculty	§804	Authorizes competitive grants to IHEs to expand associate, bachelor, and graduate nursing programs.	Program repealed	n.a.
Part E-American History for Freedom	§805	Authorizes competitive grants to IHEs to establish or strengthening program or centers related to traditional American history, free institutions, and Western Civilization.	Program repealed	n.a.
Part F-Teach for America	§806	Authorizes a grant to Teach for America, Inc. to expand its program of recruiting, training, and supporting new teachers.	Program repealed	FY2010: 18,000
Part G-Patsy T. Mink Fellowship	§807	Authorizes grants to IHEs to make fellowship awards to assist minority and women students acquiring doctoral and other terminal degrees for entering the professoriate.	Program repealed	n.a.
Part H-Improving College Enrollment by Postsecondary Schools	§808	Authorizes a grant to a nonprofit organization to make carry out a variety of activities improve postsecondary education enrollment rates.	Program repealed	n.a.
Part I-Early Childhood Education Professional Development	§818	Authorizes competitive grants to states to establish a State Task Force to develop statewide plans for professional development for early childhood education providers.	Program repealed	n.a.

HEA Title, Part, and Program	Auth. Sec.	Description	Action	Most Recent Appropriation or Budget Authority for FY2009 or After (\$ in Thousands)
Part J-Improving STEM Education with a Focus on Alaska Native and Native Hawaiian Students	§819	Authorizes a grant to a partnership of IHEs and private organizations to develop secondary-to-postsecondary transition programs for students in STEM fields, provide support services, and internships.	Program repealed	n.a.
Part K-Pilot Programs to Increase College Persistence and Success	§820	Authorizes competitive grants under two programs aimed at increasing college persistence and success.	Program repealed	n.a.
Part L-Student Safety and Campus Emergency Management	§821	Authorizes competitive matching grants to IHEs to develop emergency communications systems and measures to improve campus safety.	Program repealed	n.a.
Part L-Education Disaster and Emergency Relief Loan Program	§824	Authorizes the Secretary to establish an Education Disaster and Emergency Relief Loan Program for IHEs impacted by major disasters to help fund recovery and operations.	Program repealed	n.a.
Part M-Incentives and Rewards for Low Tuition	§830	Authorizes formula grants to IHEs with low tuition under two programs under which they may provide additional grants to Pell Grant eligible students.	Program repealed	n.a.
Part N: Cooperative Education	§835			
Grants for Cooperative Education		Authorizes competitive matching grants to IHEs to develop work experiences integrated by academic programs.	Program repealed	n.a.
Demonstration and Innovation Projects; Training and Resources Centers; and Research		Authorizes the Secretary to support cooperative education with demonstration projects, training centers, and research.	Program repealed	n.a.
Part O-College Partnership Grants	§841	Authorizes competitive grants to consortia of IHEs or states to develop articulation agreements, common course numbering, and common general education curricula.	Program repealed	n.a.

HEA Title, Part, and Program	Auth. Sec.	Description	Action	Most Recent Appropriation or Budget Authority for FY2009 or After (\$ in Thousands)
Part P-Jobs to Careers	§851	Authorizes competitive grants to IHEs to improve developmental education and workforce bridge programs.	Program repealed	n.a.
Part Q-Rural Development Grants	§861	Authorizes competitive grants to rural-serving IHEs or consortia of IHEs to improve postsecondary education enrollment rates for rural secondary school students and nontraditional students.	Program repealed	n.a.
Part R-Campus-Based Digital Theft Prevention	§871	Authorizes competitive grants or contracts to IHEs or organizations to develop programs to reduce the illegal downloading and distribution of intellectual property.	Program repealed	n.a.
Part S-Training for Realtime Writers	§872	Authorizes competitive grants to postsecondary court reporting programs to promote training and placement of realtime writers.	Program repealed	n.a. ^e
Part T-Centers of Excellence for Veteran Student Success	§873	Authorizes competitive grants to IHEs to develop model programs to support students who are veterans of the armed forces.	Program repealed	n.a. ^f
Part U-University Sustainability	§881	Authorizes competitive grants to IHEs or partnerships to develop programs and practices addressing sustainability.	Program repealed	n.a.
Part V-Modeling and Simulation Programs	§891		Program repealed	n.a.
Modeling and Simulation Task Force		Requires the Secretary to establish a modeling and simulation task force to promote and support the field.		
Modeling and Simulation Enhancement Grants		Authorizes competitive grants to IHEs to enhance modeling and simulation degree programs.		
Modeling and Simulation Establishment Grants		Authorizes competitive grants to IHEs to establish modeling and simulation degree programs.		

HEA Title, Part, and Program	Auth. Sec.	Description	Action	Most Recent Appropriation or Budget Authority for FY2009 or After (\$ in Thousands)
Part W-Path to Success Reentry Education Grants	§892	Authorizes competitive grants to partnerships of community colleges and juvenile detention centers to provide counseling, training, and assistance in reentering the community and pursuing career or technical training or an associate's degree.	Program repealed	n.a.
Part X-School of Veterinary Medicine Competitive Grant Program	§893	Authorizes competitive grants to eligible postsecondary schools to increase the number of veterinarians with specializations in public health practice areas.	Program repealed	n.a.
Part Y-Early Federal Pell Grant Commitment Demonstration Program	§894	Authorization competitive grants to four state agencies to pay administrative costs associated with participating in a demonstration program to make Pell Grant commitments to low-income eighth grade students.	Program repealed	n.a.
Part Z-Kupuna Memorial Archives	§895	Authorizes a grant to the University of Hawaii Academy for Creative Media to establish the Archives and support programs related to collecting Native Hawaiian historical data and to fund scholarships.	Program repealed	n.a.
Part AA-Master's Degree Programs at Historically Black Colleges and Universities	§897	Authorizes grants to specified Historically Black Colleges and Universities to improve graduate education opportunities in mathematics, sciences, and nursing for Black Americans.	Authorization of mandatory appropriations repealed	FY2014: 10,672 [§]
Part AA-Master's Degree Programs at Predominantly Black Institutions	§897	Authorizes grants to specified predominantly black institutions to improve graduate education opportunities in mathematics, sciences, and nursing for Black Americans.	Authorization of mandatory appropriations repealed	(combined with §897 above) [§]
Part AA-Promoting Postbaccalaureate Opportunities for Hispanic Americans	§898	Authorizes grants to eligible Hispanic-serving Institutions to expand graduate educational opportunities for Hispanic and low-income students.	Authorization of mandatory appropriations repealed	FY2014: 10,672

HEA Title, Part, and Program	Auth. Sec.	Description	Action	Most Recent Appropriation or Budget Authority for FY2009 or After (\$ in Thousands)
Programs Authorized Outside of the HEA				
Higher Education Opportunity Act				
National Center for Research in Advanced Information and Digital Technologies	§802	Authorizes a nonprofit research corporation to harness the capacity of technology to improve all levels of learning and education.	Program repealed	n.a
Pilot Grant Program for Course Material Rental	§803	Authorizes grants to support pilot programs that expand the services of bookstores to provide the option for students to rent course materials to achieve savings for students.	Program repealed	n.a. ^h
Higher Education Amendments of 1998				
Grants to States for Workplace and Community Transition Training for Incarcerated Youth Offenders	§821	Authorizes grants to state correctional education agencies to assist and encourage incarcerated youths to acquire functional literacy, life, and job skills through the pursuit of postsecondary education certificates, associate of arts degrees, and bachelor's degrees.	Program repealed	FY2010: 17,186
Underground Railroad Educational and Cultural Programs	§841	Authorizes grants to establish a facility to house, display, interpret, and communicate information related to the history of the Underground Railroad.	Program repealed	FY2010: 1,945
Higher Education Amendments of 1992				
B.J. Stupak Olympics Scholarships	§1543	Authorizes financial assistance to athletes who are training at the United States Olympic Education center or one of the U.S. Olympic training centers and who are pursuing a postsecondary education at IHEs.	Program repealed	FY2010: 977

HEA Title, Part, and Program	Auth. Sec.	Description	Action	Most Recent Appropriation or Budget Authority for FY2009 or After (\$ in Thousands)
Education of the Deaf Act				
Cultural Experiences Grants	§121	Authorizes grants to support activities providing cultural experiences that increase public awareness and understanding of deafness or promote the integration of people who are hearing, deaf, and hard-of-hearing through shared cultural, educational, and social experiences.	Program repealed	n.a.
Monitoring and Evaluation Activities of Gallaudet University	§205(c)	Authorizes appropriations to carry out monitoring and evaluation activities of the education programs and activities and the administrative operations of Gallaudet University and of the National Technical Institute for the Deaf.	Authorization of appropriations repealed	n.a.
National Study on the Education of the Deaf	§211	Authorizes the establishment and operation of a commission to conduct a national study on the education of the deaf in order to identify education-related barriers and contributions to successful postsecondary education experiences and employment for individuals who are deaf.	Program repealed	n.a.
Tribally Controlled Colleges and Universities Assistance Act				
Planning Grants to Tribally Controlled Colleges and Universities	§110	Authorizes grants to plan and develop the establishment of tribally controlled colleges and universities.	Program repealed	n.a.
Tribally Controlled Colleges and Universities Endowment Program	§306	Authorizes grants to establish and develop endowment programs at tribally controlled colleges and universities.	Program repealed	n.a.

Sources: CRS analysis of H.R. 4508, U.S. Department of Education Budget Tables, Congressional Budget Justifications, and program pages for various years.

- a. Pursuant to HEA Section 415A(b)(2), when the appropriation for LEAP exceeds \$30 million, the excess shall be reserved to carry out GAP. Prior to FY2009, the Special LEAP (SLEAP) program was authorized. The SLEAP program provided additional federal funds to LEAP program state grantees to assist them in providing assistance to eligible students who demonstrated financial need. In 2008, the Higher Education Opportunity Act (HEOA) created the Grant for Access and Persistence program and repealed the SLEAP program. For FY2009 and FY2010, a two-year transition period was provided in which states could choose between either SLEAP or GAP.
- b. The amount appropriated above \$30 million for LEAP program are required to be reserved for the GAP program.

- c. The authorization of appropriations to make new federal capital contributions (FCCs) to institutional Perkins Loan funds was repealed under The Federal Perkins Loan Program Extension Act of 2015 (P.L. 114-105). FCCs to IHEs enabled IHEs to capitalize revolving loans funds for the purpose of making loans to eligible students with financial need. Appropriations for FCCs were last provide in FY2004, equaling approximately \$98,764,000.
- d. FY2015 appropriations provided \$67,775,000 for the Fund for the Improvement of Postsecondary Education (FIPSE). Of that amount, \$7,775,000 was for FIPSE and \$60,000,000 for the First in the World Initiative (FITW), as authorized under FIPSE. Of the amount recommended for FITW, \$16,000,000 was set-aside for minority-serving institutions, as defined in titles III and V of the HEA.
- e. Funds have been provided to this program under the authority of FIPSE. Funds were last provided under FIPSE in FY2014, equaling approximately \$1,126,000.
- f. Funds have been provided to this program under the authority of FIPSE. Funds were last provided under FIPSE in FY2015, equaling approximately \$5,000,000.
- g. Although Masters Degrees at Historically Black Colleges and Universities and Masters Degrees at Predominantly Black Institutions are administered by ED as separate programs, they were grouped together in ED's budget for budgetary purposes; therefore, no separate appropriations for the individual programs are listed.
- h. Funds have been provided to this program under authority of FIPSE, equaling approximately \$10,000,000.

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