

The Higher Education Act: A Quick Review

The Higher Education Act of 1965 was signed into law on November 8, 1965. The law was intended “to strengthen the educational resources of our colleges and universities and to provide financial assistance for students in postsecondary and higher education.”

The Higher Education Act of 1965 was reauthorized in 1968, 1972, 1976, 1980, 1986, 1992, and 1998.

The current law contains seven main Titles:

Title I: General Provisions, which includes definitions of “Institution of Higher Education”, college cost provisions

Title II: Teacher Quality Enhancement Grants for States and Partnerships

Title III: Institutional Aid for Minority Serving Institutions (Historically Black Colleges and Universities and Tribal-Serving Institutions)

Title IV: Student Financial Aid

Title V: Developing Institutions (Hispanic Serving Institutions)

Title VI: International Education Programs

Title VII: Graduate and Postsecondary Improvement Programs

Because the law was last reauthorized in 1998 and the titles have not been fully reauthorized since then, the law has been “extended” several times since 2003- when the last authorization expired. Over the past five years, Congress has made various efforts to finalize a reauthorization.

While Congress has not successfully passed a final reauthorization for the entire law, over the past several years, “budget reconciliation” bills have been signed into law that have made major changes to student financial aid, mostly in regards to subsidy levels for lenders and guaranty agencies. The first budget reconciliation “savings” were used to help pay for tax breaks and deficit reduction. The second budget reconciliation “savings” were redirected into student financial aid, providing new mandatory dollars for Pell Grants and reductions to student loan interest for certain loans, among other provisions.

During this 110th Congress, the House and Senate have both passed bills, H.R. 4137 and S. 1642, respectively. During the spring of 2008, Congress was working to reconcile the differences between the two bills. It is expected that a HEA reauthorization will be signed into law before summer 2008.