



Annual HEA Review Raised At Meeting

By Judith Earley



According to a report on the American Student Assistance website, House Committee on Education and the Workforce Chairman Howard “Buck” McKeon (R-CA) suggested during the most recent Education Finance Council meeting held at mid-year that reauthorizations of the Higher Education Act (HEA) should be changed to an annual schedule of reviews instead of the current long-delayed assessment process.

The HEA has been subject to regularly scheduled reauthorizations that actually take multiple years to complete, and this has been going on since the original bill’s enactment back in 1965. Introduced in 2004, the current proposed reauthorization is still on the table and more than likely will not be finalized during this current Senatorial session.

In an interesting analogy, McKeon made reference to the Armed Services Committee, which acts upon a defense bill authorization once every year. Financial aid representatives have not issued any specific official response to the comment; however there are some early grumblings in the financial aid community that an annual reauthorization process might create additional problems. One of their concerns, that an annual bill could wind up stacked in favor of special interest groups, businesses, and lobbyists. Annual legislative changes to the HEA in the past have been directed toward correcting legislative errors or making alterations due to budget concerns.

The reauthorization of the Higher Education Act is an extended multiyear process, beginning with the birth of a new idea to actual changes being ratified and implemented. By way of review, the Higher Education Act is the authorizing statute that establishes the purposes of any higher education programs, defines the types of students and institutions that are eligible to participate in these programs, outlines the procedures for institutions distributing the funds, and sets the annual limit on federal spending for each of the programs.

Like most federally funded education programs, the Higher Education Act receives limited-time authorization, and that expires after a fixed number of years. Programs must then be reauthorized in for them to continue and to remain eligible to receive additional funding.

Additionally, the majority of Higher Education Act programs are forward-funded; this means that funds appropriated for any given fiscal year are available to be spent at the beginning of the following academic year.