

HOW TO

Understand Reauthorization

If you look up “reauthorization” in the dictionary (or on dictionary.com), you will not see an entry. So, what does *reauthorization* mean, and why is it so scary?

Reauthorization of the Higher Education Act

Reauthorization is the process by which Congress prescribes changes, additions, and deletions to the Higher Education Act. Through this process, legislation is developed that adjusts the current programs to meet the changing needs in education. The last reauthorization occurred in 1998 and the next reauthorization is scheduled to be completed by 2004.



The reauthorization review is performed by the House Committee on Education and Workforce, sub-committee on Education Reform and the Senate Committee on Health, Education, Labor and Pension, subcommittee on Education.

The evaluation proceeds through a series of hearings, conducted at several sites nationwide, at which individuals and organizations present their views and suggestions and respond to questions posed by the congressional committee members. Each house holds its own hearings, uses its own information, and drafts its own bill.



After the hearings conclude, staff members on each of the sub-committees develop draft legislation. During the subsequent mark-up period, revisions are made to the draft bills to address the concerns of the sub-committee members. After the draft bill is approved by the sub-committee vote, it is forwarded to the House Education and Workforce Committee and the Senate Committee on Health, Education, Labor and Pensions.

The full committee generally debates technical amendments to the draft bill.

Budget considerations also are reviewed at the full committee level, taking into account both the cost of implementing the new law and the long-term effects of the law on federal spending. Once the bill is accepted by the full committee, it is presented to the House and Senate for approval. Debate usually occurs again at this point with amendments offered by those congressional members who are not on the committees but have specific interest.

Both the Senate and House create their own draft bills, sometimes containing very different provisions.

After the draft bill is passed in each house, a conference committee is formed, composed of both Representatives and Senators, to work out the differences between the House and Senate versions of the bill and to reach a compromise acceptable to all. New amendments cannot be introduced at this point, but “compromise language” can be developed. After the conference committee reaches an agreement, the “new” draft bill is again returned to the House and Senate for approval. Finally, it is forwarded to the President for his signature.



Once the bill has been signed into Law, the Department of Education then drafts new regulations based on the bill written by Congress and signed by the President, and publishes a “Notice of Proposed Rule-Making” (NPRM) in the *Federal Register*. The NPRM requests comments from interested parties affected by the changes. As the comments are received, the Department reviews and assesses each one to compile final regulations that are as reasonable and practicable as possible within the guidelines of the law. Anyone wishing to affect the reauthorization process should contact a member of Congress or committee members to enlist their support for suggestions and to express concerns regarding amendments to the Higher Education Act. The comments are most productive when accompanied by alternative suggestions or statistical data. A second method of affecting the process is to respond to the NPRM published in the *Federal Register*. Again, the most effective commentary provides positive, reasonable alternatives that do not violate the actual provisions of the Act. Statistical or “real life” examples are particularly helpful.



A new process was introduced during the last reauthorization – negotiated rulemaking

(NegReg). NegReg is a process where industry experts and interested parties are invited to work alongside the Department of Education and Congress to describe, discuss, and negotiate changes in the Act prior to the recommendations being sent to Congress. The NegReg process allows the invited participants to address particular items of the legislation earlier in the process and is designed to make the implementation phase easier on all participants. NegReg allows the industry to be proactive, rather than reactive.



The reauthorization process should follow the same pattern every five to six years but each reauthorization year is different. It is a long and arduous process that can be influenced by all participants in the program – schools, students, banks, services, associations, etc.

Though it may seem too early to begin preparing for reauthorization, now is the time that your Congress is learning about the programs and receiving suggestions from the community. If you intend to affect change, you need to contact your legislators sooner rather than later.

Now that you know more about the process, reauthorization shouldn't be a scary process. It is a healthy review of an Act that was created many years ago.



If you have any questions about reauthorization, please contact our Audit and Compliance staff.

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