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118TH CONGRESS
2D SESSION

H. R. 6951

[Report No. 118-739]

To lower the cost of postsecondary education for students and families.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 11, 2024

Ms. FOXX (for herself, Mr. OWENS, Mr. GROTHMAN, Mr. ALLEN, Mr. SMUCKER, Mrs. MCCLAIN, Mrs. STEEL, and Mr. WILLIAMS of New York) introduced the following bill; which was referred to the Committee on Education and the Workforce

NOVEMBER 18, 2024

Additional sponsors: Mrs. HOUCHIN, Ms. STEFANIK, Mr. MORAN, Mr. JAMES, Mrs. CHAVEZ-DEREMER, Mr. BENTZ, Mr. MURPHY, Mr. WILSON of South Carolina, Mr. ESTES, Mr. MANN, Mr. RESCIENTHALER, Mr. SESSIONS, Mr. BANKS, Mr. CARTER of Texas, Mr. BEAN of Florida, Mrs. MILLER of Illinois, Mr. COMER, Mr. KILEY, Mr. WEBER of Texas, Mr. FINSTAD, Mr. AMODEI, Mr. ROGERS of Alabama, Mr. ROUZER, Mr. EDWARDS, Ms. TENNEY, Mr. WEBSTER of Florida, Mr. VAN ORDEN, Mr. BURGESS, Mr. LAMALFA, Mr. CURTIS, Mr. YAKYM, Mr. LATURNER, Mr. SMITH of Nebraska, Mr. VAN DREW, Mr. PENCE, Mr. BILIRAKIS, Mr. MOOLENAAR, Mr. FLEISCHMANN, Mr. AUSTIN SCOTT of Georgia, Mr. DUARTE, Mr. TIMMONS, Mr. LOUDERMILK, Mrs. HARSHBARGER, Mr. POSEY, Mr. HUDSON, Ms. MALLIOTAKIS, Mr. SCOTT FRANKLIN of Florida, Mr. MEUSER, Mrs. HINSON, Mr. LANGWORTHY, Mr. CLINE, Mr. LAMBORN, Mrs. MILLER of West Virginia, Mrs. LUNA, Mr. RUTHERFORD, Mr. FRY, Mr. FERGUSON, Mr. CALVERT, Mr. JOHNSON of South Dakota, Mr. MILLS, Mr. TONY GONZALES of Texas, Mr. DUNCAN, Mr. SCALISE, Mr. MOONEY, Mr. ROGERS of Kentucky, Mr. ARRINGTON, Mr. HERN, Mr. DUNN of Florida, Mr. ALFORD, Mr. JACKSON of Texas, Mrs. BICE, Mr. TIFFANY, Mr. EMMER, Mr. CISCOMANI, Mr. SMITH of Missouri, Mr. ADERHOLT, Mr. MCHENRY, Mr. GUTHRIE, Mr. D'ESPOSITO, Ms. MALOY, Mrs. CAMMACK, Mr. PFLUGER, Ms. VAN DUYNE, Mr. ZINKE, Mr. KUSTOFF, Mr. KELLY of Pennsylvania, Mr. FULCHER, Mr. LUETKEMEYER, Mr. ISSA, Mr. BAIRD, Mr. WALTZ, Mrs. RODGERS of

Washington, Mr. DESJARLAIS, Mr. MCCLINTOCK, Mr. ROSE, Mr. JORDAN, Mr. CLYDE, Mr. NORMAN, Mr. WESTERMAN, Ms. GRANGER, Mr. NEHLS, Mr. DONALDS, Mr. BRECHEEN, Mr. GREEN of Tennessee, Mr. GOOD of Virginia, Mr. BISHOP of North Carolina, Mr. HARRIS, Mr. ELLZEY, Mr. BERGMAN, Mr. GRAVES of Missouri, Mr. MCCORMICK, Mr. VALADAO, Mr. STAUBER, Mr. FALLON, Mr. FONG, Mr. WILLIAMS of Texas, Mr. LALOTA, Mr. SMITH of New Jersey, Mr. MOORE of Alabama, Mr. GOODEN of Texas, Mrs. KIGGANS of Virginia, Ms. HAGEMAN, Mr. KELLY of Mississippi, Mr. LAHOOD, Mr. SELF, Mr. HILL, Mr. STEUBE, Mr. BURCHETT, Mr. SCHWEIKERT, Mr. OBERNOLTE, Mrs. LESKO, Mr. BUCHANAN, Mr. FITZGERALD, Mr. BURLISON, Mr. CLOUD, Mr. OGLES, Mr. GAETZ, Mr. WENSTRUP, Mr. LOPEZ, Mr. MAST, Mr. GRIFFITH, Mr. HUNT, Mr. JOYCE of Ohio, Mr. RULLI, Mr. CRENSHAW, and Ms. BOEBERT

NOVEMBER 18, 2024

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italics]

[For text of introduced bill, see copy of bill as introduced on January 11, 2024]

A BILL

To lower the cost of postsecondary education for students and families.

1 *Be it enacted by the Senate and House of Representa-*
 2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) *SHORT TITLE.*—*This Act may be cited as the “Col-*
 5 *lege Cost Reduction Act”.*

6 (b) *TABLE OF CONTENTS.*—*The table of contents for*
 7 *this Act is as follows:*

Sec. 1. Short title; table of contents.

Sec. 2. References.

TITLE I—TRANSPARENCY

PART A—DEFINITIONS

Sec. 101. Definitions.

PART B—COLLEGE COSTS AND FINANCIAL VALUE

Sec. 111. Financial aid offers.

Sec. 112. College scorecard website.

Sec. 113. Postsecondary student data system.

Sec. 114. Database of student information prohibited.

TITLE II—ACCESS AND AFFORDABILITY

PART A—FINANCIAL NEED

Sec. 201. Amount of need; cost of attendance; median cost of college.

PART B—FINANCIAL AID

SUBPART 1—GRANTS

Sec. 211. Federal Pell Grant program.

Sec. 212. Campus-based aid programs.

SUBPART 2—LOANS

Sec. 221. Loan limits.

Sec. 222. Loan repayment.

Sec. 223. Loan rehabilitation.

Sec. 224. Interest capitalization.

Sec. 225. Origination fees.

TITLE III—ACCOUNTABILITY AND STUDENT SUCCESS

PART A—ACCOUNTABILITY

SUBPART 1—DEPARTMENT OF EDUCATION

Sec. 301. Agreements with institutions.

Sec. 302. Regulatory relief.

Sec. 303. Limitation on authority of Secretary to propose or issue regulations and Executive actions.

Sec. 304. Office of Federal Student Aid.

SUBPART 2—ACCREDITORS

Sec. 311. Accrediting agency recognition.

Sec. 312. National Advisory Committee on Institutional Quality and Integrity (NACIQI).

Sec. 313. Alternative quality assurance experimental site initiative.

PART B—STUDENT SUCCESS

Sec. 321. Postsecondary student success grants.

Sec. 322. Reverse Transfer Efficiency Act.

Sec. 323. Transparent and fair transfer of credit policies.

1 SEC. 2. REFERENCES.

2 (a) *HIGHER EDUCATION ACT OF 1965.*—*Except as*
 3 *otherwise expressly provided, whenever in this Act an*
 4 *amendment or repeal is expressed in terms of an amend-*
 5 *ment to, or repeal of, a section or other provision, the ref-*
 6 *erence shall be considered to be made to a section or other*
 7 *provision of the Higher Education Act of 1965 (20 U.S.C.*
 8 *1001 et seq.).*

9 (b) *FAFSA SIMPLIFICATION ACT.*—*Except as other-*
 10 *wise expressly provided, whenever in this Act a reference*
 11 *to a section or other provision of the Higher Education Act*
 12 *of 1965 (20 U.S.C. 1001 et seq.) refers to such section or*
 13 *other provision as amended or added by the FAFSA Sim-*
 14 *plification Act, the reference shall be considered to be made*
 15 *to the section or other provision as amended or added by—*

16 (1) *title VII of division FF of the Consolidated*
 17 *Appropriations Act, 2021 (title VII of division FF of*
 18 *Public Law 116–260), subject to the effective date of*

1 *section 701(b) of such Act, as amended by section*
2 *102(a) of the FAFSA Simplification Act Technical*
3 *Corrections Act (division R of Public Law 117–103)*
4 *(including the authorization provided under section*
5 *102(c)(1)(A) of such Act); and*

6 *(2) the FAFSA Simplification Act Technical*
7 *Corrections Act (division R of Public Law 117–103).*

8 **TITLE I—TRANSPARENCY**

9 **PART A—DEFINITIONS**

10 **SEC. 101. DEFINITIONS.**

11 *(a) DEFINITIONS.—Section 103 of the Higher Edu-*
12 *cation Act of 1965 (20 U.S.C. 1003) is amended by adding*
13 *at the end the following:*

14 *“(25) CIP CODE.—The term ‘CIP code’ means*
15 *the six-digit taxonomic identification code assigned*
16 *by an institution of higher education to a specific*
17 *program of study at the institution, determined by*
18 *the institution in accordance with the Classification*
19 *of Instructional Programs published by the National*
20 *Center for Education Statistics.*

21 *“(26) CREDENTIAL LEVEL.—*

22 *“(A) IN GENERAL.—The term ‘credential*
23 *level’ means the level of the degree or other cre-*
24 *dential awarded by an institution of higher edu-*
25 *cation to students who complete a program of*

1 *study of the institution. Each degree or other cre-*
2 *denial awarded by an institution shall be cat-*
3 *egorized by the institution as either under-*
4 *graduate credential level or graduate credential*
5 *level.*

6 “(B) *UNDERGRADUATE CREDENTIAL.—*
7 *When used with respect to a credential or creden-*
8 *tial level, the term ‘undergraduate credential’ in-*
9 *cludes credentials such as an undergraduate cer-*
10 *tificate, an associate degree, a bachelor’s degree,*
11 *and a post-baccalaureate certificate.*

12 “(C) *GRADUATE CREDENTIAL.—When used*
13 *with respect to a credential or credential level,*
14 *the term ‘graduate credential’ includes creden-*
15 *tials such as a master’s degree, a doctoral degree,*
16 *a professional degree, and a postgraduate certifi-*
17 *cate.*

18 “(27) *PROGRAM OF STUDY.—The term ‘program*
19 *of study’ means an academic program of study offered*
20 *to students by an institution of higher education*
21 *that—*

22 “(A) *upon completion of the program, re-*
23 *sults in the award of a credential to a student,*
24 *including a degree, diploma, or certificate, for*
25 *one credential level;*

1 “(B) is certified as a program of study in
2 the institution’s program participation agree-
3 ment under section 487; and

4 “(C) is classified by a combination of—

5 “(i) a CIP code; and

6 “(ii) one credential level, determined
7 by the credential awarded upon completion
8 of the program.

9 “(28) PROGRAM LENGTH.—The term ‘program
10 length’ means the minimum amount of time in weeks,
11 months, or years that is specified in the catalog, mar-
12 keting materials, or other official publications of an
13 institution of higher education for a full-time student
14 to complete the requirements for a specific program of
15 study and to obtain the degree or credential awarded
16 by such program.

17 “(29) TIME TO CREDENTIAL.—The term ‘time to
18 credential’ means, with respect to a student, the ac-
19 tual amount of time in weeks, months, or years it
20 takes the student to complete the requirements for a
21 specific program of study and to obtain the degree or
22 credential awarded by such program.

23 “(30) VALUE-ADDED EARNINGS.—

24 “(A) CALCULATION.—With respect to a stu-
25 dent who received Federal financial aid under

1 *title IV and who completed a program of study*
2 *offered by an institution of higher education, the*
3 *term ‘value-added earnings’ means—*

4 “(i) *the annual earnings of such stu-*
5 *dent measured during the applicable earn-*
6 *ings measurement period for such program*
7 *(as determined under subparagraph (C));*
8 *minus*

9 “(ii) *in the case of a student who com-*
10 *pleted a program of study that awards—*

11 “(I) *an undergraduate credential*
12 *(other than such a credential awarded*
13 *by a qualifying undergraduate pro-*
14 *gram as defined in section*
15 *455(a)(4)(B)(ii), 150 percent of the*
16 *poverty line applicable to a single in-*
17 *dividual as determined under section*
18 *673(2) of the Community Services*
19 *Block Grant Act (42 U.S.C. 9902(2))*
20 *for such year; or*

21 “(II) *a graduate credential or an*
22 *undergraduate credential awarded by a*
23 *qualifying undergraduate program as*
24 *defined in section 455(a)(4)(B)(i), 300*
25 *percent of the poverty line applicable*

1 to a single individual as determined
2 under section 673(2) of the Community
3 Services Block Grant Act (42 U.S.C.
4 9902(2)) for such year.

5 “(B) GEOGRAPHIC ADJUSTMENT.—

6 “*(i) IN GENERAL.—Except as provided*
7 *in clause (ii), the Secretary shall use the ge-*
8 *ographic location of the institution at which*
9 *a student completed a program of study to*
10 *adjust the value-added earnings of the stu-*
11 *dent calculated under subparagraph (A) by*
12 *dividing—*

13 “*(I) the difference between sub-*
14 *clauses (I) and (II) of such subpara-*
15 *graph; by*

16 “*(II) the most recent regional*
17 *price parity index of the Bureau of Ec-*
18 *onomics Analysis for the State or, as*
19 *applicable, metropolitan area in which*
20 *such institution is located.*

21 “*(ii) EXCEPTION.—The value-added*
22 *earnings of a student calculated under sub-*
23 *paragraph (A) shall not be adjusted based*
24 *on geographic location in accordance with*

1 *clause (i) if such student attended prin-*
2 *cipally through distance education.*

3 “(C) *EARNINGS MEASUREMENT PERIOD.*—

4 “(i) *IN GENERAL.*—*For the purpose of*
5 *calculating the value-added earnings of a*
6 *student, except as provided in clause (ii),*
7 *the annual earnings of a student shall be*
8 *measured—*

9 “(I) *in the case of a program of*
10 *study that awards an undergraduate*
11 *certificate, post baccalaureate certifi-*
12 *cate, or graduate certificate, one year*
13 *after the student completes such pro-*
14 *gram;*

15 “(II) *in the case of a program of*
16 *study that awards an associate’s degree*
17 *or master’s degree, 2 years after the*
18 *student completes such program; and*

19 “(III) *in the case of a program of*
20 *study that awards a bachelor’s degree,*
21 *doctoral degree, or professional degree,*
22 *4 years after the student completes*
23 *such program.*

24 “(ii) *EXCEPTION.*—*The Secretary may,*
25 *as the Secretary determines appropriate*

1 *based on the characteristics of a program of*
2 *study, extend an earnings measurement pe-*
3 *riod described in clause (i) for a program*
4 *of study that—*

5 *“(I) requires completion of an ad-*
6 *ditional educational program after*
7 *completion of the program of study in*
8 *order to obtain a licensure associated*
9 *with the credential awarded for such*
10 *program of study; and*

11 *“(II) when combined with the*
12 *program length of such additional edu-*
13 *cational program for licensure, has a*
14 *total program length that exceeds the*
15 *relevant earnings measurement period*
16 *prescribed for such program of study*
17 *under clause (i),*

18 *except that in no case shall the annual*
19 *earnings of a student be measured more*
20 *than 5 years after the student completes a*
21 *program of study.”.*

1 **PART B—COLLEGE COSTS AND FINANCIAL VALUE**

2 **SEC. 111. FINANCIAL AID OFFERS.**

3 (a) *INSTITUTION FINANCIAL AID OFFER.*—Part B of
4 title I of the Higher Education Act of 1965 (20 U.S.C. 1011
5 et seq.) is amended by adding at the end the following:

6 **“SEC. 124. INSTITUTION FINANCIAL AID OFFER FORM.**

7 “(a) *STANDARD FORM AND TERMINOLOGY.*—The Sec-
8 retary, in consultation with the heads of relevant Federal
9 agencies, shall develop standard terminology and a stand-
10 ard form for financial aid offers based on recommendations
11 from representatives of students, veterans, servicemembers,
12 families of students, institutions of higher education (in-
13 cluding community colleges, for-profit institutions, four-
14 year public institutions, and four-year private nonprofit
15 institutions), financial aid experts, secondary school and
16 postsecondary counselors, college access professionals, non-
17 profit organizations, and consumer groups.

18 “(b) *KEY REQUIRED CONTENTS FOR AID OFFER.*—
19 The standard form developed pursuant to subsection (a)
20 shall be titled ‘Financial Aid Offer’ and shall include the
21 following items in a consumer-friendly manner that is sim-
22 ple and understandable, with costs listed first, followed by
23 grants and scholarships, clearly separated from each other
24 with separate headings:

25 “(1) *COST INFORMATION.*—

1 “(A) *IN GENERAL.*—*Information on the stu-*
2 *dent’s estimated cost of attendance, including the*
3 *following:*

4 “(i) *DIRECT COSTS.*—*The total cost of*
5 *all items described in section 472 that are*
6 *billed to the student by the institution or*
7 *otherwise required by the institution for en-*
8 *rollment, including such total cost*
9 *disaggregated by the cost of each such item,*
10 *including, as determined under such sec-*
11 *tion—*

12 “(I) *tuition and fees (and other*
13 *required expenses); and*

14 “(II) *housing and food for a stu-*
15 *dent electing institutionally owned or*
16 *operated food services or institutionally*
17 *owned or operated housing.*

18 “(ii) *INDIRECT COSTS.*—*The total cost*
19 *(including such total cost disaggregated by*
20 *the cost of each item) as determined under*
21 *section 472, of—*

22 “(I) *housing and food for a stu-*
23 *dent not electing institutionally owned*
24 *or operated food services and not living*

1 *in institutionally owned or operated*
2 *housing;*

3 *“(II) books, school supplies, equip-*
4 *ment, course materials, and rental or*
5 *purchase of a personal computer;*

6 *“(III) transportation; and*

7 *“(IV) any other item described in*
8 *such section and not described in*
9 *clause (i) determined to be necessary*
10 *by the institution.*

11 *“(B) The academic period covered by the fi-*
12 *nancial aid offer, and an explanation that the*
13 *amount of financial aid offered may differ—*

14 *“(i) for academic periods not covered*
15 *by the aid offer, such as a summer term or*
16 *future academic year; or*

17 *“(ii) by program.*

18 *“(C) An indication of whether cost and aid*
19 *estimates are based on full-time or part-time en-*
20 *rollment.*

21 *“(D) An indication, as applicable, about*
22 *whether any costs described in subparagraph*
23 *(A)(i) which are subject to change are—*

24 *“(i) estimated based on the previous*
25 *year; or*

1 “(ii) set for the academic period indi-
2 cated in accordance with subparagraph (B).

3 “(2) GRANTS AND SCHOLARSHIPS.—The aggre-
4 gate amount of grants and scholarships, differentiated
5 by source, that the student does not have to repay,
6 such as grant aid offered under title IV, grant aid of-
7 fered through other Federal programs, grant aid of-
8 fered by the institution, grant aid offered by the
9 State, and, if known, grant aid or scholarship from
10 an outside source to the student for such academic pe-
11 riod, including a disclosure that the grants and schol-
12 arships do not have to be repaid, except that institu-
13 tions shall be authorized to list individual grants and
14 scholarships by name at the discretion of the institu-
15 tion.

16 “(3) NET PRICE.—

17 “(A) IN GENERAL.—The net price that the
18 student, is estimated to have to pay for the stu-
19 dent to attend the institution for such academic
20 period, including the following:

21 “(i) MINIMUM AMOUNT COVERED BY
22 STUDENT FOR ENROLLMENT.—The net price
23 of tuition and fees (and other required ex-
24 penses), which is equal to—

1 “(I) the sum of the costs described
2 in paragraph (1)(A) that are required
3 for students (as determined under
4 paragraph (5)(B)) for the period indi-
5 cated in paragraph (1)(B); minus

6 “(II) the total amount of grant
7 and scholarship aid described in para-
8 graph (2) that is included in the fi-
9 nancial aid offer and available to the
10 student for the costs described in sub-
11 clause (I).

12 “(ii) *ESTIMATED ANNUAL NET PRICE*
13 *OF ATTENDANCE.*—The estimated net price
14 of attendance, which is equal to—

15 “(I) the cost of attendance for the
16 student for the period indicated in
17 paragraph (1)(B); minus

18 “(II) the total amount of grant
19 and scholarship aid described in para-
20 graph (2).

21 “(B) *DISCLOSURE.*—A disclosure that the
22 estimated annual net price of attendance as cal-
23 culated under subparagraph (A)(ii) is based on
24 an estimate of the total cost of attendance for the
25 year and not necessarily equivalent to the

1 *amount the student will owe directly to the insti-*
2 *tution.*

3 “(4) *LOANS.*—

4 “(A) *Information on any education loan of-*
5 *fered through any Federal or State program (in-*
6 *cluding any loan under part D or part E of title*
7 *IV other than a Federal Direct PLUS Loan)*
8 *that the institution offers for the student for the*
9 *academic period covered by the offer, which shall*
10 *be made—*

11 “(i) *with clear use of the word ‘loan’ to*
12 *describe the recommended loan amounts;*
13 *and*

14 “(ii) *with clear labeling of subsidized*
15 *and unsubsidized loans.*

16 “(B) *If applicable, a disclosure that such*
17 *loans have to be repaid with interest.*

18 “(C) *Information on any other loan that the*
19 *student or parent has applied for and been ap-*
20 *proved for, regardless of the source.*

21 “(5) *STUDENT EMPLOYMENT.*—*Information on*
22 *work-study employment opportunities (including*
23 *work-study programs under part C of title IV, insti-*
24 *tutional work-study programs, or State work-study*
25 *programs), including—*

1 “(A) *the maximum annual amount the stu-*
2 *dent may earn through the program; and*

3 “(B) *a disclosure that any amounts received*
4 *pursuant to such a program may be—*

5 “(i) *subject to the availability of quali-*
6 *fied employment opportunities upon stu-*
7 *dents enrollment; and*

8 “(ii) *disbursed over time as earned by*
9 *the student.*

10 “(6) *PROCESS FOR ACCEPTING, ADJUSTING, OR*
11 *DECLINING AID AND NEXT STEPS.—*

12 “(A) *The deadlines and a summary of the*
13 *process (including the next steps) for—*

14 “(i) *accepting the financial aid offered;*

15 “(ii) *adjusting the amount of aid of-*
16 *fered; and*

17 “(iii) *declining the aid offered.*

18 “(B) *Information on when and how costs*
19 *described in paragraph (1)(A)(i) must be paid,*
20 *including a clear indication of whether each such*
21 *cost is required or optional for the student.*

22 “(C) *A disclosure that verification of infor-*
23 *mation provided on the Free Application for*
24 *Federal Student Aid may require the student to*
25 *submit further documentation.*

1 “(D) Information about where a student or
2 the student’s family can seek additional informa-
3 tion regarding the financial aid offered, includ-
4 ing contact information for the institution’s fi-
5 nancial aid office and the Department of Edu-
6 cation’s website on financial aid.

7 “(E) Information about where a student or
8 a student’s family can seek additional informa-
9 tion on college costs and student outcomes, in-
10 cluding a link to the Department of Education’s
11 College Scorecard website (or successor website).

12 “(7) NET PRICE CALCULATOR.—A link to the
13 universal net price calculator website described in sec-
14 tion 132(c)(4).

15 “(8) QUICK REFERENCE BOX.—A standardized
16 quick reference box to enable students to compare in-
17 formation on the costs and financial aid described in
18 paragraphs (1) and (2). The quick reference box shall
19 include the following two data elements:

20 “(A) The minimum amount covered by the
21 student for enrollment described in paragraph
22 (3)(A)(i).

23 “(B) The estimated annual net price of at-
24 tendance described in paragraph (3)(A)(ii).

1 “(9) *ADDITIONAL INFORMATION.*—*Any other in-*
2 *formation the Secretary, in consultation with the*
3 *heads of relevant Federal agencies, including the Sec-*
4 *retary of the Treasury and the Director of the Bureau*
5 *of Consumer Financial Protection, determines nec-*
6 *essary, based on the results and input of the consumer*
7 *testing under subsection (h)(2), and limited only to*
8 *effectively communicating college costs and financial*
9 *aid eligibility to students and parents.*

10 “(c) *OTHER REQUIRED CONTENTS FOR AID OFFER.*—
11 *The standard form developed under subsection (a) shall in-*
12 *clude, in addition to the information described in subsection*
13 *(b), the following information in a concise format deter-*
14 *mined by the Secretary, in consultation with the heads of*
15 *relevant Federal agencies and the individuals and entities*
16 *described in subsection (a):*

17 “(1) *Additional options and potential resources*
18 *for paying for the amount listed in subsection (b)(3),*
19 *such as tuition payment plans.*

20 “(2) *The following information relating to pri-*
21 *vate student loans and Federal Direct PLUS Loans:*

22 “(A) *A disclosure that Federal Direct PLUS*
23 *Loans, private education loans, or income share*
24 *agreements may be available to cover remaining*
25 *need, except that the institution may not include*

1 *Federal Direct PLUS Loans or private edu-*
2 *cation loans other than under the conditions de-*
3 *scribed in subsection (b)(4)(C) and must include*
4 *a disclosure that such loans—*

5 *“(i) are subject to an additional appli-*
6 *cation process; and*

7 *“(ii) must be repaid by the borrower or*
8 *their co-signer, and may not be eligible for*
9 *the benefits available for Federal Direct*
10 *Loans or Federal Direct Unsubsidized*
11 *Loans.*

12 *“(B) A statement that students considering*
13 *borrowing to cover the cost of attendance should*
14 *consider available Federal student loans prior to*
15 *applying for private education loans, including*
16 *an explanation that Federal student loans offer*
17 *generally more favorable terms and beneficial re-*
18 *payment options than private loans.*

19 *“(d) ADDITIONAL FORMATTING REQUIREMENTS FOR*
20 *FINANCIAL AID OFFER.—The financial aid offer shall meet*
21 *the following requirements:*

22 *“(1) Clearly distinguish between the aid offered*
23 *under paragraphs (2) and (4) of subsection (b), by in-*
24 *cluding a subtotal for the aid offered in each of such*

1 *paragraphs and by refraining from commingling the*
2 *different types of aid described in such paragraphs.*

3 *“(2) Use standard terminology and definitions,*
4 *as described in subsection (f)(1), and use plain lan-*
5 *guage where possible.*

6 *“(3) Use the standard aid offer described in sub-*
7 *section (f)(2).*

8 *“(e) ADDITIONAL REQUIREMENTS FOR ELECTRONIC*
9 *FINANCIAL AID OFFERS.—In the case of an electronic fi-*
10 *nanacial aid offer that includes a requirement that a student*
11 *confirm receipt of such offer, such confirmation may not*
12 *be considered an acceptance or rejection of such offer.*

13 *“(f) SUPPLEMENTAL CONTENT AND DISCLOSURES TO*
14 *BE PROVIDED.—In addition to the standard form described*
15 *under subsection (a), institutions shall provide, in supple-*
16 *mental documents or through easily accessible weblinks to*
17 *the institution’s portal or a website, the following:*

18 *“(1) The renewability requirements and condi-*
19 *tions under which the student can expect to receive*
20 *similar amounts of such financial aid for each aca-*
21 *demie period the student is enrolled at the institution.*

22 *“(2) Whether the aid offer may change if aid*
23 *from outside sources is applied after the student re-*
24 *ceives the initial aid offer, and, if applicable, how*
25 *that aid will change.*

1 “(3) *If loans under part D or part E of title IV*
2 *or other education loans offered through Federal pro-*
3 *grams are included—*

4 “(A) *a disclosure that the interest rates and*
5 *fees on such loans are set annually and affect*
6 *total cost over time, and a link to any website*
7 *that includes current information on interest*
8 *rates and fees; and*

9 “(B) *if an institution’s recommended Fed-*
10 *eral student loan aid offered in subsection (b)(4)*
11 *is less than the Federal maximum available to*
12 *the student, the institution shall provide addi-*
13 *tional information on Federal student loans in-*
14 *cluding the types and amounts for which the stu-*
15 *dent is eligible and the process for requesting*
16 *higher loan amounts if offered loan amounts*
17 *were included.*

18 “(4) *If the institution opts not to disclose other*
19 *items described in subsection (b)(1)(A)(ii)(V) as part*
20 *of the aid offer, a list of such other items and the al-*
21 *lowance amount for each such item.*

22 “(g) *STANDARD INFORMATION ESTABLISHED BY SEC-*
23 *RETARY.—*

24 “(1) *STANDARD TERMINOLOGY.—Not later than*
25 *3 months after the date of enactment of the College*

1 *Cost Reduction Act, the Secretary, in consultation*
2 *with the heads of relevant Federal agencies, and the*
3 *individuals and entities described in subsection (a)*
4 *shall establish standard terminology and definitions*
5 *for the terms described in subsection (b).*

6 “(2) *STANDARD FORM.*—

7 “(A) *IN GENERAL.*—*The Secretary of Edu-*
8 *cation shall develop multiple draft financial aid*
9 *offers for consumer testing, carry out consumer*
10 *testing for such forms, and establish a finalized*
11 *standard financial aid offer in accordance*
12 *with—*

13 “(i) *the process established under sub-*
14 *section (h); and*

15 “(ii) *the requirements of this section.*

16 “(B) *SEPARATE FINANCIAL AID OFFERS.*—

17 *The Secretary shall develop separate financial*
18 *aid offers for—*

19 “(i) *undergraduate students; and*

20 “(ii) *graduate students.*

21 “(h) *ADDITIONAL INFORMATION; REMOVAL OF INFOR-*
22 *MATION.*—*Nothing in this section shall preclude an institu-*
23 *tion from—*

24 “(1) *supplementing the financial aid offer with*
25 *additional information, provided that such informa-*

1 *tion utilizes the same standard terminology identified*
2 *in subsection (f)(1) and does not misrepresent costs,*
3 *financial aid offered, or net price; or*

4 *“(2) deleting a required item or disclosure if—*

5 *“(A) the student is ineligible for such aid;*

6 *“(B) the institution does not participate in*
7 *the aid program or type;*

8 *“(C) the aid offer does not include the aid*
9 *program or type; or*

10 *“(D) a cost of attendance item is not appli-*
11 *cable to the student.*

12 *“(i) DEVELOPMENT OF FINANCIAL AID OFFER.—*

13 *“(1) DRAFT FORM.—Not later than 9 months*
14 *after the date of enactment of the College Cost Reduc-*
15 *tion Act, the Secretary of Education, in consultation*
16 *with the heads of relevant Federal agencies and the*
17 *individuals and entities described in subsection (a)*
18 *shall design and produce multiple draft financial aid*
19 *offers for consumer testing with postsecondary stu-*
20 *dents or prospective students. In developing that form,*
21 *the Secretary shall ensure that—*

22 *“(A) the headings described in paragraphs*
23 *(1) through (4) of subsection (b) are in the same*
24 *font, appears in the same order, and are dis-*
25 *played prominently on the financial aid offer,*

1 *such that none of that information is inappro-*
2 *propriately omitted or deemphasized;*

3 *“(B) the other information required under*
4 *subsection (b) appears in a standard format and*
5 *design on the financial aid offer; and*

6 *“(C) the institution may include a logo or*
7 *brand alongside the title of the financial aid*
8 *offer.*

9 “(2) CONSUMER TESTING.—

10 “(A) IN GENERAL.—Not later than 9
11 months after the date of enactment of the College
12 Cost Reduction Act, the Secretary, in consulta-
13 tion with the heads of relevant Federal agencies,
14 shall establish a process to submit the financial
15 aid offer drafts developed under paragraph (1)
16 for consumer testing among representatives of
17 students (including low-income students, first
18 generation college students, adult students, vet-
19 erans, servicemembers, and prospective students),
20 students’ families (including low-income fami-
21 lies, families with first generation college stu-
22 dents, and families with prospective students),
23 institutions of higher education, secondary school
24 and postsecondary counselors, and nonprofit con-
25 sumer groups.

1 “(B) *LENGTH OF CONSUMER TESTING.*—The
2 Secretary shall ensure that the consumer testing
3 under this paragraph lasts not longer than 8
4 months after the process for consumer testing is
5 developed under subparagraph (A).

6 “(C) *NONAPPLICATION OF PAPERWORK RE-*
7 *DUCTION ACT.*—Subchapter I of chapter 35 of
8 title 44, United States Code, shall not apply to
9 the consumer testing process under this para-
10 graph.

11 “(3) *FINAL FORM.*—

12 “(A) *IN GENERAL.*—The results of consumer
13 testing under paragraph (2) shall be used in the
14 development of the finalized standard financial
15 aid offer required under subsection (f)(2).

16 “(B) *REPORTING REQUIREMENT.*—Not later
17 than 3 months after the date on which the con-
18 sumer testing under paragraph (2) concludes, the
19 Secretary shall submit to Congress, and publish
20 on its website—

21 “(i) the final standard financial aid
22 offer; and

23 “(ii) a report detailing the results of
24 such testing, including whether the Sec-
25 retary added, modified, or moved any addi-

1 *tional items to the standard financial aid*
2 *offer pursuant to subsection (b)(6).*

3 “(4) *AUTHORITY TO MODIFY.*—*The Secretary*
4 *may modify or remove the definitions, terms, for-*
5 *matting, and design of the financial aid offer based*
6 *on the results of consumer testing required under this*
7 *subsection and before finalizing the form, or in subse-*
8 *quent consumer testing. The Secretary may also rec-*
9 *ommend additional changes to Congress.*

10 “(j) *COST OF ATTENDANCE DEFINED.*—*In this section,*
11 *the term ‘cost of attendance’ has the meaning given such*
12 *term in section 472.*

13 “(k) *USE OF MANDATORY FINANCIAL AID OFFER AND*
14 *TERMS.*—

15 “(1) *IN GENERAL.*—*Notwithstanding any other*
16 *provision of law, each institution of higher education*
17 *that receives Federal financial assistance under this*
18 *Act shall—*

19 “(A) *use the financial aid offer developed*
20 *under this section in providing paper, mobile-op-*
21 *timized offers, or other electronic offers to all stu-*
22 *dents who apply for aid and are accepted at the*
23 *institution; and*

24 “(B) *use the standard terminology and defi-*
25 *nitions developed by the Secretary under sub-*

1 *section (f)(1) for all communications from the*
2 *institution related to financial aid offers.*

3 “(2) *EFFECTIVE DATE.*—*The requirements under*
4 *this section shall take effect on the first date on which*
5 *the Secretary releases the Free Application for Fed-*
6 *eral Student Aid for the applicable award year asso-*
7 *ciated with that application, if such date occurs not*
8 *less than 1 year after the Secretary of Education fi-*
9 *nalizes the standard terminology and form developed*
10 *in accordance with this section.*

11 “(3) *ADMINISTRATIVE PROCEDURES.*—*Notwith-*
12 *standing any other provision of law, the Secretary*
13 *shall not have the authority to prescribe regulations*
14 *to carry out this section, including with respect to the*
15 *definition of ‘income share agreement’ or ‘private*
16 *education loan’ (as such term is defined in section*
17 *140(a) of the Truth in Lending Act (15 U.S.C.*
18 *1650(a)).”.*

19 “(b) *RELATIONSHIP TO EXISTING LAW.*—*Section 484 of*
20 *the Higher Education Opportunity Act (20 U.S.C. 1092*
21 *note) is amended by adding at the end the following:*

22 “(c) *SUNSET.*—*The authority of the Secretary to carry*
23 *out this section shall terminate on the date on which the*
24 *standard form for financial aid offers under section 124*

1 *of the Higher Education Act of 1965 (20 U.S.C. 1001 et*
 2 *seq.) is released.”.*

3 **SEC. 112. COLLEGE SCORECARD WEBSITE.**

4 *(a) COLLEGE SCORECARD WEBSITE.—*

5 *(1) DEFINITIONS; CONFORMING AMENDMENTS.—*

6 *Section 132 of the Higher Education Act of 1965 (20*
 7 *U.S.C. 1015a(a)) is amended—*

8 *(A) by amending subsection (a) to read as*
 9 *follows:*

10 *“(a) DEFINITIONS.—In this section:*

11 *“(1) COLLEGE SCORECARD WEBSITE.—The term*
 12 *‘College Scorecard website’ means the College Score-*
 13 *card website required under subsection (c) and in-*
 14 *cludes any successor website.*

15 *“(2) COST OF ATTENDANCE.—The term ‘cost of*
 16 *attendance’ has the meaning given such term in sec-*
 17 *tion 472.*

18 *“(3) TOTAL NET PRICE REQUIRED FOR COMPLE-*
 19 *TION.—The term ‘total net price required for comple-*
 20 *tion’ means, with respect to the period of completion*
 21 *of a program of study—*

22 *“(A) the sum of the required costs described*
 23 *in section 124(b)(3)(A)(i)(I) charged to a student*
 24 *for such period of completion; minus*

1 “(B) the total amount of grant and scholar-
2 ship aid described in paragraph (2) of section
3 124(b) that is available to the student for the
4 costs described in subparagraph (A) for comple-
5 tion of a program of study.”;

6 (B) by striking subsections (b) through (g);
7 and

8 (C) by redesignating subsection (h) as sub-
9 section (b).

10 (2) SCORECARD AUTHORIZED.—Section 132 of
11 the Higher Education Act of 1965 (20 U.S.C. 1015a)
12 is further amended—

13 (A) by striking subsection (i); and

14 (B) by inserting after subsection (b) (as so
15 redesignated) the following:

16 “(c) CONSUMER INFORMATION.—

17 “(1) AVAILABILITY OF INFORMATION FOR TITLE
18 IV INSTITUTIONS AND PROGRAMS.—Not later than 18
19 months after the date of the enactment of the College
20 Cost Reduction Act, the Secretary shall make publicly
21 available on the College Scorecard website the fol-
22 lowing aggregated information with respect to each
23 institution of higher education and each program of
24 study at such institution, as applicable, that partici-
25 pates in a program under title IV:

1 “(A) A link to the website of the institution.

2 “(B) A link to the net price calculator for
3 such institution.

4 “(C) A link to the website of the institution
5 containing campus safety data with respect to
6 such institution.

7 “(D) The geographic location of the institu-
8 tion.

9 “(E) Information on the type of institution,
10 including sector, size, predominant and highest
11 credential awarded, research intensity, programs
12 of study offered, and other characteristics of the
13 institution.

14 “(F) Information on student enrollment, in-
15 cluding the number and percentage of students
16 enrolled full-time, less than full-time, and en-
17 rolled in distance education.

18 “(G) Information on student progression
19 and completion, including time to credential and
20 rates of withdrawal, retention, transfer, or com-
21 pletion.

22 “(H) Information on college costs and fi-
23 nancial aid, including average, median, min-
24 imum, and maximum values of—

1 “(i) the cost of attendance, including
2 such cost disaggregated by the costs de-
3 scribed in paragraphs (1) through (14) of
4 section 472(a);

5 “(ii) the grants and scholarships re-
6 ceived by students at the institution and the
7 number and percentage of such students re-
8 ceiving such grants and scholarships,
9 disaggregated by source and whether such
10 aid is need-based, merit-based, an athletic
11 scholarship, or other type of grant or schol-
12 arship; and

13 “(iii) the total net price required for
14 completion for students who received Fed-
15 eral financial assistance described in para-
16 graph (2)(I).

17 “(I) Information on student debt and re-
18 payment, including—

19 “(i) the average, median, minimum,
20 and maximum amounts borrowed by stu-
21 dents under title IV; and

22 “(ii) information with respect to re-
23 payment of loans made under title IV, in-
24 cluding borrower-based repayment rates,

1 *dollar-based repayment rates, and time*
2 *spent in repayment.*

3 “(J) *Information on the earnings of stu-*
4 *dents who received Federal financial assistance*
5 *described in paragraph (2)(I), including the av-*
6 *erage, median, minimum, and maximum values*
7 *of—*

8 “(i) *with respect to students who com-*
9 *plete a program of study in an award*
10 *year—*

11 “(I) *the annual earnings of such*
12 *students; and*

13 “(II) *the value-added earnings of*
14 *such students; and*

15 “(ii) *with respect to students who do*
16 *not complete a program of study in an*
17 *award year, the annual earnings of such*
18 *students.*

19 “(2) *DISAGGREGATED INFORMATION.—The Sec-*
20 *retary shall ensure the information described in para-*
21 *graph (1) is disaggregated, as applicable, by the fol-*
22 *lowing student characteristics:*

23 “(A) *Financial circumstances including—*

24 “(i) *household income categories, as de-*
25 *termined by students’ adjusted gross income,*

1 *family size, and poverty line (as defined in*
2 *section 401(a)); and*

3 “(ii) *student aid index categories, as*
4 *determined by the Secretary.*

5 “(B) *Sex.*

6 “(C) *Race and ethnicity.*

7 “(E) *Classification as a student with a dis-*
8 *ability.*

9 “(F) *Enrollment status, including part-time*
10 *or full-time enrollment, and status as a distance*
11 *education student.*

12 “(G) *Status as an in-district, in-State, or*
13 *out-of-State student.*

14 “(H) *Status as an international student.*

15 “(I) *Status as a recipient of Federal finan-*
16 *cial assistance, including—*

17 “(i) *a Pell Grant;*

18 “(ii) *a loan made under title IV; and*

19 “(iii) *assistance described in section*
20 *131(f)(4) administered, sponsored, or sup-*
21 *ported by the Department of Defense or the*
22 *Department of Veterans Affairs.*

23 “(J) *Status as a participant in a program*
24 *described in section 116(b)(3)(A)(ii) of the Work-*

1 *force Innovation and Opportunity Act (29*
2 *U.S.C. 3131(b)(3)(A)(i)).*

3 “(3) *INSTITUTIONAL AND PROGRAM COMPARI-*
4 *SON.—The Secretary shall include on the College*
5 *Scorecard website a method for users to easily com-*
6 *pare institutions and programs, including in a man-*
7 *ner that allows for such comparison based on—*

8 “(A) *the institutional and program infor-*
9 *mation described in paragraph (1); and*

10 “(B) *the student characteristics described in*
11 *paragraph (2).*

12 “(4) *UNIVERSAL NET PRICE CALCULATOR.—*

13 “(A) *ESTABLISHMENT.—Not later than 18*
14 *months after the date of the enactment of this*
15 *paragraph, the Secretary shall establish, on a*
16 *dedicated website of the Department, a Universal*
17 *Net Price Calculator that provides to an indi-*
18 *vidual, with respect to each institution of higher*
19 *education and program of study offered by such*
20 *institution—*

21 “(i) *the information described in sec-*
22 *tion 124, including the amounts described*
23 *in clauses (i) and (ii) of subsection (b)(3) of*
24 *such section; and*

1 “(i) the total net price required for
2 completion as defined under section 132(a).

3 “(B) UNIVERSAL NET PRICE CALCULATOR
4 INPUTS.—

5 “(i) IN GENERAL.—Except as provided
6 in clause (ii), the information required
7 under subparagraph (A) shall be generated
8 based on a single set of questions developed
9 by the Secretary for purposes of capturing
10 the information specified in paragraph (2)
11 and using the data elements described in
12 section 132(f)(2)(C)(ii).

13 “(ii) FAFSA-BASED ESTIMATE.—When
14 an individual submits a Free Application
15 for Federal Student Aid described in section
16 483, the information required under sub-
17 paragraph (A) shall be automatically gen-
18 erated based solely on the contents of such
19 application and the data elements described
20 in section 132(f)(2)(C)(ii).

21 “(C) INTEGRATION WITH OTHER FEDERAL
22 FINANCIAL AID RESOURCES.—The Secretary
23 shall ensure that a website link or other means
24 of accessing the Universal Net Price Calculator
25 is included on—

1 “(i) the College Scorecard website; and

2 “(ii) the FAFSA website.

3 “(D) *RELATIONSHIP TO EARLY ESTIMATOR*
4 *TOOL.*—Beginning on the date on which the Uni-
5 versal Net Price Calculator becomes operational,
6 the Secretary shall remove from the FAFSA
7 website the electronic estimator maintained pur-
8 suant to section 485E(b)(4).

9 “(5) *UPDATES.*—

10 “(A) *DATA.*—The Secretary shall update the
11 Universal Net Price Calculator Website and Col-
12 lege Scorecard website not less than annually.

13 “(B) *TECHNOLOGY AND FORMAT.*—The Sec-
14 retary shall regularly assess the format and tech-
15 nology of the College Scorecard website and make
16 any changes or updates that the Secretary con-
17 siders appropriate.

18 “(6) *CONSUMER TESTING.*—In developing and
19 maintaining the College Scorecard website, the Sec-
20 retary, in consultation with appropriate departments
21 and agencies of the Federal Government—

22 “(A) not later than 6 months after the date
23 of the enactment of the College Cost Reduction
24 Act, and not less than once every 3 years there-
25 after, shall conduct consumer testing with appro-

1 *priate persons, including current and prospective*
2 *college students, family members of such stu-*
3 *dents, institutions of higher education, and ex-*
4 *perts, to ensure that the College Scorecard*
5 *website is usable and easily understandable and*
6 *provides useful and relevant information to stu-*
7 *dents and families; and*

8 *“(B) prominently shall display on such*
9 *website in simple, understandable, and unbiased*
10 *terms for the most recent academic year for*
11 *which satisfactory data is available, the informa-*
12 *tion described in paragraphs (1) and (2) that*
13 *was determined to be useful and relevant to stu-*
14 *dents and families based on the consumer testing*
15 *described in subparagraph (A) for each institu-*
16 *tion and program of study (as applicable).*

17 *“(7) INTERAGENCY COORDINATION.—The Sec-*
18 *retary, in consultation with each appropriate head of*
19 *a department or agency of the Federal Government,*
20 *shall ensure, to the greatest extent practicable, that*
21 *any information related to higher education that is*
22 *published by such department or agency is consistent*
23 *with the information published on the College Score-*
24 *card website.*

1 “(8) *DATA COLLECTION AND DUPLICATED RE-*
2 *PORTING.*—*Notwithstanding any other provision of*
3 *this section, to the extent that another provision of*
4 *this section requires the same reporting or collection*
5 *of data that is required under this Act, an institution*
6 *of higher education, or the Secretary or Commis-*
7 *sioner, shall use the reporting or data required under*
8 *this subsection to satisfy both requirements.*

9 “(9) *DATA PRIVACY.*—

10 “(A) *IN GENERAL.*—*The Secretary shall en-*
11 *sure any information made available under this*
12 *section is made available in accordance with the*
13 *privacy laws described in section*
14 *132(f)(1)(C)(iv).*

15 “(B) *SMALL INSTITUTIONS AND PROGRAM*
16 *OF STUDY.*—*For purposes of publishing the in-*
17 *formation described in paragraphs (1) and (2),*
18 *for any year for which the number of students is*
19 *determined by the Secretary to be of insufficient*
20 *size to maintain the privacy of student data , the*
21 *Secretary shall—*

22 “(i) *aggregate up to 4 years of addi-*
23 *tional data for such program of study to ob-*
24 *tain data for a sufficient number of stu-*
25 *dents to maintain student privacy;*

1 “(ii) in the case of a program of study,
2 if the method described in clause (i) is in-
3 sufficient to maintain student privacy, ag-
4 gregate data for students who completed or
5 who were enrolled in, as applicable, similar
6 program of study of the institution to ob-
7 tain data for a sufficient number of stu-
8 dents to maintain student privacy; and

9 “(iii) in the case of a program of
10 study, if the methods described in clauses (i)
11 and (ii) are insufficient to maintain stu-
12 dent privacy, or additional data described
13 in such clauses is not available or can not
14 be aggregated, aggregate data with respect
15 to all students who completed or were en-
16 rolled in, as applicable, any program of
17 study of the institution of the same creden-
18 tial level, in lieu of data specific to students
19 in such program of study.”.

20 (b) *CONFORMING AMENDMENTS.*—*The Higher Edu-*
21 *cation Act of 1965 (20 U.S.C. 1001 et seq.), as amended*
22 *by subsection (a) of this section, is further amended by*
23 *striking “College Navigator” each place it appears and in-*
24 *serting “College Scorecard”.*

1 (c) *REFERENCES.*—Any reference in any law (other
2 than the Higher Education Act of 1965 (20 U.S.C. 1001
3 et seq.)), regulation, document, record, or other paper of the
4 United States to the College Navigator website shall be con-
5 sidered to be a reference to the College Scorecard website.

6 **SEC. 113. POSTSECONDARY STUDENT DATA SYSTEM.**

7 Section 132 of the Higher Education Act of 1965 (20
8 U.S.C. 1015a) is further amended—

9 (1) by redesignating subsections (j) and (k) as
10 subsections (d) and (e), respectively;

11 (2) by redesignating subsection (l) as subsection
12 (g); and

13 (3) by inserting after subsection (e), as so redesi-
14 gnated, the following:

15 “(f) *POSTSECONDARY STUDENT DATA SYSTEM.*—

16 “(1) *IN GENERAL.*—

17 “(A) *ESTABLISHMENT OF SYSTEM.*—Not
18 later than 3 years after the date of enactment of
19 the College Cost Reduction Act, the Commis-
20 sioner of the National Center for Education Sta-
21 tistics (referred to in this subsection as the ‘Com-
22 missioner’) in consultation with the Director of
23 the Institute of Education Sciences (referred to
24 as ‘the Director’) shall develop and maintain a

1 *secure and privacy-protected postsecondary stu-*
2 *dent-level data system in order to—*

3 “(i) *accurately evaluate student enroll-*
4 *ment patterns, progression, completion, and*
5 *postcollegiate outcomes, and higher edu-*
6 *cation costs and financial aid;*

7 “(ii) *assist with transparency, institu-*
8 *tional improvement, and analysis of Fed-*
9 *eral aid programs;*

10 “(iii) *provide accurate, complete, and*
11 *customizable information for students and*
12 *families making decisions about postsec-*
13 *ondary education; and*

14 “(iv) *to the extent practicable, reduce*
15 *the reporting burden on institutions of high-*
16 *er education in accordance with section 111*
17 *of the College Cost Reduction Act.*

18 “(B) *AVOIDING DUPLICATE REPORTING.—*
19 *Notwithstanding any other provision of this sec-*
20 *tion, to the extent that another provision of this*
21 *section requires the same reporting or collection*
22 *of data that is required under this subsection, an*
23 *institution of higher education, or the Secretary*
24 *or Commissioner, shall use the reporting or data*
25 *required for the postsecondary student data sys-*

1 tem under this subsection to satisfy both require-
2 ments.

3 “(C) *DEVELOPMENT PROCESS.*—*In devel-*
4 *oping the postsecondary student data system de-*
5 *scribed in this subsection, the Commissioner, in*
6 *consultation with the Director, shall—*

7 “(i) *focus on the needs of—*

8 “(I) *users of the data system; and*

9 “(II) *entities, including institu-*
10 *tions of higher education, reporting to*
11 *the data system;*

12 “(ii) *take into consideration, to the ex-*
13 *tent practicable—*

14 “(I) *the guidelines outlined in—*

15 “(aa) *the ‘United States Web*
16 *Design Standards’ maintained by*
17 *the General Services Administra-*
18 *tion; and*

19 “(bb) *the ‘Digital Services*
20 *Playbook’ and ‘TechFAR Hand-*
21 *book for Procuring Digital Serv-*
22 *ices Using Agile Processes’ of the*
23 *United States Digital Service;*
24 *and*

1 “(II) the relevant successor docu-
2 ments or recommendations of such
3 guidelines;

4 “(iii) use modern, relevant privacy-
5 and security-enhancing technology, and en-
6 hance and update the data system as nec-
7 essary to carry out the purpose of this sub-
8 section;

9 “(iv) ensure data privacy and security
10 is consistent with any relevant Federal law
11 relating to privacy or data security, includ-
12 ing—

13 “(I) the requirements of sub-
14 chapter II of chapter 35 of title 44,
15 United States Code, specifying security
16 categorization under the Federal Infor-
17 mation Processing Standards or any
18 relevant successor of such standards;

19 “(II) security requirements that
20 are consistent with the Federal agency
21 responsibilities in section 3554 of title
22 44, United States Code, or any rel-
23 evant successor of such responsibilities;
24 and

1 “(III) security requirements,
2 guidelines, and controls consistent with
3 cybersecurity standards and best prac-
4 tices developed by the National Insti-
5 tute of Standards and Technology, in-
6 cluding frameworks, consistent with
7 section 2(c) of the National Institute of
8 Standards and Technology Act (15
9 U.S.C. 272(c)), or any relevant suc-
10 cessor of such frameworks;

11 “(v) follow Federal data minimization
12 practices to ensure only the minimum
13 amount of data is collected to meet the sys-
14 tem’s goals, in accordance with Federal
15 data minimization standards and guide-
16 lines developed by the National Institute of
17 Standards and Technology; and

18 “(vi) provide notice to students out-
19 lining the data included in the system and
20 how the data are used.

21 “(D) LIMITATION.—The data system devel-
22 oped under this subsection may only include
23 data with respect to—

24 “(i) students receiving—

1 “(I) *Federal financial assistance*
2 *under title IV of this Act; or*

3 “(II) *assistance described in sec-*
4 *tion 131(f)(4) administered, sponsored,*
5 *or supported by the Department of De-*
6 *fense or the Department of Veterans*
7 *Affairs; and*

8 “(ii) *participants in a program de-*
9 *scribed in section 116(b)(3)(A)(ii) of the*
10 *Workforce Innovation and Opportunity Act*
11 *(29 U.S.C. 3131(b)(3)(A)(ii)).*

12 “(2) *DATA ELEMENTS.—*

13 “(A) *IN GENERAL.—Not later than 3 years*
14 *after the date of enactment of the College Cost*
15 *Reduction Act, the Commissioner, in consulta-*
16 *tion with the Postsecondary Student Data Sys-*
17 *tem Advisory Committee and the Director, estab-*
18 *lished under subparagraph (B), shall deter-*
19 *mine—*

20 “(i) *the data elements to be included in*
21 *the postsecondary student data system, in*
22 *accordance with subparagraphs (C) and*
23 *(D); and*

24 “(ii) *how to include the data elements*
25 *required under subparagraph (C), and any*

1 *additional data elements selected under sub-*
2 *paragraph (D), in the postsecondary stu-*
3 *dent data system.*

4 “(B) *POSTSECONDARY STUDENT DATA SYS-*
5 *TEM ADVISORY COMMITTEE.—*

6 “(i) *ESTABLISHMENT.—Not later than*
7 *1 year after the date of enactment of the*
8 *College Cost Reduction Act, the Commis-*
9 *sioner, in consultation with the Director,*
10 *shall establish a Postsecondary Student*
11 *Data System Advisory Committee (referred*
12 *to in this subsection as the ‘Advisory Com-*
13 *mittee’), whose members shall include—*

14 “(I) *the Chief Privacy Officer of*
15 *the Department or an official of the*
16 *Department delegated the duties of*
17 *overseeing data privacy at the Depart-*
18 *ment;*

19 “(II) *the Chief Security Officer of*
20 *the Department or an official of the*
21 *Department delegated the duties of*
22 *overseeing data security at the Depart-*
23 *ment;*

24 “(III) *representatives of diverse*
25 *institutions of higher education, which*

1 shall include equal representation be-
2 tween 2-year and 4-year institutions of
3 higher education, and from public,
4 nonprofit, and proprietary institutions
5 of higher education, including minor-
6 ity-serving institutions;

7 “(IV) representatives from State
8 higher education agencies, entities,
9 bodies, or boards;

10 “(V) representatives of postsec-
11 ondary students;

12 “(VI) representatives from rel-
13 evant Federal agencies;

14 “(VII) individuals with expertise
15 in data privacy and security;

16 “(VIII) the individual within a
17 State responsible for administering the
18 statewide, longitudinal data system de-
19 scribed in section 208 of the Education
20 Sciences Reform Act of 2002 (20
21 U.S.C. 9607(a)); and

22 “(IX) other stakeholders (includ-
23 ing individuals with consumer protec-
24 tion and postsecondary education re-
25 search).

1 “(i) *REQUIREMENTS.—The Commis-*
2 *sioner, working with the Director, shall en-*
3 *sure that the Advisory Committee—*

4 “(I) *adheres to all requirements*
5 *under chapter 10 of title 5, United*
6 *States Code (commonly known as the*
7 *‘Federal Advisory Committee Act’);*

8 “(II) *establishes operating and*
9 *meeting procedures and guidelines nec-*
10 *essary to execute its advisory duties;*
11 *and*

12 “(III) *is provided with appro-*
13 *priate staffing and resources to execute*
14 *its advisory duties.*

15 “(C) *REQUIRED DATA ELEMENTS.—The*
16 *data elements in the postsecondary student data*
17 *system shall include the following:*

18 “(i) *Student-level data elements nec-*
19 *essary to calculate the information within*
20 *the surveys designated by the Commissioner*
21 *as ‘student-related surveys’ in the Inte-*
22 *grated Postsecondary Education Data Sys-*
23 *tem (IPEDS), as such surveys are in effect*
24 *on the day before the date of enactment of*
25 *the College Cost Reduction Act, except that*

1 *in the case that collection of such elements*
2 *would conflict with the prohibition under*
3 *subparagraph (F), such elements in conflict*
4 *with such prohibition shall be included in*
5 *the aggregate instead of at the student level.*

6 “(ii) *Student-level data elements re-*
7 *ported by institutions in accordance with*
8 *section 668.408 of title 34, Code of Federal*
9 *Regulations, as in effect on July 1, 2024.*

10 “(iii) *Student-level data elements nec-*
11 *essary to allow for reporting student enroll-*
12 *ment, persistence, progression (including*
13 *credit accumulation) retention, transfer,*
14 *completion, and time and credits to creden-*
15 *tial measures for all credential levels sepa-*
16 *rately (including certificate, associate, bac-*
17 *calaureate, and advanced degree levels),*
18 *within and across institutions of higher*
19 *education (including across all categories of*
20 *institution level, control, and predominant*
21 *degree awarded). The data elements shall*
22 *allow for reporting about all such data*
23 *disaggregated by the following categories:*

1 “(I) *Enrollment status as a first-*
2 *time student, recent transfer student,*
3 *or other nonfirst-time student.*

4 “(II) *Attendance intensity, wheth-*
5 *er full-time or part-time.*

6 “(III) *Credential-seeking status,*
7 *by credential level (including non-*
8 *credit-seeking and noncredit creden-*
9 *tials).*

10 “(IV) *Race or ethnicity, in a*
11 *manner that captures all the racial*
12 *groups specified in the most recent*
13 *American Community Survey of the*
14 *Bureau of the Census.*

15 “(V) *Age intervals.*

16 “(VI) *Sex.*

17 “(VII) *Status as a first genera-*
18 *tion college student (as defined in sec-*
19 *tion 402A(h)).*

20 “(VIII) *Economic status.*

21 “(IX) *Measures related to college*
22 *readiness, including participation in*
23 *postsecondary remedial coursework or*
24 *gateway course completion.*

25 “(X) *Program of study.*

1 “(XI) *Status as an online edu-*
2 *cation student, whether exclusively or*
3 *partially enrolled in online education.*

4 “(XII) *Military or veteran benefit*
5 *status (as determined based on receipt*
6 *of veteran’s education benefits, as de-*
7 *fined in section 480(c)).*

8 “(XIII) *Federal Pell Grant recipi-*
9 *ent status under section 401 and Fed-*
10 *eral loan recipient status under title*
11 *IV.*

12 “(XIV) *Status as a participant in*
13 *a program described in section*
14 *116(b)(3)(A)(ii) of the Workforce Inno-*
15 *vation and Opportunity Act (29*
16 *U.S.C. 3131(b)(3)(A)(ii)).*

17 “(D) *REEVALUATION.*—*Not less than once*
18 *every 3 years after the implementation of the*
19 *postsecondary student data system described in*
20 *this subsection, the Commissioner, in consulta-*
21 *tion with the Advisory Committee described in*
22 *subparagraph (B) and working with the Direc-*
23 *tor, shall report to Congress the data elements*
24 *included in the postsecondary student data sys-*

1 *tem and recommend any additional data ele-*
2 *ments to be included in such system.*

3 “(E) *PROHIBITIONS.—The postsecondary*
4 *student data system shall not include individual*
5 *health data (including data relating to physical*
6 *health or mental health), student discipline*
7 *records or data, elementary and secondary edu-*
8 *cation data, an exact address, course grades,*
9 *postsecondary entrance examination results, po-*
10 *litical affiliation, religion, or any other data in*
11 *the postsecondary student data system not de-*
12 *scribed in this subsection.*

13 “(3) *PERIODIC MATCHING WITH OTHER FEDERAL*
14 *DATA SYSTEMS.—*

15 “(A) *DATA SHARING AGREEMENTS.—*

16 “(i) *IN GENERAL.—The Commissioner,*
17 *in consultation with the Director, shall en-*
18 *sure secure and privacy-protected periodic*
19 *data matches by entering into data sharing*
20 *agreements with each of the following Fed-*
21 *eral agencies and offices:*

22 “(I) *The Secretary of the Treas-*
23 *ury and the Commissioner of the Inter-*
24 *nal Revenue Service, in order to cal-*
25 *culate aggregate program- and institu-*

1 *tion-level earnings of postsecondary*
2 *students described in subparagraph*
3 *(B)(ii).*

4 *“(II) The Secretary of Defense, in*
5 *order to assess the use of postsecondary*
6 *educational benefits and the outcomes*
7 *of servicemembers who are receiving*
8 *veteran’s education benefits (as defined*
9 *in section 480(c)).*

10 *“(III) The Secretary of Veterans*
11 *Affairs, in order to assess the use of*
12 *postsecondary educational benefits and*
13 *outcomes of veterans who are receiving*
14 *veteran’s education benefits (as defined*
15 *in section 480(c)).*

16 *“(IV) The Director of the Bureau*
17 *of the Census, in order to assess the*
18 *employment outcomes of former post-*
19 *secondary education students described*
20 *in paragraph (1)(D).*

21 *“(V) The Chief Operating Officer*
22 *of the Office of Federal Student Aid, in*
23 *order to analyze the use of postsec-*
24 *ondary educational benefits provided*
25 *under this Act.*

1 “(VI) *The Commissioner of the*
2 *Social Security Administration, in*
3 *order to evaluate labor market out-*
4 *comes of former postsecondary edu-*
5 *cation students described in paragraph*
6 *(1)(D).*

7 “(VII) *The Secretary of Health*
8 *and Human Services, in order to*
9 *evaluate the wages of former postsec-*
10 *ondary education students described in*
11 *paragraph (1)(D).*

12 “(ii) *DATA SHARING AGREEMENTS.—*
13 *The heads of Federal agencies and offices*
14 *described under clause (i) shall enter into*
15 *data sharing agreements with the Commis-*
16 *sioner to ensure secure and privacy-pro-*
17 *TECTED PERIODIC DATA MATCHES AS DESCRIBED IN*
18 *this paragraph.*

19 “(B) *CATEGORIES OF DATA.—The Commis-*
20 *sioner, in consultation with the Director, shall,*
21 *at a minimum, seek to ensure that the secure*
22 *and privacy-protected periodic data matches de-*
23 *scribed in subparagraph (A) permit consistent*
24 *reporting of the following categories of data for*
25 *students described in paragraph (1)(D) who*

1 *completed a program of study and who did not*
2 *complete a program of study:*

3 “(i) *Enrollment, retention, transfer,*
4 *and completion outcomes.*

5 “(ii) *Financial indicators for postsec-*
6 *ondary students receiving Federal grants*
7 *and loans, including grant and loan aid by*
8 *source, cumulative student debt, loan repay-*
9 *ment status, and repayment plan.*

10 “(iii) *Post-completion outcomes, in-*
11 *cluding earnings and employment (includ-*
12 *ing industry, occupation, and location of*
13 *employment, and further education, by pro-*
14 *gram of study and credential level) and as*
15 *measured at time intervals appropriate to*
16 *the credential sought and earned.*

17 “(C) *PERIODIC DATA MATCH STREAMLINING*
18 *AND CONFIDENTIALITY.—*

19 “(i) *STREAMLINING.—In carrying out*
20 *the secure and privacy-protected periodic*
21 *data matches under this paragraph, the*
22 *Commissioner shall—*

23 “(I) *ensure that such matches are*
24 *not continuous, but occur only periodi-*
25 *cally at appropriate intervals, as de-*

1 *terminated by the Commissioner to meet*
2 *the goals of subparagraph (A); and*

3 *“(II) seek to—*

4 *“(aa) streamline the data*
5 *collection and reporting require-*
6 *ments for institutions of higher*
7 *education;*

8 *“(bb) minimize duplicative*
9 *reporting across or within Federal*
10 *agencies or departments, includ-*
11 *ing reporting requirements appli-*
12 *cable to institutions of higher edu-*
13 *cation under the Workforce Inno-*
14 *vation and Opportunity Act (29*
15 *U.S.C. 3101 et seq.) and the Carl*
16 *D. Perkins Career and Technical*
17 *Education Act of 2006;*

18 *“(cc) protect student privacy;*
19 *and*

20 *“(dd) streamline the applica-*
21 *tion process for student loan ben-*
22 *efit programs available to bor-*
23 *rowers based on data available*
24 *from different Federal data sys-*
25 *tems.*

1 “(ii) *REVIEW.*—Not less often than
2 once every 3 years after the establishment of
3 the postsecondary student data system
4 under this subsection, the Commissioner, in
5 consultation with the Advisory Committee
6 and the Director, shall review methods for
7 streamlining data collection from institu-
8 tions of higher education and minimizing
9 duplicative reporting within the Depart-
10 ment and across Federal agencies that pro-
11 vide data for the postsecondary student data
12 system.

13 “(iii) *CONFIDENTIALITY.*—The Com-
14 missioner shall ensure that any periodic
15 matching or sharing of data through peri-
16 odic data system matches established in ac-
17 cordance with this paragraph—

18 “(I) complies with the security
19 and privacy protections described in
20 paragraph (1)(C)(iv) and other Fed-
21 eral data protection protocols;

22 “(II) follows industry best prac-
23 tices commensurate with the sensitivity
24 of specific data elements or metrics;

1 “(III) does not result in the cre-
2 ation of a single standing, linked Fed-
3 eral database at the Department that
4 maintains the information reported
5 across other Federal agencies; and

6 “(IV) discloses to postsecondary
7 students what data are included in the
8 data system and periodically matched
9 and how the data are used.

10 “(iv) CORRECTION.—The Commis-
11 sioner, in consultation with the Advisory
12 Committee and Director, shall establish a
13 process for students to request access to only
14 their personal information for inspection
15 and request corrections to inaccuracies in a
16 manner that protects the student’s person-
17 ally identifiable information. The Commis-
18 sioner shall respond in writing to every re-
19 quest for a correction from a student.

20 “(4) PUBLICLY AVAILABLE INFORMATION.—

21 “(A) IN GENERAL.—The Commissioner shall
22 make the summary aggregate information de-
23 scribed in subparagraph (C), at a minimum,
24 publicly available through a user-friendly con-

1 *sumer information website and analytic tool for*
2 *institutional and research use that—*

3 *“(i) provides appropriate mechanisms*
4 *for users to customize and filter information*
5 *by institutional and student characteristics;*

6 *“(ii) allows users to build summary*
7 *aggregate reports of information, including*
8 *reports that allow comparisons across mul-*
9 *tiple institutions and programs, subject to*
10 *subparagraph (B);*

11 *“(iii) uses appropriate statistical dis-*
12 *closure limitation techniques necessary to*
13 *ensure that the data released to the public*
14 *cannot be used to identify specific individ-*
15 *uals; and*

16 *“(iv) provides users with appropriate*
17 *contextual factors to make comparisons,*
18 *which may include national median figures*
19 *of the summary aggregate information de-*
20 *scribed in subparagraph (C).*

21 *“(B) NO PERSONALLY IDENTIFIABLE INFOR-*
22 *MATION AVAILABLE.—The summary aggregate*
23 *information described in this paragraph shall*
24 *not include personally identifiable information.*

1 “(C) *SUMMARY AGGREGATE INFORMATION*
2 *AVAILABLE.—The summary aggregate informa-*
3 *tion described in this paragraph shall, at a min-*
4 *imum, include each of the following for each in-*
5 *stitution of higher education:*

6 “(i) *Measures of student access, includ-*
7 *ing—*

8 “(I) *admissions selectivity and*
9 *yield; and*

10 “(II) *enrollment, disaggregated by*
11 *each category described in paragraph*
12 *(2)(C)(iii).*

13 “(ii) *Measures of student progression,*
14 *including retention rates and persistence*
15 *rates, disaggregated by each category de-*
16 *scribed in paragraph (2)(C)(iii).*

17 “(iii) *Measures of student completion,*
18 *including—*

19 “(I) *transfer rates and outcomes,*
20 *completion rates, and time and credits*
21 *to credential, disaggregated by each*
22 *category described in paragraph*
23 *(2)(C)(iii); and*

1 “(II) number of completions,
2 disaggregated by each category de-
3 scribed in paragraph (2)(C)(iii).

4 “(iv) Measures of student costs, includ-
5 ing—

6 “(I) tuition, required fees, cost of
7 attendance, grants and scholarships,
8 net price, and unmet need
9 disaggregated by in-State tuition or
10 in-district tuition status (if applica-
11 ble), direct and indirect costs, program
12 of study (if applicable), and credential
13 level; and

14 “(II) typical grant amounts and
15 loan amounts received by students re-
16 ported separately from Federal, State,
17 local, institutional, employers, and
18 other sources, and cumulative debt,
19 disaggregated by—

20 “(aa) each category described
21 in paragraph (2)(C)(iii); and

22 “(bb) completion status.

23 “(v) Measures of postcollegiate student
24 outcomes, including return on investment,
25 employment rates, earnings, loan repay-

1 *ment and default rates, and further edu-*
2 *cation rates. These measures shall—*

3 *“(I) be disaggregated by—*

4 *“(aa) each category described*
5 *in paragraph (2)(C)(iii); and*

6 *“(bb) completion status; and*

7 *“(II) be measured immediately*
8 *after leaving postsecondary education*
9 *and at time intervals appropriate to*
10 *the credential sought or earned.*

11 *“(D) DEVELOPMENT CRITERIA.—In devel-*
12 *oping the method and format of making the in-*
13 *formation described in this paragraph publicly*
14 *available, the Commissioner shall—*

15 *“(i) focus on the needs of the users of*
16 *the information, which will include stu-*
17 *dents, families of students, potential stu-*
18 *dents, researchers, and other consumers of*
19 *education data;*

20 *“(ii) take into consideration, to the ex-*
21 *tent practicable, the guidelines described in*
22 *paragraph (1)(C)(ii)(I), and relevant suc-*
23 *cessor documents or recommendations of*
24 *such guidelines;*

1 “(iii) use modern, relevant technology
2 and enhance and update the postsecondary
3 student data system with information, as
4 necessary to carry out the purpose of this
5 paragraph;

6 “(iv) ensure data privacy and security
7 in accordance with standards and guide-
8 lines developed by the National Institute of
9 Standards and Technology, and in accord-
10 ance with any other Federal law relating to
11 privacy or security, including complying
12 with the requirements of subchapter II of
13 chapter 35 of title 44, United States Code,
14 specifying security categorization under the
15 Federal Information Processing Standards,
16 and security requirements, and setting of
17 National Institute of Standards and Tech-
18 nology security baseline controls at the ap-
19 propriate level; and

20 “(v) conduct consumer testing to deter-
21 mine how to make the information as
22 meaningful to users as possible.

23 “(5) PERMISSIBLE DISCLOSURES OF DATA.—

24 “(A) DATA REPORTS AND QUERIES.—

1 “(i) *IN GENERAL.*—Not later than 3
2 years after the date of enactment of the Col-
3 lege Cost Reduction Act, the Commissioner
4 in consultation with the Director, shall de-
5 velop and implement a secure and privacy-
6 protected process for making student-level,
7 nonpersonally identifiable information,
8 with direct identifiers removed, from the
9 postsecondary student data system available
10 for vetted research and evaluation purposes
11 approved by the Commissioner in a manner
12 compatible with practices for disclosing Na-
13 tional Center for Education Statistics re-
14 stricted-use survey data as in effect on the
15 day before the date of enactment of the Col-
16 lege Cost Reduction Act, or by applying
17 other research and disclosure restrictions to
18 ensure data privacy and security. Such
19 process shall be approved by the National
20 Center for Education Statistics’ Disclosure
21 Review Board (or successor body).

22 “(ii) *PROVIDING DATA REPORTS AND*
23 *QUERIES TO INSTITUTIONS AND STATES.*—

24 “(I) *IN GENERAL.*—The Commis-
25 sioner shall provide feedback reports, at

1 *least annually, to each institution of*
2 *higher education, each postsecondary*
3 *education system that fully partici-*
4 *pates in the postsecondary student*
5 *data system, and each State higher*
6 *education body as designated by the*
7 *governor.*

8 “(II) *FEEDBACK REPORTS.*—*The*
9 *feedback reports provided under this*
10 *clause shall include program-level and*
11 *institution-level information from the*
12 *postsecondary student data system re-*
13 *garding students who are associated*
14 *with the institution or, for State rep-*
15 *resentatives, the institutions within*
16 *that State, on or before the date of the*
17 *report, on measures including student*
18 *mobility (including transfer and com-*
19 *pletion rates) and workforce outcomes,*
20 *provided that the feedback aggregate*
21 *summary reports protect the privacy of*
22 *individuals.*

23 “(III) *DETERMINATION OF CON-*
24 *TENT.*—*The content of the feedback re-*
25 *ports shall be determined by the Com-*

1 *missioner in consultation with the Ad-*
2 *visory Committee and the Director.*

3 “(iii) *PERMITTING STATE DATA QUE-*
4 *RIES.—The Commissioner shall, in con-*
5 *sultation with the Advisory Committee and*
6 *as soon as practicable, create a process*
7 *through which States may submit lists of*
8 *secondary school graduates within the State*
9 *to receive summary aggregate outcomes for*
10 *those students who enrolled at an institu-*
11 *tion of higher education, including postsec-*
12 *ondary enrollment, retention and transfer,*
13 *and college completion, provided that those*
14 *data protect the privacy of individuals and*
15 *that the State data submitted to the Com-*
16 *missioner are not stored in the postsec-*
17 *ondary education system.*

18 “(iv) *REGULATIONS.—The Commis-*
19 *sioner shall promulgate regulations to en-*
20 *sure fair, secure and privacy-protected, and*
21 *equitable access to data reports and queries*
22 *under this paragraph.*

23 “(B) *DISCLOSURE LIMITATIONS.—In car-*
24 *rying out the public reporting and disclosure re-*
25 *quirements of this subsection, the Commissioner*

1 *shall use appropriate statistical disclosure limi-*
2 *tation techniques necessary to ensure that the*
3 *data released to the public cannot include per-*
4 *sonally identifiable information or be used to*
5 *identify specific individuals.*

6 “(C) *SALE OF DATA PROHIBITED.*—*Data*
7 *collected under this subsection, including the*
8 *public-use data set and data comprising the*
9 *summary aggregate information available under*
10 *paragraph (4), shall not be sold to any third*
11 *party by the Commissioner, including any insti-*
12 *tution of higher education or any other entity.*

13 “(D) *LIMITATION ON USE BY OTHER FED-*
14 *ERAL AGENCIES.*—

15 “(i) *IN GENERAL.*—*The Commissioner*
16 *shall not allow any other Federal agency to*
17 *use data collected under this subsection for*
18 *any purpose except—*

19 “(I) *for vetted research and eval-*
20 *uation conducted by the other Federal*
21 *agency, as described in subparagraph*
22 *(A)(i); or*

23 “(II) *for a purpose explicitly au-*
24 *thorized by an Act of Congress.*

1 “(i) *PROHIBITION ON LIMITATION OF*
2 *SERVICES.—The Secretary, or the head of*
3 *any other Federal agency, shall not use data*
4 *collected under this subsection to limit serv-*
5 *ices to students.*

6 “(E) *LAW ENFORCEMENT.—Personally*
7 *identifiable information collected under this sub-*
8 *section shall not be used for any Federal, State,*
9 *or local law enforcement activity or any other*
10 *activity that would result in adverse action*
11 *against any student or a student’s family.*

12 “(F) *LIMITATION OF USE FOR FEDERAL*
13 *RANKINGS OR SUMMATIVE RATING SYSTEM.—The*
14 *comprehensive data collection and analysis nec-*
15 *essary for the postsecondary student data system*
16 *under this subsection shall not be used by the*
17 *Secretary or any Federal entity to establish any*
18 *Federal ranking system of institutions of higher*
19 *education or a system that results in a*
20 *summative Federal rating of institutions of high-*
21 *er education.*

22 “(G) *RULE OF CONSTRUCTION.—Nothing in*
23 *this paragraph shall be construed to prevent the*
24 *use of individual categories of aggregate infor-*
25 *mation to be used for accountability purposes.*

1 “(H) *RULE OF CONSTRUCTION REGARDING*
2 *COMMERCIAL USE OF DATA.*—*Nothing in this*
3 *paragraph shall be construed to prohibit third-*
4 *party entities from using publicly available in-*
5 *formation in this data system for commercial*
6 *use.*

7 “(6) *SUBMISSION OF DATA.*—

8 “(A) *REQUIRED SUBMISSION.*—*Each insti-*
9 *tution of higher education participating in a*
10 *program under title IV, or the assigned agent of*
11 *such institution, shall, for each instructional*
12 *program, and in accordance with section*
13 *487(a)(17), collect, and submit to the Commis-*
14 *sioner, the data requested by the Commissioner*
15 *to carry out this subsection.*

16 “(B) *VOLUNTARY SUBMISSION.*—*Any insti-*
17 *tution of higher education not participating in*
18 *a program under title IV may voluntarily par-*
19 *ticipate in the postsecondary student data system*
20 *under this subsection by collecting and submit-*
21 *ting data to the Commissioner, as the Commis-*
22 *sioner may request to carry out this subsection.*

23 “(C) *PERSONALLY IDENTIFIABLE INFORMA-*
24 *TION.*—*In accordance with paragraph (2)(C)(i),*
25 *if the submission of an element of student-level*

1 data is prohibited under paragraph (2)(F) (or
2 otherwise prohibited by law), the institution of
3 higher education shall submit that data to the
4 Commissioner in the aggregate.

5 “(7) UNLAWFUL WILLFUL DISCLOSURE.—

6 “(A) IN GENERAL.—It shall be unlawful for
7 any person who obtains or has access to person-
8 ally identifiable information in connection with
9 the postsecondary student data system described
10 in this subsection to willfully disclose to any per-
11 son (except as authorized in this Act or by any
12 Federal law) such personally identifiable infor-
13 mation.

14 “(B) PENALTY.—Any person who violates
15 subparagraph (A) shall be subject to a penalty
16 described under section 3572(f) of title 44,
17 United States Code, and section 183(d)(6) of the
18 Education Sciences Reform Act of 2002 (20
19 U.S.C. 9573(d)(6)).

20 “(C) EMPLOYEE OF OFFICER OF THE
21 UNITED STATES.—If a violation of subparagraph
22 (A) is committed by any officer or employee of
23 the United States, the officer or employee shall be
24 dismissed from office or discharged from employ-
25 ment upon conviction for the violation.

1 “(8) *DATA SECURITY.*—*The Commissioner shall*
2 *produce and update as needed guidance and regula-*
3 *tions relating to privacy, security, and access which*
4 *shall govern the use and disclosure of data collected*
5 *in connection with the activities authorized in this*
6 *subsection. The guidance and regulations developed*
7 *and reviewed shall protect data from unauthorized ac-*
8 *cess, use, and disclosure, and shall include—*

9 “(A) *an audit capability, including manda-*
10 *tory and regularly conducted audits;*

11 “(B) *access controls;*

12 “(C) *requirements to ensure sufficient data*
13 *security, quality, validity, and reliability;*

14 “(D) *confidentiality protection in accord-*
15 *ance with the applicable provisions of subchapter*
16 *III of chapter 35 of title 44, United States Code;*

17 “(E) *appropriate and applicable privacy*
18 *and security protection, including data retention*
19 *and destruction protocols and data minimiza-*
20 *tion, in accordance with the most recent Federal*
21 *standards developed by the National Institute of*
22 *Standards and Technology; and*

23 “(F) *protocols for managing a breach, in-*
24 *cluding breach notifications, in accordance with*

1 *the standards of National Center for Education*
 2 *Statistics.*

3 “(9) *DATA COLLECTION.*—*The Commissioner*
 4 *shall ensure that data collection, maintenance, and*
 5 *use under this subsection complies with section 552a*
 6 *of title 5, United States Code.*

7 “(10) *DEFINITIONS.*—*In this subsection:*

8 “(A) *INSTITUTION OF HIGHER EDU-*
 9 *CATION.*—*The term ‘institution of higher edu-*
 10 *cation’ has the meaning given the term in sec-*
 11 *tion 102.*

12 “(B) *MINORITY-SERVING INSTITUTION.*—
 13 *The term ‘minority-serving institution’ means*
 14 *an institution of higher education listed in sec-*
 15 *tion 371(a).*

16 “(C) *PERSONALLY IDENTIFIABLE INFORMA-*
 17 *TION.*—*The term ‘personally identifiable infor-*
 18 *mation’ means personally identifiable informa-*
 19 *tion within the meaning of section 444 of the*
 20 *General Education Provisions Act.’’.*

21 **SEC. 114. DATABASE OF STUDENT INFORMATION PROHIB-**
 22 **ITED.**

23 *(a) IN GENERAL.*—*Section 134(b) of the Higher Edu-*
 24 *cation Act of 1965 (20 U.S.C. 1015c(b)) is amended to read*
 25 *as follows:*

1 “(b) *EXCEPTION.*—*The provisions of subsection (a)*
2 *shall not apply to a system (or a successor system)—*

3 “(1) *that—*

4 “(A) *is necessary for the operation of pro-*
5 *grams authorized by title II, IV, or VII; and*

6 “(B) *was in use by the Secretary, directly*
7 *or through a contractor, as of the day before the*
8 *date of enactment of the College Cost Reduction*
9 *Act; or*

10 “(2) *required under section 132.*”.

11 (b) *PROGRAM PARTICIPATION AGREEMENTS.*—

12 (1) *IN GENERAL.*—*Paragraph (17) of section*
13 *487(a) of the Higher Education Act of 1965 (20*
14 *U.S.C. 1094(a)) is amended to read as follows:*

15 “(17) *The institution or the assigned agent of the*
16 *institution will collect and submit to the Commis-*
17 *sioner for Education Statistics data in accordance*
18 *with section 132(f), the non-student related surveys*
19 *within the Integrated Postsecondary Education Data*
20 *System (IPEDS), or any other Federal institution of*
21 *higher education data collection effort (as designated*
22 *by the Secretary), in a timely manner and to the sat-*
23 *isfaction of the Secretary.*”.

1 (2) *EFFECTIVE DATE.*—*The amendment made by*
 2 *paragraph (1) shall take effect no later than 3 years*
 3 *after the date of enactment of this Act.*

4 (c) *REPORTING BURDEN.*—*The Secretary of Education*
 5 *and the Commissioner for Education Statistics shall take*
 6 *such steps as are necessary to ensure that the development*
 7 *and maintenance of the postsecondary student data system*
 8 *required under section 132(f) of the Higher Education Act*
 9 *of 1965, as added by section 113 of this Act, occurs in a*
 10 *manner that, to the extent practicable, reduces the reporting*
 11 *burden for entities that reported into the Integrated Postsec-*
 12 *ondary Education Data System (IPEDS).*

13 **TITLE II—ACCESS AND**
 14 **AFFORDABILITY**

15 **PART A—FINANCIAL NEED**

16 **SEC. 201. AMOUNT OF NEED; COST OF ATTENDANCE; ME-**
 17 **DIAN COST OF COLLEGE.**

18 (a) *AMOUNT OF NEED.*—*Section 471 (20 U.S.C.*
 19 *1087kk), as amended by the FAFSA Simplification Act, is*
 20 *further amended by amending paragraph (1) to read as fol-*
 21 *lows:*

22 “(1)(A) *for award year 2024–2025, the cost of*
 23 *attendance of such student; and*

1 “(B) for award year 2025–2026 and each subse-
2 quent award year, the median cost of college of the
3 program of study of such student, minus”.

4 (b) *COST OF ATTENDANCE*.—Section 472(c) (20 U.S.C.
5 1087ll(c)), as amended by the *FAFSA Simplification Act*,
6 is further amended by striking “of the institution” and in-
7 serting “of each program of study at the institution”.

8 (c) *MEDIAN COST OF COLLEGE*.—Part F of title IV
9 (20 U.S.C. 1087kk), as amended by the *FAFSA Simplifica-*
10 *tion Act*, is further amended by inserting after section 472,
11 as amended by subsection (b), the following:

12 “**SEC. 472A. DETERMINATION OF MEDIAN COST OF COL-**
13 **LEGE.**

14 “*For the purpose of this title, the term ‘median cost*
15 *of college’, when used with respect to a program of study*
16 *offered by one or more institutions of higher education for*
17 *an award year, means the median of the cost of attendance*
18 *(as defined in section 472) for the program of study across*
19 *all institutions of higher education offering such a program*
20 *for the preceding award year.’”.*

21 (d) *EXEMPTION OF CERTAIN ASSETS*.—

22 (1) *IN GENERAL*.—Section 480(f)(2) of the *High-*
23 *er Education Act of 1965*, as amended by the *FAFSA*
24 *Simplification Act*, is further amended—

1 (A) by striking “net value of the” and in-
 2 serting the following: “the net value of—

3 “(A) the”;

4 (B) by striking the period at the end and
 5 inserting a semicolon; and

6 (C) by adding at the end the following:

7 “(B) a family farm on which the family re-
 8 sides; or

9 “(C) a small business with not more than
 10 100 full-time or full-time equivalent employees
 11 (or any part of such a small business) that is
 12 owned and controlled by the family.”.

13 (2) *EFFECTIVE DATE.*—The amendments made
 14 by paragraph (1) shall take effect for award year
 15 2025–2026 and each subsequent award year.

16 **PART B—FINANCIAL AID**

17 **Subpart 1—Grants**

18 **SEC. 211. FEDERAL PELL GRANT PROGRAM.**

19 Section 401(b)(3) (20 U.S.C. 1070a(b)(3)), as amended
 20 by the FAFSA Simplification Act, is further amended to
 21 read as follows:

22 “(3) *AWARD MAY NOT EXCEED MEDIAN COST OF*
 23 *COLLEGE.*—With respect to award year 2025–2026
 24 and each succeeding award year, no Federal Pell
 25 Grant under this subpart shall exceed the median cost

1 of college (as defined in section 472A) for the program
2 at which that student is in attendance. If, with re-
3 spect to any student, it is determined that the amount
4 of a Federal Pell Grant for that student exceeds the
5 median cost of college for such program for that year,
6 the amount of the Federal Pell Grant shall be reduced
7 until the Federal Pell Grant does not exceed the me-
8 dian cost of college for such program for that year.”.

9 **SEC. 212. CAMPUS-BASED AID PROGRAMS.**

10 (a) *TERMINATION OF CERTAIN PROGRAMS.*—Notwith-
11 standing subparts 3 and 4 of part A, or part C, of title
12 IV of the Higher Education Act of 1965 (20 U.S.C. 1070
13 et seq.), or any other provision of law, except as expressly
14 authorized by an Act of Congress enacted after the date of
15 enactment of this Act, beginning on October 1, 2026, no
16 funds are authorized to be appropriated, or may be ex-
17 pended, under this Act or any other Act to make payments
18 to States for the Leveraging Educational Assistance Part-
19 nership Program under subpart 4 of part A of title IV (20
20 U.S.C. 1070c et seq.), and the authority of the Secretary
21 to carry out such program shall be terminated.

22 (b) *PROMISE GRANTS.*—Subpart 4 of part A of title
23 IV of the Higher Education Act of 1965 (20 U.S.C. 1070c
24 et seq.) is amended to read as follows:

1 **“Subpart 4—Promoting Real Opportunities to**
2 **Maximize Investments and Savings in Education**

3 **“SEC. 415A. PURPOSE.**

4 *“It is the purpose of this subpart to provide perform-*
5 *ance-based grants to—*

6 *“(1) assist institutions in providing certainty to*
7 *students and families about postsecondary afford-*
8 *ability;*

9 *“(2) increase postsecondary access and economic*
10 *mobility; and*

11 *“(3) ensure that students, institutions, and tax-*
12 *payers receive a financial return for investments in*
13 *postsecondary education.*

14 **“SEC. 415B. PROMISE GRANTS.**

15 *“For award year 2026–2027 and each succeeding*
16 *award year, from reserved funds remitted to the Secretary*
17 *in accordance with section 454(d) and additional funds au-*
18 *thorized under section 415E, as necessary, the Secretary*
19 *shall award PROMISE grants to eligible institutions to*
20 *carry out the purpose of this subpart. PROMISE grants*
21 *awarded under this subpart shall be performance-based and*
22 *shall be awarded to each eligible institution for a 6-year*
23 *period in an amount that is determined in accordance with*
24 *section 415D.*

1 **“SEC. 415C. ELIGIBLE INSTITUTIONS; APPLICATION.**

2 “(a) *ELIGIBLE INSTITUTION.*—*To be eligible for a*
3 *PROMISE grant under this subpart, an institution shall—*

4 “(1) *be an institution of higher education under*
5 *section 102, except that an institution described in*
6 *section 102(a)(1)(C) shall not be an eligible institu-*
7 *tion under this subpart; and*

8 “(2) *meet the maximum total price guarantee re-*
9 *quirements under subsection (c).*

10 “(b) *APPLICATION.*—*An eligible institution seeking a*
11 *PROMISE grant under this subpart (including a renewal*
12 *of such a grant) shall submit to the Secretary an applica-*
13 *tion, at such time as the Secretary may require, that con-*
14 *tains the information required in this subsection. Such ap-*
15 *plication shall—*

16 “(1) *demonstrate that the institution—*

17 “(A) *meets the maximum total price guar-*
18 *antee requirements under subsection (c); and*

19 “(B) *will continue to meet the maximum*
20 *total price guarantee requirements for each*
21 *award year during the grant period with respect*
22 *to students first enrolling at the institution for*
23 *each such award year;*

24 “(2) *describe how grant funds awarded under*
25 *this subpart will be used by the institution to carry*

1 *out the purposes of this Act, including activities re-*
2 *lated to—*

3 *“(A) postsecondary affordability, includ-*
4 *ing—*

5 *“(i) the expansion and continuation of*
6 *the maximum total price guarantee require-*
7 *ments under subsection (c); and*

8 *“(ii) any other activities to be carried*
9 *out by the institution to increase postsec-*
10 *ondary affordability and minimize the total*
11 *net price required for completion (as de-*
12 *finied in section 132(a)) paid by students re-*
13 *ceiving need-based student aid;*

14 *“(B) postsecondary access, which may in-*
15 *clude—*

16 *“(i) the activities described in section*
17 *485E of this Act; and*

18 *“(ii) any other activities to be carried*
19 *out by the institution to increase postsec-*
20 *ondary access and expand opportunities for*
21 *low- and middle-income students; and*

22 *“(C) postsecondary student success, which*
23 *may include—*

24 *“(i) activities to improve completion*
25 *rates and reduce time to credential, includ-*

1 *ing the activities described in section 741 of*
2 *this Act, as amended by the College Cost Re-*
3 *duction Act;*

4 *“(ii) activities to align programs of*
5 *study with the needs of employers, including*
6 *with respect to in-demand industry sectors*
7 *or occupations (as defined in section 3 of*
8 *the Workforce Innovation and Opportunity*
9 *Act (29 U.S.C. 3102)); and*

10 *“(iii) any other activities to be carried*
11 *out by the institution to increase value-*
12 *added earnings and postsecondary student*
13 *success;*

14 *“(3) describe—*

15 *“(A) how the institution will evaluate the*
16 *effectiveness of the institution’s use of grant*
17 *funds awarded under this subpart; and*

18 *“(B) how the institution will collect and*
19 *disseminate information on promising practices*
20 *developed with the use of such grant funds; and*

21 *“(4) in the case of an institution that has pre-*
22 *viously received a grant under this subpart, contain*
23 *the evaluation required under paragraph (3) for each*
24 *previous grant.*

1 “(c) *MAXIMUM TOTAL PRICE GUARANTEE REQUIRE-*
2 *MENTS.—As a condition of eligibility for a PROMISE*
3 *grant under this subpart, an institution shall—*

4 “(1) *for each award year beginning after the*
5 *date of enactment of the College Cost Reduction Act,*
6 *not later than one year before the start of each such*
7 *award year (except that, for the first award year be-*
8 *ginning after such date of enactment, the institution*
9 *shall meet these requirements as soon as practicable*
10 *such date of enactment)—*

11 “(A) *determine the maximum total price for*
12 *completion, in accordance with subsection (e), for*
13 *each program of study at the institution—*

14 “(i) *applicable to students in each in-*
15 *come category described in section*
16 *132(c)(2)(A)(i); and*

17 “(ii) *applicable to students in each stu-*
18 *dent aid index category determined by the*
19 *Secretary in accordance with section*
20 *132(c)(2)(A)(ii); and*

21 “(B) *publish such information on the insti-*
22 *tution’s website and in the institution’s catalog,*
23 *marketing materials, or other official publica-*
24 *tions;*

1 “(2) for the award year for which the institution
2 is applying for a *PROMISE* grant, and at least one
3 award year preceding such award year, provide to
4 each student who first enrolls, or plans to enroll, in
5 the institution during the award year and who re-
6 ceives Federal financial aid under this title a max-
7 imum total price guarantee, in accordance with this
8 section, for the minimum guarantee period applicable
9 to the student; and

10 “(3) provide to the Secretary an assurance that
11 the institution will continue to meet each of the max-
12 imum total price guarantee requirements under this
13 subsection for students who first enroll, or plan to en-
14 roll, in the institution during each award year in-
15 cluded in the grant period.

16 “(d) *DURATION OF MINIMUM GUARANTEE PERIOD.*—

17 “(1) *IN GENERAL.*—The minimum period during
18 which a student shall be provided a guarantee under
19 subsection (c) with respect to the maximum total
20 price for completion of a program of study at an in-
21 stitution shall be the median time to credential of stu-
22 dents who completed any undergraduate program of
23 study at the institution during the most recent award
24 year for which data are available, except that such
25 minimum guarantee period shall not be less than the

1 *program length of the program of study in which the*
2 *student is enrolled.*

3 “(2) *LIMITATION.*—*An institution shall not be*
4 *required to provide a maximum total price guarantee*
5 *under subsection (c) to a student after the conclusion*
6 *of the 6-year period beginning on the first day on*
7 *which the student enrolled at such institution.*

8 “(e) *DETERMINATION OF MAXIMUM TOTAL PRICE FOR*
9 *COMPLETION.*—

10 “(1) *IN GENERAL.*—*For the purposes of sub-*
11 *section (c), an institution shall determine, prior to*
12 *the first award year in which a student enrolls at the*
13 *institution, the maximum total price that may be*
14 *charged to the student for completion of a program of*
15 *study at the institution for the minimum guarantee*
16 *period applicable to a student, before application of*
17 *any Federal Pell Grants or other Federal financial*
18 *aid under this title. Such a maximum total price for*
19 *completion shall be determined for students in each*
20 *income category and student aid index category (as*
21 *determined in accordance with section 132(c)(2)(A)).*
22 *In determining the maximum total price for comple-*
23 *tion to be charged to each such category of students,*
24 *the institution may consider the ability of a category*
25 *of students to pay tuition and fees (including the re-*

1 *quired costs described in section 124(b)(3)(A)(i)(I),*
2 *but may not include in such consideration any Fed-*
3 *eral Pell Grants or other Federal financial aid*
4 *awards that may be available to such category of stu-*
5 *dents under this title.*

6 *“(2) MULTIPLE MAXIMUM TOTAL PRICE GUARAN-*
7 *TEES.—In the event that a student receives more than*
8 *one maximum total price guarantee because the stu-*
9 *dent is included in more than one category of stu-*
10 *dents for which the institution determines a max-*
11 *imum total price guarantee amount for the purposes*
12 *of subsection (c), the maximum total price guarantee*
13 *applicable to such student for the purposes of this sec-*
14 *tion shall be equal to the lowest such guarantee*
15 *amount.*

16 **“SEC. 415D. GRANT AMOUNTS; FLEXIBLE USE OF FUNDS.**

17 *“(a) GRANT AMOUNT FORMULA.—*

18 *“(1) FORMULA.—Subject to subsection (b), the*
19 *amount of a PROMISE grant for an eligible institu-*
20 *tion for each year of the grant period shall be deter-*
21 *mined by the Secretary annually and shall be equal*
22 *to—*

23 *“(A) the amount determined by multi-*
24 *plying—*

25 *“(i) the lesser of—*

1 “(I) the difference determined by
2 subtracting one from the quotient of—

3 “(aa) the average, for the 3
4 most recent award years for which
5 data are available, of the median
6 value-added earnings (as defined
7 in section 103) for each such
8 award year of students who com-
9 pleted any program of study of
10 the institution; divided by

11 “(bb) the average for the 3
12 most recent award years, of the
13 maximum total price applicable
14 for each such award year to stu-
15 dents enrolled in the institution
16 in any program of study who re-
17 ceived financial aid under this
18 title; or

19 “(II) the number two;

20 “(ii) the average, for the 3 most recent
21 award years, of the total dollar amount of
22 Federal Pell Grants awarded to students en-
23 rolled in the institution in each such award
24 year; and

1 “(iii) the average, for the 3 most recent
2 award years, of the percentage of low-in-
3 come students who received Federal finan-
4 cial assistance under this title who were en-
5 rolled in the institution in each such award
6 year who—

7 “(I) completed a program of study
8 at the institution within 100 percent of
9 the program length of such program; or

10 “(II) only in the case of a two-
11 year institution or a less than two-
12 year institution—

13 “(aa) transfer to a four-year
14 institution; and

15 “(bb) within 4 years after
16 first enrolling at the two-year or
17 less than two-year institution,
18 complete a program of study at
19 the four-year institution for which
20 a bachelor’s degree (or substan-
21 tially similar credential) is
22 awarded; minus

23 “(B) the sum of—

1 “(i) the amount allocated to the insti-
2 tution under part C of title IV for the most
3 recent fiscal year; and

4 “(ii) the amount allocated to the insti-
5 tution under subpart 3 of part A of title IV
6 for the most recent fiscal year.

7 “(2) *DEFINITION OF LOW-INCOME.*—In this sec-
8 tion, the term ‘low-income’, when used with respect to
9 a student, means that the student’s family income
10 does not exceed the maximum income in the lowest in-
11 come category described in section 132(c)(2)(A)(i).

12 “(b) *MAXIMUM GRANT AMOUNT.*—Notwithstanding
13 subsection (a), the maximum amount an eligible institution
14 may receive annually for a grant under this subpart shall
15 be the amount equal to—

16 “(1) the average, for the 3 most recent award
17 years, of the number of students enrolled in the insti-
18 tution in an award year who receive Federal finan-
19 cial aid under this title; multiplied by

20 “(2) \$5,000.

21 “(c) *FLEXIBLE USE OF FUNDS.*—A *PROMISE* grant
22 awarded under this subpart shall be used by an eligible in-
23 stitution to carry out the purposes of this subpart, includ-
24 ing—

1 “(1) *carrying out activities included in the insti-*
2 *tution’s application for such grant related to postsec-*
3 *ondary affordability, access, and student success; and*

4 “(2) *evaluating the effectiveness of the activities*
5 *carried out with such grant in accordance with sec-*
6 *tion 415C(b)(3)(A); and*

7 “(3) *collecting and disseminating promising*
8 *practices related to the activities carried out with*
9 *such grant, in accordance with section 415C(b)(3)(B).*

10 “(d) *TRANSFER AUTHORITY.—In order to offer an ar-*
11 *rangement of types of aid which best fit the needs of each*
12 *individual student, an institution may transfer up to 100*
13 *percent of the institution’s allotment under subpart 3 of this*
14 *part or part C of this title (or both) to the institution’s*
15 *allotment under this section. Funds transferred to an insti-*
16 *tution’s allotment under this section may be used as a part*
17 *of and for the same purposes as funds allotted under this*
18 *subpart. The Secretary shall have no control over such*
19 *transfer, except as specifically authorized, except for the col-*
20 *lection and dissemination of information.*

21 **“SEC. 415E. AUTHORIZATION OF APPROPRIATIONS.**

22 “(a) *USED OF RESERVED FUNDS.—*

23 “(1) *PRIMARY FUNDS.—To carry out this sub-*
24 *part, there shall be available to the Secretary any*
25 *funds remitted to the Secretary as reimbursements in*

1 *accordance with section 454(d) for any award year;*
2 *and*

3 “(2) *SECONDARY FUNDS.—Beginning award*
4 *year 2026–2027, if the amounts made available to the*
5 *Secretary under paragraph (1) to carry out this sub-*
6 *part in any award year are insufficient to fully fund*
7 *the PROMISE grants awarded under this subpart in*
8 *such award year, there shall be available to the Sec-*
9 *retary, in addition to such amounts, any funds re-*
10 *turned to the Secretary under section 484B in the*
11 *previous award year.*

12 “(b) *INSUFFICIENT FUNDS.—If the amounts made*
13 *available to the Secretary under subsection (a) to carry out*
14 *this subpart for are not sufficient to provide grants to all*
15 *eligible institutions in the amount determined under this*
16 *subpart for an award year, the Secretary shall first provide*
17 *grants to the eligible institutions that have the highest per-*
18 *centage of students who are low-income students (as defined*
19 *in section 415D).”.*

20 “(c) *INSTITUTIONAL REFUNDS.—Section 484B of the*
21 *Higher Education Act of 1965 (20 U.S.C. 1091b) is amend-*
22 *ed by adding at the end the following:*

23 “(f) *RESERVATION OF FUNDS FOR PROMISE*
24 *GRANTS.—Notwithstanding any other provision of law, the*
25 *Secretary shall reserve the funds returned to the Secretary*

1 *under this section for 1 year after the return of such funds*
2 *for the purpose of awarding PROMISE grants in accord-*
3 *ance with subpart 4 of part A of this title.”.*

4 ***Subpart 2—Loans***

5 ***SEC. 221. LOAN LIMITS.***

6 *(a) STAFFORD LOANS.—*

7 *(1) AGGREGATE AND ANNUAL LIMITS FOR GRAD-*
8 *UATE AND PROFESSIONAL STUDENTS.—Section 455(a)*
9 *(20 U.S.C. 1087e(a)) is amended—*

10 *(A) in paragraph (3)—*

11 *(i) in subparagraph (A)(ii), by insert-*
12 *ing before the period at the end the fol-*
13 *lowing: “, except that for any period of in-*
14 *struction beginning on or after July 1,*
15 *2025, such maximum annual amount shall*
16 *be determined in accordance with subpara-*
17 *graph (C)”;*

18 *(ii) in subparagraph (B), by inserting*
19 *before the period at the end the following:*
20 *“for any period of instruction through June*
21 *30, 2025”;* and

22 *(iii) by adding at the end the fol-*
23 *lowing:*

24 *“(C) ANNUAL LIMITS.—Notwithstanding*
25 *any provision of this part or part B, for any pe-*

1 *riod of instruction beginning on or after July 1,*
2 *2025, the maximum annual amount of Federal*
3 *Direct Unsubsidized Stafford loans that a grad-*
4 *uate or professional student may borrow in any*
5 *academic year (as defined in section 481(a)(2))*
6 *or its equivalent shall be median cost of college*
7 *(as defined in section 472A) of the program of*
8 *study in which the student is enrolled, except*
9 *that the sum of such annual loan amount and*
10 *other financial assistance (as defined in section*
11 *480(i)) that the student receives for such aca-*
12 *demie year may not exceed the cost of attendance*
13 *of such student.*

14 “(D) *AGGREGATE LIMITS.—Notwith-*
15 *standing any provision of this part or part B,*
16 *for any period of instruction beginning on or*
17 *after July 1, 2025, the maximum aggregate*
18 *amount of Federal Direct Unsubsidized Stafford*
19 *loans that—*

20 *“(i) a graduate student may borrow*
21 *shall be \$100,000; and*

22 *“(ii) a professional student may bor-*
23 *row shall be \$150,000.*

24 “(E) *EXCEPTION FOR CERTAIN STU-*
25 *DENTS.—*

1 “(i) *IN GENERAL.*—*The provisions list-*
2 *ed in clause (ii) shall not apply with re-*
3 *spect to any individual who, as of June 30,*
4 *2025, is enrolled in a program of study at*
5 *an institution of higher education, and has*
6 *received a loan (or on whose behalf a loan*
7 *was made) under this part for such pro-*
8 *gram, during the individual’s expected time*
9 *to completion of such program, as deter-*
10 *mined by calculating by the difference be-*
11 *tween—*

12 “(I) *the program length for the*
13 *program of study in which such indi-*
14 *vidual is enrolled; and*

15 “(II) *the period of such program*
16 *that such individual has completed,*
17 *except that such expected time to completion*
18 *may not exceed 3 years.*

19 “(ii) *PROVISIONS.*—*An individual de-*
20 *scribed in clause (i) shall not be subject to*
21 *subparagraphs (C) and (D) of this para-*
22 *graph, or paragraph (4) or (6).”.*

23 (2) *ANNUAL LIMITS FOR UNDERGRADUATE BOR-*
24 *ROWERS.*—*Section 455(a) (20 U.S.C. 1087e(a)) is*
25 *further amended by adding at the end the following:*

1 “(4) ANNUAL AND AGGREGATE LOAN LIMITS FOR
2 UNDERGRADUATE AND ALL BORROWERS.—

3 “(A) UNDERGRADUATE STUDENTS.—

4 “(i) ANNUAL LOAN LIMITS.—

5 “(I) SUBSIDIZED LOANS.—Not-
6 withstanding any provision of this
7 part or part B, for any period of in-
8 struction beginning on or after July 1,
9 2025, the maximum annual amount of
10 Federal Direct Stafford loans that an
11 undergraduate student may borrow in
12 any academic year (as defined in sec-
13 tion 481(a)(2)) or its equivalent shall
14 be the difference between—

15 “(aa) the median cost of col-
16 lege (as defined in section 472A)
17 of the program of study in which
18 the student is enrolled; and

19 “(bb) the Federal Pell Grant
20 under section 401 awarded to the
21 student for such academic year,
22 except that (1) the amount of such Fed-
23 eral Direct Stafford loans awarded to
24 the student for such academic year
25 may not exceed the maximum annual

1 *limit described in section 428(b)(1)*
2 *that is applicable to such student; and*
3 *(2) the sum of such Federal Direct*
4 *Stafford Loans and the amount of such*
5 *Federal Pell Grant and other financial*
6 *assistance (as defined in section*
7 *480(i)) that the student receives for*
8 *such academic year may not exceed the*
9 *cost of attendance of such student.*

10 *“(II) UNSUBSIDIZED LOANS.—*
11 *Notwithstanding any provision of this*
12 *part or part B, for any period of in-*
13 *struction beginning on or after July 1,*
14 *2025, the maximum annual amount of*
15 *Federal Direct Unsubsidized Stafford*
16 *loans that an undergraduate student*
17 *may borrow in any academic year (as*
18 *defined in section 481(a)(2)) or its*
19 *equivalent shall be the difference be-*
20 *tween—*

21 *“(aa) the median cost of col-*
22 *lege (as defined in section 472A)*
23 *of the program of study in which*
24 *the student is enrolled; and*

25 *“(bb) the sum of—*

1 “(AA) the amount of
2 *Federal Direct Stafford loans*
3 *awarded to such student for*
4 *such academic year; and*

5 “(BB) the amount of the
6 *Federal Pell Grant under*
7 *section 401 awarded to the*
8 *student for such academic*
9 *year,*

10 *except that the sum of all Federal*
11 *financial aid under this title and*
12 *other financial assistance (as de-*
13 *defined in section 480(i)) that such*
14 *student receives for such academic*
15 *year may not exceed the cost of*
16 *attendance for such student.*

17 “(ii) *AGGREGATE LIMITS.*—*Notwith-*
18 *standing any provision of this part or part*
19 *B, for any period of instruction beginning*
20 *on or after July 1, 2025, with respect to an*
21 *undergraduate student—*

22 “(I) the maximum aggregate
23 *amount of Federal Direct Stafford*
24 *loans and Federal Direct Unsubsidized*

1 *Stafford loans that may be borrowed*
2 *shall be \$50,000;*

3 *“(II) the maximum aggregate*
4 *amount of Federal Direct Stafford*
5 *loans that may be borrowed shall be*
6 *\$23,000; and*

7 *“(III) the maximum aggregate*
8 *amount of Federal Direct Unsubsidized*
9 *Stafford loans that may be borrowed*
10 *shall be \$50,000.*

11 *“(B) STUDENTS IN A QUALIFYING UNDER-*
12 *GRADUATE PROGRAM.—*

13 *“(i) AGGREGATE LIMITS.—Notwith-*
14 *standing the aggregate limits described in*
15 *subparagraph (A)(ii), a student enrolled in*
16 *a qualifying undergraduate program shall*
17 *be subject to the aggregate limits for profes-*
18 *sional students described in paragraph*
19 *(3)(D)(ii).*

20 *“(ii) QUALIFYING UNDERGRADUATE*
21 *PROGRAM DEFINED.—For purposes of this*
22 *subparagraph, the term ‘qualifying under-*
23 *graduate program’ means a program of*
24 *study—*

1 “(I) for which the total tuition
2 and fees (including the required costs
3 described in section 124(b)(3)(A)(i)(I))
4 exceeds the aggregate limits for under-
5 graduate students described in sub-
6 paragraph (A)(ii);

7 “(II) that meets certification re-
8 quirements of the Federal agency that
9 directly regulates the program and
10 provides final licensing and credentials
11 to students upon completion; and

12 “(III) the institution of higher
13 education offering such program of
14 study notifies the Secretary that the
15 program desires to be a qualifying un-
16 dergraduate program.

17 “(C) ALL STUDENTS.—The maximum ag-
18 gregate amount of loans made, insured, or guar-
19 anteed under this title to a student shall be
20 \$200,000.”.

21 (3) INSTITUTIONALLY DETERMINED LIMITS.—
22 Section 455(a) of the Higher Education Act of 1965
23 (20 U.S.C. 1087e(a)) is further amended by adding at
24 the end the following:

25 “(5) INSTITUTIONALLY DETERMINED LIMITS.—

1 “(A) *IN GENERAL.*—*Notwithstanding any*
2 *other provision of this subsection, an eligible in-*
3 *stitution (at the discretion of a financial aid ad-*
4 *ministrator at the institution) may prorate or*
5 *limit the amount of a loan any student who is*
6 *enrolled in a program of study for a period of*
7 *instruction beginning on or after July 1, 2024,*
8 *at that institution, may borrow under this part*
9 *for an academic year—*

10 “(i) *if the institution can reasonably*
11 *demonstrate that outstanding amounts owed*
12 *of loans made under this title are or would*
13 *be excessive for students who complete such*
14 *program, based on the most recently avail-*
15 *able data from the College Scorecard (or*
16 *successor website of the Department) on—*

17 “(I) *the median of the value-*
18 *added earnings of students who com-*
19 *plete such program; and*

20 “(II) *the median debt owed, and*
21 *the repayment rate, on loans made*
22 *under this part, of such students;*

23 “(ii) *in a case in which the student is*
24 *enrolled on a less than full-time basis or the*
25 *student is enrolled for less than the period*

1 *of enrollment to which the annual loan*
2 *limit applies under this subsection, based*
3 *on the student's enrollment status; or*

4 “(iii) *based on the year of the program*
5 *for which the student is seeking such loan.*”

6 “(B) *APPLICATION TO ALL STUDENTS.—*
7 *Any proration or limiting of loan amounts*
8 *under subparagraph (A) shall be applied in the*
9 *same manner to all students enrolled in a pro-*
10 *gram of study.*”

11 “(C) *INCREASES FOR INDIVIDUAL STU-*
12 *DENTS.—Upon the request of a student whose*
13 *loan amount for an academic year has been pro-*
14 *rated or limited under subparagraph (A), an eli-*
15 *gible institution (at the discretion of the finan-*
16 *cial aid administrator at the institution) may*
17 *increase such loan amount to an amount not ex-*
18 *ceeding the annual loan amount applicable to*
19 *such student under this paragraph for such aca-*
20 *demie year.”.*

21 (b) *TERMINATION OF AUTHORITY TO MAKE FEDERAL*
22 *DIRECT PLUS LOANS TO ANY STUDENT OR PARENT BOR-*
23 *ROWER.—Section 455(a) of the Higher Education Act of*
24 *1965 (20 U.S.C. 1087e(a)) is amended by adding at the*
25 *end the following:*

1 “(6) *TERMINATION OF AUTHORITY TO MAKE*
2 *FEDERAL DIRECT PLUS LOANS.*—*Notwithstanding*
3 *any provision of this part or part B, except as pro-*
4 *vided in paragraph (3)(E), for any period of instruc-*
5 *tion beginning on or after July 1, 2025, no Federal*
6 *Direct PLUS loans may be made to any parent bor-*
7 *rower or graduate or professional student borrower.*”.

8 **SEC. 222. LOAN REPAYMENT.**

9 (a) *REPAYMENT PLANS.*—*Section 455(d) of the Higher*
10 *Education Act of 1965 (20 U.S.C. 1087e(d)) is amended—*

11 (1) *in paragraph (1)(D) by inserting “(includ-*
12 *ing a repayment assistance plan under section*
13 *455(e)(9))” after “an income contingent repayment*
14 *plan”; and*

15 (2) *by adding at the end the following:*

16 “(6) *REPAYMENT PLANS FOR LOANS MADE ON OR*
17 *AFTER JULY 1, 2024.—*

18 “(A) *DESIGN AND SELECTION.*—*Notwith-*
19 *standing paragraph (1), beginning on July 1,*
20 *2024, the Secretary shall offer a borrower of a*
21 *loan made under this part on or after July 1,*
22 *2024, two plans for repayment of such loan, in-*
23 *cluding principal and interest on the loan. The*
24 *borrower shall be entitled to accelerate, without*

1 *penalty, repayment on such loans. The borrower*
2 *may choose—*

3 “(i) *a standard repayment plan with a*
4 *fixed monthly repayment amount paid over*
5 *a fixed period of time, not to exceed 10*
6 *years; or*

7 “(ii) *a repayment assistance plan*
8 *under section 455(e)(9).*

9 “(B) *SELECTION BY SECRETARY.—If such*
10 *borrower does not select a repayment plan de-*
11 *scribed in subparagraph (A), the Secretary shall*
12 *provide the borrower with the repayment plan*
13 *described in subparagraph (A)(i).*

14 “(C) *CHANGES IN SELECTION.—*

15 “(i) *IN GENERAL.—Subject to clause*
16 *(ii), a borrower may change the borrower’s*
17 *selection of a repayment plan under sub-*
18 *paragraph (A), or the Secretary’s selection*
19 *of a plan for the borrower under subpara-*
20 *graph (B), as the case may be. Nothing in*
21 *this subsection shall prohibit the Secretary*
22 *from encouraging distressed borrowers from*
23 *enrolling in the repayment assistance plan*
24 *under section 455(e)(9).*

1 “(i) *SAME REPAYMENT PLAN RE-*
2 *QUIRED.—All loans made under this part*
3 *on or after July 1, 2024, to a borrower shall*
4 *be repaid under the same repayment plan*
5 *under subparagraph (A), except that the*
6 *borrower may repay an excepted PLUS*
7 *loan or an excepted consolidation loan (as*
8 *such terms are defined in section 455(e)(9))*
9 *separately from other loans made under this*
10 *part to the borrower.*

11 “(D) *REPAYMENT AFTER DEFAULT.—The*
12 *Secretary may require a borrower who has de-*
13 *faulted on a loan made under this part to—*

14 “(i) *pay all reasonable collection costs*
15 *associated with such loan; and*

16 “(ii) *repay the loan pursuant to the re-*
17 *payment assistance plan under section*
18 *455(e)(9).*

19 “(E) *PROHIBITIONS.—The Secretary may*
20 *not—*

21 “(i) *authorize a borrower of a loan*
22 *made under this part on or after July 1,*
23 *2024, to repay such loan pursuant to a re-*
24 *payment plan that is not described in*
25 *clause (i) or (ii) of subparagraph (A); or*

1 “(i) carry out or modify a repayment
2 plan for any loan made under this part on
3 or after July 1, 2024, that is not described
4 in such clause (i) or (ii).”.

5 (b) *REPAYMENT ASSISTANCE PLAN*.—Section 455(e) of
6 the Higher Education Act of 1965 (20 U.S.C. 1087e(e)) is
7 amended by adding at the end the following:

8 “(9) *REPAYMENT ASSISTANCE PLAN*.—

9 “(A) *IN GENERAL*.—Notwithstanding any
10 other provision of this Act, beginning on July 1,
11 2024, the Secretary shall carry out a repayment
12 assistance program that shall have the terms and
13 conditions of an income-contingent repayment
14 plan described in paragraphs (1) through (8),
15 except that—

16 “(i) a borrower of any loan made
17 under this part (other than an excepted
18 PLUS loan or excepted consolidation loan),
19 may elect to have the borrower’s aggregate
20 monthly payment for all such loans not ex-
21 ceed the applicable monthly payment for the
22 borrower, except that a borrower may not be
23 precluded from repaying an amount that
24 exceeds such applicable monthly payment
25 for any month;

1 “(ii) the Secretary shall apply the bor-
2 rower’s monthly payment under this para-
3 graph first toward interest due on such a
4 loan, next toward any fees due on the loan,
5 and then toward the principal of the loan;

6 “(iii) any principal due and not paid
7 under clause (ii) shall be deferred;

8 “(iv) the amount of time the borrower
9 makes monthly payments under clause (i)
10 may exceed 10 years;

11 “(v) notwithstanding paragraph (7),
12 the Secretary shall repay or cancel any out-
13 standing balance of principal and interest
14 due on all loans made under this part
15 (other than excepted PLUS loans or ex-
16 cepted consolidation loans) to a borrower—

17 “(I) who, at any time, elected to
18 participate in a repayment assistance
19 plan under clause (i);

20 “(II) whose final monthly pay-
21 ment for such loans prior to the loan
22 cancellation under this clause was
23 made under such repayment assistance
24 plan; and

1 “(III) who has repaid on such
2 loans (pursuant to a repayment assist-
3 ance plan under clause (i), a standard
4 repayment plan under subsection
5 (d)(6)(A)(i), or a combination of any
6 such plan or any of the repayment
7 plans listed in clause (ii), (iii), (iv), or
8 (v) of paragraph (7)(B), or, in the case
9 of a consolidation loan, pursuant to a
10 repayment schedule described item
11 (aa)(BB) of this subclause) an amount
12 that is equal to—

13 “(aa)(AA) the total amount
14 of principal and interest that the
15 borrower would have repaid under
16 a standard repayment plan under
17 paragraph (1)(A) or (6)(A)(i) of
18 subsection (d), based on a 10-year
19 repayment period, when the bor-
20 rower entered repayment on such
21 loans; or

22 “(BB) in the case of a Fed-
23 eral Direct Consolidation Loan,
24 the total amount of principal and
25 interest that the borrower would

1 *have repaid under the repayment*
2 *schedule established for the loan*
3 *under section 428C(c)(2) on the*
4 *date on which such loan was*
5 *made; plus*

6 *“(bb) an amount equal to the*
7 *amount of any unpaid interest*
8 *that has accrued, but was not in-*
9 *cluded in the calculation of the*
10 *total amount of principal and in-*
11 *terest that would have been repaid*
12 *under the standard repayment*
13 *plan or schedule described in item*
14 *(aa)—*

15 *“(AA) during any*
16 *deferral period described in*
17 *clause (i) or (ii) of subsection*
18 *(f)(2)(A); or*

19 *“(BB) during any for-*
20 *bearance period while serving*
21 *in a medical or dental in-*
22 *ternship or residency pro-*
23 *gram as described in section*
24 *428(c)(3)(A)(i)(I); and*

1 “(vi) a borrower who is repaying a
2 loan pursuant to a repayment assistance
3 plan under clause (i) may elect, at any
4 time, to terminate repayment pursuant to
5 such plan and repay such loan under the
6 standard repayment plan under subsection
7 (d)(6)(A)(i).

8 “(B) *REPAYMENT ASSISTANCE FOR DIS-*
9 *TRESSED BORROWERS.—*

10 “(i) *INTEREST SUBSIDY.—*For each
11 month for which a borrower’s aggregate
12 monthly payment under this paragraph is
13 insufficient to pay the total amount of in-
14 terest that accrues on a loan for the month,
15 the amount of interest accrued and not paid
16 for the month shall be subtracted from the
17 total amount of interest due on such loan
18 for the month.

19 “(ii) *PRINCIPAL SUBSIDY.—*For each
20 month for which a borrower’s aggregate
21 monthly payment under this paragraph re-
22 pays an amount due on an individual loan
23 that is less than twice the total amount of
24 interest that accrues on such loan for the
25 month, the amount of the total principal

1 *due on such loan shall be reduced by an*
2 *amount equal to half of the monthly pay-*
3 *ment under this paragraph on such loan for*
4 *the month.*

5 “(C) *DEFINITIONS.—In this paragraph:*

6 “(i) *ADJUSTED GROSS INCOME.—The*
7 *term ‘adjusted gross income’ has the mean-*
8 *ing given the term in section 62 of the In-*
9 *ternal Revenue Code of 1986.*

10 “(ii) *APPLICABLE MONTHLY PAY-*
11 *MENT.—The term ‘applicable monthly pay-*
12 *ment’ means, when used with respect to a*
13 *borrower, the amount obtained by dividing*
14 *by 12, 10 percent of the result obtained by*
15 *calculating, on at least an annual basis, the*
16 *amount by which—*

17 “(I) *the adjusted gross income of*
18 *the borrower or, if the borrower is mar-*
19 *ried and files a Federal income tax re-*
20 *turn jointly with or separately from*
21 *the borrower’s spouse, the adjusted*
22 *gross income of the borrower and the*
23 *borrower’s spouse; exceeds*

24 “(II) *150 percent of the poverty*
25 *line applicable to the borrower’s family*

1 size as determined under section 673(2)
 2 of the Community Services Block
 3 Grant Act (42 U.S.C. 9902(2)).

4 “(iii) *EXCEPTED CONSOLIDATION*
 5 *LOAN.*—The term ‘excepted Consolidation
 6 Loan’ means a Federal Direct Consolida-
 7 tion Loan, if the proceeds of such loan were
 8 used to the discharge the liability on—

9 “(I) an excepted PLUS loan; or

10 “(II) a Federal Direct Consolida-
 11 tion loan, if the proceeds of such loan
 12 were used to discharge the liability on
 13 an excepted PLUS loan.

14 “(iv) *EXCEPTED PLUS LOAN.*—The
 15 term ‘excepted PLUS Loan’ has the mean-
 16 ing given the term in section 493C.”.

17 **SEC. 223. LOAN REHABILITATION.**

18 Section 428F(a)(5) of the Higher Education Act of
 19 1965 (20 U.S.C. 1078–6(a)(5)) is amended by striking “one
 20 time” and inserting “two times”.

21 **SEC. 224. INTEREST CAPITALIZATION.**

22 (a) *FEDERAL PLUS LOANS.*—Section 428B(d)(2) of
 23 the Higher Education Act of 1965 (20 U.S.C. 1078–2(d)(2))
 24 is amended to read as follows:

1 “(2) *NO CAPITALIZATION OF INTEREST.*—*Interest*
2 *on loans made under this section for which payments*
3 *of principal are deferred pursuant to paragraph (1)*
4 *shall be paid monthly or quarterly, if agreed upon by*
5 *the borrower and the lender.”.*

6 (b) *FEDERAL CONSOLIDATION LOANS DEFERRALS.*—
7 *Section 428C(b)(4)(C)(ii)(III) of the Higher Education Act*
8 *of 1965 (20 U.S.C. 1078–3(b)(4)(C)(III)) is amended by*
9 *striking “or capitalized,”.*

10 (c) *LOAN LIMITS FOR UNSUBSIDIZED STAFFORD*
11 *LOANS.*—*Section 428H(d)(5) of the Higher Education Act*
12 *of 1965 (20 U.S.C. 1078–8(d)(5)) is amended by inserting*
13 *“before the date of enactment of the College Cost Reduction*
14 *Act” after “Interest capitalized”.*

15 (d) *UNSUBSIDIZED STAFFORD LOANS FOR MIDDLE IN-*
16 *COME BORROWERS.*—*Section 428H(e)(2) of the Higher*
17 *Education Act of 1965 (20 U.S.C. 1078–8(e)(2)) is amend-*
18 *ed—*

19 (1) *in subparagraph (A), in the matter before*
20 *clause (i), by striking “, if agreed upon by the bor-*
21 *rower and the lender” and all that follows through*
22 *clause (ii)(IV) and inserting “be paid monthly or*
23 *quarterly, if agreed upon by the borrower and the*
24 *lender.”;*

25 (2) *by striking subparagraph (B); and*

1 (3) *by redesignating subparagraph (C) as sub-*
2 *paragraph (B).*

3 (e) *INCOME CONTINGENT REPAYMENT.*—Section
4 *455(e)(5) of the Higher Education Act of 1965 (20 U.S.C.*
5 *1087e(e)(5)) is amended by striking the last sentence and*
6 *inserting “No interest may be capitalized on such loan on*
7 *or after the date of the enactment of the College Cost Reduc-*
8 *tion Act, and the Secretary shall promulgate regulations*
9 *with respect to the treatment of accrued interest that is not*
10 *capitalized”.*

11 (f) *EFFECT OF DEFERMENT ON PRINCIPAL AND INTER-*
12 *EST.*—Section *455(f)(1)(B) of the Higher Education Act of*
13 *1965 (20 U.S.C. 1087e(f)(1)(B)) is amended by striking*
14 *“capitalized or”.*

15 (g) *INCOME-BASED REPAYMENT PROGRAM.*—Section
16 *493C(b)(3)(B) of the Higher Education Act of 1965 (20*
17 *U.S.C. 1098e(b)(3)(B)) is amended by inserting “shall ac-*
18 *crue but not” before “be capitalized”.*

19 **SEC. 225. ORIGINATION FEES.**

20 (a) *REPEAL OF ORIGINATION FEES.*—Subsection (c)
21 *of section 455 of the Higher Education Act of 1965 (20*
22 *U.S.C. 1087e(c)) is repealed.*

23 (b) *EFFECTIVE DATE.*—The amendment made by sub-
24 *section (a) shall apply with respect to loans made under*
25 *part D of title IV of the Higher Education Act of 1965 (20*

1 *U.S.C. 1087a et seq.) for which the first disbursement of*
2 *principal is made, or, in the case of a Federal Direct Con-*
3 *solidation Loan, the application is received, on or after*
4 *July 1, 2024.*

5 **TITLE III—ACCOUNTABILITY**
6 **AND STUDENT SUCCESS**

7 **PART A—ACCOUNTABILITY**

8 **Subpart 1—Department of Education**

9 **SEC. 301. AGREEMENTS WITH INSTITUTIONS.**

10 *Section 454 of the Higher Education Act of 1965 (20*
11 *U.S.C. 1087d) is amended—*

12 (1) *in subsection (a)—*

13 (A) *in paragraph (5), by striking “and”*
14 *after the semicolon;*

15 (B) *by redesignating paragraph (6) as*
16 *paragraph (7); and*

17 (C) *by inserting after paragraph (5) the fol-*
18 *lowing new paragraph:*

19 “(6) *provide annual reimbursements to the Sec-*
20 *retary in accordance with the requirements under*
21 *subsection (d); and”;* and

22 (2) *by adding at the end the following new sub-*
23 *section:*

24 “(d) **REIMBURSEMENT REQUIREMENTS.—**

1 “(1) *ANNUAL REIMBURSEMENTS REQUIRED.*—
2 *Beginning in award year 2024–2025, each institution*
3 *of higher education participating in the direct student*
4 *loan program under this part shall, for qualifying*
5 *student loans, remit to the Secretary, at such time as*
6 *the Secretary may specify, an annual reimbursement*
7 *for each student cohort of the institution, based on the*
8 *non-repayment balance of such cohort and calculated*
9 *in accordance with paragraph (3).*

10 “(2) *STUDENT COHORTS.*—

11 “(A) *COHORTS ESTABLISHED.*—*For each*
12 *institution of higher education, the Secretary*
13 *shall establish student cohorts, beginning with*
14 *award year 2023–2024, as follows:*

15 “(i) *COMPLETING STUDENT COHORT.*—
16 *For each program of study at such institu-*
17 *tion, a student cohort comprised of all stu-*
18 *dents who received Federal financial assist-*
19 *ance under this title and who completed*
20 *such program during such award year.*

21 “(ii) *UNDERGRADUATE NON-COM-*
22 *PLETING STUDENT COHORT.*—*For such in-*
23 *stitution, a student cohort comprised of all*
24 *students who received Federal financial as-*
25 *istance under this title, who were enrolled*

1 *in the institution during the previous*
2 *award year in a program of study leading*
3 *to an undergraduate credential, and who at*
4 *the time the cohort is established—*

5 “(I) *have not completed such pro-*
6 *gram of study; and*

7 “(II) *are not enrolled at the insti-*
8 *tution in any program of study lead-*
9 *ing to an undergraduate credential.*

10 “(iii) *GRADUATE NON-COMPLETING*
11 *STUDENT COHORT.—For each program of*
12 *study leading to a graduate credential at*
13 *such institution, a student cohort comprised*
14 *of all students who received Federal finan-*
15 *cial assistance under this title, who were en-*
16 *rolled in such program during the previous*
17 *award year, and who at the time the cohort*
18 *is established—*

19 “(I) *have not completed such pro-*
20 *gram of study; and*

21 “(II) *are not enrolled in such pro-*
22 *gram.*

23 “(B) *QUALIFYING STUDENT LOAN.—For the*
24 *purposes of this subsection, the term ‘qualifying*
25 *student loan’ means a Federal Direct loan, in-*

1 *cluding a Federal Direct Consolidation loan,*
2 *made under this part that—*

3 *“(i) was made to a student included in*
4 *a student cohort of an institution;*

5 *“(ii) except in the case of a loan de-*
6 *scribed in clause (i) or (ii) of subparagraph*
7 *(C), is not included in any other student co-*
8 *hort of any institution of higher education;*

9 *“(iii) is not in—*

10 *“(I) a medical or dental intern-*
11 *ship or residency forbearance described*
12 *in section 428(c)(3)(A)(i)(I), section*
13 *428B(a)(2), section 428H(a), or section*
14 *685.205(a)(3) of title 34, Code of Fed-*
15 *eral Regulations;*

16 *“(II) a graduate fellowship*
17 *deferment described in section*
18 *455(f)(2)(A)(ii)*

19 *“(III) rehabilitation training pro-*
20 *gram deferment described under section*
21 *455(f)(2)(A)(ii);*

22 *“(IV) an in-school deferment de-*
23 *scribed under section 455(f)(2)(A)(i);*

24 *“(V) a cancer deferment described*
25 *under section 455(f)(3);*

1 “(VI) a military service deferment
2 described under section 455(f)(2)(C); or

3 “(VII) a post-active duty student
4 deferment described under section
5 493D; and

6 “(iv) is not in default.

7 “(C) SPECIAL CIRCUMSTANCES.—

8 “(i) MULTIPLE CREDENTIALS.—In the
9 case of a student who completes two or more
10 programs of study during the same award
11 year, each qualifying student loan of the
12 student shall be included in the student co-
13 hort for each of such program of study for
14 such award year.

15 “(ii) TREATMENT OF CERTAIN CON-
16 SOLIDATION LOANS.—A Federal Direct Con-
17 solidation loan made under this title shall
18 not be considered a qualifying student loan
19 for a student cohort for an award year if all
20 of the loans included in such consolidation
21 loan are attributable to another student co-
22 hort.

23 “(iii) CONSOLIDATION AFTER INCLU-
24 SION IN A STUDENT COHORT.—If a quali-
25 fying student loan is consolidated into a

1 *consolidation loan under this title after such*
2 *qualifying student loan has been included*
3 *in a student cohort, the percentage of the*
4 *consolidation loan that was attributable to*
5 *such student cohort at the time of consolida-*
6 *tion shall remain attributable to the student*
7 *cohort for the life of the consolidation loan.*

8 “(3) *CALCULATION OF REIMBURSEMENT.*—

9 “(A) *REIMBURSEMENT PAYMENT FOR-*
10 *MULA.*—*For each student cohort of an institution*
11 *of higher education established under this sub-*
12 *section, the annual reimbursement for such co-*
13 *hort shall be equal to—*

14 “(i) *the reimbursement percentage de-*
15 *termined for the cohort in accordance with*
16 *subparagraph (B); multiplied by*

17 “(ii) *the non-repayment balance for the*
18 *cohort for the award year, determined in*
19 *accordance with subparagraph (C).*

20 “(B) *REIMBURSEMENT PERCENTAGE.*—*The*
21 *reimbursement percentage of a student cohort of*
22 *an institution shall be determined by the Sec-*
23 *retary when the cohort is established, shall re-*
24 *main constant for the life of the student cohort,*
25 *and shall be determined as follows:*

1 “(i) *COMPLETING STUDENT CO-*
2 *HORTS.—The reimbursement percentage of*
3 *a completing student cohort shall be equal*
4 *to the percentage determined by—*

5 “(I) *subtracting from one the*
6 *quotient of—*

7 “(aa) *the median value-*
8 *added earnings of students who*
9 *completed such program of study*
10 *in the most recent award year for*
11 *which such earnings data is avail-*
12 *able; divided by*

13 “(bb) *the median total price*
14 *charged to students included in*
15 *such cohort; and*

16 “(II) *multiplying the difference*
17 *determined under subclause (I) by 100.*

18 “(ii) *SPECIAL CIRCUMSTANCES FOR*
19 *COMPLETING STUDENT COHORTS.—*

20 “(I) *HIGH-RISK COHORTS.—Not-*
21 *withstanding clause (i), if the median*
22 *value-added earnings of a completing*
23 *student cohort under clause (i)(I)(aa)*
24 *is negative, the reimbursement percent-*

1 *age of the student cohort shall be 100*
2 *percent.*

3 “(II) *LOW-RISK COHORTS.*—*Not-*
4 *withstanding clause (i), if the median*
5 *value-added earnings of a completing*
6 *student cohort under clause (i)(I)(aa)*
7 *exceeds the median total price of such*
8 *cohort under clause (i)(I)(bb), the re-*
9 *imbursement percentage of the student*
10 *cohort shall be 0 percent.*

11 “(iii) *NON-COMPLETING STUDENT CO-*
12 *HORTS.*—*The reimbursement percentage of*
13 *a non-completing student cohort shall be de-*
14 *termined based on the most recent data*
15 *available in the award year in which the*
16 *cohort is established, and—*

17 “(I) *for an undergraduate non-*
18 *completing student cohort, shall be*
19 *equal to the percentage of under-*
20 *graduate students who received Federal*
21 *financial assistance under this title at*
22 *such institution who—*

23 “(aa) *did not complete an*
24 *undergraduate program of study*
25 *at the institution within 150 per-*

1 cent of the program length of such
2 program; or

3 “(bb) only in the case of a
4 two-year institution, did not,
5 within 6 years after first enrolling
6 at the two-year institution, com-
7 plete a program of study at a
8 four-year institution for which a
9 bachelor’s degree (or substantially
10 similar credential) is awarded;
11 and

12 “(II) for a graduate non-com-
13 pleting student cohort, shall be equal to
14 the percentage of students who received
15 Federal financial assistance under this
16 title at the institution for the applica-
17 ble graduate program of study and
18 who did not complete such program of
19 study within 150 percent of the pro-
20 gram length.

21 “(C) NON-REPAYMENT LOAN BALANCE.—

22 “(i) IN GENERAL.—For each award
23 year, the Secretary shall determine the non-
24 repayment loan balance for such award
25 year for each student cohort of an institu-

1 *tion of higher education by calculating the*
2 *sum of—*

3 *“(I) for loans in such cohort, the*
4 *difference between the total amount of*
5 *payments due from all borrowers on*
6 *such loans during such year and the*
7 *total amount of payments made by all*
8 *such borrowers on such loans during*
9 *such year; plus*

10 *“(II) the total amount of interest*
11 *waived, paid, or otherwise not charged*
12 *by the Secretary during such year*
13 *under an income-based repayment*
14 *plan described in section 493C or an*
15 *income-contingent repayment plan de-*
16 *scribed in section 455(e); plus*

17 *“(III) the total amount of prin-*
18 *cipal and interest forgiven, cancelled,*
19 *waived, discharged, repaid, or other-*
20 *wise reduced by the Secretary under*
21 *any act during such year that is not*
22 *included in subclause (II) and was not*
23 *discharged or forgiven under section*
24 *437(a) or 428J.*

1 “(ii) *SPECIAL CIRCUMSTANCES.*—*For*
2 *the purpose of calculating the non-repay-*
3 *ment loan balance of student cohorts under*
4 *this paragraph, the Secretary shall—*

5 “(I) *for each qualifying student*
6 *loan in a student cohort that is in-*
7 *cluded in another student cohort be-*
8 *cause the student who borrowed such*
9 *loan completed two or more programs*
10 *of study during the same award year,*
11 *the sum of the amounts described in*
12 *subclauses (I) through (III) of clause*
13 *(i) for such qualifying student loan*
14 *shall be divided equally among each of*
15 *the student cohorts in which such loan*
16 *is included; and*

17 “(II) *for each consolidation loan*
18 *in a student cohort—*

19 “(aa) *determine the percent-*
20 *age of the outstanding principal*
21 *balance of the consolidation loan*
22 *attributable to such student co-*
23 *hort—*

24 “(AA) *at the time of*
25 *that loan was included in*

1 *such cohort, in the case of a*
2 *loan consolidated before in-*
3 *clusion in such cohort; or*

4 *“(BB) at the time of*
5 *consolidation, in the case of*
6 *a loan consolidated after in-*
7 *clusion in such cohort; and*

8 *“(bb) include in the calcula-*
9 *tions under clause (i) for such stu-*
10 *dent cohort only the percentage of*
11 *the sum of the amounts described*
12 *in subclauses (I) through (III) of*
13 *clause (i) for the consolidation*
14 *loan for such year that is equal to*
15 *the percentage of the consolidation*
16 *loan determined under item (aa).*

17 *“(D) TOTAL PRICE.—With respect to a stu-*
18 *dent who received Federal financial assistance*
19 *under this title and who completes a program of*
20 *study, the term ‘total price’ means the total*
21 *amount, before Federal financial assistance*
22 *under this title was applied, a student was re-*
23 *quired to pay to complete the program of study.*
24 *A student’s total price shall be calculated by the*
25 *Secretary as the difference between—*

1 “(i) the total amount of tuition and
2 fees (including the required costs described
3 in section 124(b)(3)(A)(i)(I)) that were
4 charged to such student before the applica-
5 tion of any Federal financial assistance
6 provided under this title; minus

7 “(ii) the total amount of grants and
8 scholarships described in section 480(i)
9 awarded to such student from non-Federal
10 sources for such program of study.

11 “(4) NOTIFICATION AND REMITTANCE.—Begin-
12 ning with the first award year for which reimburse-
13 ments are required under this subsection, and for each
14 succeeding award year, the Secretary shall—

15 “(A) notify each institution of higher edu-
16 cation of the amounts and due dates of each an-
17 nual reimbursement calculated under paragraph
18 (3) for each student cohort of the institution
19 within 30 days of calculating such amounts; and

20 “(B) require the institution to remit such
21 payments within 90 days of such notification.

22 “(5) PENALTY FOR LATE PAYMENTS.—

23 “(A) THREE-MONTH DELINQUENCY.—If an
24 institution fails to remit to the Secretary a reim-
25 bursement for a student cohort as required under

1 *this subsection within 90 days of receiving noti-*
2 *fication from the Secretary in accordance with*
3 *paragraph (4), the institution shall pay to the*
4 *Secretary, in addition to such reimbursement,*
5 *interest on such reimbursement payment, at a*
6 *rate that is the average rate applicable to the*
7 *loans in such student cohort.*

8 “(B) *TWELVE-MONTH DELINQUENCY.—If an*
9 *institution fails to remit to the Secretary a reim-*
10 *bursement for a student cohort as required under*
11 *this subsection, plus interest owed in under sub-*
12 *paragraph (A), within 12 months of receiving*
13 *notification from the Secretary in accordance*
14 *with paragraph (4), the institution shall be in-*
15 *eligible to make direct loans to any student en-*
16 *rolled in the program of study for which the in-*
17 *stitution has failed to make the reimbursement*
18 *payments until such payment is made.*

19 “(C) *EIGHTEEN-MONTH DELINQUENCY.—If*
20 *an institution fails to remit to the Secretary a*
21 *reimbursement for a student cohort as required*
22 *under this subsection, plus interest owed under*
23 *subparagraph (A), within 18 months of receiving*
24 *notification from the Secretary in accordance*
25 *with paragraph (4), the institution shall be in-*

1 *eligible to make direct loans or award Federal*
2 *Pell Grants under section 401 to any student en-*
3 *rolled in the institution until such payment is*
4 *made.*

5 “(D) *TWO-YEAR DELINQUENCY.*—*If an in-*
6 *stitution fails to remit to the Secretary a reim-*
7 *bursement for a student cohort as required under*
8 *this subsection, plus interest owed under sub-*
9 *paragraph (A), within 2 years of receiving noti-*
10 *fication from the Secretary in accordance with*
11 *paragraph (4), the institution shall be ineligible*
12 *to participate in any program under this title*
13 *for a period of not less than 10 years.*

14 “(6) *RELIEF FOR VOLUNTARY CESSATION OF*
15 *FEDERAL DIRECT LOANS FOR A PROGRAM OF*
16 *STUDY.*—*The Secretary shall, upon the request of an*
17 *institution that voluntarily ceases to make Federal*
18 *direct loans to students enrolled in a specific program*
19 *of study, reduce the amount of the annual reimburse-*
20 *ment owed by the institution for each student cohort*
21 *associated with such program by 50 percent if the in-*
22 *stitution assures the Secretary that the institution*
23 *will not make Federal direct loans to any student en-*
24 *rolled in such program of study (or any substantially*
25 *similar program of study) for a period of not less*

1 *than 10 award years, beginning with the first award*
2 *year that begins after the date on which the Secretary*
3 *reduces such reimbursement.*

4 “(7) *RESERVATION OF FUNDS FOR PROMISE*
5 *GRANTS.*—*Notwithstanding any other provision of*
6 *law, the Secretary shall reserve the funds remitted to*
7 *the Secretary as reimbursements in accordance with*
8 *this subsection, and such funds shall be made avail-*
9 *able to the Secretary only for the purpose of awarding*
10 *PROMISE grants in accordance with subpart 4 of*
11 *part A of this title.”*

12 **SEC. 302. REGULATORY RELIEF.**

13 *(a) 90/10.—*

14 *(1) REGULATION REPEALED.*—*Section 668.28 of*
15 *title 34, Code of Federal Regulations (relating to the*
16 *90/10 rule), as added or amended by the final regula-*
17 *tions published by the Department of Education in*
18 *the Federal Register on October 28, 2022 (87 Fed.*
19 *Reg. 65426 et seq.), is repealed and will have no force*
20 *or effect.*

21 *(2) AMENDMENTS.*—*Section 487 of the Higher*
22 *Education Act of 1965 (20 U.S.C. 1094) is amend-*
23 *ed—*

24 *(A) in subsection (a), by striking paragraph*

25 *(24);*

1 (B) by striking subsection (d); and
2 (C) by redesignating subsections (e) through
3 (j) as subsections (d) through (i), respectively.

4 (b) *FINANCIAL VALUE TRANSPARENCY AND GAINFUL*
5 *EMPLOYMENT.*—

6 (1) *REGULATION REPEALED.*—Sections 600.10,
7 600.21, 668.2, 668.13, 668.43, 668.91, 668.402
8 through 668.409 (excluding section 668.408), and
9 668.601 through 668.606 of title 34, Code of Federal
10 Regulations (relating to financial value transparency
11 and gainful employment), as added or amended by
12 the final regulations published by the Department of
13 Education in the Federal Register on October 10,
14 2023 (88 FR 70004 et seq.), are repealed and will
15 have no force or effect.

16 (2) *PROHIBITION.*—The Secretary of Education
17 shall not, on or after the date of enactment of this
18 Act, promulgate or enforce any regulation or rule
19 with respect to the definition or application of the
20 term “gainful employment” for any purpose under
21 the Higher Education Act of 1965 (20 U.S.C. 1001 et
22 seq.).

23 (c) *CHANGES IN OWNERSHIP.*—

24 (1) *REGULATION REPEALED.*—Sections 600.2,
25 600.4, 600.20, 600.21, and 600.31 of title 34, Code of

1 *Federal Regulations (relating to changes in owner-*
2 *ship), as added or amended by the final regulations*
3 *published by the Department of Education in the*
4 *Federal Register on October 28, 2022 (87 Fed. Reg.*
5 *65426 et seq.), are repealed and will have no force or*
6 *effect.*

7 (2) *AMENDMENTS.—Section 498(i) of the Higher*
8 *Education Act of 1965 (20 U.S.C. 1099c(i)) is*
9 *amended—*

10 (A) *in the subsection heading, by inserting*
11 *“AND PROPOSED CHANGES OF OWNERSHIP”*
12 *after “OWNERSHIP”;*

13 (B) *in paragraph (1)—*

14 (i) *by striking “(1) An eligible institu-*
15 *tion”, and inserting the following: “(1)(A)*
16 *An eligible institution”;*

17 (ii) *by striking “the requirements of*
18 *section 102 (other than the requirements in*
19 *subsections (b)(5) and (c)(3))” and insert-*
20 *ing “the applicable requirements of section*
21 *102 or 103(13)”*

22 (iii) *by adding at the end the fol-*
23 *lowing:*

24 *“(B)(i) Prior to a change in ownership resulting in*
25 *a change of control, an institution may seek a*

1 *pretransaction determination about whether the institution*
2 *will meet the applicable requirements of section 102 or*
3 *103(13) and this section after such proposed change in own-*
4 *ership by submitting to the Secretary a materially complete*
5 *pretransaction review application.*

6 “(ii) *In reviewing applications submitted under clause*
7 *(i), the Secretary shall only provide a comprehensive review*
8 *of each such application, and may not provide an abbrevi-*
9 *ated or partial review.*

10 “(iii) *If an institution submits a materially complete*
11 *pretransaction review application at least 90 days prior to*
12 *the transaction and the Secretary approves the application,*
13 *the subsequent change in ownership application shall also*
14 *be approved and the institution shall be certified as meeting*
15 *the requirements for such transaction, provided that the in-*
16 *stitution—*

17 “(I) *complies with the applicable terms of this*
18 *section; and*

19 “(II) *the transaction resulting in a change of*
20 *control does not differ materially in its terms from*
21 *the transaction proposed in the pretransaction review*
22 *application.”;*

23 *(C) in paragraph (2)—*

24 *(i) in subparagraph (E), by striking*

25 *“or” at the end;*

1 (ii) in subparagraph (F), by striking
2 the period at the end and inserting “; or”;
3 and

4 (iii) by adding the following at the
5 end:

6 “(G) in the case of a proprietary institution of
7 higher education, a conversion to a public or other
8 nonprofit institution of higher education.”;

9 (D) by adding at the end the following:

10 “(5)(A) Subject to subparagraph (B), when any insti-
11 tution submits an application for a change in ownership
12 resulting in a change in control under this section or sub-
13 mits a pretransaction review application under paragraph
14 (1)(B) (other than in the case of a conversion transaction),
15 the institution shall be required to pay to the Secretary an
16 administrative fee that shall—

17 “(i) be in an amount equal to 0.15 percent of the
18 total institutional revenue derived from this title by
19 such institution for the most fiscal year for which
20 data is available; and

21 “(ii) be used exclusively for expenses related to
22 the processing of such application, and be available to
23 the Secretary without further appropriation, exclu-
24 sively for expenses related to the processing of such
25 approval or application.

1 “(B) *In the case of a proprietary institution submit-*
2 *ting an application for conversion, or a pretransaction re-*
3 *view application for conversion, the institution shall be re-*
4 *quired to pay to the Secretary an administrative fee that*
5 *shall—*

6 “(i) *be in an amount equal to 0.30 percent of the*
7 *total institutional revenue derived from this title by*
8 *such institution for the most fiscal year for which*
9 *data is available; and*

10 “(ii) *be used exclusively for expenses related to*
11 *the processing of such application, and of which—*

12 “(I) *50 percent shall be available to the Sec-*
13 *retary without further appropriation, exclusively*
14 *for expenses related to the processing of such ap-*
15 *plication; and*

16 “(II) *50 percent shall be remitted by the*
17 *Secretary to the Commissioner of the Internal*
18 *Revenue, and shall be available, without further*
19 *appropriation, to the Commissioner of Internal*
20 *Revenue exclusively for purposes of determining*
21 *whether the institution seeking such conversion*
22 *or pretransaction review is an institution ex-*
23 *empt from tax and is otherwise in compliance*
24 *with applicable requirements of the Internal*
25 *Revenue Code of 1986.*

1 “(C) *An institution that pays a fee under subpara-*
2 *graph (A) or (B) for a pretransaction application with re-*
3 *spect to a proposed transaction shall not be required to pay*
4 *another fee under such subparagraph for a change in owner-*
5 *ship application with respect to such transaction.*

6 “(D) *In no case may any fee remitted under subpara-*
7 *graph (A) or (B) exceed \$120,000 for any transaction (or*
8 *pretransaction) application, nor may the Secretary require*
9 *an institution that has paid a fee under subparagraph (B)*
10 *to pay an additional fee under subparagraph (A).*

11 “(6)(A) *The Secretary shall approve or deny a materi-*
12 *ally complete application (including pretransaction reviews*
13 *and conversion applications) submitted under this section*
14 *as soon as practicable and not later than the 90-day period*
15 *beginning on the date of receipt of such an application, ex-*
16 *cept that in a case in which the Secretary determines, on*
17 *a nondelegable basis, that good cause exists to not make the*
18 *determination during such 90-day period, the Secretary*
19 *shall notify the institution in writing detailing the reasons*
20 *for a good cause extension.*

21 “(B) *If the Secretary fails to approve or deny a mate-*
22 *rially complete application during the period described in*
23 *subparagraph (A) and does not find good cause for exten-*
24 *sion, the materially complete application shall be deemed*
25 *approved.*

1 “(C) *In no case may the Secretary grant a good cause*
2 *extension under this section to an institution for more than*
3 *one month at a time, or for a total of more than more than*
4 *12 months.*

5 “(D) *To ensure timely submission of all relevant docu-*
6 *mentation, the Secretary may deny an application if an*
7 *institution does not make a good faith effort to submit to*
8 *the Secretary, in a timely manner—*

9 “(i) *all relevant documentation; or*

10 “(ii) *a materially complete application.*

11 “(E)(i) *Upon approving or denying an application*
12 *under this paragraph, the Secretary shall publish in the*
13 *Federal Register the reasoning for such approval or denial,*
14 *including—*

15 “(I) *a copy of the approval or denial letter*
16 *sent to the institution; and*

17 “(II) *any analysis regarding how the Sec-*
18 *retary determined under paragraph 7(A)(iii)*
19 *that a director of the institution was an inter-*
20 *ested or disinterested party to the transaction.*

21 “(ii) *The Secretary shall not publish under clause (i)*
22 *any information that is otherwise exempt from disclosure*
23 *under section 552 of title 5, United States Code (relating*
24 *to the Freedom of Information Act), including trade secrets*

1 *and commercial or financial information that is privileged*
2 *or confidential.*

3 “(7)(A) *In the case of a proprietary institution that*
4 *subsequent to the transaction would be owned and operated*
5 *by an entity (in this paragraph referred to as the ‘buyer’)*
6 *seeking to be recognized as a public or other nonprofit insti-*
7 *tution, the buyer shall meet the definition of a nonprofit*
8 *institution under section 103(13) if—*

9 “(i) *the buyer pays no more than fair market*
10 *value for any assets of the proprietary institution;*

11 “(ii) *the buyer pays no more than fair market*
12 *value for any service or lease contracts, including*
13 *such service and lease contracts provided by the entity*
14 *selling the proprietary institution; and*

15 “(iii) *to prevent self-dealing in the case where*
16 *one or more individuals with a substantial ownership*
17 *or controlling interests in the proprietary institution*
18 *will also have substantial or controlling interests in*
19 *the institution seeking to be recognized as a public or*
20 *other nonprofit institution (meaning that one or more*
21 *individuals are on both sides of the transaction), the*
22 *change of control transaction, and any substantial*
23 *asset acquisition, service, or lease agreements with the*
24 *proprietary institution shall be approved by a disin-*
25 *terested committee of directors of the entity that seeks*

1 *to be recognized as a public or other nonprofit insti-*
2 *tution.*

3 *“(B) For the purposes of this paragraph, parties to*
4 *the transaction are entitled to a rebuttable presumption*
5 *that the assets, lease contracts, and service contracts that*
6 *are part of the transaction are purchased at fair market*
7 *value if—*

8 *“(i) the acquiring entity pays no more than fair*
9 *market value for such assets, lease contracts, or service*
10 *contracts; and*

11 *“(ii) the value of the assets, lease contracts, or*
12 *service contracts are evaluated by at least one inde-*
13 *pendent third-party entity hired by parties on both*
14 *sides of the transaction.*

15 *“(8)(A) An institution that has been approved for con-*
16 *version by the Secretary shall be subject to a monitoring*
17 *period for a 5-year period beginning on the day after the*
18 *date of such approval. In conducting the monitoring of the*
19 *institution under this paragraph, the Secretary—*

20 *“(i) shall only conduct monitoring to ensure that*
21 *the institution is in compliance with the requirements*
22 *of section 103(13) and paragraph (7) of this sub-*
23 *section; and*

1 “(i) may require the institution to submit reg-
2 ular reports or conduct audits of such institution re-
3 lating to such compliance.

4 “(B) Each institution that is subject to the monitoring
5 period under this paragraph shall remit an annual fee to
6 the Secretary—

7 “(i) in an amount equal to 0.15 percent of the
8 total revenue derived from this title by such institu-
9 tion for the most recent fiscal year for which data is
10 available; and

11 “(ii) that shall be exclusively for expenses related
12 to monitoring of the institution for the period de-
13 scribed in subparagraph (A)—

14 “(I) of which 50 percent shall be used by the
15 Secretary, without further appropriation, exclu-
16 sively for expenses related to monitoring of the
17 institution during such period; and

18 “(II) of which 50 percent shall be remitted
19 by the Secretary to the Commissioner of Internal
20 Revenue, to be available to such Commissioner,
21 without further appropriation, exclusively for
22 monitoring compliance with the Internal Rev-
23 enue Code of such institution during such period.

1 “(C) *An institution may not be subject to an annual*
2 *fee under subparagraph (B) for monitoring related to a con-*
3 *version that exceeds \$60,000.*

4 “(D) *If the Secretary determines that an institution*
5 *should be subject to the monitoring under this paragraph*
6 *beyond the 5-year period described in subparagraph (A),*
7 *the Secretary shall provide the reasons justifying an exten-*
8 *sion in writing to the institution (and in the Federal Reg-*
9 *ister) at least 30 days before the expiration of such period.*

10 “(E) *Any institution that is subject to monitoring*
11 *under this paragraph may seek a waiver to be exempt from*
12 *such monitoring (including the annual fee under subpara-*
13 *graph (B)) on an annual basis for any year during the*
14 *monitoring period and the Secretary shall grant such waiv-*
15 *er if there is no ongoing contractual or financial relation-*
16 *ship between the institution and the former entity or indi-*
17 *viduals that previously owned the institution. The Sec-*
18 *retary may grant a waiver for more than 1 year in the*
19 *case where the entity that formerly owned the proprietary*
20 *institution has closed or no longer exists and the Secretary*
21 *determines the institution is not at risk of violating the re-*
22 *quirements of section 103(13) or paragraph (7) of this sub-*
23 *section.*

24 “(9) *Any institution that submits an application for*
25 *conversion shall not promote or market itself, in any man-*

1 *ner, as a public or other nonprofit institution of higher edu-*
2 *cation unless—*

3 “(A) *the Secretary has provided final approval*
4 *of the conversion of the institution to a public or*
5 *other nonprofit institution of higher education under*
6 *this section;*

7 “(B) *an accrediting agency or association recog-*
8 *nized by the Secretary pursuant to section 496 has*
9 *approved such public or nonprofit status of the insti-*
10 *tution;*

11 “(C) *the State has given final approval to the*
12 *institution as a public or nonprofit institution of*
13 *higher education, as applicable; and*

14 “(D) *in the case of an institution seeking non-*
15 *profit status, the Commissioner of Internal Revenue*
16 *has approved the institution as tax exempt pursuant*
17 *to the Internal Revenue Code of 1986.*

18 “(10) *Not later than 270 days after the date of enact-*
19 *ment of the College Cost Reduction Act, and periodically*
20 *thereafter, the Secretary shall publish (and update as nec-*
21 *essary) in the Federal Register—*

22 “(A) *descriptions of the documents and materials*
23 *the Secretary expects or requires institutions of higher*
24 *education to submit (including any standardized*
25 *forms) as part of any pretransaction application or*

1 *change in ownership application under this section,*
2 *including a description of what the Secretary con-*
3 *siders to be a materially complete application; and*

4 *“(B) after at least a 30-day notice and comment*
5 *period, responses to any public comments received*
6 *with respect to such descriptions or updates to such*
7 *descriptions.*

8 *“(11) In a case in which the Secretary requests a docu-*
9 *ment under this section as part of a pretransaction or*
10 *change in ownership application that is not described in*
11 *the Federal Register under paragraph (10), the Secretary*
12 *shall—*

13 *“(A) substantiate, in writing to the institution,*
14 *the reasons why the Secretary is requesting such docu-*
15 *ments; and*

16 *“(B) publish such reasons in the Federal Reg-*
17 *ister, including whether the Secretary may request*
18 *other institutions that submit applications under this*
19 *section to produce similar documentation.*

20 *“(12)(A) Not later than 18 months after the date of*
21 *enactment of the College Cost Reduction Act, and annually*
22 *thereafter, the Secretary shall submit a report to author-*
23 *izing committees, and post such report on a publicly avail-*
24 *able website regarding implementation of the amendments*

1 *made to this section by such Act, including the following*
2 *information:*

3 “(i) *The mean and median length of time taken*
4 *by the Secretary to review applications under this*
5 *section during the preceding 12-month period.*

6 “(ii) *The number of applications approved or de-*
7 *nied during the preceding 12-month period.*

8 “(iii) *For any application not processed during*
9 *the 90-day period beginning on the date of receipt of*
10 *the application for which the Secretary found good*
11 *cause under paragraph (6)(A) to extend the deadline*
12 *in which the application shall be processed, a copy of*
13 *the letter sent to the institution explaining why the*
14 *Secretary believed good cause existed for such exten-*
15 *sion.*

16 “(iv) *For any application not processed during*
17 *such 90-day period, which was deemed to be auto-*
18 *matically approved by the requirements of this section*
19 *under paragraph (6)(B), the name of each institution*
20 *involved and an explanation for why the application*
21 *was not processed in a timely manner.*

22 “(v) *Any legislative suggestions the Secretary*
23 *may have to improve the application or monitoring*
24 *process under this section.*

1 “(B) *If the Secretary fails to submit a report under*
2 *this paragraph by not later than 90 days after the deadline*
3 *for such submission under subparagraph (A), the Secretary*
4 *may not, for the 12-month period following such failure,*
5 *spend the fees remitted by institutions under this section*
6 *or remit such fees to the Commissioner unless Congress pro-*
7 *vides for such use by further appropriation.*

8 “(13) *For the purposes of this subsection, the term*
9 *‘conversion’ means any transaction under which—*

10 “(A) *a proprietary institution is reorganized*
11 *and seeks recognition as a public or other nonprofit*
12 *institution; or*

13 “(B) *the control of a proprietary institution is*
14 *transferred as a result of a sale, donation, or other*
15 *method to an entity that seeks certification under this*
16 *section as a public or other nonprofit institution.”.*

17 (3) *APPLICATION.—The amendments made by*
18 *this section shall be apply with respect to applica-*
19 *tions submitted for change of control or conversion*
20 *submitted on or after January 1, 2023.*

21 (4) *REPORT.—Not later than 5 years after the*
22 *date of enactment of this Act, the Comptroller General*
23 *shall submit to the Committee on Education and*
24 *Labor of the House of Representatives and the Com-*
25 *mittee on Health, Education, Labor, and Pensions of*

1 *the Senate, a report on the implementation of the*
2 *amendments made by this subsection, including rec-*
3 *ommendations to improve—*

4 *(A) the application process under section*
5 *498(i) of the Higher Education Act of 1965 (20*
6 *U.S.C. 1099c(i)), as amended by paragraph (2),*
7 *for institutions of higher education seeking a*
8 *change in ownership resulting in a change in*
9 *control; or*

10 *(B) the monitoring process under such sec-*
11 *tion for institutions of higher education that*
12 *have recently converted from being recognized as*
13 *a proprietary institution to a public or other*
14 *nonprofit institution.*

15 *(d) FINANCIAL RESPONSIBILITY.—*

16 *(1) REGULATION REPEALED.—Sections 668.15,*
17 *668.23, 668.171, and 668.174 through 668.177 of title*
18 *34, Code of Federal Regulations (relating to financial*
19 *responsibility), as added or amended by the final reg-*
20 *ulations published by the Department of Education in*
21 *the Federal Register on October 31, 2023 (87 Fed.*
22 *Reg. 74568 et seq.) are repealed and will have no*
23 *force or effect.*

1 (2) *AMENDMENTS.—Section 498(c) of the Higher*
2 *Education Act of 1965 (20 6 U.S.C. 1099c(c)) is*
3 *amended—*

4 (A) *by redesignating paragraphs (3), (4),*
5 *(5), and (6) as paragraphs (4), (5), (6), and (7),*
6 *respectively;*

7 (B) *in paragraph (2)—*

8 (i) *by striking “paragraph (1), if” and*
9 *inserting “paragraph (1), the Secretary*
10 *shall prescribe criteria regarding ratios that*
11 *aid in the determination financial responsi-*
12 *bility. Such ratios shall be first issued in*
13 *draft form to the institution to allow for*
14 *adequate review, consisting of an appeals*
15 *process, by such institutions of higher edu-*
16 *cation. If”; and*

17 (ii) *by striking “prescribed by the Sec-*
18 *retary regarding ratios” and inserting*
19 *“prescribed by the Secretary regarding the*
20 *final ratios”;*

21 (C) *by inserting after paragraph (2) the fol-*
22 *lowing:*

23 “*(3) Notwithstanding paragraph (2), the Secretary*
24 *shall take into account an institution’s current total finan-*
25 *cial circumstances, including any subsequent change in the*

1 *institution’s overall fiscal health based on the standards in*
2 *paragraph (2), when making a determination of its ability*
3 *to meet the standards herein required before any subsequent*
4 *action is taken under paragraph (4). If an institution meets*
5 *the standards in paragraph (2), the institution shall be seen*
6 *as financially responsible.”;*

7 *(D) in subparagraph (C) of paragraph (4),*
8 *as so redesignated, by striking “establishes to the*
9 *satisfaction of the Secretary, with” and inserting*
10 *“establishes, with”;*

11 *(E) in paragraph (5), as so redesignated—*

12 *(i) in subparagraph (A), by inserting*
13 *“and” after the semicolon at the end;*

14 *(ii) in subparagraph (B), by striking*
15 *“; and” and inserting a period; and*

16 *(iii) by striking subparagraph (C);*

17 *(F) in paragraph (6), as so redesignated, by*
18 *striking “(3)(C)” and inserting “(4)(C)”;* and

19 *(G) by adding at the end the following new*
20 *paragraph:*

21 *“(8) Not later than 18 months after the date of enact-*
22 *ment of the College Cost Reduction Act, the Secretary shall*
23 *pursue a process to update the ratios regarding financial*
24 *responsibility as identified in paragraph (2). The Secretary*
25 *shall report the revised ratios to—*

1 “(A) *the Committee on Education and the Work-*
2 *force of the House of Representatives; and*

3 “(B) *the Committee on Health, Education,*
4 *Labor, and Pensions of the Senate.*”.

5 (e) *INCENTIVE COMPENSATION; THIRD PARTY*
6 *SERVICER.—*

7 (1) *AMENDMENTS.—Section 487(a)(20) (20*
8 *U.S.C. 1094(a)(20)) is amended to read as follows:*

9 “(20) *The institution will not provide any com-*
10 *mission, bonus, or other incentive payment based di-*
11 *rectly or indirectly on success in securing enrollments*
12 *or financial aid to any persons or entities engaged in*
13 *any student recruiting or admission activities, or in*
14 *making decisions regarding the award of student fi-*
15 *nancial assistance, except that this paragraph shall*
16 *not apply—*

17 “(A) *to the recruitment of foreign students*
18 *residing in foreign countries who are not eligible*
19 *to receive Federal student assistance; or*

20 “(B) *to a third party where—*

21 “(i) *the third party is providing the*
22 *institution recruiting or admissions activi-*
23 *ties as part of a larger bundle of services*
24 *not covered by this paragraph and which*
25 *may include marketing or advertising ac-*

1 *tivities that broadly disseminate or dis-*
2 *tribute widely available information;*

3 *“(ii) the third party does not provide*
4 *any commission, bonus, or other incentive-*
5 *based payments to its employees or sub-*
6 *contractors who are providing services to*
7 *the institution covered in this paragraph;*
8 *and*

9 *“(iii) the third party is not awarding*
10 *or disbursing Federal financial aid*
11 *awards.”.*

12 (2) *DEFINITION.—Section 481(c) (20 U.S.C.*
13 *1088(c)) is amended to read as follows:*

14 *“(c) THIRD PARTY SERVICER.—*

15 *“(1) For purposes of this title, the term ‘third*
16 *party servicer’—*

17 *“(A) means any individual, any State, or*
18 *any private, for-profit or nonprofit organization,*
19 *which enters into a contract with—*

20 *“(i) any eligible institution of higher*
21 *education to administer, through either*
22 *manual or automated processing, any as-*
23 *pect of such institution’s student assistance*
24 *programs under this title; or*

1 “(ii) any guaranty agency, or any eli-
2 gible lender, to administer, through either
3 manual or automated processing, any as-
4 pect of such guaranty agency’s or lender’s
5 student loan programs under part B of this
6 title, including originating, guaranteeing,
7 monitoring, processing, servicing, or col-
8 lecting loans; and

9 “(B) does not include any individual, any
10 State, or any private, for-profit or nonprofit or-
11 ganization, which conducts activities or interacts
12 with prospective or enrolled students for the pur-
13 poses of—

14 “(i) marketing or recruiting, such as
15 soliciting potential enrollments through the
16 dissemination of information and adver-
17 tising;

18 “(ii) assisting with the completion of
19 applications for enrollment, such as screen-
20 ing pre-enrollment information and offering
21 admission counseling;

22 “(iii) administering ability-to-benefit
23 tests or establishing any aspect of an eligi-
24 ble career pathway program;

1 “(iv) conducting activities for the re-
2 tention of students, such as monitoring aca-
3 demic engagement and conducting outreach
4 to student regarding attendance; and

5 “(v) providing instructional content,
6 such as evaluating course completion, deliv-
7 ering mandatory tutoring, assessing student
8 learning, including through electronic
9 means, or developing curricula or course
10 materials.

11 “(2) The Secretary shall not regulate on the defi-
12 nition of a ‘third party servicer’.”.

13 (f) *OTHER REPEALS.*—The following regulations (in-
14 cluding any supplement or revision to such regulations) are
15 repealed and shall have no legal effect:

16 (1) *CLOSED SCHOOL DISCHARGES.*—Sections
17 674.33(g), 682.402(d), and 685.214 of title 34, Code
18 of Federal Regulations (relating to closed school dis-
19 charges), as added or amended by the final regula-
20 tions published by the Department of Education in
21 the Federal Register on November 1, 2022 (87 Fed.
22 Reg. 65904 et seq.).

23 (2) *BORROWER DEFENSE TO REPAYMENT.*—Sec-
24 tion 685.401 of title 34, Code of Federal Regulations
25 (relating to borrower defense to repayment), as added

1 or amended by the final regulations published by the
2 Department of Education in the Federal Register on
3 November 1, 2022 (87 Fed. Reg. 65904 et seq.).

4 (3) *PRE-DISPUTE ARBITRATION.*—Sections
5 668.41, 685.300, and 685.304 of title 34, Code of Fed-
6 eral Regulations (relating to pre-dispute arbitration),
7 as added or amended by the final regulations pub-
8 lished by the Department of Education in the Federal
9 Register on November 1, 2022 (87 Fed. Reg. 65904 et
10 seq.).

11 (4) *FALSE CERTIFICATION.*—Sections 682.402(e),
12 685.215(c) and 685.215(d) of title 34, Code of Federal
13 Regulations (relating to false certification), as added
14 or amended by the final regulations published by the
15 Department of Education in the Federal Register on
16 November 1, 2022 (87 Fed. Reg. 65904 et seq.).

17 (5) *ADMINISTRATIVE CAPABILITY.*—Sections
18 668.16 of title 34, Code of Federal Regulations (relat-
19 ing to administrative capability), as added or amend-
20 ed by the final regulations published by the Depart-
21 ment of Education in the Federal Register on October
22 31, 2023 (87 Fed. Reg. 74568 et seq.).

23 (6) *CERTIFICATION PROCEDURES.*—Sections
24 668.13, 668.14, and 668.43 of title 34, Code of Fed-
25 eral Regulations (relating to certification procedures)

1 *as added or amended by the final regulations pub-*
2 *lished by the Department of Education in the Federal*
3 *Register on October 31, 2023 (87 Fed. Reg. 74568 et*
4 *seq.).*

5 (7) *ABILITY TO BENEFIT.*—*Sections 668.2,*
6 *668.32, 668.156, and 668.157 of title 34, Code of Fed-*
7 *eral Regulations (relating to ability to benefit) as*
8 *added or amended by the final regulations published*
9 *by the Department of Education in the Federal Reg-*
10 *ister on October 31, 2023 (87 Fed. Reg. 74568 et seq.).*

11 (8) *PERSONAL LIABILITY.*—*The electronic an-*
12 *nouncement titled “Establishing Personal Liability*
13 *Requirements for Financial Losses Related to the*
14 *Title IV Programs” (GENERAL–23–11, published on*
15 *March 1, 2023).*

16 (g) *EFFECT OF REPEAL.*—*Any regulations repealed by*
17 *subsections (c) through (e) that were in effect on June 30,*
18 *2023, are restored and revived as if the repeal of such regu-*
19 *lations under such subsections had not taken effect.*

20 (h) *PROHIBITION.*—*The Secretary of Education may*
21 *not implement any rule, regulation, policy, or executive ac-*
22 *tion specified in this section (or a substantially similar*
23 *rule, regulation, policy, or executive action) unless author-*
24 *ity for such implementation is explicitly provided in an*
25 *Act of Congress.*

1 (i) *PROGRAM REVIEW AND DATA.*—Section 498A (20
2 *U.S.C. 1099c–1*) is amended by adding at the end the fol-
3 *lowing:*

4 “(f) *TIME LIMIT ON PROGRAM REVIEW ACTIVITIES.*—
5 *In conducting, responding to, and concluding program re-*
6 *view activities, the Secretary shall—*

7 “(1) *provide to the institution the initial report*
8 *finding not later than 90 days after concluding an*
9 *initial site visit;*

10 “(2) *upon each receipt of an institution’s re-*
11 *sponse during a program review inquiry, respond in*
12 *a substantive manner within 90 days;*

13 “(3) *upon each receipt of an institution’s written*
14 *response to a draft final program review report, pro-*
15 *vide the final program review report and accom-*
16 *panying enforcement actions, if any, within 90 days;*
17 *and*

18 “(4) *conclude the entire program review process*
19 *not later than 2 years after the initiation of a pro-*
20 *gram review, unless the Secretary determines that*
21 *such a review is sufficiently complex and cannot rea-*
22 *sonably be concluded before the expiration of such 2-*
23 *year period, in which case the Secretary shall*
24 *promptly notify the institution of the reasons for such*

1 *delay and provide an anticipated date for conclusion*
2 *of the review.”.*

3 **SEC. 303. LIMITATION ON AUTHORITY OF SECRETARY TO**
4 **PROPOSE OR ISSUE REGULATIONS AND EXEC-**
5 **UTIVE ACTIONS.**

6 *Part G of title IV of the Higher Education Act of 1965*
7 *(20 U.S.C. 1088 et seq.) is amended by inserting after sec-*
8 *tion 492 the following:*

9 **“SEC. 492A. LIMITATION ON AUTHORITY OF THE SEC-**
10 **RETARY TO PROPOSE OR ISSUE REGULA-**
11 **TIONS AND EXECUTIVE ACTIONS.**

12 *“(a) DRAFT REGULATIONS.—Beginning after the date*
13 *of enactment of this section, a draft regulation imple-*
14 *menting this title (as described in section 492(b)(1)) that*
15 *is determined by the Secretary to be economically signifi-*
16 *cant shall be subject to the following requirements (regard-*
17 *less of whether negotiated rulemaking occurs):*

18 *“(1) The Secretary shall determine whether the*
19 *draft regulation, if implemented, would result in an*
20 *increase in a subsidy cost.*

21 *“(2) If the Secretary determines under para-*
22 *graph (1) that the draft regulation would result in an*
23 *increase in a subsidy cost, then the Secretary may*
24 *take no further action with respect to such regulation.*

1 “(b) *PROPOSED OR FINAL REGULATIONS AND EXECU-*
2 *TIVE ACTIONS.*—Beginning after the date of enactment of
3 *this section, the Secretary may not issue a proposed rule,*
4 *final regulation, or executive action implementing this title*
5 *if the Secretary determines that the rule, regulation, or exec-*
6 *utive action—*

7 “(1) *is economically significant; and*

8 “(2) *would result in an increase in a subsidy*
9 *cost.*

10 “(c) *RELATIONSHIP TO OTHER REQUIREMENTS.*—The
11 *analyses required under subsections (a) and (b) shall be in*
12 *addition to any other cost analysis required under law for*
13 *a regulation implementing this title, including any cost*
14 *analysis that may be required pursuant to Executive Order*
15 *12866 (58 Fed. Reg. 51735; relating to regulatory planning*
16 *and review), Executive Order 13563 (76 Fed. Reg. 3821;*
17 *relating to improving regulation and regulatory review), or*
18 *any related or successor orders.*

19 “(d) *DEFINITION.*—In this section, the term ‘*economi-*
20 *cally significant*’, when used with respect to a draft, pro-
21 *posed, or final regulation or executive action, means that*
22 *the regulation or executive action is likely, as determined*
23 *by the Secretary—*

24 “(1) *to have an annual effect on the economy of*
25 *\$100,000,000 or more; or*

1 “(2) adversely to affect in a material way the
2 economy, a sector of the economy, productivity, com-
3 petition, jobs, the environment, public health or safe-
4 ty, or State, local, or tribal governments or commu-
5 nities.”.

6 **SEC. 304. OFFICE OF FEDERAL STUDENT AID.**

7 (a) *FEDERAL PREEMPTION*.—Section 456 (20 U.S.C.
8 1087f) is amended by adding at the end the following:

9 “(c) *FEDERAL PREEMPTION*.—

10 “(1) *IN GENERAL*.—Covered activities shall not
11 be subject to any law or other requirement of any
12 State or political subdivision of a State with respect
13 to—

14 “(A) disclosure requirements;

15 “(B) requirements or restrictions on the
16 content, time, quantity, or frequency of commu-
17 nications with borrowers, endorsers, or references
18 with respect to such loans; or

19 “(C) any other requirement relating to the
20 servicing or collection of a loan made under this
21 title.

22 “(2) *COVERED ACTIVITIES DEFINED*.—In this
23 subsection, the term ‘covered activities’ means any of
24 the following activities, as carried out by a qualified
25 entity:

1 “(A) Origination of a loan made under this
2 title.

3 “(B) Servicing of a loan made under this
4 title.

5 “(C) Collection of a loan made under this
6 title.

7 “(D) Any other activity related to the ac-
8 tivities described in subparagraphs (A) through
9 (C).”.

10 (b) *PROCUREMENT FLEXIBILITY*.—Section 142 (20
11 *U.S.C. 1018a*) is amended—

12 (1) by redesignating subsection (l) as subsection
13 (m); and

14 (2) by inserting after subsection (k) the fol-
15 lowing:

16 “(l) *GUIDANCE TO STUDENT LOAN SERVICERS*.—

17 “(1) *IN GENERAL*.—In notifying a student loan
18 servicer of a final contract modification (as such term
19 is defined in section 2.101 of title 48, Code of Federal
20 Regulations) that instructs such loan servicer to per-
21 form a function that is new or different from a func-
22 tion such servicer performs pursuant to an existing
23 contract, the PBO shall, not later than 30 days before
24 such contract change takes effect, provide such
25 servicers with written guidance in the form of—

1 “(A) a change order (as such term is de-
2 fined in section 2.101 of title 48, Code of Federal
3 Regulations);

4 “(B) a dear colleague letter; or

5 “(C) an electronic announcement.

6 “(2) *NON-BINDING DIRECTIVES*.—A student loan
7 servicer that is notified of a final contract modifica-
8 tion described in paragraph (1) and receives guidance
9 in a form other than a form described in paragraph
10 (1) (including through emails or phone calls) shall
11 not be subject to such contract modification.”.

12 **Subpart 2—Accreditors**

13 **SEC. 311. ACCREDITING AGENCY RECOGNITION.**

14 (a) *CRITERIA REQUIRED*.—Section 496(a) of the
15 Higher Education Act of 1965 (20 U.S.C. 1099b(a)) is
16 amended—

17 (1) in the matter preceding paragraph (1), in
18 the first sentence, by striking “or training” and in-
19 serting “skills development”;

20 (2) by amending paragraph (1) to read as fol-
21 lows:

22 “(1) the accrediting agency or association (other
23 than an accrediting agency or association described
24 in paragraph (2)(D)) shall be a State or national
25 agency or association and shall demonstrate the abil-

1 *ity to operate as an institutional or programmatic*
2 *accrediting agency or association within the State or*
3 *nationally, as appropriate;”;*

4 *(3) in paragraph (2)—*

5 *(A) in subparagraph (A)—*

6 *(i) in clause (i), by striking “prin-*
7 *cipal”; and*

8 *(ii) in clause (ii), by striking “its*
9 *principal” and inserting “a”; and*

10 *(B) in subparagraph (C), by inserting “or”*
11 *at the end; and*

12 *(C) by adding at the end the following:*

13 *“(D) is an entity (such as an industry-spe-*
14 *cific quality assurance entity) that has been—*

15 *“(i) determined by a State to be a reli-*
16 *able authority as to the quality of education*
17 *or skills development offered in such State*
18 *for the purposes of this Act; and*

19 *“(ii) designated (in accordance with*
20 *subsection (b)(1)) by such State as an ac-*
21 *crediting agency or association with respect*
22 *to such State for such purposes;”;*

23 *(4) in paragraph (3)—*

24 *(A) by amending subparagraph (A) to read*
25 *as follows:*

1 “(A) subparagraph (A), (C), or (D) of para-
2 graph (2), then such agency or association is—

3 “(i) distinctly incorporated or orga-
4 nized; and

5 “(ii) both administratively and finan-
6 cially separate from, and independent of,
7 any related, associated, or affiliated trade
8 association or membership organization, by
9 ensuring that—

10 “(I) the members of the board or
11 governing body of the accrediting agen-
12 cy or association are not elected or se-
13 lected by the board or chief executive
14 officer (or the representative of such
15 board or officer) of any related, associ-
16 ated, or affiliated trade association or
17 membership organization;

18 “(II) among the membership of
19 the board or governing body of the ac-
20 crediting agency or association—

21 “(aa) if such board or body
22 is comprised of 5 or fewer mem-
23 bers, there is a minimum of one
24 public member who represents
25 business and who is not a member

1 of any related, associated, or af-
2 filiated trade association or mem-
3 bership organization; and

4 “(bb) if such board or body is
5 comprised of 6 or more members,
6 there is a minimum of 1 such
7 public member for every 6 mem-
8 bers;

9 “(III) guidelines are established
10 for such members to avoid conflicts of
11 interest, including specific guidelines
12 to ensure that no such member is an
13 employee of any institution accredited
14 by the agency or association or has a
15 financial interest in any such institu-
16 tion;

17 “(IV) dues to the accrediting
18 agency or association are paid sepa-
19 rately from any dues paid to any re-
20 lated, associated, or affiliated trade as-
21 sociation or membership organization;
22 and

23 “(V) the budget of the accrediting
24 agency or association is developed, de-
25 cided, and maintained by the accred-

1 *iting agency or association without*
2 *any review by, consultation with, or*
3 *approval by any related, associated, or*
4 *affiliated trade association or member-*
5 *ship organization;”;*

6 *(B) by striking “or” at the end of subpara-*
7 *graph (B); and*

8 *(C) by striking subparagraph (C);*

9 *(5) in paragraph (4)—*

10 *(A) in subparagraph (A)—*

11 *(i) by inserting “(in the manner de-*
12 *scribed in subparagraph (B))” after “reli-*
13 *gious missions”; and*

14 *(ii) by striking “and” at the end; and*

15 *(B) by striking subparagraph (B) and in-*
16 *serting the following:*

17 *“(B) such accrediting agency or association*
18 *consistently applies and enforces standards that*
19 *respect the stated religious mission of an institu-*
20 *tion of higher education by—*

21 *“(i) basing decisions regarding accred-*
22 *itation and preaccreditation on the stand-*
23 *ards of accreditation of such agency or asso-*
24 *ciation; and*

1 “(i) not using as a negative factor the
2 institution’s religious mission based poli-
3 cies, decisions, and practices in the areas
4 covered by subparagraphs (B), (C), (D),
5 (E), and (F) of paragraph (5), except that
6 the agency or association may require that
7 the institution’s or a program of study’s
8 curricula include all core components re-
9 quired by the agency or association that are
10 not inconsistent with the institution’s reli-
11 gious mission; and

12 “(C) such agency or association dem-
13 onstrates the ability to review, evaluate, and as-
14 sess the quality of any instruction delivery model
15 or method such agency or association has or
16 seeks to include within its scope of recognition,
17 without giving preference to or differentially
18 treating a particular instruction delivery model
19 or method offered by an institution of higher
20 education or program, except that—

21 “(i) in a case in which the instruction
22 delivery model allows for the separation of
23 the student from the instructor, the agency
24 or association shall not be required to have
25 separate standards, procedures, or policies

1 *for the evaluation of the quality of any in-*
2 *struction delivery model or method in order*
3 *to meet the requirements of this subpara-*
4 *graph; and*

5 *“(ii) in the case in which the instruc-*
6 *tion delivery model allows for the separa-*
7 *tion of the student from the instructor—*

8 *“(I) the agency or association re-*
9 *quires the institution to have processes*
10 *through which the institution estab-*
11 *lishes that the student who registers in*
12 *a course or program is the same stu-*
13 *dent who participates in the program*
14 *(including, to the extent practicable,*
15 *the testing or other assessments re-*
16 *quired under the program), completes*
17 *the program, and receives the academic*
18 *credit; and*

19 *“(II) the agency or association re-*
20 *quires that any process used by an in-*
21 *stitution to comply with the require-*
22 *ment under clause (I) does not infringe*
23 *upon student privacy and is imple-*
24 *mented in a manner that is minimally*
25 *burdensome to the student;”;* and

1 (6) in paragraph (5)—

2 (A) by amending subparagraph (A) to read
3 as follows:

4 “(A) success with respect to student achieve-
5 ment outcomes in relation to the institution’s
6 mission and to the programs the institution of-
7 fers, or the mission of a specific degree, certifi-
8 cate, or credential program, which may include
9 different standards for different institutions or
10 programs, and which shall include—

11 “(i) standards for consideration of the
12 median total price charged to students for a
13 program of study in relation to the median
14 value-added earnings of students who com-
15 pleted such program;

16 “(ii) standards for consideration of
17 learning outcomes measures (such as com-
18 petency attainment and licensing examina-
19 tion passage rates);

20 “(iii) standards for consideration of
21 labor market outcomes measures (such as
22 employer satisfaction surveys, employability
23 measures, earnings gains, employment
24 rates, or other similar approaches); and

1 “(iv) standards for consideration of
2 student success outcomes measures (such as
3 completion rates, retention rates, and loan
4 repayment rates);”;

5 (B) by amending subparagraph (I) to read
6 as follows:

7 “(I) record of student complaints received
8 by, or available to, the agency or association,
9 and a process for resolving complaints received
10 by the institution; and”;

11 (C) in subparagraph (J), by inserting “and
12 the median total price charged to students for a
13 program of study in relation to the median
14 value-added earnings of students who completed
15 such program provided by the Secretary” after
16 “student loan default rate data provided by the
17 Secretary”.

18 (b) *SECRETARIAL REQUIREMENTS AND AUTHORITY.*—
19 Subsection (b) of section 496 of the Higher Education Act
20 of 1965 (20 U.S.C. 1099b) is amended to read as follows:

21 “(b) *SECRETARIAL REQUIREMENTS AND AUTHOR-*
22 *ITY.*—

23 “(1) *STATE DESIGNATED ACCREDITING AGEN-*
24 *CY.*—

1 “(A) *APPROVAL OF STATE PLANS.—The*
2 *Secretary shall—*

3 “(i) *approve a State’s designation of*
4 *an entity as an accrediting agency or asso-*
5 *ciation for the purposes described in sub-*
6 *section (a)(2)(D) for a 5-year period, begin-*
7 *ning not later than 30 days after receipt of*
8 *the plan from such State with respect to*
9 *such designation, if such plan includes each*
10 *of the elements listed in subparagraph (B);*

11 “(ii) *submit to the State and the au-*
12 *thorizing committees, and make publicly*
13 *available the Secretary’s response to the*
14 *State with respect to such plan, including*
15 *whether the plan includes each of the ele-*
16 *ments listed in subparagraph (B); and*

17 “(iii) *if a State’s designation of an en-*
18 *tity as an accrediting agency or association*
19 *is approved pursuant to this subparagraph,*
20 *publish in the Federal Register with a 30-*
21 *day public comment period—*

22 “(I) *the plan submitted by such*
23 *State with respect to such designation;*
24 *and*

1 “(II) the Secretary’s response to
2 such plan.

3 “(B) *REQUIRED PLAN ELEMENTS.*—The re-
4 quired elements of a State plan submitted under
5 subparagraph (A) with respect to the designation
6 of an entity as an accrediting agency or associa-
7 tion are as follows:

8 “(i) A description of the process the
9 State used to select the entity for such des-
10 ignation.

11 “(ii) A justification of the State’s deci-
12 sion to select the entity for such designation.

13 “(iii) A description of any require-
14 ments (in addition to the requirements of
15 this section), that the State required the en-
16 tity to comply with as a condition of receiv-
17 ing and maintaining such designation.

18 “(iv) A copy of the standards, policies,
19 and procedures of the entity that the State
20 considered in selecting the entity for such
21 designation.

22 “(v) The State’s assessment of how the
23 standards for accreditation of the entity
24 will be effective in meeting the requirements
25 of subsection (a)(5).

1 “(vi) Evidence that at least one other
2 State has determined that such entity is a
3 reliable authority as to the quality of edu-
4 cation offered for the purposes of this Act.

5 “(vii) An assurance that the State will
6 comply with the monitoring requirements
7 described in subparagraph (C).

8 “(C) STATE MONITORING.—

9 “(i) IN GENERAL.—A State that has
10 designated an entity as an accrediting
11 agency or association for the purposes de-
12 scribed in subsection (a)(2)(D) shall submit
13 to the Secretary, and to the State author-
14 izing entity, as appropriate, a report at the
15 end of the 5-year period for which the entity
16 has received such designation, which shall
17 include, with respect to each postsecondary
18 education program or institution that has
19 been accredited by such entity during such
20 period, and disaggregated by type of creden-
21 tial, certification, or degree—

22 “(I) the number and percentage of
23 students who have successfully obtained
24 a postsecondary education credential,

1 *certification, or degree offered by such*
2 *program or institution; and*

3 “(II) *the number and percentage*
4 *of students who were enrolled and did*
5 *not successfully obtain such a creden-*
6 *tial, certification, or degree within 150*
7 *percent of the program length.*

8 “(ii) *COUNTING TRANSFER STU-*
9 *DENTS.—For purposes of clause (i)(I), a*
10 *student shall be counted as obtaining a cre-*
11 *dential, certification, or degree offered by a*
12 *program or institution that was accredited*
13 *by the entity during the period for which*
14 *the report under this subparagraph is being*
15 *submitted, if the student obtains such cre-*
16 *dential, certification, or degree after trans-*
17 *ferring to another institution during such*
18 *period.*

19 “(2) *AUTHORITY TO PROVIDE AN ACCELERATED*
20 *PATH TO RECOGNITION.—With respect to a prospec-*
21 *tive accrediting agency or association that submits to*
22 *the Secretary an application for initial recognition*
23 *under this Act, the Secretary may provide such rec-*
24 *ognition to such agency or association within 2 years*

1 *after receipt of such application, if such applica-*
2 *tion—*

3 *“(A) demonstrates that the agency or asso-*
4 *ciation—*

5 *“(i) has at least one year of experience*
6 *in making accreditation or preaccreditation*
7 *decisions; and*

8 *“(ii) has policies in place that meet all*
9 *the criteria under subsection (a) for recogni-*
10 *tion covering the range of the specific de-*
11 *grees, certificates, institutions, or program*
12 *of study for which the agency or association*
13 *seeks such recognition; and*

14 *“(B) provides an assurance that if the agen-*
15 *cy or association receives such recognition, the*
16 *agency or association will submit to the Sec-*
17 *retary monitoring reports regarding accredita-*
18 *tion or preaccreditation decisions, as appro-*
19 *priate.*

20 *“(3) DEVELOPMENT OF COMMON TERMI-*
21 *NOLOGY.—Not later than 18 months after the date of*
22 *enactment of the College Cost Reduction Act, the Sec-*
23 *retary shall—*

24 *“(A) convene a panel of experts to develop*
25 *common terminology for accrediting agencies or*

1 *associations to use in making accrediting deci-*
2 *sions with respect to program of study or insti-*
3 *tutions, such as a common understanding of*
4 *monitoring, warning, show cause, and other rel-*
5 *evant statuses, as appropriate; and*

6 *“(B) publish the recommendations for such*
7 *common terminology in the Federal Register*
8 *with a 60-day public comment period.”.*

9 *(c) OPERATING PROCEDURES REQUIRED.—*

10 *(1) ON-SITE INSPECTIONS AND REVIEWS.—Para-*
11 *graph (1) of section 496(c) (20 U.S.C. 1099b(c)) is*
12 *amended—*

13 *(A) by inserting “(which may vary based*
14 *on institutional risk consistent with policies pro-*
15 *mulgated by the agency or association to deter-*
16 *mine such risk and interval frequency as author-*
17 *ized under subsection (p))” after “intervals”;*
18 *and*

19 *(B) by striking “, including those regarding*
20 *distance education”.*

21 *(2) MECHANISM TO IDENTIFY INSTITUTIONS AND*
22 *PROGRAMS EXPERIENCING DIFFICULTIES.—Section*
23 *496(c) (20 U.S.C. 1099b(c)) is further amended—*

1 (A) by redesignating paragraphs (2)
2 through (9) as paragraphs (3) through (10), re-
3 spectively; and

4 (B) by inserting after paragraph (1) the fol-
5 lowing:

6 “(2) develops a policy process to identify any in-
7 stitution or program of study accredited by the agen-
8 cy or association that is not meeting the standards for
9 accreditation of the agency or association, with a
10 focus on the standards assessing an institution’s or
11 program of study’s student achievement outcomes de-
12 scribed in subsection (a)(5)(A), and other indicators,
13 which shall include—

14 “(A) not less than annually, evaluating the
15 extent to which such an identified institution or
16 program of study continues to be in compliance
17 with such standards or other indicators; and

18 “(B) as appropriate, requiring the institu-
19 tion or program of study to submit a plan, on
20 an annual basis, to the accrediting agency or as-
21 sociation to—

22 “(i) address and remedy performance
23 issues with respect to such compliance; and

24 “(ii) ensure that such plan is success-
25 fully implemented;”.

1 (3) *PROCEDURES WITH RESPECT TO SUB-*
2 *STANTIVE CHANGES.—Paragraph (5) of section 496(c)*
3 *(20 U.S.C. 1099b(c)) (as redesignated by paragraph*
4 *(2)(A)) is amended to read as follows:*

5 “*(5) establishes and applies or maintains poli-*
6 *cies, which ensure that any substantive change to the*
7 *educational mission, program of study, or program of*
8 *study of an institution after the agency or association*
9 *has granted the institution accreditation or*
10 *preaccreditation status does not adversely affect the*
11 *capacity of the institution to continue to meet the*
12 *agency’s or association’s standards for such accredita-*
13 *tion or preaccreditation status, which shall include*
14 *policies that—*

15 “*(A) require the institution to obtain the*
16 *agency’s or association’s approval of the sub-*
17 *stantive change before the agency or association*
18 *includes the change in the scope of the institu-*
19 *tion’s accreditation or preaccreditation status;*
20 *and*

21 “*(B) define substantive change to include,*
22 *at a minimum—*

23 “*(i) any change in the established mis-*
24 *sion or objectives of the institution;*

1 “(ii) any change in the legal status,
2 form of control, or ownership of the institu-
3 tion, including the acquisition or addition
4 of any other institution or new location
5 where more than 50 percent of a program
6 is offered;

7 “(iii) the addition of program of study
8 at a higher credential level from the creden-
9 tial level previously accredited by the agen-
10 cy or association; or

11 “(iv) the entering into a contract
12 under which an institution or organization
13 not certified to participate in programs
14 under this title offers more than 25 percent
15 but less than 50 percent of the instruction
16 of an educational program of the institution
17 with such accreditation or preaccreditation
18 status;”.

19 (4) *PUBLIC AVAILABILITY*.—Section 496(c) (20
20 *U.S.C. 1099b(c)*) is further amended—

21 (A) in paragraph (8) (as redesignated by
22 paragraph (2)(A))—

23 (i) in the matter preceding subpara-
24 graph (A), by inserting “, on the agency’s

1 *or association’s website,” after “public”;*
2 *and*

3 *(ii) in subparagraph (C), by inserting*
4 *before the semicolon at the end the fol-*
5 *lowing: “, and a summary of why such ac-*
6 *tion was taken or such placement was*
7 *made”;*

8 *(B) in paragraph (9) (as so redesignated),*
9 *by striking “and” at the end;*

10 *(C) in paragraph (10)(B) (as so redesign-*
11 *ated), by striking the period at the end and in-*
12 *serting the following: “, including an assurance*
13 *that the institution does not deny a transfer of*
14 *credit based solely on the accreditation of the in-*
15 *stitution at which the credit was earned;”;* and

16 *(D) by adding at the end the following:*

17 *“(11) such agency or association shall make pub-*
18 *licly available, on the agency or association’s website,*
19 *a list of the institutions of higher education or pro-*
20 *gram of study accredited by such agency or associa-*
21 *tion, which includes, with respect to each such insti-*
22 *tution or program of study—*

23 *“(A) the year accreditation was granted;*

24 *“(B) the most recent date of an award of*
25 *accreditation or reaccreditation; and*

1 “(C) the anticipated date of the institution’s
2 next evaluation for reaccreditation;”.

3 (5) *PROHIBITION ON LITMUS TESTS.*—Section
4 496(c) (20 U.S.C. 1099b(c)) is further amended by
5 adding at the end the following:

6 “(12) confirms that the standards for accredita-
7 tion of the agency or association do not—

8 “(A) except as provided in subparagraph
9 (B)—

10 “(i) require, encourage, or coerce any
11 institution to—

12 “(I) support, oppose, or commit to
13 supporting or opposing—

14 “(aa) a specific partisan, po-
15 litical, or ideological viewpoint or
16 belief or set of such viewpoints or
17 beliefs; or

18 “(bb) a specific viewpoint or
19 belief or set of viewpoints or be-
20 liefs on social, cultural, or polit-
21 ical issues; or

22 “(II) support or commit to sup-
23 porting the disparate treatment of any
24 individual or group of individuals on
25 the basis of any protected class under

1 *Federal civil rights law, except as re-*
2 *quired by Federal law or a court order;*
3 *or*

4 *“(ii) assess an institution’s or program*
5 *of study’s commitment to any ideology, be-*
6 *lieve, or viewpoint; or*

7 *“(B) prohibit an institution—*

8 *“(i) from having a religious mission or*
9 *from requiring an applicant, student, em-*
10 *ployee, or independent contractor (such as*
11 *an adjunct professor) of such an institution*
12 *to—*

13 *“(I) provide or adhere to a state-*
14 *ment of faith; or*

15 *“(II) adhere to a code of conduct*
16 *consistent with the stated religious*
17 *mission of such institution or the reli-*
18 *gious tenets of such organization; or*

19 *“(ii) from requiring an applicant, stu-*
20 *dent, employee, or contractor to take an*
21 *oath to uphold the Constitution of the*
22 *United States; or*

23 *“(C) require, encourage, or coerce an insti-*
24 *tution of higher education to violate any right*
25 *protected by the Constitution;”.*

1 (6) *PROHIBITION ON ASSESSMENT OF ELECTED*
2 *OR APPOINTED OFFICIALS.*—Section 496(c) (20 U.S.C.
3 1099b(c)) is further amended by adding at the end the
4 following:

5 “(13) confirms that the standards for accredita-
6 tion of the agency or association do not assess the
7 roles (including actions or statements) of elected and
8 appointed State and Federal officials and legislative
9 bodies; and”.

10 (7) *PROHIBITION OF PRACTICES THAT DRIVE*
11 *CREDENTIAL INFLATION.*—Section 496(c) (20 U.S.C.
12 1099b(c)) is further amended by adding at the end the
13 following:

14 “(14) confirms that the standards for accredita-
15 tion of the agency or association do not require an in-
16 stitution to develop a program of study leading to a
17 degree, certificate, or recognized postsecondary creden-
18 tial that is not in response to the needs of an industry
19 or occupation.”.

20 (d) *LENGTH OF RECOGNITION.*—Subsection (d) of sec-
21 tion 496 (20 U.S.C. 1099b) is amended—

22 (1) by striking “No accrediting” and inserting
23 the following:

24 “(1) *IN GENERAL.*—Except as otherwise provided
25 in paragraph (2), no accrediting”; and

1 (2) *by adding at the end the following new para-*
2 *graph:*

3 “(2) *LONGER RECOGNITION AUTHORIZED FOR*
4 *CERTAIN AGENCIES AND ASSOCIATIONS.—Notwith-*
5 *standing paragraph (1), an accrediting agency or as-*
6 *sociation that has been recognized by the Secretary for*
7 *the purpose of this Act for a period of 5 years, may*
8 *be recognized for an additional period of up to 3*
9 *years, if the Secretary determines, based on the per-*
10 *formance of the accrediting agency or association dur-*
11 *ing its recognition period under this Act, that the ac-*
12 *crediting agency or association—*

13 “(A) *has the capability to evaluate the qual-*
14 *ity of institutions or program of study; and*

15 “(B) *has maintained compliance with the*
16 *criteria for accrediting agencies or associations*
17 *required by this section.”.*

18 (e) *LIMITATION ON SCOPE OF CRITERIA.—Section 496*
19 *(20 U.S.C. 1099b) is further amended by amending sub-*
20 *section (g) to read as follows:*

21 “(g) *LIMITATION ON SCOPE OF CRITERIA.—*

22 “(1) *IN GENERAL.—The Secretary shall not es-*
23 *tablish criteria for accrediting agencies or associa-*
24 *tions that are not required by this section.*

1 “(2) *INSTITUTIONAL ELIGIBILITY.*—*An institu-*
2 *tion of higher education shall be eligible for participa-*
3 *tion in programs under this title if the institution is*
4 *in compliance with the standards of its accrediting*
5 *agency or association that assess the institution in ac-*
6 *cordance with subsection (a)(5), regardless of any ad-*
7 *ditional standards adopted by the agency or associa-*
8 *tion for purposes unrelated to participation in pro-*
9 *grams under this title.”.*

10 *(f) CHANGE OF ACCREDITING AGENCY.*—*Section 496*
11 *(20 U.S.C. 1099b) is further amended by amending sub-*
12 *section (h) to read as follows:*

13 “(h) *CHANGE OF ACCREDITING AGENCY OR ASSOCIA-*
14 *TION.*—

15 “(1) *IN GENERAL.*—*The Secretary shall recognize*
16 *the accreditation of any otherwise eligible institution*
17 *or program of study if the institution (or program)*
18 *is in the process of changing its accrediting agency or*
19 *association, unless the institution (or program) is*
20 *subject to one or more covered actions.*

21 “(2) *COVERED ACTION DEFINED.*—*For purposes*
22 *of this subsection, the term ‘covered action’ means one*
23 *or more of the following, when used with respect to an*
24 *institution or program of study:*

1 “(A) A pending or final action brought by
2 a State agency to suspend, revoke, withdraw, or
3 terminate the institution’s legal authority to pro-
4 vide postsecondary education in the State.

5 “(B) A decision by a recognized accrediting
6 agency or association to deny accreditation or
7 preaccreditation to the institution or program of
8 study.

9 “(C) A pending or final action brought by
10 a recognized accrediting agency or association to
11 suspend, revoke, withdraw, or terminate the in-
12 stitution’s or program of study’s accreditation or
13 preaccreditation.

14 “(D) Probation or an equivalent status im-
15 posed on the institution or program of study by
16 a recognized accrediting agency or association.

17 “(3) INSTITUTIONS OF HIGHER EDUCATION NOT
18 SUBJECT TO COVERED ACTIONS.—An institution (or
19 program of study) that is not subject to a covered ac-
20 tion described in paragraph (1) and that desires to
21 change its accrediting agency or association for a rea-
22 son not related to any such covered action (such as
23 compliance with State law) may make such a change
24 without the approval of the Secretary, as long as the
25 institution (or program) and the new accrediting

1 *agency or association of the institution (or program),*
2 *not later than 30 days after the accreditation decision*
3 *by such agency or association, notify the Secretary, in*
4 *writing, of the effective date of the institution's (or*
5 *program's) accreditation by such agency or associa-*
6 *tion."*

7 *(g) DUAL ACCREDITATION RULE.—Section 496 (20*
8 *U.S.C. 1099b) is further amended by amending subsection*
9 *(i) to read as follows:*

10 *“(i) DUAL ACCREDITATION RULE.—*

11 *“(1) RECOGNITION BY SECRETARY.—The Sec-*
12 *retary shall recognize the accreditation of any other-*
13 *wise eligible institution of higher education if the in-*
14 *stitution of higher education is accredited, as an in-*
15 *stitution, by more than one accrediting agency or as-*
16 *sociation.*

17 *“(2) DESIGNATION BY INSTITUTION.—If the in-*
18 *stitution is accredited, as an institution, by more*
19 *than one accrediting agency or association, the insti-*
20 *tution—*

21 *“(A) shall designate which agency's or asso-*
22 *ciation's accreditation shall be utilized in deter-*
23 *mining the institution's eligibility for participa-*
24 *tion in programs under this Act; and*

1 “(B) may change this designation at the
2 end of the institution’s period of recognition.”.

3 (h) *RELIGIOUS INSTITUTIONS RULE*.—Section 496 (20
4 *U.S.C. 1099b*) is further amended by amending subsection
5 (k) to read as follows:

6 “(k) *RELIGIOUS INSTITUTION RULE*.—

7 “(1) *IN GENERAL*.—Notwithstanding subsection
8 (j), the Secretary shall allow an institution that has
9 had its accreditation withdrawn, revoked, or other-
10 wise terminated, or has voluntarily withdrawn from
11 an accreditation agency, to remain certified as an in-
12 stitution of higher education under section 102 and
13 subpart 3 of this part for a period sufficient to allow
14 such institution to obtain alternative accreditation, if
15 the Secretary determines that the withdrawal, revoca-
16 tion, or termination—

17 “(A) is related to the religious mission or
18 affiliation of the institution; and

19 “(B) is not related to the accreditation cri-
20 teria provided for in this section.

21 “(2) *ADMINISTRATIVE COMPLAINT FOR FAILURE*
22 *TO RESPECT RELIGIOUS MISSION*.—

23 “(A) *IN GENERAL*.—

24 “(i) *INSTITUTION*.—If an institution of
25 higher education believes that an adverse

1 *action of an accrediting agency or associa-*
2 *tion fails to respect the institution’s reli-*
3 *gious mission in violation of subsection*
4 *(a)(4)(B), the institution—*

5 *“(I) may file a complaint with*
6 *the Secretary to review the adverse ac-*
7 *tion of the agency or association; and*

8 *“(II) prior to filing such com-*
9 *plaint, shall notify the Secretary and*
10 *the agency or association of an intent*
11 *to file such complaint not later than 30*
12 *days after—*

13 *“(aa) receiving the adverse*
14 *action from the agency or associa-*
15 *tion; or*

16 *“(bb) determining that dis-*
17 *ussions with or the processes of*
18 *the agency or association to rem-*
19 *edy the failure to respect the reli-*
20 *gious mission of the institution*
21 *will fail to result in the with-*
22 *drawal of the adverse action by*
23 *the agency or association.*

24 *“(ii) ACCREDITING AGENCY OR ASSO-*
25 *CIATION.—Upon notification of an intent to*

1 *file a complaint and through the duration*
2 *of the complaint process under this para-*
3 *graph, the Secretary and the accrediting*
4 *agency or association shall treat the accred-*
5 *itation status of the institution of higher*
6 *education as if the adverse action for which*
7 *the institution is filing the complaint had*
8 *not been taken.*

9 “(B) *COMPLAINT.*—*Not later than 45 days*
10 *after providing notice of the intent to file a com-*
11 *plaint, the institution shall file the complaint*
12 *with the Secretary (and provide a copy to the*
13 *accrediting agency or association), which shall*
14 *include—*

15 “(i) *a description of the adverse action;*

16 “(ii) *how the adverse action fails to re-*
17 *spect the institution’s religious mission in*
18 *violation of subsection (a)(4)(B); and*

19 “(iii) *any other information the insti-*
20 *tution determines relevant to the complaint.*

21 “(C) *RESPONSE.*—

22 “(i) *IN GENERAL.*—*The accrediting*
23 *agency or association shall have 30 days*
24 *from the date the complaint is filed with the*
25 *Secretary to file with the Secretary (and*

1 *provide a copy to the institution) a response*
2 *to the complaint, which response shall in-*
3 *clude—*

4 “(I) *how the adverse action is*
5 *based on a violation of the agency or*
6 *association’s standards for accredita-*
7 *tion; and*

8 “(II) *how the adverse action does*
9 *not fail to respect the religious mission*
10 *of the institution and is in compliance*
11 *with subsection (a)(4)(B).*

12 “(ii) *BURDEN OF PROOF.—*

13 “(I) *IN GENERAL.—The accred-*
14 *iting agency or association shall bear*
15 *the burden of proving that the agency*
16 *or association has not taken the ad-*
17 *verse action as a result of the institu-*
18 *tion’s religious mission, and that the*
19 *action does not fail to respect the insti-*
20 *tution’s religious mission in violation*
21 *of subsection (a)(4)(B), by showing*
22 *that the adverse action does not impact*
23 *the aspect of the religious mission*
24 *claimed to be affected in the complaint.*

1 “(II) *INSUFFICIENT PROOF.*—Any
2 evidence that the adverse action results
3 from the application of a neutral and
4 generally applicable rule shall be insuf-
5 ficient to prove that the action does not
6 fail to respect an institution’s religious
7 mission.

8 “(D) *ADDITIONAL INSTITUTION RE-*
9 *SPONSE.*—The institution shall have 30 days
10 from the date on which the agency or associa-
11 tion’s response is filed with the Secretary to—

12 “(i) file with the Secretary (and pro-
13 vide a copy to the agency or association) a
14 response to any issues raised in the response
15 of the agency or association; or

16 “(ii) inform the Secretary and the
17 agency or association that the institution
18 elects to waive the right to respond to the
19 response of the agency or association.

20 “(E) *SECRETARIAL ACTION.*—

21 “(i) *IN GENERAL.*—Not later than 30
22 days of receipt of the institution’s response
23 under subparagraph (D) or notification
24 that the institution elects not to file a re-
25 sponse under such subparagraph—

1 “(I) the Secretary shall review the
2 materials to determine if the accred-
3 iting agency or association has met its
4 burden of proof under subparagraph
5 (C)(ii)(I); or

6 “(II) in a case in which the Sec-
7 retary fails to conduct such review—

8 “(aa) the Secretary shall be
9 deemed as determining that the
10 adverse action fails to respect the
11 religious mission of the institu-
12 tion; and

13 “(bb) the accrediting agency
14 or association shall be required to
15 reverse the action immediately
16 and take no further action with
17 respect to such adverse action.

18 “(ii) REVIEW OF COMPLAINT.—In re-
19 viewing the complaint under clause (i)(I)—

20 “(I) the Secretary shall consider
21 the institution to be correct in the as-
22 sertion that the adverse action fails to
23 respect the institution’s religious mis-
24 sion and shall apply the burden of
25 proof described in subparagraph

1 (C)(ii)(I) with respect to the accred-
2 iting agency or association; and

3 “(II) if the Secretary determines
4 that the accrediting agency or associa-
5 tion fails to meet such burden of
6 proof—

7 “(aa) the Secretary shall no-
8 tify the institution and the agency
9 or association that the agency or
10 association is not in compliance
11 with subsection (a)(4)(B), and
12 that such agency or association
13 shall carry out the requirements of
14 item (bb) to be in compliance
15 with subsection (a)(4)(B); and

16 “(bb) the agency or associa-
17 tion shall reverse the adverse ac-
18 tion immediately and take no fur-
19 ther action with respect to such
20 adverse action.

21 “(iii) FINAL DEPARTMENTAL AC-
22 TION.—The Secretary’s determination under
23 this subparagraph shall be the final action
24 of the Department on the complaint.

1 “(F) *RULE OF CONSTRUCTION.*—*Nothing in*
2 *this paragraph shall prohibit—*

3 “(i) *an accrediting agency or associa-*
4 *tion from taking an adverse action against*
5 *an institution of higher education for a fail-*
6 *ure to comply with the agency or associa-*
7 *tion’s standards of accreditation as long as*
8 *such standards are in compliance with sub-*
9 *section (a)(4)(B) and any other applicable*
10 *requirements of this section; or*

11 “(ii) *an institution of higher education*
12 *from exercising any other rights to address*
13 *concerns with respect to an accrediting*
14 *agency or association or the accreditation*
15 *process of an accrediting agency or associa-*
16 *tion.*

17 “(G) *GUIDANCE.*—

18 “(i) *IN GENERAL.*—*The Secretary may*
19 *only issue guidance under this paragraph*
20 *that explains or clarifies the process for pro-*
21 *viding notice of an intent to file a com-*
22 *plaint or for filing a complaint under this*
23 *paragraph.*

24 “(ii) *CLARIFICATION.*—*The Secretary*
25 *may not issue guidance, or otherwise deter-*

1 *mine or suggest, when discussions to remedy*
2 *the failure by an accrediting agency or as-*
3 *sociation to respect the religious mission of*
4 *an institution of higher education referred*
5 *to in subparagraph (A)(i)(II)(bb) have*
6 *failed or will fail.*

7 “(3) *RELIGIOUS MISSION DEFINED.*—*In this Act,*
8 *the term ‘religious mission’—*

9 “*(A) means a published institutional mis-*
10 *sion that is approved by the governing body of*
11 *an institution of higher education and that in-*
12 *cludes, refers to, or is predicated upon religious*
13 *tenets, beliefs, or teachings; and*

14 “*(B) may be reflected in any of the institu-*
15 *tion’s policies, decisions, or practices related to*
16 *such tenets, beliefs, or teachings (including any*
17 *policies or decisions concerning housing, employ-*
18 *ment, curriculum, self-governance, or student ad-*
19 *mission, continuing enrollment, or gradua-*
20 *tion).”.*

21 *(i) INDEPENDENT EVALUATION.*—*Section 496(n)(3)*
22 *(20 U.S.C. 1099b(n)(3)) is amended by striking the last sen-*
23 *tence.*

24 *(j) REGULATIONS.*—*Section 496(o) (20 U.S.C.*
25 *1099b(o)) is amended by inserting before the period at the*

1 *end the following: “, or with respect to the policies and pro-*
2 *cedures of an accreditation agency or association described*
3 *in paragraph (2) or (5) of subsection (c) or how the agency*
4 *or association carries out such policies and procedures”.*

5 *(k) RISK-BASED REVIEW PROCESSES OR PROC-*
6 *DURES; WAIVER.—Section 496 (20 U.S.C. 1099b) is further*
7 *amended—*

8 *(1) by striking subsections (p) and (q); and*

9 *(2) by adding at the end the following:*

10 *“(p) RISK-BASED OR DIFFERENTIATED REVIEW PROC-*
11 *ESSES OR PROCEDURES.—*

12 *“(1) IN GENERAL.—Notwithstanding any other*
13 *provision of law (including subsection (a)(4)(A)), an*
14 *accrediting agency or association shall establish risk-*
15 *based processes or procedures for assessing compliance*
16 *with the accrediting agency or association’s standards*
17 *(including policies related to substantive change and*
18 *award of accreditation statuses) under which the*
19 *agency or association—*

20 *“(A) creates a system for understanding an*
21 *institution’s or program of study’s performance*
22 *in comparison with other similarly situated in-*
23 *stitutions or programs of study (which may in-*
24 *clude past performance with respect to meeting*
25 *the accrediting agency or association’s stand-*

1 ards, including the standards relating to the stu-
2 dent achievement outcomes described in sub-
3 clauses (I) through (IV) of subsection (a)(5)(A));

4 “(B) requires for each institution and pro-
5 gram of study designated as high-risk, in accord-
6 ance with the accrediting agency or association’s
7 system in subparagraph (A), to submit the an-
8 nual plans described in subsection (c)(2)(B) to
9 the agency or association that address the per-
10 formance issues of such institution or program of
11 study that resulted in such designation;

12 “(C) with respect to institutions or program
13 of study meeting or exceeding performance as de-
14 scribed in subparagraph (A), reduces any com-
15 pliance requirements with the standards of ac-
16 creditation of the agency that are not assessing
17 an institution or program of study under sub-
18 section (a)(5), such as on-site inspections; and

19 “(D) may require an institution or pro-
20 gram of study that has declining performance
21 (such as an institution or program of study with
22 a high-risk designation under subparagraph
23 (B)), which has not improved as required by the
24 annual plan submitted under subsection
25 (c)(2)(B), to take actions to avoid or minimize

1 *the risks that may lead to revocation of accredi-*
 2 *tation (such as limiting certain program of*
 3 *study enrollment or recommending to the Sec-*
 4 *retary to limit funds under this title for such an*
 5 *institution or program.*

6 “(2) *PROHIBITION.*—*Any risk-based review proc-*
 7 *ess or procedure established pursuant to this sub-*
 8 *section shall not discriminate against, or otherwise*
 9 *preclude, institutions of higher education based on in-*
 10 *stitutional sector or category, including an institution*
 11 *of higher education’s tax status.”.*

12 “(l) *TOTAL PRICE DEFINED.*—*Section 496 (20 U.S.C.*
 13 *1099b) is further amended by adding at the end the fol-*
 14 *lowing:*

15 “(q) *TOTAL PRICE DEFINED.*—*For purposes of this*
 16 *section, the term ‘total price’ has the meaning given such*
 17 *term in section 454(d)(3).”.*

18 **SEC. 312. NATIONAL ADVISORY COMMITTEE ON INSTITU-**
 19 **TIONAL QUALITY AND INTEGRITY (NACIQI).**

20 *Section 114 (20 U.S.C. 1011c) is amended—*

21 *(1) in subsection (b)—*

22 *(A) in paragraph (2), by redesignating sub-*
 23 *paragraphs (A) through (C) as clauses (i)*
 24 *through (iii), respectively, and adjusting the*
 25 *margins accordingly;*

1 (B) by striking “Individuals” and inserting
2 the following:

3 “(A) *IN GENERAL.—Individuals*”;

4 (C) in clause (ii), as so redesignated, by
5 striking “and training” and inserting “skills de-
6 velopment”;

7 (D) by adding at the end of paragraph (2)
8 the following:

9 “(B) *DISQUALIFICATION.—No individual*
10 *may be appointed as a member of the Committee*
11 *if such individual has a significant conflict of*
12 *interest, such as being a current regulator (such*
13 *as a State authorizer), that would require the in-*
14 *dividual to frequently be recused from serving as*
15 *a member of the Committee.”; and*

16 (E) in paragraph (3), by striking “Except
17 as provided in paragraph (5), the term” and in-
18 serting “The term”;

19 (2) in subsection (c)—

20 (A) in paragraph (4), by adding “and” at
21 the end;

22 (B) in paragraph (5), by striking “; and”
23 at the end and inserting a period; and

24 (C) by striking paragraph (6);

1 (3) *in subsection (d)(2), by inserting at the end*
 2 *the following: “The name of any member of the Com-*
 3 *mittee who has been recused with respect to an agen-*
 4 *da item of the meeting shall be included in such agen-*
 5 *da.”;*

6 (4) *in subsection (e)(2)(D), by striking “, includ-*
 7 *ing any additional functions established by the Sec-*
 8 *retary through regulation”;* and

9 (5) *in subsection (f), by striking “September 30,*
 10 *2021” and inserting “September 30, 2028”.*

11 **SEC. 313. ALTERNATIVE QUALITY ASSURANCE EXPERI-**
 12 **MENTAL SITE INITIATIVE.**

13 *Section 487A of the Higher Education Act of 1965 (20*
 14 *U.S.C. 1094a) is amended—*

15 (1) *by redesignating subsection (c) as subsection*
 16 *(d); and*

17 (2) *by inserting after subsection (b) the end the*
 18 *following:*

19 “(c) *ALTERNATIVE QUALITY ASSURANCE EXPERI-*
 20 *MENTAL SITE INITIATIVE.—*

21 “(1) *EXPERIMENTAL SITE AUTHORIZED.—The*
 22 *Secretary shall select, in accordance with paragraph*
 23 *(4), eligible entities that voluntarily seek to partici-*
 24 *rate in an Alternative Quality Assurance experi-*
 25 *mental site initiative for a duration of 5 years and*

1 *receive the waivers or other flexibility described in*
2 *paragraph (5) to evaluate whether the eligible entities,*
3 *during such 5-year period, can maintain high student*
4 *achievement outcomes while participating in pro-*
5 *grams under this title without being accredited by an*
6 *accrediting agency or association recognized under*
7 *section 496.*

8 *“(2) ELIGIBLE ENTITY DEFINED.—For purposes*
9 *of this subsection, an eligibility entity means—*

10 *“(A) an institution of higher education (as*
11 *defined in section 102); or*

12 *“(B) an educational provider that—*

13 *“(i) is not an institution of higher edu-*
14 *cation;*

15 *“(ii) does not receive funding under*
16 *this Act;*

17 *“(iii) is not accredited by an accred-*
18 *iting agency or association for the purposes*
19 *of this title; and*

20 *“(iv) is authorized to operate in the*
21 *State in which the provider is located.*

22 *“(3) APPLICATION.—*

23 *“(A) IN GENERAL.—Each eligible entity de-*
24 *siring to participate in the experimental site ini-*
25 *tiative under this subsection shall submit an ap-*

1 *plication to the Secretary, at such time and in*
2 *such manner as the Secretary may require,*
3 *which shall contain the information described in*
4 *subparagraph (B). The Secretary may not re-*
5 *quire any information in such an application*
6 *that is not described in subparagraph (B).*

7 *“(B) CONTENTS.—Each application under*
8 *paragraph (1) shall include—*

9 *“(i) a description of which program of*
10 *study offered at the eligible entity will be*
11 *included in the experimental site initiative,*
12 *including—*

13 *“(I) in the case of an eligible enti-*
14 *ty that is an institution of higher edu-*
15 *cation, an attestation that such pro-*
16 *gram meets the standards of accredita-*
17 *tion of the institution’s accrediting*
18 *agency or association described in*
19 *clauses (i) through (iv) of section*
20 *496(a)(5)(A) (including the standard*
21 *requiring that the median value-added*
22 *earnings of students who complete the*
23 *program are greater than the median*
24 *total price charged to students for the*
25 *program); and*

1 “(II) in the case of an eligible en-
2 tity defined in paragraph (2)(B), docu-
3 mentation and verified administrative
4 data that the program meets standards
5 similar to the standards of accredita-
6 tion referenced in subclause (I);

7 “(ii) a justification of the reason why
8 the eligible entity seeks to receive the waiver
9 described in paragraph (5)(A), including es-
10 timates or documentation of the potential
11 savings to the entity of receiving such waiv-
12 er; and

13 “(iii) a description of how the eligible
14 entity plans to share the financial risk with
15 the Secretary of receiving the waivers de-
16 scribed in paragraph (5), such as by—

17 “(I) providing matching non-Fed-
18 eral funds to the Secretary to cover the
19 cost of at least half of the expected dis-
20 bursements under this title to the stu-
21 dents that enroll in such program for
22 the first year of the experiment;

23 “(II) providing a letter of credit
24 to the Secretary to cover the cost de-
25 scribed in subclause (I); or

1 “(III) requesting to be placed on a
2 reimbursement system of payment.

3 “(4) *SELECTION.*—No later than 6 months after
4 the experimental site initiative is announced, the Sec-
5 retary shall select eligible entities to participate in the
6 initiative based on the applications submitted under
7 paragraph (3). In making such selections, the Sec-
8 retary—

9 “(A) shall consider—

10 “(i) the number and quality of appli-
11 cations;

12 “(ii) each applicant’s ability to effec-
13 tively share the financial risk as required
14 under paragraph (3)(B)(iii); and

15 “(iii) in the case of an applicant that
16 is an institution of higher education, the
17 applicant’s history of compliance with the
18 requirements of this Act;

19 “(B) shall ensure that the selected eligible
20 entities represent a variety of eligible entities
21 with respect to size, mission, and geographic dis-
22 tribution;

23 “(C) shall ensure that the number of eligible
24 entities selected that are institutions of higher
25 education described in paragraph (2)(B) is equal

1 to the number of eligible entities selected that are
2 educational providers described in paragraph
3 (2)(B); and

4 “(D) may not select any eligible entity
5 whose approval to operate in a State is at risk.

6 “(5) WAIVERS.—The Secretary is authorized to
7 waive, for any eligible entity participating in the ex-
8 perimental site initiative under this subsection—

9 “(A) any requirements conditioning an eli-
10 gible entity’s eligibility to participate in pro-
11 grams under this title to being accredited by an
12 accrediting agency or association recognized
13 under section 496; and

14 “(B) any other requirements of this title de-
15 termined necessary by the Secretary to carry out
16 such initiative (including requirements related to
17 the award process and disbursement of student
18 financial aid, or other management procedures
19 or processes), except that the Secretary shall not
20 waive any provisions with respect to award rules
21 (other than an award rule related to an experi-
22 ment in modular or compressed schedules), grant
23 and loan maximum award amounts, and need
24 analysis requirements, unless the waiver of such

1 *provisions is authorized by another provision*
2 *under this title.*

3 “(6) *REVIEW AND EVALUATION.*—

4 “(A) *IN GENERAL.*—*The Secretary shall re-*
5 *view and evaluate the experimental site initia-*
6 *tive conducted under this subsection, including*
7 *by evaluating, with respect to each participating*
8 *program of each participating eligible entity,*
9 *whether—*

10 “(i) *the median value-added earnings*
11 *of students who complete the program of*
12 *study are greater than the median total*
13 *price charged to students for such program;*
14 *and*

15 “(ii) *the program of study is meeting*
16 *other student achievement outcomes (such as*
17 *outcomes based on standards of accredita-*
18 *tion described in section 496(a)(5)(A)), as*
19 *appropriate for the program.*

20 “(B) *RECOMMENDATIONS.*—*If, based on*
21 *such evaluation, the Secretary determines that*
22 *participating eligible entities were able to meet*
23 *the requirement of subparagraph (A)(i) and the*
24 *other student achievement outcomes evaluated by*
25 *the Secretary under subparagraph (A)(ii), the*

1 *Secretary shall submit to the authorizing com-*
 2 *mittees recommendations regarding amendments*
 3 *to this Act that will streamline and enhance the*
 4 *quality assurance process of institutions of high-*
 5 *er education, and educational providers de-*
 6 *scribed in paragraph (2)(B).”.*

7 ***PART B—STUDENT SUCCESS***

8 ***SEC. 321. POSTSECONDARY STUDENT SUCCESS GRANTS.***

9 *Part B of title VII of the Higher Education Act of 1965*
 10 *(20 U.S.C. 1138 et seq.) is amended—*

11 *(1) in section 741—*

12 *(A) by striking subsections (b), (c), (e), and*
 13 *(f);*

14 *(B) by redesignating subsection (d) as sub-*
 15 *section (c); and*

16 *(C) by inserting after subsection (a) the fol-*
 17 *lowing:*

18 *“(b) GRANTS.—*

19 *“(1) DEFINITIONS.—In this subsection:*

20 *“(A) COMPLETION RATE.—The term ‘com-*
 21 *pletion rate’ means—*

22 *“(i) the percentage of students from an*
 23 *initial cohort enrolled at an institution of*
 24 *higher education that is a 2-year institution*
 25 *who have graduated from the institution or*

1 transferred to a 4-year institution of higher
2 education; or

3 “(ii) the percentage of students from
4 an initial cohort enrolled at an institution
5 of higher education in the State that is a 4-
6 year institution who have graduated from
7 the institution.

8 “(B) *ELIGIBLE ENTITY*.—The term ‘eligible
9 entity’ means—

10 “(i) an institution of higher education;

11 “(ii) a partnership between a non-
12 profit educational organization and an in-
13 stitution of higher education; and

14 “(iii) a consortium of institutions of
15 higher education.

16 “(C) *ELIGIBLE INDIAN ENTITY*.—The term
17 ‘eligible Indian entity’ means the entity respon-
18 sible for the governance, operation, or control of
19 a Tribal College or University.

20 “(D) *EVIDENCE-BASED*.—The term ‘evi-
21 dence-based’ has the meaning given the term in
22 section 8101(21)(A) of the Elementary and Sec-
23 ondary Education Act of 1965 (20 U.S.C.
24 7801(21)(A)), except that such term shall also
25 apply to institutions of higher education.

1 “(E) EVIDENCE TIERS.—

2 “(i) EVIDENCE TIER 1 REFORM OR
3 PRACTICE.—The term ‘evidence tier 1 re-
4 form or practice’ means a reform or prac-
5 tice that prior research suggests has promise
6 for the purpose of successfully improving
7 student achievement or attainment for high-
8 need students.

9 “(ii) EVIDENCE TIER 2 REFORM OR
10 PRACTICE.—The term ‘evidence tier 2 re-
11 form or practice’ means a reform or prac-
12 tice described in clause (i), or other practice
13 meeting similar criteria, that measures im-
14 pact and cost effectiveness of student success
15 activities, and, through rigorous evaluation
16 (including through the use of existing ad-
17 ministrative data, as applicable), has been
18 found to be successfully implemented.

19 “(iii) EVIDENCE TIER 3 REFORM OR
20 PRACTICE.—The term ‘evidence tier 3 re-
21 form or practice’ means a reform or prac-
22 tice described in clause (ii), or other prac-
23 tice meeting similar criteria, that has been
24 found to produce sizable, important impacts
25 on student success and—

1 “(I) determines whether such im-
2 pacts can be successfully reproduced
3 and sustained over time; and

4 “(II) identifies the conditions in
5 which such reform or practice is most
6 effective.

7 “(F) *FIRST GENERATION COLLEGE STU-*
8 *DENT.*—The term ‘first generation college stu-
9 dent’ has the meaning given the term in section
10 402A(h) of the Higher Education Act of 1965 (20
11 U.S.C. 1070a–11(h)).

12 “(G) *HIGH-NEED STUDENT.*—The term
13 ‘high-need student’ means—

14 “(i) a student from low-income back-
15 ground;

16 “(ii) first generation college students;

17 “(iii) caregiver students;

18 “(iv) students with disabilities;

19 “(v) students who stopped out before
20 completing;

21 “(vi) reentering justice-impacted stu-
22 dents; and

23 “(vii) military-connected students.

24 “(H) *SECRETARY.*—The term ‘Secretary’
25 means the Secretary of Education.

1 “(I) *TRIBAL COLLEGE OR UNIVERSITY.*—
2 *The term ‘Tribal College or University’ has the*
3 *meaning given the term in section 316(b) of the*
4 *Higher Education Act of 1965 (20 U.S.C.*
5 *1059c(b)).*

6 “(2) *RESERVATION OF FUNDS FOR ELIGIBLE IN-*
7 *DIAN ENTITIES.*—*From the total amount appro-*
8 *priated to carry out this subsection for a fiscal year,*
9 *the Secretary shall reserve 2 percent for grants to eli-*
10 *gible Indian entities to increase participation and*
11 *completion rates of high-need students.*

12 “(3) *AUTHORIZATION OF POSTSECONDARY STU-*
13 *DENT SUCCESS COMPETITIVE GRANTS.*—

14 “(A) *GRANT AUTHORIZATION.*—*For each of*
15 *fiscal years 2025 through 2030, the Secretary*
16 *shall award, on a competitive basis, grants to eli-*
17 *gible entities to provide student services to in-*
18 *crease participation, retention, and completion*
19 *rates of high-need students.*

20 “(B) *APPLICATION.*—*An eligible entity de-*
21 *siring a grant under this section shall submit an*
22 *application to the Secretary at such time, in*
23 *such manner, and containing the information re-*
24 *quired under subparagraph (C).*

1 “(C) CONTENTS.—An application submitted
2 under this paragraph shall include the following:

3 “(i) A plan to increase, with respect to
4 all students enrolled at the institution of
5 higher education, attainment and comple-
6 tion rates or graduation rates, including—

7 “(I) a description of which evi-
8 dence tiers would be met by the evi-
9 dence-based reforms or practices; and

10 “(II) a particular focus on serv-
11 ing high-need students through student
12 services and collaboration among 2-
13 year programs, 4-year programs, and
14 workforce systems.

15 “(ii) Annual benchmarks for student
16 outcomes with respect to evidence-based re-
17 forms or practices.

18 “(iii) A plan to evaluate the evidence-
19 based reforms or practices carried out pur-
20 suant to a grant received under this sub-
21 section.

22 “(iv) Rates of enrolled students who re-
23 ceived a Federal Pell Grant under section
24 401.

1 “(v) *Demographics of enrolled students,*
2 *including high-need students.*

3 “(vi) *A description of how the eligible*
4 *entity will, directly or in collaboration with*
5 *institutions of higher education or nonprofit*
6 *organizations, use the grant funds to imple-*
7 *ment 1 or more of the following evidence-*
8 *based reforms or practices:*

9 “(I) *Providing comprehensive aca-*
10 *ademic, career, and student services,*
11 *which may include mentoring, advis-*
12 *ing, or case management services.*

13 “(II) *Providing accelerated learn-*
14 *ing opportunities, which may include*
15 *dual or concurrent enrollment pro-*
16 *grams and early college high school*
17 *programs.*

18 “(III) *Reforming course sched-*
19 *uling or credit-awarding policies.*

20 “(IV) *Improving transfer path-*
21 *ways between the institution of higher*
22 *education, or eligible Indian entity,*
23 *and other institutions of higher edu-*
24 *cation.*

1 “(vii) A description of how the evi-
2 dence-based reforms or practices carried out
3 pursuant to a grant under this subsection
4 will be sustained once the grant expires.

5 “(D) EVIDENCE-BASED STUDENT SUCCESS
6 PROGRAMS.—From the total amount appro-
7 priated to carry out this subsection for a fiscal
8 year and not reserved under paragraph (4), the
9 Secretary shall reserve not less than 20 percent
10 to award grants to eligible entities with applica-
11 tions that propose to include reforms or prac-
12 tices—

13 “(i) at least 1 of which is a tier 3 re-
14 form or practice; and

15 “(ii) the rest of which are tier 1 or tier
16 2 reforms or practices.

17 “(E) REQUIRED USE OF FUNDS.—An eligi-
18 ble entity that receives a grant under this section
19 shall use the grant funds to carry out the plans
20 submitted pursuant to subparagraph (C) and for
21 evidence-based reforms or practices for improv-
22 ing retention and completion rates of students
23 that may include the following:

1 “(i) *Student services to support reten-*
2 *tion, completion, and success, which may*
3 *include—*

4 “(I) *faculty and peer counseling;*

5 “(II) *use of real-time data on stu-*
6 *dent progress;*

7 “(III) *improving transfer student*
8 *success; and*

9 “(IV) *incentives for students to re-*
10 *enroll or stay on track.*

11 “(ii) *Direct student support services,*
12 *including a combination of—*

13 “(I) *tutoring, academic supports,*
14 *and enrichment services; and*

15 “(II) *emergency financial assist-*
16 *ance.*

17 “(iii) *Efforts to prepare students for a*
18 *career, which may include—*

19 “(I) *career coaching, career coun-*
20 *seling and planning services, and ef-*
21 *forts to lower student to advisor ratios;*

22 “(II) *networking and work-based*
23 *learning opportunities to support the*
24 *development of skills and professional*
25 *relationships;*

1 “(III) utilizing career pathways;
2 and

3 “(IV) boosting experiences nec-
4 essary to obtain and succeed in high-
5 wage, high-skilled, (as described in sec-
6 tion 122 of the Carl D. Perkins Career
7 and Technical Education Act of 2006
8 (20 U.S.C. 2342)) or in-demand indus-
9 try sectors or occupations (as defined
10 in section 3 of the Workforce Innova-
11 tion and Opportunity Act (29 U.S.C.
12 3102)).

13 “(iv) Efforts to recruit and retain fac-
14 ulty and other instructional staff.

15 “(F) PERMISSIVE USE OF FUNDS.—From
16 the total amount appropriated to carry out this
17 subsection for a fiscal year, and not reserved
18 under paragraph (4) or subparagraph (D), the
19 Secretary may set aside—

20 “(i) not more than 5 percent for ad-
21 ministration, capacity building, research,
22 evaluation, and reporting; and

23 “(ii) not more than 2 percent for tech-
24 nical assistance to eligible entities.

25 “(G) EVALUATIONS.—

1 “(i) *IN GENERAL.*—*For the purpose of*
2 *improving the effectiveness of the evidence-*
3 *based reforms or practices carried out by el-*
4 *igible entities pursuant to a grant under*
5 *this subsection, the Secretary shall make*
6 *grants to or enter into contracts with one or*
7 *more organizations to—*

8 “(I) *evaluate the effectiveness of*
9 *such reforms or practices; and*

10 “(II) *disseminate information on*
11 *the impact of such reforms or practices*
12 *in increasing completion and retention*
13 *activities of students, as well as other*
14 *appropriate measures.*

15 “(ii) *ISSUES TO BE EVALUATED.*—*The*
16 *evaluations required under clause (i) shall*
17 *measure the effectiveness of the evidence-*
18 *based reforms or practices carried out by el-*
19 *igible entities pursuant to a grant under*
20 *this subsection in—*

21 “(I) *whether such eligible entity*
22 *implemented the plans, and carried out*
23 *the activities, described in subpara-*
24 *graph (C); and*

1 “(II) comparing the completion
2 and retention rates of students who
3 participated in such reforms or prac-
4 tices with the rates of students of simi-
5 lar backgrounds who did not partici-
6 pate in such reforms or practices.

7 “(iii) RESULTS.—Not later than 18
8 months after the date of the enactment of
9 this subsection, the Secretary shall submit
10 to the authorizing committees a final report.

11 “(H) GRANT LIMIT.—An institution with
12 branch campuses that is an eligible entity may
13 only receive a grant under this subsection for 1
14 campus of such institution at a time.

15 “(4) AUTHORIZATION OF APPROPRIATIONS.—
16 There are authorized to be appropriated to carry out
17 this subsection, \$45,000,000, for each of fiscal years
18 2026 through 2031.”; and

19 (2) by striking sections 742 through 745.

20 **SEC. 322. REVERSE TRANSFER EFFICIENCY ACT.**

21 Section 444(b)(1) of the General Education Provisions
22 Act (20 U.S.C. 1232g(b)(1)) is amended—

23 (1) in subparagraph (K)(ii), by striking “; and”
24 and inserting a semicolon;

1 (2) in subparagraph (L), by striking the period
2 at the end and inserting “; and”; and

3 (3) by inserting after subparagraph (L) the fol-
4 lowing:

5 “(M) an institution of postsecondary education
6 in which a student was previously enrolled, to which
7 records of postsecondary coursework and credits are
8 sent for the purpose of applying such coursework and
9 credits toward completion of a recognized postsec-
10 ondary credential (as that term is defined in section
11 3 of the Workforce Innovation and Opportunity Act
12 (29 U.S.C. 3102)), upon condition that the student
13 provides written consent prior to receiving such cre-
14 dential.”.

15 **SEC. 323. TRANSPARENT AND FAIR TRANSFER OF CREDIT**
16 **POLICIES.**

17 Section 485(h) of the Higher Education Act of 1965
18 (20 U.S.C. 1092(h)) is amended—

19 (1) in paragraph (1)(A), by inserting “, includ-
20 ing with respect to the acceptance or denial of such
21 credit” after “higher education”;

22 (2) by redesignating paragraph (2) as para-
23 graph (3); and

24 (3) by inserting after paragraph (1) the fol-
25 lowing:

1 “(2) *DENIAL OF CREDIT TRANSFER.*—*An institu-*
2 *tion may not establish a transfer of credit policy*
3 *which denies credit earned at another institution*
4 *based solely on the source of accreditation of such*
5 *other institution, provided that such other institution*
6 *is accredited by an agency or association that is rec-*
7 *ognized by the Secretary pursuant to section 496.”.*

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2^D Session

H. R. 6951

[Report No. 118-739]

A BILL

To lower the cost of postsecondary education for students and families.

NOVEMBER 18, 2024

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed