



# TITLE BY TITLE

## *The College Affordability Act (H.R. 4674)*

### **Title I**

#### **Closes the Loophole in the Definition of Federal Education Assistance Funds**

The bill closes loopholes in the current 90-10 rule that allow for-profit institutions to rely on funding from other federal programs (such as GI Bill) without penalty.

#### **Ensures programs lead to gainful employment**

To ensure career programs do not leave graduates with insurmountable debt, the bill requires the Secretary of Education (Secretary) to establish a compliance standard that includes a debt-to-earnings threshold for training programs that are statutorily required to lead to gainful employment.

#### **Strengthens institutional disclosures of foreign gifts**

Under current law, institutions of higher education (institutions) must disclose gifts received from a foreign entity to the U.S. Department of Education (Department). The bill requires in-kind gifts to be reported and further requires the Secretary to go through a rulemaking process to ensure that institutions have clear guidelines and requirements for reporting foreign gifts.

#### **Prevents alcohol and substance misuse**

To be eligible to participate in the federal student aid program, current law requires an institution to certify that it has adopted a drug- and alcohol-abuse prevention program. The bill builds on the existing provision by requiring that campus-based substance misuse prevention programs be “evidence-based” and requires a cooperative agreement between the Department and the Department of Health and Human Services to identify and promote successful programs. This will ensure that institutions have the tools and information they need to implement substance misuse programs. Further, the bill reauthorizes and makes substantive improvements to a current grant program to help institutions implement successful programs. These provisions will ensure that students can benefit from a range of initiatives, including early screening education, recovery support services, peer-to-peer support services, counseling for students with a substance use disorder, and re-entry assistance.

#### **Protects the integrity of non-profit institutions of higher education**

In response to many for-profit schools converting into non-profit entities to escape regulation, the bill establishes a transparent process for approving conversions at the Department.

#### **Requires support to and guidance for homeless individuals and foster care youth**

The bill requires the Secretary to issue guidance, provide annual professional development opportunities, and issue a report at least once every five years on best practices for serving homeless individuals and foster care youth. Elsewhere, the bill requires institutions to do their part to improve outcomes for foster and homeless youth by improving outreach, resources, and policies for foster and homeless youth. The bill further requires institutions to provide housing options between terms, designate a single point of contact to assist foster and homeless youth, and work with the Department, when necessary, to streamline the financial aid process for such students. The bill also requires states to grant in-state tuition rates for foster and homeless students who have not had stable residency.

#### **Improves available postsecondary data**

The existing federal postsecondary data infrastructure is messy, duplicative, inefficient, and incomplete. The bill strikes the “student unit record” ban – a provision that prohibits the Secretary from collecting student-level data – and requires the development of a secure system that uses student-level data to evaluate postsecondary outcomes including transfer, employment, and earnings. Collecting data at a student level reduces institutional reporting burden while producing better, more complete information to help students, institutions, and policymakers make informed decisions. In order to lessen administrative burden and avoid duplicative reporting, the bill allows the Secretary to utilize the new postsecondary student data system to fulfil other reporting requirements under the HEA. The bill also requires disaggregation of postsecondary data by race as measured by the American Community Survey.

Elsewhere the College Affordability Act (H.R. 4674) ensures that institutions that offer dual enrollment programs aren’t penalized when calculating the share of students who receive Pell Grants. The bill also extends a provision from the FY2019 spending bill which allows institutions to share information from a student’s FAFSA with scholarship-granting organizations if the student provides explicit written permission.

#### **Improves the Federal Student Aid (FSA) office**

The FSA office manages a student loan portfolio that affects one out of every six adult Americans and one-third of young adults. Despite its importance, little has been done to improve FSA operations over the last 20 years. The bill updates FSA’s performance goals to ensure students and borrowers are better served. It also transforms FSA’s ombudsman into a borrower advocate to provide borrowers with an individual at the Department who can assist in addressing their complaints and concerns.

#### **Establishes an enforcement unit**

The bill creates a unit within the FSA office responsible for reviewing and investigating violations of the *Higher Education Act of 1965* (HEA) and recommending enforcement actions to the Secretary.

## **Title II**

#### **Strengthens teacher and school leader preparation programs**

The bill reauthorizes and expands the Teacher Quality Partnership (TQP) Grant program, which strengthens coordination between school districts, state agencies, and teacher preparation programs at institutions to include school leader preparation programs. Notably, IHE preparation programs may now apply for funds in partnership with state educational agencies (SEAs) in service of high-need local educational agencies (LEAs) across the state as determined by the SEA. Program funds, which are matched dollar for dollar by participating institutions, can be used to create cohort-based residency models of clinical experiences. Requirements and

accountability for the school leader partnerships closely track the requirements of the teacher quality partnership programs. School leader programs may also use funds to develop principal pipelines, provide district-level induction and experienced school leader mentorship. Finally, the funds can be used to create and sustain teacher leader development programs, which allow existing teachers to take on a hybrid role that combines formalized leadership and mentoring with dedicated time for classroom instruction. This not only helps incoming teachers, but also provides existing teachers with access to career advancement and increased job satisfaction.

The College Affordability Act further allows TQP grantees to develop Grow Your Own partnerships between high-need LEAs and teacher prep IHE programs to recruit and support paraprofessionals and other non-teaching staff from the LEA in gaining teacher certifications to teach in their own communities. The bill also increases the requirements and capacity for effective oversight and intervention for at-risk and low-performing teacher and school leader preparation programs to ensure program improvement.

Further, the bill authorizes funding for competitive grant programs that support institutions to:

- Increase the diversity of the educator workforce by improving teacher and school leader preparation programs at minority-serving institutions.
- Ensure new teachers are prepared for diverse learners by increasing the number of teacher preparation programs that embed dual certification for special education instruction and English-language instruction in general education programs.
- Improve the ability of teacher preparation programs to offer pedagogy and coursework on social and emotional learning competencies, trauma-informed practices, and strategies to create a positive school climate.
- Offer graduate fellowships to doctoral students to advance high-quality instruction on pedagogy for fields that are consistently cited as shortage areas by states such as special education; English-language instruction; and Science, Technology, Engineering, and Math (STEM), including computer science.

### **Title III**

#### **Invests in Historically Black Colleges and Universities (HBCUs), Tribal Colleges and Universities (TCUs), and Minority-Serving Institutions (MSIs)**

Title III of the HEA provides direct federal aid to institutions that serve substantial numbers of low-income students and students of color to help improve academic quality, institutional management, and fiscal stability. The bill makes changes to allow Title III grantees to have more flexibility to develop endowments and allows institutions to use earnings from endowments to support student scholarships. It also reduces the non-federal match institutions must provide from 100 to 50 percent. Under the bill, restricted gifts made to endowment funds can be applied toward the non-federal match. Further, the bill increases the authorized discretionary amounts for Title III grant programs to account for inflation and growth in the number of eligible institutions. It also permanently reauthorizes the mandatory funds provided under Part F of Title III (expiring at the end of FY19), increases the total amount from \$255 million per year to \$300 million, and adjusts the allocation amounts for each institutional designation.

#### **Strengthens HBCUs**

The bill allows grants provided to HBCUs to be used to support customized instructional courses, such as remedial education, and the acquisition of technology. It also allows funds to be used to establish or enhance an alternative teacher training program in addition to or in the place of a traditional teacher preparation program. Further, the bill allows grantees to create or improve distance education programs, establish or improve programs that support the educational outcomes of Black males, provide financial assistance to students in STEM fields, and establish or improve an office to help identify and apply for external funding opportunities.

Additionally, the bill makes several changes to improve the administration and availability of funds under the HBCU Capital Financing program. It recharacterizes the current escrow account as a bond insurance fund to address concerns arising from state laws that have prevented public HBCUs in certain states from being able to access funding under this program. It limits the interest rate on loans for academic facilities in STEM disciplines to one percent and increases the aggregate bond limit to \$3.6 billion. It also improves the Department's ability to provide technical assistance to HBCUs seeking capital improvement loans. Finally, the bill strengthens the oversight provided by the HBCU Capital Financing Advisory Board.

### **Strengthens Historically Black Graduate Institutions**

The bill allows eligible Historically Black Graduate Institutions to use grant funding for tutoring and student supports, as well as creating or improving distance education programs. It also adds the University of the Virgin Islands School of Medicine as an eligible institution under the grant program for Historically Black Graduate Institutions.

### **Strengthens TCUs**

The bill removes the requirement that TCUs must enroll a certain threshold of needy students and have low educational and general expenditures, which is an unnecessary pre-approval process for TCUs seeking funds under the HEA. It also establishes the Native American Language Vitalization and Training Program, which promotes the preservation and revitalization of Native American languages. Activities can include curriculum and professional development, partnerships with K-12 schools, and language immersion programs.

## **Title IV**

### **Creates a federal-state partnership**

The College Affordability Act authorizes America's College Promise – a groundbreaking grant program that makes a historic investment in states that agree to waive community college tuition and fees on a first-dollar basis (meaning that Pell and other aid can be used for non-tuition costs) while maintaining investments in public four-year institutions and state aid programs. By providing sustained public investment via a federal-state partnership that is not subject to discretionary annual appropriations, America's College Promise will incentivize states to reinvest in higher education and slow growth in college costs, thereby making higher education more affordable in the future. This program creates the foundation and makes a down payment toward future investments in four-year debt-free college for students across the country. Additionally, the bill provides grant aid directly to low-income students who attend an MSI for up to sixty credits, allowing students who transfer from a community college to an MSI to earn a bachelor's degree with little to no tuition cost.

The College Affordability Act also creates a dedicated student success fund to ensure that public institutions in participating states have the resources they need to serve students well. States that join the federal-state

partnership will have access to a \$500 million fund to support the adoption and expansion of evidence-based reforms and practices. In order to address issues of equity in higher education, states utilizing the fund are required to identify gaps in per-student spending and academic achievement and to prioritize spending on underfunded institutions that serve low-income students, students of color, students with disabilities and students in need of remediation.

### **Increases grant aid**

The bill strengthens and modernizes the Pell Grant program to respond to the rising cost of college and the wide range of four-year, two-year, and short-term programs that can launch graduates into successful careers. It also strengthens the Federal Supplemental Educational Opportunity Grant (FSEOG), a need-based grant for students with exceptional financial need, and creates an emergency grant program for FSEOG-participating institutions. Further, the bill makes improvements to the TEACH Grant program, which provides grant aid to students who agree to teach upon graduation for a minimum of four years at schools that serve students from low-income families.

- *Improves Pell Grants:* The bill increases the maximum Pell Grant award by \$500 to give students more money to pay for college and permanently indexes the award to inflation to maintain the purchasing power of the grant. Based on current funding levels, this would result in a total maximum award of \$6,695 for FY2021 and an estimated maximum award of \$8,305 by FY2029. The bill also extends Pell Grant eligibility to 14 semesters to better address the needs of today's students. To incentivize on-time graduation and expand the talent pipeline, the College Affordability Act allows students to exhaust full Pell eligibility on graduate studies following completion of a bachelor's degree. It also repeals a counterproductive prohibition banning incarcerated individuals from accessing Pell Grants, ensures these students have access to the information they need about postsecondary opportunities, and prevents risky and unscrupulous providers from monopolizing prison education programs. Additionally, in order to strengthen the workforce, the bill allows high-quality short-term programs that partner with local industry to participate in the Pell Grant program.
- *Strengthens FSEOG:* Currently, the amount of money a participating institution receives under FSEOG is largely based on how long it has been participating in the program. The bill phases out the current allocation formula, replacing it with a formula based on the level of unmet need at an institution and the percentage of low-income students present on campus.
- *Creates an Emergency Grant Program:* Additionally, the bill allows eligible public and non-profit institutions participating in the FSEOG program to provide emergency grant aid to students. Emergency grant aid will help students address emergencies like a flat tire, food insecurity, or loss of housing.
- *Improves TEACH Grants:* The bill fortifies the program for current and prospective K-12 teachers and extends its benefits to early childhood educators. Amidst thousands of individual grants being mistakenly converted to loans, the bill protects recipients from inadvertent grant-to-loan conversion and allows for an appeals process. To further prevent conversions, the bill restricts funding to juniors and seniors, targeting aid to students who are studying to become teachers and increases the grant amount received from \$4,000 to \$8,000 per year. It also increases data collection and reporting for purposes of program improvement.

### **Empowers students to earn while in college**

Currently, an institution's share of Federal Work-Study (FWS) dollars is directly related to how long it has participated in the program. The bill phases out this formula and replaces it with one that allocates funds based on the number of low-income students at an institution and the unmet need of students at such institution.

Additionally, the bill includes a bonus allocation for campuses in the top 20% of institutions based on rates of Pell student enrollment and success, among other changes. The bill also preserves graduate participation in the program.

### **Improves the federal student loan system**

The bill makes borrowing easier to understand and more affordable for students. By simplifying the repayment process and protecting borrowers from default, the College Affordability Act helps borrowers manage repayment successfully.

- *Simplifies the repayment process:* The bill replaces the numerous existing repayment plans with one fixed repayment plan and one income-based repayment (IBR) plan that uses more generous repayment terms to improve financial stability for low- and middle-income borrowers. The IBR plan available in the simplified system allows individual borrowers earning below \$31,225 (i.e., 250% of the federal poverty line) to repay at \$0 per month until their earnings improve. The new IBR plan also forgives any remaining debt after 20 years of repayment for undergraduate and graduate debt. The bill allows for verbal, secure IBR enrollment and automatic recertification of income for borrowers enrolled in IBR.
- *Makes borrowing less expensive:* Borrowers are forced to pay a hidden origination fee each time they borrow money from the government – up to 4.264% of their loan amount. The College Affordability Act eliminates the origination fees on all federal student loans. The bill also allows borrowers to take advantage of lower interest rates by giving them a chance to refinance their old debt at the same rates offered to new borrowers and provides this benefit for borrowers with private student loans.
- *Removes penalties for borrowers:* The bill removes interest capitalization after a borrower leaves forbearance and deferment. This means individuals who defer their loans due to unemployment or financial hardship would be spared from having the interest capitalized on their loans. Borrowers who receive deferments for graduate fellowships and Fulbright Grants would also be spared from interest capitalization.
- *Improves the Public Service Loan Forgiveness (PSLF) program:* The College Affordability Act expands the program to provide forgiveness to individuals who may have been denied PSLF previously. It allows individuals who were in the wrong repayment plan to count those monthly payments for PSLF once they opt in to the newly created IBR plan. It also allows individuals who consolidate their loans after enactment of the College Affordability Act to count qualifying payments prior to consolidation toward eventual loan forgiveness. The bill also expands the PSLF program to include individuals who work for Veteran Service Organizations – such as the American Legion and Veterans of Foreign Wars (VFW) – and farmers, who are currently left out of loan forgiveness. The bill also makes it explicit that physicians working at a non-profit hospital or other health care facility in states that prohibit the direct hiring of these individuals, such as California and Texas, can also have their loans forgiven through PSLF. Further, the bill allows teachers to count teacher loan payments toward the teacher loan forgiveness program at the same time as PSLF, ensuring that all of their student loan payments count toward the number of monthly payments needed for PSLF. This change allows teacher borrowers to streamline their eligibility for loan forgiveness. The bill also makes other reforms that improve the implementation of the program in order to reduce borrower confusion and requires the Department to establish an appeal process to help borrowers dispute a denied PSLF application.
- *Protects parent borrowers:* Under current law, parent PLUS borrowers are ineligible to repay the Parent PLUS loan board on their income. The College Affordability Act allows Parent Plus loans and consolidation loans that repay Parent PLUS loans to be eligible for IBR. Additionally, the bill extends

disability forgiveness to Parent PLUS loan holders if their student sustains a total and permanent disability.

- *Helps borrowers avoid default:* As of last year, 8.5 million federal student loan borrowers were in default, with many more having fallen behind on repayment. To protect struggling borrowers from the severe consequences of default, the College Affordability Act automatically places borrowers who are more than 120 days delinquent into IBR. Additionally, previously defaulted borrowers who have made nine payments required to rehabilitate their loan will be automatically placed into IDR to help smoothly transition from rehabilitation to repayment. The College Affordability Act also removes the burdensome paperwork requirements for borrowers who are totally and permanently disabled by requiring the Secretary of Education to establish procedures to obtain income information during the three-year monitoring period without further action by the borrower. Further, the bill allows a servicer to remove default from a borrower's credit report after they have consolidated their loans or paid them off in full. This is currently only available to borrowers that rehabilitate their loans. Finally, the College Affordability Act allows individuals who previously consolidated their student loan debt with their spouse's debt to separate their remaining balance and only be held liable for their share.
- *Improves access to capital for low-income borrowers:* The Perkins Loan Program—an important low-interest loan used by financial aid administrators to augment student aid packages—expired on September 30, 2017. The College Affordability Act recreates the program as the Federal Direct Perkins Loan Program to provide an additional source of borrowing for undergraduates and graduates by allocating a portion of Direct Loan volume to be distributed to institutions. The bill also removes the provision that limits current students from originating subsidized loans once they have been in school for more than 150 percent of their program length (i.e. six years for a bachelor's degree).
- *Improves loan counseling:* The College Affordability Act provides students with better up-front and ongoing information about college financing through annual loan counseling. Under the bill, institutions are required to annually disclose to students the expected borrowing amount and what their monthly payment could look like during repayment. The Department is required to create the annual loan counseling that institutions may use in order to ease any institutional burden.
- *Improves servicing of federal student loans:* Despite repeated requests for direction from the Department to ensure consistency and quality of practice across agencies that service federal student loans, no such direction has been given. The College Affordability Act directs the Secretary to produce a common manual for loan servicing to ensure quality of practice and better borrower satisfaction.
- *Maintains state authority to protect consumers:* In recognition of the fact that states have the right to enact, regulate, and enforce consumer protection laws that protect their residents, the College Affordability Act does not amend current law to remove or upset that state authority.

### **Expands access to federal aid to vulnerable communities**

Undocumented individuals face barriers to college entry due to a lack of access to federal funds. The bill allows undocumented individuals who entered the U.S. when they were younger than 16 years of age and either earned a high school diploma (or its equivalent) or served in the uniformed services for not less than four years to access federal student aid. This would allow Deferred Action for Childhood Arrivals (DACA) to access federal student aid. Individuals who would have qualified for Deferred Action for Parents of Americans and Lawful Permanent Residents (DAPA) and individuals with temporary protected status are would also be eligible for federal student aid.

### **Provides tuition assistance for students in the Commonwealth of the Northern Mariana Islands (CNMI) and American Samoa territories**

All students, regardless of whether they reside on the continental U.S. or its territories, should have an opportunity to pursue an affordable four-year college degree. The CNMI and American Samoa territories have substantially limited academic offerings for students seeking higher education. Each territory has just a small public college, providing primarily certificates and associate degrees, which hinders many students in these territories from pursuing a college degree beyond two-years. The lack of options forces many students to move great distances away from home and at substantial personal cost to pursue a bachelor's degree. To enable affordable access to students in the territories, the College Affordability Act creates a Tuition Assistance Grant (TAG) Program, modeled after the program in the District of Columbia (i.e., DC TAG), that authorizes \$5 million dollars to cover the difference between in-state and out-of-state tuition costs for students in the aforementioned territories.

### **Strengthens TRIO and GEAR UP**

The bill increases funding for TRIO and GEAR UP – programs designed to identify individuals from disadvantaged backgrounds and help them enroll in college. The bill also makes smaller, but important programmatic improvements to both programs.

### **Reauthorizes HEP and CAMP programs**

The bill reauthorizes the HEP and CAMP programs. At the community's request, the bill maintains currently authorized funding levels.

### **Simplifies the financial aid process**

Each year, thousands of eligible students fail to apply for financial aid. The bill reduces the number of questions on the Free Application for Federal Student Aid (FAFSA) by placing the applicant into one of three pathways based on the complexity of a student's finances. Importantly, students who have benefited from, or whose families have benefited from, a means-tested federal benefit during the two years prior to application will automatically be determined to have no expected family contribution, thereby maximizing their federal eligibility without requiring them to provide any additional information. The bill also requires dependent and independent students who receive Pell Grants to file the FAFSA only one time. Additionally, the bill increases support for working students and provides the FAFSA in multiple languages, among other improvements.

Students who successfully complete the FAFSA often face further confusion due to wide variation in the structure, quality, and accuracy of financial aid offers, also known as award letters. To remedy this problem, the bill requires the Secretary of Education to establish requirements for standardizing financial aid offers based on extensive consumer testing and stakeholder input. Under the bill, each financial aid offer will also include a standardized quick reference box which will provide the most important information for comparing aid offers from multiple institutions.

In order to ensure that students receive accurate estimates of college costs and to enhance the reliability of the federal aid system, the bill further requires the Secretary to prescribe at least one methodology that institutions must use in determining the cost of room and board for students living off campus for the purpose of calculating the projected cost of attendance. This change will result in a more reliable and consistent measure of cost of attendance, which is essential for awarding financial aid and allocating FSEOG and FWS funds.

### **Invests in college completion**

To ensure more students finish college, the College Affordability Act:

- *Improves completion at community colleges:* Community colleges, which enroll nearly half of all undergraduate students, play a central role in closing our nation's skills gap. Despite this fact, community college students, a majority of whom are of color, receive less public support than students at four-year institutions. The College Affordability Act provides community colleges with funding to help institutions develop and implement evidence-based programs that boost degree completion through academic and financial advising and other student supports. Programs, which are monitored and measured based on students' academic progress toward clearly articulated program goals, will be given the flexibility needed in order to meet their unique needs.
- *Improves the Child Care Access Means Parents in School (CCAMPIS) program:* More student parents are going to college and childcare costs are increasing. The CCAMPIS program helps institutions provide campus-based childcare services for low-income student parents. The College Affordability Act quadruples the program's authorized funding level and requires new grantees to meet reasonable quality standards that are based on standards used in other federal child care support programs. Further, the bill allows the Department to award bonus funds to longstanding and successful grantees in the event that appropriations for the program exceed \$140 million in a given year.
- *Supports bachelor's degree attainment among low-income students:* There are multiple pathways to and through higher education, but for most students, a bachelor's degree remains the surest pathway to financial stability and lifelong success. Unfortunately, the low-income students who stand to benefit most from earning a bachelor's degree are significantly less likely than their peers to pursue or complete a four-year degree. The College Affordability Act rewards institutions that are dedicated to enrolling low-income students and ensuring that they succeed. Under the program, eligible institutions (i.e. public and private not-for-profit institutions with a Pell enrollment of at least 25 percent) will receive a bonus for every Pell recipient that earns a bachelor's degree within the normal time to completion. Bonus funds can be used by these institutions to expand access and success among low-income students, including through the provision of need-based financial aid and student supports.

### **Improves remedial education**

Each year, millions of students enter college without the prerequisite skills necessary to complete college classes. In response, colleges and universities developed remedial education programs to provide the skills needed to succeed and progress toward a degree. Although necessary, remediation increases college costs and time to degree, reducing the chances of completion. This is especially the case at community colleges, where two thirds of students enter needing remediation. In the 2013-2014 school year, remedial education cost students and their families approximately \$1.3 billion in out of pocket-expenses. The College Affordability Act provides grants to institutions to implement evidence-based remedial education reform strategies that better serve students and reduce dropout rates. It also requires evaluation of program effectiveness in order to determine the best systems of support that lead to college degree completion.

### **Enables students to earn college credits early**

Empowering students to earn postsecondary credit while still in high school through dual enrollment and early college high school programs improves access to higher education. Particularly for low-income students, these opportunities promote a college-going culture and allow students to earn college credits at little to no cost, improving the affordability of a college degree. The College Affordability Act creates a matching grant program for institutions to establish partnerships with K-12 school districts to support the development of dual enrollment and early college high schools. The bill also provides states with funding to increase student access to early credit pathways, including dual enrollment, early college high schools, and Advanced Placement and International Baccalaureate programs.

### **Makes defrauded borrowers whole**

The bill requires the Department to establish a Borrower Defense to Repayment process to discharge the federal loans of students who were defrauded by their colleges. The bill allows all federal student loans to be discharged – not just Direct Loans—and restores Pell eligibility for recipients who qualify for a loan discharge.

### **Improves campus safety**

To improve campus safety and transparency surrounding crimes in and around college campuses, the bill requires colleges to develop and disseminate policies on hazing and harassment and adds hazing and harassment as reportable offenses under the Clery Act. Institutions are also required to provide an educational program on hazing for enrolled students. The bill also adds a new subsection to the Clery Act requiring the Secretary, in consultation with the Attorney General and experts, to develop a standardized online survey tool regarding student experiences with domestic violence, dating violence, sexual assault, sexual harassment, and stalking. Institutions may add additional survey questions and must administer the survey every two years. Survey results must be published on the institution's website and in the annual security report currently required under the Clery Act. In addition, the Secretary is required to prepare a biennial report on the information gained from the survey to be published on the Department's website and submitted to Congress. Finally, the bill amends the Clery Act to provide greater transparency to students and parents concerning student safety in study-abroad programs.

### **Supports campus diversity and strengthens civil rights enforcement**

To encourage and support diversity on campuses and ensure institutional compliance with Title VI of the Civil Rights Act, the College Affordability Act requires institutions to:

- Designate at least one employee to coordinate efforts to comply with Title VI of the Civil Rights Act and disclose contact information for such designee;
- Notify students and employees of its policies regarding enforcement of Title VI of the Civil Rights Act, including disclosing reporting procedures and the process for investigating complaints under Title VI of the Civil Rights Act;
- Inform students and employees of Title VI violations; and
- Collect and publish data related to Title VI violations on its website and report it annually to the Department.

In order to strengthen transparency regarding Title IX compliance, the bill requires institutions that seek a religious exemption from Title IX to disclose the nature of, details regarding, and rationale for every requested exemption to the Assistant Secretary for Civil Rights and to enrolled and prospective students via the institution's website.

### **Supports innovative approaches to learning**

Competency Based Education (CBE) is an emerging learning model in which credits are awarded based on a student's demonstrable knowledge instead of hours spent learning. Although CBE is a promising model that has helped some students take less time and pay less to complete a degree program, it needs to be further evaluated. The bill establishes a demonstration project that allows participating CBE programs to request

flexibility from some current statutory and regulatory requirements seen as barriers to implementation. In exchange, participating institutions must annually evaluate program quality. It also requires an institution's accrediting agency to set standards specific to CBE. This measured approach to expanding innovative models will ensure students benefit before placing billions of federal student aid dollars at risk.

#### **Improves to experimental programs**

The College Affordability Act ensures that the authority of the Secretary to establish experimental sites is aligned with the best interests of students. The bill also increases transparency of the experimental sites and reliance on rigorous evidence.

#### **Reduces food and housing insecurity**

By increasing grant aid and investing in a federal-state partnership, the College Affordability Act provides students with the funds they need to not only cover their tuition, but also pay for the basic necessities of food and housing. States participating in this new federal-state partnership are further required to consider changes to state law to facilitate participation in means-tested federal benefit programs among college students. Additionally, embedded throughout the bill are institutional requirements to connect students to means-tested benefits like Supplemental Nutrition Assistance Program (SNAP) and to support homeless students in securing reliable housing.

#### **Supports expectant and parenting students**

Approximately one-quarter of college students today are parents, and half of student parents leave college without earning a degree. In addition to improving the CCAMPIS program, the College Affordability Act requires institutions to do their part to support expectant and parenting students, including by making key information available on how to take a leave of absence, how to take advantage of financial aid and support services, and how to exercise rights and secure protections and accommodations under Title IX, the Rehabilitation Act, and the Americans with Disabilities Act. The bill also ensures that students are aware of their federally-guaranteed rights to be free from discrimination on the basis of pregnancy.

#### **Strengthens institutional accountability and quality**

The College Affordability Act strengthens the role of each entity responsible for oversight in higher education (i.e., accreditors, states, and the federal government), provides institutions with necessary support to meet standards, and fortifies consumer protections.

- *Focuses accreditation on academic quality and makes the accreditation process more transparent:* The College Affordability Act requires accreditors to focus on two important student achievement outcomes – completion and workforce participation – and gives the Department the power to reject accreditor-set performance benchmarks it deems to be too low. It also requires disclosures that make the accreditation process and institutions' accreditation status more transparent so that students and parents can make informed decisions about where to enroll. Additionally, it strengthens requirements for who can serve on an accreditation agency's governing board to reduce conflicts of interests.
- *Heightens state authorizers' role:* The College Affordability Act reassigns certain oversight duties from the accreditors to the states. Such duties include ensuring the quality of facilities and equipment at institutions and ensuring that applicable programs meet occupational licensure standards. The bill also improves information sharing among the triad and tasks states with ensuring that student complaints are funneled to appropriate stakeholder to ensure such complaints are appropriately addressed. Further, the bill states to have processes that address school closures. Such state processes must include

the establishment of a tuition recovery fund, maintenance of student contact information, requiring a mechanism to ensure students have access to their transcripts.

- *Strengthens institutional accountability, while supporting institutions to improve student outcomes:* In fulfillment of a GAO recommendation, the bill improves the cohort default rate (CDR) metric by adjusting for the share of borrowers at an institution and the number of borrowers who are in long-term forbearance (18 months or longer). Additionally, instead of allowing institutions to stay just under a certain threshold without improvements, the bill establishes multiple thresholds that require institutions to improve. Institutions with a high adjusted CDR can receive technical and financial support from the Department to improve student outcomes. Only public institutions and private, non-profit institutions that serve a large share of Pell students are eligible for this assistance.
- *Establishes a new on-time loan repayment metric for accountability:* The bill creates a new on-time loan repayment rate metric that is calculated as the percentage of students who have paid at least 90 percent of their monthly payments over three years of repayment. Students with a zero balance (including those with a zero-dollar monthly payment under IBR) or in certain types of forbearance and deferments (including educational and military deferment) are considered paid. If an institution fails the repayment threshold established by the Secretary, it may be subject to the loss of Title IV eligibility. Institutions may request exceptions to Title IV loss for categories of educational programs (defined at the credential level), that pass on-time repayment thresholds. Institutions investing in instruction and student services, as well as those subject to extenuating circumstances, may also be eligible for relief from penalties.
- *Strengthens accountability for short-term programs that access loans:* The College Affordability Act adds new requirements for loan eligibility for certificate programs lasting 300 to 600 clock hours. The bill establishes an earnings metric for eligibility that requires graduates to have earnings higher than students with only a high school diploma. It further requires programs to prepare students for gainful employment in a recognized occupation. To maintain eligibility, these short-term certificate programs must meet a completion rate metric, the gainful employment metric established by the Secretary, and the newly created earnings metric each year. The bill also requires the Secretary to collect and report data on these programs.
- *Limits marketing expenditures for institutions that spend little on instruction:* The bill requires the Secretary to define expenditures on marketing, recruitment, advertising, lobbying, and student services for annual reporting by institutions in the Integrated Postsecondary Education Data System (IPEDS), the core postsecondary education data collection program at the Department. Student services must exclude marketing, recruitment, advertising, and lobbying. If an institution spends less than one-third of its revenue from tuition and fees on instruction in any of the three most recent fiscal years, the institution shall be subject to a limitation on certain expenditures. For these institutions, if total expenditures on marketing, recruitment, advertising, and lobbying exceed the amount of revenue the institution receives from sources other than federal financial aid (including the GI bill) for two consecutive years, the institution will lose access to Title IV for at least two years.
- *Strengthens the Incentive Compensation Ban:* To ensure that institutions are not engaging in prohibited recruitment tactics to target students, the bill strengthens enforcement of the incentive compensation ban by allowing the Secretary to conduct “secret shopping” investigations in order to hold institutions accountable and protect students.
- *Improves Financial responsibility:* The bill directs the Secretary to go through a negotiated rulemaking to update the criteria used to determine an institution’s financial health and includes certain automatic,

mandatory, and discretionary triggering events that would allow the Secretary to re-evaluate an institution's financial circumstances in order to protect students and taxpayers.

- *Bans pre-dispute arbitration:* The bill also prohibits institutions from forcing students to sign pre-dispute arbitration and class action ban agreements so that students can have their day in court if their institution defrauds them.
- *Prevents the wholesale outsourcing of educational programs:* The bill codifies and builds on protections that are currently enforced through regulation to ensure that institutions do not engage in a shell game by enrolling students under the institution's brand while outsourcing the actual educational program to a third-party provider. The bill additionally improves transparency and accountability for institutions that partner with third-party providers and prohibits institutions from outsourcing both admissions and educational content to the same provider, foreclosing on the riskiest and most problematic models.
- *Improves negotiated rulemaking:* The bill further ensures a fair and transparent negotiated rulemaking process, including by requiring the Department to make transcripts, webcasts, and issue papers publicly available in a timely fashion and by rebalancing the set of stakeholders to be represented during the rulemaking process.

## **Title V**

### **Strengthens Hispanic Serving-Institutions (HSIs)**

The College Affordability Act ensures HSIs can effectively serve the growing Latinx population by reauthorizing and strengthening two grant programs specifically created for these institutions. Program improvements include allowing eligible HSIs to establish or grow an endowment fund and use interest gained on this fund to provide scholarships to Latinx students to attend that institution, ensuring funds are available to support HSI activities to promote post-baccalaureate opportunities for Latinx students, and increasing authorization levels and length.

## **Title VI**

### **Ensures a strong workforce with trained expertise in foreign language and cultural understanding**

The College Affordability Act continues our nation's investment to support students to obtain expertise in language, cultural, and regional education. It increases authorization levels of Title VI programs to \$125 million – a \$60 million increase. Further, it extends authorization of six currently funded programs that assist undergraduates, post-baccalaureate students, and professionals in area study and language mastery. It also modernizes five other programs by consolidating them into two new programs that address the 21st century needs of educational opportunities that promote language, cultural, business, and other professional competencies for students, teachers, and employers. Lastly, it codifies an Obama Administration grant process that allows the Secretary to give priority to qualified MSIs or institutions that propose significant and sustained collaboration with an MSI.

## **Title VII**

### **Supports students with disabilities to graduate**

Despite some progress in recent reauthorizations, HEA needs significant improvements to truly align with the goals of the Americans with Disabilities Act and the Individuals with Disabilities Education Act. The College Affordability Act includes grants to train faculty to deliver accessible, inclusive instruction; establishes an office of accessibility in every institution to facilitate access; provides grants to expand and implement universal design for learning campus-wide; increases access to accessible instructional materials and technologies (found in Title IX); expands opportunities for students with intellectual disabilities; and improves data collection efforts to gain a better understanding of the success of students with disabilities in higher education.

### **Creates an MSI Innovation Fund**

The bill also authorizes a new grant program to support innovation at HBCUs, TCUs, and MSIs. The competitive grant program supports innovations designed to increase recruitment of low-income students, improve student achievement and graduation, increase attainment of STEM degrees, reduce college costs, enhance teacher preparation programs, expand the use of technology, and improve employment outcomes.

### **Builds state capacity to serve foster and homeless students**

The College Affordability Act authorizes a new program at \$150 million per year to help states, tribes, and territories establish or expand initiatives that help foster and homeless youth successfully transition to college. States participating in the grant program will also award funding to institutions to improve the financial aid and wrap-around services available to these students once they enroll in college.

## **Title VIII**

### **Reauthorizes important programs**

The College Affordability Act reauthorizes the following programs (and sometimes makes programmatic changes) currently established under Title VIII:

- Ronald V. Dellums memorial STEAM Scholars program,
- Teach for America,
- Patsy T. Mink Fellowship Program,
- Improving STEM education with a focus on Alaska Native and Native Hawaiian students,
- Grants for rural-serving institutions of higher education,
- Training for realtime writers to provide closed captioning and court reporting services,
- Grant program to establish, maintain, and improve veteran student centers,
- University Sustainability Program,
- Modeling and simulation Program, and
- Mandatory funding for masters and postbaccalaureate programs at HBCUs, PBIs, and HSIs.

### **Authorizes grants for open educational resources**

Building on important progress made by Congressional appropriators, the College Affordability Act authorizes a grant program to expand the development and use of high-quality open educational resources. These grants will help reduce the high cost of textbooks and expand the availability of free educational materials to the public nationwide.

### **Eliminates unfunded programs**

There are many programs that were authorized in the 2008 reauthorization of the HEA that have never been funded. The College Affordability Act takes a responsible approach to repealing certain unfunded programs.

## **Title IX**

The College Affordability Act directs the Secretary to do the following:

- Abandon efforts to weaken Title IX enforcement. In response to regulatory efforts to weaken the enforcement of Title IX of the Education Amendments Act of 1972, the bill prohibits the Secretary from issuing or enforcing the sex discrimination rules proposed in November 2018 or any substantially similar regulations.
- Study the feasibility of developing a singular certification form that teachers who borrowed can use to electronically submit information with respect to TEACH Grants and other loan forgiveness programs.
- Study the impact and effectiveness of student loan counseling.
- Study the effect of using data from the Internal Revenue Service on the deduction of personal exemptions for purposes of income verification under IBR.
- Provide a unique, universal numeric identifier for each campus of each institution of higher education that will be used across all departmental data systems. This change will close loopholes that allow institutions to evade accountability requirements by artificially changing reporting methods and make data on institutions of higher education easier to use for students, researchers and policymakers.
- Include questions on housing and food insecurity in the next National Postsecondary Student Aid Study.
- Study departmental and institutional methods of disaggregating data by race and provide guidance to expand the use of the racial categories used in the Census Bureau's American Community Survey.
- Convene a commission of experts and stakeholders to establish voluntary guidelines for accessible electronic instructional materials.

## **Title X**

The College Affordability Act makes changes to a few other laws within the jurisdiction of the Committee on Education and Labor:

- *Education of the Deaf Act of 1986*: The College Affordability Act amends the Education of the Deaf Act to increase the number of members on the Board of Trustees for Gallaudet University. It also requires the Laurent Clerc National Deaf Education Center (Clerc Center), which provides elementary and secondary education programs, to adopt challenging State academic standards, academic assessments, and an accountability system in order to better align with the Elementary and Secondary Education Act.
- *Tribally Controlled Colleges and Universities Assistance Act of 1978* (TCCUAA): The College Affordability Act amends the TCCUAA to update or clarify legislative language.
- *Carl D. Perkins Career and Technical Education Act of 2006* (Perkins CTE): The College Affordability Act authorizes an additional appropriation to postsecondary Perkins CTE programs, including Tribally controlled postsecondary CTE institutions and grantees in outlying areas. These funds will support entities that have partnered with secondary schools, area CTE schools, four-year institutions, and

workforce development systems to create stronger alignment in carrying out CTE programs of study. Funds will additionally support the expansion of career pathways, articulation agreements, career guidance, and academic counseling.

- *Family Educational Rights and Privacy Act (FERPA)*: The College Affordability Act amends FERPA to allow for reverse transfer, thereby enabling institutions to award students the degrees they've earned even after those students have transferred out.
- *Education Sciences Reform Act of 2002 (ESRA)*: The College Affordability Act amends ESRA to ensure that the National Center for Education Statistics disaggregates data in IPEDS and the new postsecondary student data system using the racial categories specified in the Census Bureau's American Community Survey.