

118TH CONGRESS
2D SESSION

H. R. 6951

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

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
5 “College 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 Except as otherwise expressly provided, whenever in
3 this Act an amendment or repeal is expressed in terms
4 of an amendment to, or repeal of, a section or other provi-
5 sion, the reference shall be considered to be made to a
6 section or other provision of the Higher Education Act of
7 1965 (20 U.S.C. 1001 et seq.).

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 add-
13 ing 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
26 study of the institution. Each degree or other

1 credential awarded by an institution shall be
2 categorized by the institution as either under-
3 graduate credential level or graduate credential
4 level.

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

12 “(C) GRADUATE CREDENTIAL.—When
13 used with respect to a credential or credential
14 level, the term ‘graduate credential’ includes
15 credentials such as a master’s degree, a doc-
16 toral degree, a professional degree, and a post-
17 graduate certificate.

18 “(27) PROGRAM OF STUDY.—The term ‘pro-
19 gram of study’ means an academic program of study
20 offered to students by an institution of higher edu-
21 cation 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
11 weeks, months, or years that is specified in the cata-
12 log, marketing materials, or other official publica-
13 tions of an institution of higher education for a full-
14 time student to complete the requirements for a spe-
15 cific program of study and to obtain the degree or
16 credential awarded by such program.

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

23 “(30) VALUE-ADDED EARNINGS.—

24 “(A) CALCULATION.—With respect to a
25 student who received Federal financial aid

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

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

10 “(ii) in the case of a student who
11 completed a program of study that
12 awards—

13 “(I) an undergraduate credential,
14 150 percent of the poverty line appli-
15 cable to a single individual as deter-
16 mined under section 673(2) of the
17 Community Services Block Grant Act
18 (42 U.S.C. 9902(2)) for such year; or

19 “(II) a graduate credential, 300
20 percent of the poverty line applicable
21 to a single individual as determined
22 under section 673(2) of the Commu-
23 nity Services Block Grant Act (42
24 U.S.C. 9902(2)) for such year.

25 “(B) GEOGRAPHIC ADJUSTMENT.—

1 “(i) IN GENERAL.—Except as pro-
2 vided in clause (ii), the Secretary shall use
3 the geographic location of the institution at
4 which a student completed a program of
5 study to adjust the value-added earnings of
6 the student calculated under subclause (A)
7 by dividing—

8 “(I) the difference between sub-
9 clauses (I) and (II) of such subpara-
10 graph; by

11 “(II) the most recent regional
12 price parity index of the Bureau of
13 Economics Analysis for the State or,
14 as applicable, metropolitan area in
15 which such institution is located.

16 “(ii) EXCEPTION.—The value-added
17 earnings of a student calculated under sub-
18 paragraph (A) shall not be adjusted based
19 on geographic location in accordance with
20 clause (i) if such student attended prin-
21 cipally through distance education.

22 “(C) EARNINGS MEASUREMENT PERIOD.—

23 “(i) IN GENERAL.—For the purpose
24 of calculating the value-added earnings of
25 a student, except as provided in clause (ii),

1 the annual earnings of a student shall be
2 measured—

3 “(I) in the case of a program of
4 study that awards an undergraduate
5 certificate, post baccalaureate certifi-
6 cate, or graduate certificate, one year
7 after the student completes such pro-
8 gram;

9 “(II) in the case of a program of
10 study that awards an associate’s de-
11 gree or master’s degree, 2 years after
12 the student completes such program;
13 and

14 “(III) in the case of a program of
15 study that awards a bachelor’s degree,
16 doctoral degree, or professional de-
17 gree, 4 years after the student com-
18 pletes such program.

19 “(ii) EXCEPTION.—The Secretary
20 may, as the Secretary determines appro-
21 priate based on the characteristics of a
22 program of study, extend an earnings
23 measurement period described in clause (i)
24 for a program of study that—

1 “(I) requires completion of an
2 additional educational program after
3 completion of the program of study in
4 order to obtain a licensure associated
5 with the credential awarded for such
6 program of study; and

7 “(II) when combined with the
8 program length of such additional
9 educational program for licensure, has
10 a total program length that exceeds
11 the relevant earnings measurement
12 period prescribed for such program of
13 study under clause (i),

14 except that in no case shall the annual
15 earnings of a student be measured more
16 than 5 years after the student completes a
17 program of study.”.

18 **PART B—COLLEGE COSTS AND FINANCIAL**

19 **VALUE**

20 **SEC. 111. FINANCIAL AID OFFERS.**

21 (a) INSTITUTION FINANCIAL AID OFFER.—Section
22 484 of the Higher Education Opportunity Act (20 U.S.C.
23 1092 note) is amended to read as follows:

1 **“SEC. 484. INSTITUTION FINANCIAL AID OFFER FORM.**

2 “(a) STANDARD FORM AND TERMINOLOGY.—The
3 Secretary of Education, in consultation with the heads of
4 relevant Federal agencies, shall develop standard termi-
5 nology and a standard form for financial aid offers based
6 on recommendations from representatives of students, vet-
7 erans, servicemembers, families of students, institutions of
8 higher education (including community colleges, for-profit
9 institutions, four-year public institutions, and four-year
10 private nonprofit institutions), financial aid experts, sec-
11 ondary school and postsecondary counselors, college access
12 professionals, nonprofit organizations, and consumer
13 groups.

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

21 “(1) COST INFORMATION.—

22 “(A) IN GENERAL.—Information on the
23 student’s estimated cost of attendance, includ-
24 ing the following:

25 “(i) DIRECT COSTS.—The total cost of
26 all items described in section 472 of the

1 Higher Education Act of 1965 (20 U.S.C.
2 10871l) that are billed to the student by
3 the institution or otherwise required by the
4 institution for enrollment, including such
5 total cost disaggregated by the cost of each
6 such item, including, as determined under
7 such section—

8 “(I) tuition and fees (and other
9 required expenses); and

10 “(II) housing and food for a stu-
11 dent electing institutionally owned or
12 operated food services or institution-
13 ally owned or operated housing.

14 “(ii) INDIRECT COSTS.—The total cost
15 (including such total cost disaggregated by
16 the cost of each item) as determined under
17 section 472 of the Higher Education Act
18 of 1965 (20 U.S.C. 10871l), of—

19 “(I) housing and food for a stu-
20 dent not electing institutionally owned
21 or operated food services and not liv-
22 ing in institutionally owned or oper-
23 ated housing;

24 “(II) books, school supplies,
25 equipment, course materials, and

1 rental or purchase of a personal com-
2 puter;

3 “(III) transportation;

4 “(IV) any other item described in
5 such section and not described in
6 clause (i) determined to be necessary
7 by the institution.

8 “(B) The academic period covered by the
9 financial aid offer, and an explanation that the
10 amount of financial aid offered may change—

11 “(i) for academic periods not covered
12 by the aid offer; or

13 “(ii) by program.

14 “(C) An indication of whether cost and aid
15 estimates are based on full-time or part-time
16 enrollment.

17 “(D) An indication, as applicable, about
18 whether any costs described in subparagraph
19 (A)(i) which are subject to change are—

20 “(i) estimated based on the previous
21 year; or

22 “(ii) set for the academic period indi-
23 cated in accordance with subparagraph
24 (B).

1 “(2) GRANTS AND SCHOLARSHIPS.—The aggre-
2 gate amount of grants and scholarships, differen-
3 tiated by source, that the student does not have to
4 repay, such as grant aid offered under title IV of the
5 Higher Education Act of 1965 (20 U.S.C. 1070 et
6 seq.), grant aid offered through other Federal pro-
7 grams, grant aid offered by the institution, grant aid
8 offered by the State, and, if known, grant aid or
9 scholarship from an outside source to the student for
10 such academic period, including a disclosure that the
11 grants and scholarships do not have to be repaid, ex-
12 cept that institutions shall be authorized to list indi-
13 vidual grants and scholarships by name at the dis-
14 cretion of the institution.

15 “(3) NET PRICE.—

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

20 “(i) MINIMUM AMOUNT COVERED BY
21 STUDENT FOR ENROLLMENT.—The net
22 price of tuition and fees (and other re-
23 quired expenses), which is equal to—

24 “(I) the sum of the costs de-
25 scribed in paragraph (1)(A) that are

1 required for students (as determined
2 under paragraph (5)(B)) for the pe-
3 riod indicated in paragraph (1)(B);
4 minus

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

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

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

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

20 “(B) DISCLOSURE.—A disclosure that the
21 net price is based on an estimate of the total
22 cost of attendance for the year and not nec-
23 essarily equivalent to the amount the student
24 will owe directly to the institution.

25 “(4) LOANS.—

1 “(A) Information on any education loan of-
2 ferred through any Federal or State program
3 (including any loan under part D or part E of
4 title IV of the Higher Education Act of 1965
5 (20 U.S.C. 1087a et seq.; 20 U.S.C. 1087aa et
6 seq.)) that the institution offers for the student
7 for the academic period covered by the offer,
8 which shall be made—

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

12 “(ii) with clear labeling of subsidized
13 and unsubsidized loans.

14 “(B) If applicable, a disclosure that such
15 loans have to be repaid with interest.

16 “(C) Information on any other loan that
17 the student or parent has applied for and been
18 approved for, regardless of the source.

19 “(5) STUDENT EMPLOYMENT.—Information on
20 work-study employment opportunities (including
21 work-study programs under part C of title IV of the
22 Higher Education Act of 1965 (20 U.S.C. 1087–51
23 et seq.), institutional work-study programs, or State
24 work-study 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 re-
4 ceived 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 of-
15 fered;

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

18 “(iii) declining the aid offered.

19 “(B) Information on when and how costs
20 described in paragraph (1)(A)(i) must be paid,
21 including whether such costs are required or op-
22 tional for the student.

23 “(C) A disclosure that verification of infor-
24 mation provided on the Free Application for

1 Federal Student Aid may require the student to
2 submit further documentation.

3 “(D) Information about where a student or
4 the student’s family can seek additional infor-
5 mation regarding the financial aid offered, in-
6 cluding contact information for the institution’s
7 financial aid office and the Department of Edu-
8 cation’s website on financial aid.

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

15 “(7) NET PRICE CALCULATOR.—A link to the
16 universal net price calculator described in section
17 132(c)(4).

18 “(8) ADDITIONAL INFORMATION.—Any other
19 information the Secretary of Education, in consulta-
20 tion with the heads of relevant Federal agencies, in-
21 cluding the Secretary of the Treasury and the Direc-
22 tor of the Bureau of Consumer Financial Protection,
23 determines necessary, based on the results and input
24 of the consumer testing under subsection (h)(2), and
25 limited only to effectively communicating college

1 costs and financial aid eligibility to students and
2 parents.

3 “(c) OTHER REQUIRED CONTENTS FOR AID
4 OFFER.—The standard form developed under subsection
5 (a) shall include, in addition to the information described
6 in subsection (b), the following information in a concise
7 format determined by the Secretary of Education, in con-
8 sultation with the heads of relevant Federal agencies and
9 the individuals and entities described in subsection (a):

10 “(1) Additional options and potential resources
11 for paying for the amount listed in subsection (b)(3),
12 such as tuition payment plans.

13 “(2) The following information relating to pri-
14 vate student loans:

15 “(A) A disclosure that private education
16 loans may be available to cover remaining need,
17 except that the institution may not include pri-
18 vate education loans other than under the con-
19 ditions described in subsection (b)(4)(C) and
20 must include a disclosure that such loans—

21 “(i) are subject to an additional appli-
22 cation process; and

23 “(ii) must be repaid by the borrower
24 or their co-signer, and may not be eligible

1 for the benefits available for loans made
2 under title IV.

3 “(B) A statement that students consid-
4 ering borrowing to cover the cost of attendance
5 should consider available Federal student loans
6 prior to applying for private education loans, in-
7 cluding an explanation that Federal student
8 loans offer generally more favorable terms and
9 beneficial repayment options than private loans.

10 “(d) ADDITIONAL FORMATTING REQUIREMENTS FOR
11 FINANCIAL AID OFFER.—The financial aid offer shall
12 meet the following requirements:

13 “(1) Clearly distinguish between the aid offered
14 under paragraphs (2) and (4) of subsection (b), by
15 including a subtotal for the aid offered in each of
16 such paragraphs and by refraining from commin-
17 gling the different types of aid described in such
18 paragraphs.

19 “(2) Use standard terminology and definitions,
20 as described in subsection (f)(1), and use plain lan-
21 guage where possible.

22 “(3) Use the standard aid offer described in
23 subsection (f)(2).

24 “(e) SUPPLEMENTAL CONTENT AND DISCLOSURES
25 TO BE PROVIDED.—In addition to the standard form de-

1 scribed under subsection (a), institutions shall provide, in
2 supplemental documents or through easily accessible
3 weblinks to the institution’s portal or a website, the fol-
4 lowing:

5 “(1) The renewability requirements and condi-
6 tions under which the student can expect to receive
7 similar amounts of such financial aid for each aca-
8 demic period the student is enrolled at the institu-
9 tion.

10 “(2) Whether the aid offer may change if aid
11 from outside sources is applied after the student re-
12 ceives the initial aid offer, and, if applicable, how
13 that aid will change.

14 “(3) If loans under part D or part E of title
15 IV of the Higher Education Act of 1965 (20 U.S.C.
16 1087a et seq.; 20 U.S.C. 1087aa et seq.) or other
17 education loans offered through Federal programs
18 are included—

19 “(A) a disclosure that the interest rates
20 and fees on such loans are set annually and af-
21 fect total cost over time, and a link to any
22 website that includes current information on in-
23 terest rates and fees; and

24 “(B) if an institution’s recommended Fed-
25 eral student loan aid offered in subsection

1 (b)(4) is less than the Federal maximum avail-
2 able to the student, the institution shall provide
3 additional information on Federal student loans
4 including the types and amounts for which the
5 student is eligible and the process for request-
6 ing higher loan amounts if offered loan
7 amounts were included.

8 “(4) If the institution opts not to disclose other
9 items described in subsection (b)(1)(A)(ii)(V) as
10 part of the aid offer, a list of such other items and
11 the allowance amount for each such item.

12 “(f) STANDARD INFORMATION ESTABLISHED BY
13 SECRETARY.—

14 “(1) STANDARD TERMINOLOGY.—Not later
15 than 3 months after the date of enactment of the
16 College Cost Reduction Act, the Secretary of Edu-
17 cation, in consultation with the heads of relevant
18 Federal agencies, and the individuals and entities
19 described in subsection (a) shall establish standard
20 terminology and definitions for the terms described
21 in subsection (b).

22 “(2) STANDARD FORM.—

23 “(A) IN GENERAL.—The Secretary of Edu-
24 cation shall develop multiple draft financial aid
25 offers for consumer testing, carry out consumer

1 testing for such forms, and establish a finalized
2 standard financial aid offer in accordance
3 with—

4 “(i) the process established under sub-
5 section (h); and

6 “(ii) the requirements of this section.

7 “(B) SEPARATE FINANCIAL AID OFFERS.—

8 The Secretary shall develop separate financial
9 aid offers for—

10 “(i) undergraduate students; and

11 “(ii) graduate students.

12 “(g) ADDITIONAL INFORMATION; REMOVAL OF IN-
13 FORMATION.—Nothing in this section shall preclude an in-
14 stitution from—

15 “(1) supplementing the financial aid offer with
16 additional information, provided that such informa-
17 tion utilizes the same standard terminology identi-
18 fied in subsection (f)(1) and does not misrepresent
19 costs, financial aid offered, or net price; or

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

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

22 “(B) the institution does not participate in
23 the aid program or type;

24 “(C) the aid offer does not include the aid
25 program or type; or

1 “(D) a cost of attendance item is not ap-
2 plicable to the student.

3 “(h) DEVELOPMENT OF FINANCIAL AID OFFER.—

4 “(1) DRAFT FORM.—Not later than 9 months
5 after the date of enactment of the College Cost Re-
6 duction Act, the Secretary of Education, in consulta-
7 tion with the heads of relevant Federal agencies and
8 the individuals and entities described in subsection
9 (a) shall design and produce multiple draft financial
10 aid offers for consumer testing with postsecondary
11 students or prospective students. In developing that
12 form, the Secretary shall ensure that—

13 “(A) the headings described in paragraphs
14 (1) through (4) of subsection (b) are in the
15 same font, appears in the same order, and are
16 displayed prominently on the financial aid offer,
17 such that none of that information is inappro-
18 priately omitted or deemphasized;

19 “(B) the other information required under
20 subsection (b) appears in a standard format
21 and design on the financial aid offer; and

22 “(C) the institution may include a logo or
23 brand alongside the title of the financial aid
24 offer.

25 “(2) CONSUMER TESTING.—

1 “(A) IN GENERAL.—Not later than 9
2 months after the date of enactment of the Col-
3 lege Cost Reduction Act, the Secretary of Edu-
4 cation, in consultation with the heads of rel-
5 evant Federal agencies, shall establish a process
6 to submit the financial aid offer drafts devel-
7 oped under paragraph (1) for consumer testing
8 among representatives of students (including
9 low-income students, first generation college
10 students, adult students, veterans,
11 servicemembers, and prospective students), stu-
12 dents’ families (including low-income families,
13 families with first generation college students,
14 and families with prospective students), institu-
15 tions of higher education, secondary school and
16 postsecondary counselors, and nonprofit con-
17 sumer groups.

18 “(B) LENGTH OF CONSUMER TESTING.—
19 The Secretary of Education shall ensure that
20 the consumer testing under this paragraph lasts
21 not longer than 8 months after the process for
22 consumer testing is developed under subpara-
23 graph (A).

24 “(3) FINAL FORM.—

1 “(A) IN GENERAL.—The results of con-
2 sumer testing under paragraph (2) shall be
3 used in the development of the finalized stand-
4 ard financial aid offer required under sub-
5 section (f)(2).

6 “(B) REPORTING REQUIREMENT.—Not
7 later than 3 months after the date on which the
8 consumer testing under paragraph (2) con-
9 cludes, the Secretary of Education shall submit
10 to Congress, and publish on its website—

11 “(i) the final standard financial aid
12 offer; and

13 “(ii) a report detailing the results of
14 such testing, including whether the Sec-
15 retary of Education added, modified, or
16 moved any additional items to the stand-
17 ard financial aid offer pursuant to sub-
18 section (b)(6).

19 “(4) AUTHORITY TO MODIFY.—The Secretary
20 of Education may modify or remove the definitions,
21 terms, formatting, and design of the financial aid
22 offer based on the results of consumer testing re-
23 quired under this subsection and before finalizing
24 the form, or in subsequent consumer testing. The

1 Secretary may also recommend additional changes to
2 Congress.

3 “(i) **COST OF ATTENDANCE DEFINED.**—In this sec-
4 tion, the term ‘cost of attendance’ has the meaning given
5 such term in section 472 of the Higher Education Act of
6 1965 (20 U.S.C. 1087ll).”.

7 (b) **USE OF MANDATORY FINANCIAL AID OFFER AND**
8 **TERMS.**—Part B of title I of the Higher Education Act
9 of 1965 (20 U.S.C. 1011 et seq.) is amended by adding
10 at the end the following:

11 **“SEC. 124. USE OF MANDATORY FINANCIAL AID OFFER AND**
12 **TERMS.**

13 “(a) **IN GENERAL.**—Notwithstanding any other pro-
14 vision of law, each institution of higher education that re-
15 ceives Federal financial assistance under this Act shall—

16 “(1) use the financial aid offer developed under
17 section 484 of the Higher Education Opportunity
18 Act (20 U.S.C. 1092 note) in providing paper, mo-
19 bile-optimized offers, or other electronic offers to all
20 students who apply for aid and are accepted at the
21 institution; and

22 “(2) use the standard terminology and defini-
23 tions developed by the Secretary of Education under
24 subsection (f)(1) of that section for all communica-

1 tions from the institution related to financial aid of-
2 fers.

3 “(b) 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 Federal
6 Student Aid for the applicable award year associated with
7 that application, if such date occurs not less than 1 year
8 after the Secretary of Education finalizes the standard
9 terminology and form developed in accordance with section
10 484 of the Higher Education Opportunity Act (20 U.S.C.
11 1092 note).

12 “(c) ADMINISTRATIVE PROCEDURES.—Notwith-
13 standing any other provision of law, the Secretary shall
14 not have the authority to prescribe regulations to carry
15 out this section.”.

16 **SEC. 112. COLLEGE SCORECARD WEBSITE.**

17 (a) COLLEGE SCORECARD WEBSITE.—

18 (1) DEFINITIONS; CONFORMING AMEND-
19 MENTS.—Section 132 of the Higher Education Act
20 of 1965 (20 U.S.C. 1015a(a)) is amended—

21 (A) by amending subsection (a) to read as
22 follows:

23 “(a) DEFINITIONS.—In this section:

24 “(1) COLLEGE SCORECARD WEBSITE.—The
25 term ‘College Scorecard website’ means the College

1 Scorecard website required under subsection (c) and
2 includes any successor website.

3 “(2) COST OF ATTENDANCE.—The term ‘cost of
4 attendance’ has the meaning given such term in sec-
5 tion 472.

6 “(3) TOTAL NET PRICE REQUIRED FOR COM-
7 PLETION.—The term ‘total net price required for
8 completion’ means, with respect to the period of
9 completion of a program of study—

10 “(A) the sum of the required costs de-
11 scribed in section 484(b)(3)(A)(i)(I) charged to
12 a student for such period of completion; minus

13 “(B) the total amount of grant and schol-
14 arship aid described in paragraph (2) of section
15 484(b) that is available to the student for the
16 costs described in subparagraph (A) for comple-
17 tion of a program of study.”;

18 (B) by striking subsections (b) through
19 (g); and

20 (C) by redesignating subsection (h) as sub-
21 section (b).

22 (2) SCORECARD AUTHORIZED.—Section 132 of
23 the Higher Education Act of 1965 (20 U.S.C.
24 1015a) is further amended—

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

1 (B) by inserting after subsection (b) the
2 following:

3 “(c) CONSUMER INFORMATION.—

4 “(1) AVAILABILITY OF INFORMATION FOR
5 TITLE IV INSTITUTIONS AND PROGRAMS.—Not later
6 than 18 months after the date of the enactment of
7 the College Cost Reduction Act, the Secretary shall
8 make publicly available on the College Scorecard
9 website the following aggregated information with
10 respect to each institution of higher education and
11 each program of study at such institution, as appli-
12 cable, that participates in a program under title IV:

13 “(A) A link to the website of the institu-
14 tion.

15 “(B) A link to the net price calculator for
16 such institution.

17 “(C) A link to the website of the institu-
18 tion containing campus safety data with respect
19 to such institution.

20 “(D) The geographic location of the insti-
21 tution.

22 “(E) Information on the type of institu-
23 tion, including sector, size, predominant and
24 highest credential awarded, research intensity,

1 programs of study offered, and other character-
2 istics of the institution.

3 “(F) Information on student enrollment,
4 including the number and percentage of stu-
5 dents enrolled full-time, less than full-time, and
6 enrolled in distance education.

7 “(G) Information on student progression
8 and completion, including time to credential
9 and rates of withdrawal, retention, transfer, or
10 completion.

11 “(H) Information on college costs and fi-
12 nancial aid, including average, median, min-
13 imum, and maximum values of—

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

18 “(ii) the grants and scholarships re-
19 ceived by students at the institution and
20 the number and percentage of such stu-
21 dents receiving such grants and scholar-
22 ships, disaggregated by source and whether
23 such aid is need-based, merit-based, an
24 athletic scholarship, or other type of grant
25 or scholarship; and

1 “(iii) the total net price required for
2 completion for students who received Fed-
3 eral financial assistance described in para-
4 graph (2)(I).

5 “(I) Information on student debt and re-
6 payment, including—

7 “(i) the average, median, minimum,
8 and maximum amounts borrowed by stu-
9 dents under title IV; and

10 “(ii) information with respect to re-
11 payment of loans made under title IV, in-
12 cluding borrower-based repayment rates,
13 dollar-based repayment rates, and time
14 spent in repayment.

15 “(J) Information on the earnings of stu-
16 dents who received Federal financial assistance
17 described in paragraph (2)(I), including the av-
18 erage, median, minimum, and maximum values
19 of—

20 “(i) with respect to students who com-
21 plete a program of study in an award
22 year—

23 “(I) the annual earnings of such
24 students; and

1 “(II) the value-added earnings of
2 such students; and

3 “(ii) with respect to students who do
4 not complete a program of study in an
5 award year, the annual earnings of such
6 students.

7 “(2) DISAGGREGATED INFORMATION.—The
8 Secretary shall ensure the information described in
9 paragraph (1) is disaggregated, as applicable, by the
10 following student characteristics:

11 “(A) Financial circumstances including—

12 “(i) household income categories, as
13 determined by students’ adjusted gross in-
14 come, family size, and poverty line (as de-
15 fined in section 401(a)); and

16 “(ii) student aid index categories, as
17 determined by the Secretary.

18 “(B) Sex.

19 “(C) Race and ethnicity.

20 “(D) Classification as a student with a dis-
21 ability.

22 “(E) Enrollment status.

23 “(F) Residency status.

24 “(G) Status as an international student.

1 “(H) Status as a recipient of Federal fi-
2 nancial assistance, including—

3 “(i) a Pell grant;

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

5 “(iii) veterans’ education benefits (as
6 defined in section 480(c)).

7 “(J) Status as a participant in a program
8 described in section 116(b)(3)(A)(ii) of the
9 Workforce Innovation and Opportunity Act (29
10 U.S.C. 3131(b)(3)(A)(ii)).

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

16 “(A) the institutional and program infor-
17 mation described in paragraph (1); and

18 “(B) the student characteristics described
19 in paragraph (2).

20 “(4) UNIVERSAL NET PRICE CALCULATOR.—
21 The Secretary shall include on the College Scorecard
22 website a universal net price calculator that enables
23 users to answer questions and receive personalized
24 pricing information for each institution of higher

1 education and program of study offered by such in-
2 stitution.

3 “(5) UPDATES.—

4 “(A) DATA.—The Secretary shall update
5 the College Scorecard website not less than an-
6 nually.

7 “(B) TECHNOLOGY AND FORMAT.—The
8 Secretary shall regularly assess the format and
9 technology of the College Scorecard website and
10 make any changes or updates that the Sec-
11 retary considers appropriate.

12 “(6) CONSUMER TESTING.—In developing and
13 maintaining the College Scorecard website, the Sec-
14 retary, in consultation with appropriate departments
15 and agencies of the Federal Government, shall—

16 “(A) not later than 6 months after the
17 date of the enactment of the College Cost Re-
18 duction Act, and not less than once every 3
19 years thereafter, consumer testing with appro-
20 priate persons, including current and prospec-
21 tive college students, family members of such
22 students, institutions of higher education, and
23 experts, to ensure that the College Scorecard
24 website is usable and easily understandable and

1 provides useful and relevant information to stu-
2 dents and families; and

3 “(B) prominently display on such website
4 in simple, understandable, and unbiased terms
5 for the most recent academic year for which
6 satisfactory data is available, the information
7 described in paragraphs (1) and (2) that was
8 determined to be useful and relevant to stu-
9 dents and families based on the consumer test-
10 ing described in subparagraph (A) for each in-
11 stitution and program of study (as applicable).

12 “(7) PROVISION OF APPROPRIATE LINKS TO
13 PROSPECTIVE STUDENTS AFTER SUBMISSION OF
14 FAFSA.—The Secretary shall provide to each student
15 who submits a Free Application for Federal Student
16 Aid described in section 483 a link to the webpage
17 of the College Scorecard website that contains the
18 information required under paragraph (1) for each
19 institution of higher education such student includes
20 on such application.

21 “(8) INTERAGENCY COORDINATION.—The Sec-
22 retary, in consultation with each appropriate head of
23 a department or agency of the Federal Government,
24 shall ensure, to the greatest extent practicable, that
25 any information related to higher education that is

1 published by such department or agency is con-
2 sistent with the information published on the College
3 Scorecard website.

4 “(9) DATA COLLECTION AND DUPLICATED RE-
5 PORTING.—Notwithstanding any other provision of
6 this section, to the extent that another provision of
7 this section requires the same reporting or collection
8 of data that is required under this Act, an institu-
9 tion of higher education, or the Secretary or Com-
10 missioner, shall use the reporting or data required
11 under this subsection to satisfy both requirements.

12 “(10) DATA PRIVACY.—

13 “(A) IN GENERAL.—The Secretary shall
14 ensure any information made available under
15 this section is made available in accordance
16 with the privacy laws described in section
17 132(f)(1)(C)(iv).

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

1 “(i) aggregate up to 4 years of addi-
2 tional data for such program of study to
3 obtain data for a sufficient number of stu-
4 dents to maintain student privacy;

5 “(ii) in the case of a program of
6 study, if the method described in clause (i)
7 is insufficient to maintain student privacy,
8 aggregate data for students who completed
9 or who were enrolled in, as applicable,
10 similar program of study of the institution
11 to obtain data for a sufficient number of
12 students to maintain student privacy; and

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

24 (b) CONFORMING AMENDMENTS.—The Higher Edu-
25 cation Act of 1965 (20 U.S.C. 1001 et seq.), as amended

1 by subsection (a) of this section, is further amended by
2 striking “College Navigator” each place it appears and in-
3 serting “College Scorecard”.

4 (c) REFERENCES.—Any reference in any law (other
5 than the Higher Education Act of 1965 (20 U.S.C. 1001
6 et seq.)), regulation, document, record, or other paper of
7 the United States to the College Navigator website shall
8 be considered to be a reference to the College Scorecard
9 website.

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

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

13 (1) by redesignating subsections (j) and (k) as
14 subsections (d) and (e), respectively;

15 (2) by redesignating subsection (l) as subsection
16 (g); and

17 (3) by inserting after subsection (e), as so re-
18 designated, the following:

19 “(f) POSTSECONDARY STUDENT DATA SYSTEM.—

20 “(1) IN GENERAL.—

21 “(A) ESTABLISHMENT OF SYSTEM.—Not
22 later than 3 years after the date of enactment
23 of the College Cost Reduction Act, the Commis-
24 sioner of the National Center for Education
25 Statistics (referred to in this subsection as the

1 ‘Commissioner’) in consultation with the Direc-
2 tor of the Institute of Education Sciences (re-
3 ferred to as ‘the Director’) shall develop and
4 maintain a secure and privacy-protected post-
5 secondary student-level data system in order
6 to—

7 “(i) accurately evaluate student en-
8 rollment patterns, progression, completion,
9 and postcollegiate outcomes, and higher
10 education costs and financial aid;

11 “(ii) assist with transparency, institu-
12 tional improvement, and analysis of Fed-
13 eral aid programs;

14 “(iii) provide accurate, complete, and
15 customizable information for students and
16 families making decisions about postsec-
17 ondary education; and

18 “(iv) reduce the reporting burden on
19 institutions of higher education in accord-
20 ance with section 111 of the College Cost
21 Reduction Act.

22 “(B) AVOIDING DUPLICATE REPORTING.—
23 Notwithstanding any other provision of this sec-
24 tion, to the extent that another provision of this
25 section requires the same reporting or collection

1 of data that is required under this subsection,
2 an institution of higher education, or the Sec-
3 retary or Commissioner, shall use the reporting
4 or data required for the postsecondary student
5 data system under this subsection to satisfy
6 both requirements.

7 “(C) DEVELOPMENT PROCESS.—In devel-
8 oping the postsecondary student data system
9 described in this subsection, the Commissioner,
10 in consultation with the Director, shall—

11 “(i) focus on the needs of—

12 “(I) users of the data system;

13 and

14 “(II) entities, including institu-
15 tions of higher education, reporting to
16 the data system;

17 “(ii) take into consideration, to the
18 extent practicable—

19 “(I) the guidelines outlined in—

20 “(aa) the ‘United States
21 Web Design Standards’ main-
22 tained by the General Services
23 Administration; and

24 “(bb) the ‘Digital Services
25 Playbook’ and ‘TechFAR Hand-

1 book for Procuring Digital Serv-
2 ices Using Agile Processes’ of the
3 United States Digital Service;
4 and

5 “(II) the relevant successor docu-
6 ments or recommendations of such
7 guidelines;

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

13 “(iv) ensure data privacy and security
14 is consistent with any relevant Federal law
15 relating to privacy or data security, includ-
16 ing—

17 “(I) the requirements of sub-
18 chapter II of chapter 35 of title 44,
19 United States Code, specifying secu-
20 rity categorization under the Federal
21 Information Processing Standards or
22 any relevant successor of such stand-
23 ards;

24 “(II) security requirements that
25 are consistent with the Federal agency

1 responsibilities in section 3554 of title
2 44, United States Code, or any rel-
3 evant successor of such responsibil-
4 ities; and

5 “(III) security requirements,
6 guidelines, and controls consistent
7 with cybersecurity standards and best
8 practices developed by the National
9 Institute of Standards and Tech-
10 nology, including frameworks, con-
11 sistent with section 2(c) of the Na-
12 tional Institute of Standards and
13 Technology Act (15 U.S.C. 272(c)), or
14 any relevant successor of such frame-
15 works;

16 “(v) follow Federal data minimization
17 practices to ensure only the minimum
18 amount of data is collected to meet the
19 system’s goals, in accordance with Federal
20 data minimization standards and guide-
21 lines developed by the National Institute of
22 Standards and Technology; and

23 “(vi) provide notice to students out-
24 lining the data included in the system and
25 how the data are used.

1 “(D) LIMITATION.—The data system de-
2 veloped under this subsection may only include
3 data with respect to—

4 “(i) students receiving—

5 “(I) Federal financial assistance
6 under title IV of this Act; or

7 “(II) veteran’s education bene-
8 fits, as defined in section 480(c); and

9 “(ii) participants in a program de-
10 scribed in section 116(b)(3)(A)(ii) of the
11 Workforce Innovation and Opportunity Act
12 (29 U.S.C. 3131(b)(3)(A)(ii)).

13 “(2) DATA ELEMENTS.—

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

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

1 “(ii) how to include the data elements
2 required under subparagraph (C), and any
3 additional data elements selected under
4 subparagraph (D), in the postsecondary
5 student data system.

6 “(B) POSTSECONDARY STUDENT DATA
7 SYSTEM ADVISORY COMMITTEE.—

8 “(i) ESTABLISHMENT.—Not later
9 than 1 year after the date of enactment of
10 the College Cost Reduction Act, the Com-
11 missioner, in consultation with the Direc-
12 tor, shall establish a Postsecondary Stu-
13 dent Data System Advisory Committee (re-
14 ferred to in this subsection as the ‘Advi-
15 sory Committee’), whose members shall in-
16 clude—

17 “(I) the Chief Privacy Officer of
18 the Department or an official of the
19 Department delegated the duties of
20 overseeing data privacy at the Depart-
21 ment;

22 “(II) the Chief Security Officer
23 of the Department or an official of
24 the Department delegated the duties

1 of overseeing data security at the De-
2 partment;

3 “(III) representatives of diverse
4 institutions of higher education, which
5 shall include equal representation be-
6 tween 2-year and 4-year institutions
7 of higher education, and from public,
8 nonprofit, and proprietary institutions
9 of higher education, including minor-
10 ity-serving institutions;

11 “(IV) representatives from State
12 higher education agencies, entities,
13 bodies, or boards;

14 “(V) representatives of postsec-
15 ondary students;

16 “(VI) representatives from rel-
17 evant Federal agencies;

18 “(VII) individuals with expertise
19 in data privacy and security; and

20 “(VIII) other stakeholders (in-
21 cluding individuals with consumer
22 protection and postsecondary edu-
23 cation research).

1 “(ii) 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
10 necessary to execute its advisory du-
11 ties; and

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

15 “(C) REQUIRED DATA ELEMENTS.—The
16 data elements in the postsecondary student
17 data 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 Commis-
21 sioner as ‘student-related surveys’ in the
22 Integrated Postsecondary Education Data
23 System (IPEDS), as such surveys are in
24 effect on the day before the date of enact-
25 ment of the College Cost Reduction Act,

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

7 “(ii) Student-level data elements re-
8 ported by institutions in accordance with
9 section 668.408 of title 34, Code of Fed-
10 eral Regulations, as in effect on July 1,
11 2024.

12 “(iii) Student-level data elements nec-
13 essary to allow for reporting student en-
14 rollment, persistence, progression (includ-
15 ing credit accumulation) retention, trans-
16 fer, completion, and time and credits to
17 credential measures for all credential levels
18 separately (including certificate, associate,
19 baccalaureate, and advanced degree levels),
20 within and across institutions of higher
21 education (including across all categories
22 of institution level, control, and predomi-
23 nant degree awarded). The data elements
24 shall allow for reporting about all such

1 data disaggregated by the following cat-
2 egories:

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

6 “(II) Attendance intensity,
7 whether full-time or part-time.

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

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

17 “(V) Age intervals.

18 “(VI) Sex.

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

22 “(VIII) Economic status.

23 “(IX) Measures related to college
24 readiness, including participation in

1 postsecondary remedial coursework or
2 gateway course completion.

3 “(X) Program of study.

4 “(XI) Status as an online edu-
5 cation student, whether exclusively or
6 partially enrolled in online education.

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

11 “(XIII) Federal Pell Grant re-
12 cipient status under section 401 and
13 Federal loan recipient status under
14 title IV.

15 “(XIV) Status as a participant in
16 a program described in section
17 116(b)(3)(A)(ii) of the Workforce In-
18 novation and Opportunity Act (29
19 U.S.C. 3131(b)(3)(A)(ii)).

20 “(D) REEVALUATION.—Not less than once
21 every 3 years after the implementation of the
22 postsecondary student data system described in
23 this subsection, the Commissioner, in consulta-
24 tion with the Advisory Committee described in
25 subparagraph (B) and working with the Direc-

1 tor, shall report to Congress the data elements
2 included in the postsecondary student data sys-
3 tem and recommend any additional data ele-
4 ments to be included in such system.

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

15 “(3) PERIODIC MATCHING WITH OTHER FED-
16 ERAL DATA SYSTEMS.—

17 “(A) DATA SHARING AGREEMENTS.—

18 “(i) IN GENERAL.—The Commis-
19 sioner, in consultation with the Director,
20 shall ensure secure and privacy-protected
21 periodic data matches by entering into
22 data sharing agreements with each of the
23 following Federal agencies and offices:

24 “(I) The Secretary of the Treas-
25 ury and the Commissioner of the In-

1 ternal Revenue Service, in order to
2 calculate aggregate program- and in-
3 stitution-level earnings of postsec-
4 ondary students described in subpara-
5 graph (B)(ii).

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

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

18 “(IV) The Director of the Bu-
19 reau of the Census, in order to assess
20 the employment outcomes of former
21 postsecondary education students de-
22 scribed in paragraph (1)(D).

23 “(V) The Chief Operating Officer
24 of the Office of Federal Student Aid,
25 in order to analyze the use of postsec-

1 ondary educational benefits provided
2 under this Act.

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

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

14 “(ii) DATA SHARING AGREEMENTS.—
15 The heads of Federal agencies and offices
16 described under clause (i) shall enter into
17 data sharing agreements with the Commis-
18 sioner to ensure secure and privacy-pro-
19 tected periodic data matches as described
20 in this paragraph.

21 “(B) CATEGORIES OF DATA.—The Com-
22 missioner, in consultation with the Director,
23 shall, at a minimum, seek to ensure that the se-
24 cure and privacy-protected periodic data
25 matches described in subparagraph (A) permit

1 consistent reporting of the following categories
2 of data for students described in paragraph
3 (1)(D) who completed a program of study and
4 who did not complete a program of study:

5 “(i) Enrollment, retention, transfer,
6 and completion outcomes.

7 “(ii) Financial indicators for postsec-
8 ondary students receiving Federal grants
9 and loans, including grant and loan aid by
10 source, cumulative student debt, loan re-
11 payment status, and repayment plan.

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

19 “(C) PERIODIC DATA MATCH STREAM-
20 LINING AND CONFIDENTIALITY.—

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

1 “(I) ensure that such matches
2 are not continuous, but occur only pe-
3 riodically at appropriate intervals, as
4 determined by the Commissioner to
5 meet the goals of subparagraph (A);
6 and

7 “(II) seek to—

8 “(aa) streamline the data
9 collection and reporting require-
10 ments for institutions of higher
11 education;

12 “(bb) minimize duplicative
13 reporting across or within Fed-
14 eral agencies or departments, in-
15 cluding reporting requirements
16 applicable to institutions of high-
17 er education under the Workforce
18 Innovation and Opportunity Act
19 (29 U.S.C. 3101 et seq.) and the
20 Carl D. Perkins Career and
21 Technical Education Act of 2006;

22 “(cc) protect student pri-
23 vacy; and

24 “(dd) streamline the applica-
25 tion process for student loan ben-

1 efit programs available to bor-
2 rowers based on data available
3 from different Federal data sys-
4 tems.

5 “(ii) REVIEW.—Not less often than
6 once every 3 years after the establishment
7 of the postsecondary student data system
8 under this subsection, the Commissioner,
9 in consultation with the Advisory Com-
10 mittee and the Director, shall review meth-
11 ods for streamlining data collection from
12 institutions of higher education and mini-
13 mizing duplicative reporting within the De-
14 partment and across Federal agencies that
15 provide data for the postsecondary student
16 data system.

17 “(iii) CONFIDENTIALITY.—The Com-
18 missioner shall ensure that any periodic
19 matching or sharing of data through peri-
20 odic data system matches established in
21 accordance with this paragraph—

22 “(I) complies with the security
23 and privacy protections described in
24 paragraph (1)(C)(iv) and other Fed-
25 eral data protection protocols;

1 “(II) follows industry best prac-
2 tices commensurate with the sensi-
3 tivity of specific data elements or
4 metrics;

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

10 “(IV) discloses to postsecondary
11 students what data are included in the
12 data system and periodically matched
13 and how the data are used.

14 “(iv) CORRECTION.—The Commis-
15 sioner, in consultation with the Advisory
16 Committee and Director, shall establish a
17 process for students to request access to
18 only their personal information for inspec-
19 tion and request corrections to inaccuracies
20 in a manner that protects the student’s
21 personally identifiable information. The
22 Commissioner shall respond in writing to
23 every request for a correction from a stu-
24 dent.

25 “(4) PUBLICLY AVAILABLE INFORMATION.—

1 “(A) IN GENERAL.—The Commissioner
2 shall make the summary aggregate information
3 described in subparagraph (C), at a minimum,
4 publicly available through a user-friendly con-
5 sumer information website and analytic tool for
6 institutional and research use that—

7 “(i) provides appropriate mechanisms
8 for users to customize and filter informa-
9 tion by institutional and student character-
10 istics;

11 “(ii) allows users to build summary
12 aggregate reports of information, including
13 reports that allow comparisons across mul-
14 tiple institutions and programs, subject to
15 subparagraph (B);

16 “(iii) uses appropriate statistical dis-
17 closure limitation techniques necessary to
18 ensure that the data released to the public
19 cannot be used to identify specific individ-
20 uals; and

21 “(iv) provides users with appropriate
22 contextual factors to make comparisons,
23 which may include national median figures
24 of the summary aggregate information de-
25 scribed in subparagraph (C).

1 “(B) NO PERSONALLY IDENTIFIABLE IN-
2 FORMATION AVAILABLE.—The summary aggre-
3 gate information described in this paragraph
4 shall not include personally identifiable informa-
5 tion.

6 “(C) SUMMARY AGGREGATE INFORMATION
7 AVAILABLE.—The summary aggregate informa-
8 tion described in this paragraph shall, at a min-
9 imum, include each of the following for each in-
10 stitution of higher education:

11 “(i) Measures of student access, in-
12 cluding—

13 “(I) admissions selectivity and
14 yield; and

15 “(II) enrollment, disaggregated
16 by each category described in para-
17 graph (2)(C)(iii).

18 “(ii) Measures of student progression,
19 including retention rates and persistence
20 rates, disaggregated by each category de-
21 scribed in paragraph (2)(C)(iii).

22 “(iii) Measures of student completion,
23 including—

24 “(I) transfer rates and outcomes,
25 completion rates, and time and credits

1 to credential, disaggregated by each
2 category described in paragraph
3 (2)(C)(iii); and

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

7 “(iv) Measures of student costs, in-
8 cluding—

9 “(I) tuition, required fees, cost of
10 attendance, grants and scholarships,
11 net price, and unmet need
12 disaggregated by in-State tuition or
13 in-district tuition status (if applica-
14 ble), direct and indirect costs, pro-
15 gram of study (if applicable), and cre-
16 dential level; and

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

23 “(aa) each category de-
24 scribed in paragraph (2)(C)(iii);
25 and

1 “(bb) completion status.

2 “(v) Measures of postcollegiate stu-
3 dent outcomes, including return on invest-
4 ment, employment rates, earnings, loan re-
5 payment and default rates, and further
6 education rates. These measures shall—

7 “(I) be disaggregated by—

8 “(aa) each category de-
9 scribed in paragraph (2)(C)(iii);

10 and

11 “(bb) completion status; and

12 “(II) be measured immediately
13 after leaving postsecondary education
14 and at time intervals appropriate to
15 the credential sought or earned.

16 “(D) DEVELOPMENT CRITERIA.—In devel-
17 oping the method and format of making the in-
18 formation described in this paragraph publicly
19 available, the Commissioner shall—

20 “(i) focus on the needs of the users of
21 the information, which will include stu-
22 dents, families of students, potential stu-
23 dents, researchers, and other consumers of
24 education data;

1 “(ii) take into consideration, to the
2 extent practicable, the guidelines described
3 in paragraph (1)(C)(ii)(I), and relevant
4 successor documents or recommendations
5 of such guidelines;

6 “(iii) use modern, relevant technology
7 and enhance and update the postsecondary
8 student data system with information, as
9 necessary to carry out the purpose of this
10 paragraph;

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

1 “(v) conduct consumer testing to de-
2 termine how to make the information as
3 meaningful to users as possible.

4 “(5) PERMISSIBLE DISCLOSURES OF DATA.—

5 “(A) DATA REPORTS AND QUERIES.—

6 “(i) IN GENERAL.—Not later than 3
7 years after the date of enactment of the
8 College Cost Reduction Act, the Commis-
9 sioner in consultation with the Director,
10 shall develop and implement a secure and
11 privacy-protected process for making stu-
12 dent-level, nonpersonally identifiable infor-
13 mation, with direct identifiers removed,
14 from the postsecondary student data sys-
15 tem available for vetted research and eval-
16 uation purposes approved by the Commis-
17 sioner in a manner compatible with prac-
18 tices for disclosing National Center for
19 Education Statistics restricted-use survey
20 data as in effect on the day before the date
21 of enactment of the College Cost Reduction
22 Act, or by applying other research and dis-
23 closure restrictions to ensure data privacy
24 and security. Such process shall be ap-
25 proved by the National Center for Edu-

1 cation Statistics' Disclosure Review Board
2 (or successor body).

3 “(ii) PROVIDING DATA REPORTS AND
4 QUERIES TO INSTITUTIONS AND STATES.—

5 “(I) IN GENERAL.—The Commis-
6 sioner shall provide feedback reports,
7 at least annually, to each institution
8 of higher education, each postsec-
9 ondary education system that fully
10 participates in the postsecondary stu-
11 dent data system, and each State
12 higher education body as designated
13 by the governor.

14 “(II) FEEDBACK REPORTS.—The
15 feedback reports provided under this
16 clause shall include program-level and
17 institution-level information from the
18 postsecondary student data system re-
19 garding students who are associated
20 with the institution or, for State rep-
21 resentatives, the institutions within
22 that State, on or before the date of
23 the report, on measures including stu-
24 dent mobility (including transfer and
25 completion rates) and workforce out-

1 comes, provided that the feedback ag-
2 gregate summary reports protect the
3 privacy of individuals.

4 “(III) DETERMINATION OF CON-
5 TENT.—The content of the feedback
6 reports shall be determined by the
7 Commissioner in consultation with the
8 Advisory Committee and the Director.

9 “(iii) PERMITTING STATE DATA QUE-
10 RIES.—The Commissioner shall, in con-
11 sultation with the Advisory Committee and
12 as soon as practicable, create a process
13 through which States may submit lists of
14 secondary school graduates within the
15 State to receive summary aggregate out-
16 comes for those students who enrolled at
17 an institution of higher education, includ-
18 ing postsecondary enrollment, retention
19 and transfer, and college completion, pro-
20 vided that those data protect the privacy of
21 individuals and that the State data sub-
22 mitted to the Commissioner are not stored
23 in the postsecondary education system.

24 “(iv) REGULATIONS.—The Commis-
25 sioner shall promulgate regulations to en-

1 sure fair, secure and privacy-protected, and
2 equitable access to data reports and que-
3 ries under this paragraph.

4 “(B) DISCLOSURE LIMITATIONS.—In car-
5 rying out the public reporting and disclosure re-
6 quirements of this subsection, the Commis-
7 sioner shall use appropriate statistical disclo-
8 sure limitation techniques necessary to ensure
9 that the data released to the public cannot in-
10 clude personally identifiable information or be
11 used to identify specific individuals.

12 “(C) SALE OF DATA PROHIBITED.—Data
13 collected under this subsection, including the
14 public-use data set and data comprising the
15 summary aggregate information available under
16 paragraph (4), shall not be sold to any third
17 party by the Commissioner, including any insti-
18 tution of higher education or any other entity.

19 “(D) LIMITATION ON USE BY OTHER FED-
20 ERAL AGENCIES.—

21 “(i) IN GENERAL.—The Commissioner
22 shall not allow any other Federal agency to
23 use data collected under this subsection for
24 any purpose except—

1 “(I) for vetted research and eval-
2 uation conducted by the other Federal
3 agency, as described in subparagraph
4 (A)(i); or

5 “(II) for a purpose explicitly au-
6 thorized by an Act of Congress.

7 “(ii) PROHIBITION ON LIMITATION OF
8 SERVICES.—The Secretary, or the head of
9 any other Federal agency, shall not use
10 data collected under this subsection to
11 limit services to students.

12 “(E) LAW ENFORCEMENT.—Personally
13 identifiable information collected under this
14 subsection shall not be used for any Federal,
15 State, or local law enforcement activity or any
16 other activity that would result in adverse ac-
17 tion against any student or a student’s family.

18 “(F) LIMITATION OF USE FOR FEDERAL
19 RANKINGS OR SUMMATIVE RATING SYSTEM.—
20 The comprehensive data collection and analysis
21 necessary for the postsecondary student data
22 system under this subsection shall not be used
23 by the Secretary or any Federal entity to estab-
24 lish any Federal ranking system of institutions
25 of higher education or a system that results in

1 a summative Federal rating of institutions of
2 higher education.

3 “(G) RULE OF CONSTRUCTION.—Nothing
4 in this paragraph shall be construed to prevent
5 the use of individual categories of aggregate in-
6 formation to be used for accountability pur-
7 poses.

8 “(H) RULE OF CONSTRUCTION REGARDING
9 COMMERCIAL USE OF DATA.—Nothing in this
10 paragraph shall be construed to prohibit third-
11 party entities from using publicly available in-
12 formation in this data system for commercial
13 use.

14 “(6) SUBMISSION OF DATA.—

15 “(A) REQUIRED SUBMISSION.—Each insti-
16 tution of higher education participating in a
17 program under title IV, or the assigned agent
18 of such institution, shall, for each instructional
19 program, and in accordance with section
20 487(a)(17), collect, and submit to the Commis-
21 sioner, the data requested by the Commissioner
22 to carry out this subsection.

23 “(B) VOLUNTARY SUBMISSION.—Any insti-
24 tution of higher education not participating in
25 a program under title IV may voluntarily par-

1 participate in the postsecondary student data sys-
2 tem under this subsection by collecting and sub-
3 mitting data to the Commissioner, as the Com-
4 missioner may request to carry out this sub-
5 section.

6 “(C) PERSONALLY IDENTIFIABLE INFOR-
7 MATION.—In accordance with paragraph
8 (2)(C)(i), if the submission of an element of
9 student-level data is prohibited under para-
10 graph (2)(F) (or otherwise prohibited by law),
11 the institution of higher education shall submit
12 that data to the Commissioner in the aggregate.

13 “(7) UNLAWFUL WILLFUL DISCLOSURE.—

14 “(A) IN GENERAL.—It shall be unlawful
15 for any person who obtains or has access to
16 personally identifiable information in connection
17 with the postsecondary student data system de-
18 scribed in this subsection to willfully disclose to
19 any person (except as authorized in this Act or
20 by any Federal law) such personally identifiable
21 information.

22 “(B) PENALTY.—Any person who violates
23 subparagraph (A) shall be subject to a penalty
24 described under section 3572(f) of title 44,
25 United States Code, and section 183(d)(6) of

1 the Education Sciences Reform Act of 2002 (20
2 U.S.C. 9573(d)(6)).

3 “(C) EMPLOYEE OF OFFICER OF THE
4 UNITED STATES.—If a violation of subpara-
5 graph (A) is committed by any officer or em-
6 ployee of the United States, the officer or em-
7 ployee shall be dismissed from office or dis-
8 charged from employment upon conviction for
9 the violation.

10 “(8) DATA SECURITY.—The Commissioner shall
11 produce and update as needed guidance and regula-
12 tions relating to privacy, security, and access which
13 shall govern the use and disclosure of data collected
14 in connection with the activities authorized in this
15 subsection. The guidance and regulations developed
16 and reviewed shall protect data from unauthorized
17 access, use, and disclosure, and shall include—

18 “(A) an audit capability, including manda-
19 tory and regularly conducted audits;

20 “(B) access controls;

21 “(C) requirements to ensure sufficient data
22 security, quality, validity, and reliability;

23 “(D) confidentiality protection in accord-
24 ance with the applicable provisions of sub-

1 chapter III of chapter 35 of title 44, United
2 States Code;

3 “(E) appropriate and applicable privacy
4 and security protection, including data retention
5 and destruction protocols and data minimiza-
6 tion, in accordance with the most recent Fed-
7 eral standards developed by the National Insti-
8 tute of Standards and Technology; and

9 “(F) protocols for managing a breach, in-
10 cluding breach notifications, in accordance with
11 the standards of National Center for Education
12 Statistics.

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

17 “(10) DEFINITIONS.—In this subsection:

18 “(A) INSTITUTION OF HIGHER EDU-
19 CATION.—The term ‘institution of higher edu-
20 cation’ has the meaning given the term in sec-
21 tion 102.

22 “(B) MINORITY-SERVING INSTITUTION.—
23 The term ‘minority-serving institution’ means
24 an institution of higher education listed in sec-
25 tion 371(a).

1 “(C) PERSONALLY IDENTIFIABLE INFOR-
 2 MATION.—The term ‘personally identifiable in-
 3 formation’ means personally identifiable infor-
 4 mation within the meaning of section 444 of the
 5 General Education Provisions Act.”.

6 **SEC. 114. DATABASE OF STUDENT INFORMATION PROHIB-**
 7 **ITED.**

8 (a) IN GENERAL.—Section 134(b) of the Higher
 9 Education Act of 1965 (20 U.S.C. 1015e(b)) is amended
 10 to read as follows:

11 “(b) EXCEPTION.—The provisions of subsection (a)
 12 shall not apply to a system (or a successor system)—

13 “(1) that—

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

16 “(B) was in use by the Secretary, directly
 17 or through a contractor, as of the day before
 18 the date of enactment of the College Cost Re-
 19 duction Act; or

20 “(2) required under section 132.”.

21 (b) PROGRAM PARTICIPATION AGREEMENTS.—

22 (1) IN GENERAL.—Paragraph (17) of section
 23 487(a) of the Higher Education Act of 1965 (20
 24 U.S.C. 1094(a)) is amended to read as follows:

1 “(17) The institution or the assigned agent of
2 the institution will collect and submit to the Com-
3 missioner for Education Statistics data in accord-
4 ance with section 132(f), the non-student related
5 surveys within the Integrated Postsecondary Edu-
6 cation Data System (IPEDS), or any other Federal
7 institution of higher education data collection effort
8 (as designated by the Secretary), in a timely manner
9 and to the satisfaction of the Secretary.”.

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

13 (c) REPORTING BURDEN.—The Secretary of Edu-
14 cation and the Commissioner for Education Statistics
15 shall take such steps as are necessary to ensure that the
16 development and maintenance of the postsecondary stu-
17 dent data system required under section 132(f) of the
18 Higher Education Act of 1965, as added by section 113
19 of this Act, occurs in a manner that reduces the reporting
20 burden for entities that reported into the Integrated Post-
21 secondary Education Data System (IPEDS).

1 **TITLE II—ACCESS AND**
2 **AFFORDABILITY**

3 **PART A—FINANCIAL NEED**

4 **SEC. 201. AMOUNT OF NEED; COST OF ATTENDANCE; ME-**
5 **DIAN COST OF COLLEGE.**

6 (a) **AMOUNT OF NEED.**—Section 471 (20 U.S.C.
7 1087kk), as amended by the FAFSA Simplification Act,
8 is further amended by amending paragraph (1) to read
9 as follows:

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

12 “(B) for award year 2025–2026 and each sub-
13 sequent award year, the median cost of college of the
14 program of study of such student, minus”.

15 (b) **COST OF ATTENDANCE.**—Section 472(c) (20
16 U.S.C. 1087ll(c)), as amended by the FAFSA Simplifica-
17 tion Act, is further amended by striking “of the institu-
18 tion” and inserting “of each program of study at the insti-
19 tution”.

20 (c) **MEDIAN COST OF COLLEGE.**—Part F of title IV
21 (20 U.S.C. 1087kk), as amended by the FAFSA Sim-
22 plification Act, is further amended by inserting after sec-
23 tion 472, as amended by subsection (b), the following:

1 **“SEC. 472A. DETERMINATION OF MEDIAN COST OF COL-**
2 **LEGE.**

3 “For the purpose of this title, the term ‘median cost
4 of college’, when used with respect to a program of study
5 offered by one or more institutions of higher education for
6 an award year, means the median of the cost of attendance
7 (as defined in section 472) for the program of study across
8 all institutions of higher education offering such a pro-
9 gram for the preceding award year.”.

10 **PART B—FINANCIAL AID**

11 **Subpart 1—Grants**

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

13 (a) AWARD MAY NOT EXCEED MEDIAN COST OF
14 COLLEGE.—Section 401(b)(3) (20 U.S.C. 1070a(b)(3)),
15 as amended by title VII of division FF of the Consolidated
16 Appropriations Act, 2021 (title VII of division FF of Pub-
17 lic Law 116–260) (referred to in this Act as the “FAFSA
18 Simplification Act”), is further amended by adding at the
19 end the following:

20 “(3) AWARD MAY NOT EXCEED MEDIAN COST
21 OF COLLEGE.—No Federal Pell Grant under this
22 subpart shall exceed the median cost of college (as
23 defined in section 472A) for the program at which
24 that student is in attendance. If, with respect to any
25 student, it is determined that the amount of a Fed-
26 eral Pell Grant for that student exceeds the median

1 cost of college for such program for that year, the
2 amount of the Federal Pell Grant shall be reduced
3 until the Federal Pell Grant does not exceed the me-
4 dian cost of college for such program for that year.”.

5 (b) PELL PLUS PROGRAM.—Section 401 (20 U.S.C.
6 1070a), as amended by the FAFSA Simplification Act, is
7 further amended by adding at the end the following:

8 “(k) PELL PLUS PROGRAM.—

9 “(1) PROGRAM ESTABLISHED.—

10 “(A) IN GENERAL.—For each award year
11 for which a student receives a Federal Pell
12 Grant and meets the requirements of paragraph
13 (2), the Secretary shall award such student an
14 additional Federal Pell Grant, referred to as a
15 ‘Federal Pell Plus Grant’, in an amount equal
16 to the amount of the student’s Federal Pell
17 Grant award determined under this section for
18 such award year, except as provided in subpara-
19 graph (B).

20 “(B) MEDIAN COST OF COLLEGE REDUC-
21 TIONS.—In any case in which a student is
22 awarded a Federal Pell Grant under this sec-
23 tion and a Federal Pell Plus grant under this
24 subsection for an award year, the combined
25 total of such Federal Pell Grant and such Fed-

1 eral Pell Plus Grant of such student shall not
2 exceed the median cost of college (as defined in
3 section 472A) of the program in which the stu-
4 dent is in attendance for that year. In the case
5 that such combined total exceeds the median
6 cost of college for the program for that year,
7 the Secretary shall reduce the amount of the
8 Federal Pell Plus Grant awarded to the student
9 until the combined total of such reduced Fed-
10 eral Pell Plus Grant and the Federal Pell Grant
11 of the student does not exceed such median cost
12 of college.

13 “(2) STUDENT ELIGIBILITY.—A student meets
14 the requirements of this paragraph, if the student—

15 “(A) during the award year during which
16 the student receives a Federal Pell Plus Grant
17 under paragraph (1)—

18 “(i) is enrolled in the student’s first
19 undergraduate baccalaureate course of
20 study; and

21 “(ii) is maintaining progress toward
22 completion within 100 percent of the ex-
23 pected time to completion, as determined
24 by calculating the difference between—

1 “(I) the program length for the
2 program of study in which such stu-
3 dent is in attendance; and

4 “(II) the period of such program
5 that such student has completed; and

6 “(B) has completed at least 4 semesters,
7 or the equivalent, of such program.

8 “(3) DURATION LIMITS.—The period during
9 which a student receives a Federal Pell Plus Grant
10 under paragraph (1) shall be included in calculating
11 the duration limits with respect to such student
12 under subsection (d)(5), and to the extent that such
13 period was a fraction of a semester or the equiva-
14 lent, only that same fraction of such semester or
15 equivalent shall count towards such duration limits.

16 “(4) PELL PLUS INSTITUTIONAL AND PRO-
17 GRAMMATIC ELIGIBILITY.—For purposes of this sub-
18 section, a Pell Plus institution is an eligible institu-
19 tion for purposes of this subpart that—

20 “(A) notifies the Secretary that the institu-
21 tion desires to participate in the Pell Plus pro-
22 gram under this subsection—

23 “(i) with respect to a specific program
24 of study at the institution; or

1 “(ii) with respect to each program of
2 study at the institution;

3 “(B) agrees to provide, to each student re-
4 ceiving a Federal Pell Plus Grant under para-
5 graph (1)—

6 “(i) for each award year for which the
7 student receives such Federal Pell Plus
8 Grant, a notification that shall include—

9 “(I) whether the student is main-
10 taining the progress toward comple-
11 tion required under paragraph
12 (2)(A)(ii);

13 “(II) in a case in which the stu-
14 dent is not maintaining such progress
15 toward completion, a list of available
16 student support services and addi-
17 tional resources to assist the student
18 in completing the course of study for
19 which the student is receiving the
20 Federal Pell Plus Grant in the man-
21 ner described under paragraph
22 (2)(A)(ii); and

23 “(III) the amount of funds the
24 student is receiving under the Federal
25 Pell Plus Grant; and

1 “(ii) in the case of a student who, as
2 of the end of the first semester of the third
3 academic year of the program of study in
4 which the student is in attendance, is not
5 maintaining the progress toward comple-
6 tion required under paragraph (2)(A)(ii), a
7 warning during such third academic year
8 that the student will not be eligible for a
9 Federal Pell Plus Grant under paragraph
10 (1) for the fourth academic year of such
11 course of study unless the student dem-
12 onstrates, by not later than the beginning
13 of the fourth academic year, progress to-
14 ward completing such course of study by
15 the end of the fourth academic year of
16 such course of study;

17 “(C) meets the requirements of paragraph
18 (5); and

19 “(D) the Secretary determines meets the
20 requirements of this paragraph and paragraph
21 (5).

22 “(5) MAXIMUM TOTAL PRICE GUARANTEE.—

23 “(A) GUARANTEE.—To be eligible to be a
24 Pell Plus institution under this subsection, an
25 eligible institution shall—

1 “(i) provide to each student receiving
2 a Federal Pell Grant, prior to the first
3 award year in which the student enrolls at
4 the institution—

5 “(I) for each program of study
6 participating in the Pell Plus pro-
7 gram, the maximum total price for
8 completion of the program of study,
9 determined by the institution in ac-
10 cordance with section 415C(e); and

11 “(II) a guarantee that, for the
12 minimum guarantee period for which
13 the student receives a Federal Pell
14 Grant, if the student is enrolled in
15 any program of study participating in
16 the Pell Plus program, the maximum
17 total price for completion of such pro-
18 gram of study charged to the student
19 will not exceed the median value-
20 added earnings of students who com-
21 pleted such program, based on the
22 most recent data available on the Col-
23 lege Scorecard in the award year prior
24 to the first award year in which the
25 student enrolls at the institution; and

1 “(ii) provide information about the
2 guarantee described in clause (i)(II) to
3 prospective students by including such in-
4 formation on the public website of the in-
5 stitution and in the catalog, marketing ma-
6 terials, and other official publications of
7 the institution.

8 “(B) DURATION OF MINIMUM GUARANTEE
9 PERIOD.—

10 “(i) IN GENERAL.—The minimum pe-
11 riod during which a student shall be pro-
12 vided a guarantee under subparagraph (A)
13 with respect to the maximum total price
14 for completion of a program of study at an
15 eligible institution shall be the median time
16 to credential of students who completed
17 any undergraduate program of study at
18 the institution during the most recent
19 award year for which data are available,
20 except that such minimum guarantee pe-
21 riod shall not be less than the program
22 length of the program of study in which
23 the student is enrolled.

24 “(ii) LIMITATION.—An eligible institu-
25 tion shall not be required to provide a

1 maximum total price guarantee under sub-
2 paragraph (A) to a student after the con-
3 clusion of the 6-year period beginning on
4 the first day on which the student enrolled
5 at such institution.”.

6 (c) INFORMATION DISSEMINATION ACTIVITY.—Sec-
7 tion 485(a)(1) (20 U.S.C. 1092(a)(1)) is amended—

8 (1) in subparagraph (U), by striking “and” at
9 the end;

10 (2) in subparagraph (V), by striking the period
11 at the end and inserting “; and”; and

12 (3) by adding at the end the following:

13 “(W) in the case of an institution under
14 section 401(k), any applicable information with
15 respect to the institution’s participation in the
16 Federal Pell Plus Grant program under such
17 subsection.”.

18 (d) EFFECTIVE DATE.—The amendments made by
19 this section shall take effect with respect to award year
20 2025–2026 and each succeeding award year.

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

22 (a) TERMINATION OF CERTAIN PROGRAMS.—Not-
23 withstanding subparts 3 and 4 of part A, or part C, of
24 title IV of the Higher Education Act of 1965 (20 U.S.C.
25 1070 et seq.), or any other provision of law, except as ex-

1 pressly authorized by an Act of Congress enacted after
2 the date of enactment of this Act, beginning on October
3 1, 2026—

4 (1) no funds are authorized to be appropriated,
5 or may be expended, under this Act or any other Act
6 to—

7 (A) make payments to institutions for Fed-
8 eral Supplemental Educational Opportunity
9 Grants under subpart 3 of part A of title IV of
10 such Act (20 U.S.C. 1070b et seq.); or

11 (B) make payments to States for the
12 Leveraging Educational Assistance Partnership
13 Program under subpart 4 of part A of title IV
14 (20 U.S.C. 1070e et seq.); and

15 (2) the authority of the Secretary to carry out
16 any program or activity described in paragraph (1)
17 shall be terminated.

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

21 **“Subpart 4—Promoting Real Opportunities to**
22 **Maximize Investments and Savings in Education**
23 **“SEC. 415A. PURPOSE.**

24 “(a) PURPOSE.—It is the purpose of this subpart to
25 provide performance-based grants to—

1 “(1) assist institutions in providing certainty to
2 students and families about postsecondary afford-
3 ability;

4 “(2) increase postsecondary access and eco-
5 nomic mobility; and

6 “(3) ensure that students, institutions, and tax-
7 payers receive a financial return for investments in
8 postsecondary education.

9 **“SEC. 415B. PROMISE GRANTS.**

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

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

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

24 “(1) be an institution of higher education under
25 section 102, except that an institution described in

1 section 102(a)(1)(C) shall not be an eligible institu-
2 tion under this subpart; and

3 “(2) meet the maximum total price guarantee
4 requirements under subsection (c).

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

11 “(1) demonstrate that the institution—

12 “(A) meets the maximum total price guar-
13 antee requirements under subsection (c); and

14 “(B) will continue to meet the maximum
15 total price guarantee requirements for each
16 award year during the grant period with respect
17 to students first enrolling at the institution for
18 each such award year;

19 “(2) describe how grant funds awarded under
20 this subpart will be used by the institution to carry
21 out the purposes of this Act, including activities re-
22 lated to—

23 “(A) postsecondary affordability, includ-
24 ing—

1 “(i) the expansion and continuation of
2 the maximum total price guarantee re-
3 quirements under subsection (c); and

4 “(ii) any other activities to be carried
5 out by the institution to increase postsec-
6 ondary affordability and minimize the total
7 net price required for completion (as de-
8 fined in section 132(a)) paid by students
9 receiving need-based student aid;

10 “(B) postsecondary access, which may in-
11 clude—

12 “(i) the activities described in section
13 485E of this Act; and

14 “(ii) any other activities to be carried
15 out by the institution to increase postsec-
16 ondary access and expand opportunities for
17 low- and middle-income students; and

18 “(C) postsecondary student success, which
19 may include—

20 “(i) activities to improve completion
21 rates and reduce time to credential, includ-
22 ing the activities described in section 741
23 of this Act, as amended by the College
24 Cost Reduction Act; and

1 “(ii) any other activities to be carried
2 out by the institution to increase value-
3 added earnings and postsecondary student
4 success;

5 “(3) describe—

6 “(A) how the institution will evaluate the
7 effectiveness of the institution’s use of grant
8 funds awarded under this subpart; and

9 “(B) how the institution will collect and
10 disseminate information on promising practices
11 developed with the use of such grant funds; and

12 “(4) in the case of an institution that has pre-
13 viously received a grant under this subpart, contain
14 the evaluation required under paragraph (3) for
15 each previous grant.

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

19 “(1) for each award year beginning after the
20 date of enactment of the College Cost Reduction
21 Act, not later than one year before the start of each
22 such award year (except that, for the first award
23 year beginning after such date of enactment, the in-
24 stitution shall meet these requirements as soon as
25 practicable such date of enactment)—

1 “(A) determine the maximum total price
2 for completion, in accordance with subsection
3 (e), for each program of study at the institu-
4 tion—

5 “(i) applicable to students in each in-
6 come category described in section
7 132(c)(2)(A)(i); and

8 “(ii) applicable to students in each
9 student aid index category determined by
10 the Secretary in accordance with section
11 132(c)(2)(A)(ii); and

12 “(B) publish such information on the insti-
13 tution’s website and in the institution’s catalog,
14 marketing materials, or other official publica-
15 tions;

16 “(2) for the award year for which the institu-
17 tion is applying for a PROMISE grant, and at least
18 one award year preceding such award year, provide
19 to each student who first enrolls, or plans to enroll,
20 in the institution during the award year and who re-
21 ceives Federal financial aid under this title a max-
22 imum total price guarantee, in accordance with this
23 section, for the minimum guarantee period applica-
24 ble to the student; and

1 “(3) provide to the Secretary an assurance that
2 the institution will continue to meet each of the
3 maximum total price guarantee requirements under
4 this subsection for students who first enroll, or plan
5 to enroll, in the institution during each award year
6 included in the grant period.

7 “(d) DURATION OF MINIMUM GUARANTEE PE-
8 RIOD.—

9 “(1) IN GENERAL.—The minimum period dur-
10 ing which a student shall be provided a guarantee
11 under subsection (c) with respect to the maximum
12 total price for completion of a program of study at
13 an institution shall be the median time to credential
14 of students who completed any undergraduate pro-
15 gram of study at the institution during the most re-
16 cent award year for which data are available, except
17 that such minimum guarantee period shall not be
18 less than the program length of the program of
19 study in which the student is enrolled.

20 “(2) LIMITATION.—An institution shall not be
21 required to provide a maximum total price guarantee
22 under subsection (c) to a student after the conclu-
23 sion of the 6-year period beginning on the first day
24 on which the student enrolled at such institution.

1 “(e) DETERMINATION OF MAXIMUM TOTAL PRICE
2 FOR COMPLETION.—

3 “(1) IN GENERAL.—For the purposes of sub-
4 section (c) and the Pell Plus program under section
5 401(k), an institution shall determine, prior to the
6 first award year in which a student enrolls at the in-
7 stitution, the maximum total price that may be
8 charged to the student for completion of a program
9 of study at the institution for the minimum guar-
10 antee period applicable to a student, before applica-
11 tion of any Federal Pell grants or other Federal fi-
12 nancial aid under this title. Such a maximum total
13 price for completion shall be determined for students
14 in each income category and student aid index cat-
15 egory (as determined in accordance with section
16 132(c)(2)(A)). In determining the maximum total
17 price for completion to be charged to each such cat-
18 egory of students, the institution may consider the
19 ability of a category of students to pay tuition and
20 fees (including the required costs described in sec-
21 tion 484(b)(3)(A)(i)(I)), but may not include in such
22 consideration any Federal Pell grants or other Fed-
23 eral financial aid awards that may be available to
24 such category of students under this title.

1 “(2) MULTIPLE MAXIMUM TOTAL PRICE GUAR-
2 ANTEES.—In the event that a student receives more
3 than one maximum total price guarantee because the
4 student is included in more than one category of stu-
5 dents for which the institution determines a max-
6 imum total price guarantee amount for the purposes
7 of subsection (e), or the student is participating in
8 the Pell Plus program under section 401(k), the
9 maximum total price guarantee applicable to such
10 student for the purposes of this section and the Pell
11 Plus program shall be equal to the lowest such guar-
12 antee amount.

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

14 “(a) GRANT AMOUNT FORMULA.—

15 “(1) FORMULA.—Subject to subsection (b), the
16 amount of a PROMISE grant for an eligible institu-
17 tion for each year of the grant period shall be deter-
18 mined by the Secretary annually and shall be the
19 amount determined by multiplying—

20 “(A) the lesser of—

21 “(i) the difference determined by sub-
22 tracting one from the quotient of—

23 “(I) the average, for the 3 most
24 recent award years for which data are
25 available, of the median value-added

1 earnings (as defined in section 103)
2 for each such award year of students
3 who completed any program of study
4 of the institution; divided by

5 “(II) the average for the 3 most
6 recent award years, of the maximum
7 total price applicable for each such
8 award year to students enrolled in the
9 institution in any program of study
10 who received financial aid under this
11 title; or

12 “(ii) the number two;

13 “(B) the average, for the 3 most recent
14 award years, of the total dollar amount of Fed-
15 eral Pell Grants (excluding Pell Plus Grants
16 awarded under section 401(k)) awarded to stu-
17 dents enrolled in the institution in each such
18 award year; and

19 “(C) the average, for the 3 most recent
20 award years, of the percentage of low-income
21 students who received Federal financial assist-
22 ance under this title who were enrolled in the
23 institution in each such award year who—

1 “(i) completed a program of study at
2 the institution within 100 percent of the
3 program length of such program; or

4 “(ii) only in the case of a two-year in-
5 stitution or a less than two-year institu-
6 tion—

7 “(I) transfer to a four-year insti-
8 tution; and

9 “(II) within 4 years after first
10 enrolling at the two-year or less than
11 two-year institution, complete a pro-
12 gram of study at the four-year institu-
13 tion for which a bachelor’s degree (or
14 substantially similar credential) is
15 awarded.

16 “(2) DEFINITION OF LOW-INCOME.—In this
17 section, the term ‘low-income’, when used with re-
18 spect to a student, means that the student’s family
19 income does not exceed the maximum income in the
20 lowest income category described in section
21 132(c)(2)(A)(i).

22 “(b) MAXIMUM GRANT AMOUNT.—Notwithstanding
23 subsection (a), the maximum amount an eligible institu-
24 tion may receive annually for a grant under this subpart
25 shall be the amount equal to—

1 “(1) the average, for the 3 most recent award
2 years, of the number of students enrolled in the in-
3 stitution in an award year who receive Federal fi-
4 nancial aid under this title; multiplied by

5 “(2) \$5,000.

6 “(c) FLEXIBLE USE OF FUNDS.—A PROMISE
7 grant awarded under this subpart shall be used by an eli-
8 gible institution to carry out the purposes of this subpart,
9 including—

10 “(1) carrying out activities included in the insti-
11 tution’s application for such grant related to post-
12 secondary affordability, access, and student success;

13 “(2) evaluating the effectiveness of the activi-
14 ties carried out with such grant in accordance with
15 section 415C(b)(3)(A); and

16 “(3) collecting and disseminating promising
17 practices related to the activities carried out with
18 such grant, in accordance with section
19 415C(b)(3)(B).

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

21 “(a) AUTHORIZATION TO USE RESERVED FUNDS.—
22 To carry out this subpart, there shall be available to the
23 Secretary any funds remitted to the Secretary as risk-
24 sharing payments in accordance with section 454(d) for

1 any award year. The Secretary shall use the funds received
2 through risk-sharing payments to provide the grants.

3 “(b) SECONDARY AUTHORIZATION.—In addition to
4 the amounts available to the Secretary under subsection
5 (a), there are authorized to be appropriated, for fiscal year
6 2026 and each of the 9 succeeding fiscal years,
7 \$2,000,000,000, to carry out this subpart in any award
8 year for which the amounts available under subsection (a)
9 are insufficient to fully fund the PROMISE grants award-
10 ed under this subpart in such award year.

11 “(c) INSUFFICIENT FUNDS.—If the amounts made
12 available to carry out this subpart for a fiscal year are
13 not sufficient to provide grants to all eligible institutions
14 in the amount determined under this subpart, the Sec-
15 retary shall first provide grants to the eligible institutions
16 that have the highest percentage of students who are low-
17 income students (as defined in section 415D).”.

18 **Subpart 2—Loans**

19 **SEC. 221. LOAN LIMITS.**

20 (a) STAFFORD LOANS.—

21 (1) AGGREGATE AND ANNUAL LIMITS FOR
22 GRADUATE AND PROFESSIONAL STUDENTS.—Section
23 455(a) (20 U.S.C. 1087e(a)) is amended—

24 (A) in paragraph (3)—

1 (i) in subparagraph (A)(ii), by insert-
2 ing before the period at the end the fol-
3 lowing: “, except that for any period of in-
4 struction beginning on or after July 1,
5 2025, such maximum annual amount shall
6 be determined in accordance with subpara-
7 graph (C)”;

8 (ii) in subparagraph (B), by inserting
9 before the period at the end the following:
10 “for any period of instruction through
11 June 30, 2025”; and

12 (iii) by adding at the end the fol-
13 lowing:

14 “(C) ANNUAL LIMITS.—Notwithstanding
15 any provision of this part or part B, for any pe-
16 riod of instruction beginning on or after July 1,
17 2025, the maximum annual amount of Federal
18 Direct Unsubsidized Stafford loans that a grad-
19 uate or professional student may borrow in any
20 academic year (as defined in section 481(a)(2))
21 or its equivalent shall be median cost of college
22 (as defined in section 472A) of the program of
23 study in which the student is enrolled, except
24 that the sum of such annual loan amount and
25 other financial assistance (as defined in section

1 480(i)) that the student receives for such aca-
2 demic year may not exceed the cost of attend-
3 ance of such student.

4 “(D) AGGREGATE LIMITS.—Notwith-
5 standing any provision of this part or part B,
6 for any period of instruction beginning on or
7 after July 1, 2025, the maximum aggregate
8 amount of Federal Direct Unsubsidized Staf-
9 ford loans that—

10 “(i) a graduate student may borrow
11 shall be \$100,000; and

12 “(ii) a professional student may bor-
13 row shall be \$150,000.

14 “(E) EXCEPTION FOR CERTAIN STU-
15 DENTS.—

16 “(i) IN GENERAL.—The provisions
17 listed in clause (ii) shall not apply with re-
18 spect to any individual who, as of June 30,
19 2025, is enrolled in a program of study at
20 an institution of higher education, and has
21 received a loan (or on whose behalf a loan
22 was made) under this part for such pro-
23 gram, during the individual’s expected time
24 to completion of such program, as deter-

1 mined by calculating by the difference be-
2 tween—

3 “(I) the program length for the
4 program of study in which such indi-
5 vidual is enrolled; and

6 “(II) the period of such program
7 that such individual has completed,
8 except that such expected time to comple-
9 tion may not exceed 3 years.

10 “(ii) PROVISIONS.—An individual de-
11 scribed in clause (i) shall not be subject to
12 subparagraphs (C) and (D) of this para-
13 graph, or paragraph (4) or (6).”.

14 (2) ANNUAL LIMITS FOR UNDERGRADUATE
15 BORROWERS.—Section 455(a) (20 U.S.C. 1087e(a))
16 is further amended by adding at the end the fol-
17 lowing:

18 “(4) ANNUAL AND AGGREGATE LOAN LIMITS
19 FOR UNDERGRADUATE AND ALL BORROWERS.—

20 “(A) UNDERGRADUATE STUDENTS.—

21 “(i) ANNUAL LOAN LIMITS.—

22 “(I) SUBSIDIZED LOANS.—Not-
23 withstanding any provision of this
24 part or part B, for any period of in-
25 struction beginning on or after July 1,

1 2025, the maximum annual amount of
2 Federal Direct Stafford loans that an
3 undergraduate student may borrow in
4 any academic year (as defined in sec-
5 tion 481(a)(2)) or its equivalent shall
6 be the difference between—

7 “(aa) the median cost of col-
8 lege (as defined in section 472A)
9 of the program of study in which
10 the student is enrolled; and

11 “(bb) the sum of the Fed-
12 eral Pell Grant and Federal Pell
13 Plus Grant under section 401
14 awarded to the student for such
15 academic year,

16 except that (1) the amount of such
17 Federal Direct Stafford loans awarded
18 to the student for such academic year
19 may not exceed the maximum annual
20 limit described in section 428(b)(1)
21 that is applicable to such student; and
22 (2) the sum of such Federal Direct
23 Stafford Loans, the amount of such
24 Federal Pell Grant, Federal Pell Plus
25 Grant, and other financial assistance

1 (as defined in section 480(i)) that the
2 student receives for such academic
3 year may not exceed the cost of at-
4 tendance of such student.

5 “(II) UNSUBSIDIZED LOANS.—

6 Notwithstanding 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 Unsubsidized Stafford
11 loans that an undergraduate student
12 may borrow in any academic year (as
13 defined in section 481(a)(2)) or its
14 equivalent shall be the difference be-
15 tween—

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

20 “(bb) the sum of—

21 “(AA) the amount of
22 Federal Direct Stafford
23 loans awarded to such stu-
24 dent for such academic year;
25 and

1 “(BB) the amount of
2 the Federal Pell Grant and
3 Federal Pell Plus Grant
4 under section 401 awarded
5 to the student for such aca-
6 demic year,
7 except that the sum of all Fed-
8 eral financial aid under this title
9 and other financial assistance (as
10 defined in section 480(i)) that
11 such student receives for such
12 academic year may not exceed
13 the cost of attendance for such
14 student.

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

20 “(I) the maximum aggregate
21 amount of Federal Direct Stafford
22 loans and Federal Direct Unsub-
23 sidized Stafford loans that may be
24 borrowed shall be \$50,000;

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

5 “(III) the maximum aggregate
6 amount of Federal Direct Unsub-
7 sidized Stafford loans that may be
8 borrowed shall be \$50,000.

9 “(B) STUDENTS IN A QUALIFYING UNDER-
10 GRADUATE PROGRAM.—

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

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

23 “(I) for which the total tuition
24 and fees (including the required costs
25 described in section

1 484(b)(3)(A)(i)(I) exceeds the aggregate
2 limits for undergraduate students
3 described in subparagraph (A)(ii);

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

9 “(III) that has had, for the pre-
10 vious three award years—

11 “(aa) a verified completion
12 rate of at least 70 percent, within
13 150 percent of the program
14 length of such program of study;
15 and

16 “(bb) a verified job place-
17 ment rate of at least 70 percent,
18 measured 180 days after comple-
19 tion.

20 “(C) ALL STUDENTS.—The maximum ag-
21 gregate amount of loans made, insured, or
22 guaranteed under this title to a student shall be
23 \$200,000.”.

24 (3) INSTITUTIONALLY DETERMINED LIMITS.—

25 Section 455(a) of the Higher Education Act of 1965

1 (20 U.S.C. 1087e(a)) is further amended by adding
2 at the end the following:

3 “(5) INSTITUTIONALLY DETERMINED LIMITS.—

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

13 “(i) if the institution can reasonably
14 demonstrate that outstanding amounts
15 owed of loans made under this title are or
16 would be excessive for students who com-
17 plete such program, based on the most re-
18 cently available data from the College
19 Scorecard (or successor website of the De-
20 partment) on—

21 “(I) the median of the value-
22 added earnings of students who com-
23 plete such program; and

1 “(II) the median debt owed, and
2 the repayment rate, on loans made
3 under this part, of such students;

4 “(ii) in a case in which the student is
5 enrolled on a less than full-time basis or
6 the student is enrolled for less than the pe-
7 riod of enrollment to which the annual loan
8 limit applies under this subsection, based
9 on the student’s enrollment status; or

10 “(iii) based on the year of the pro-
11 gram for which the student is seeking such
12 loan.

13 “(B) APPLICATION TO ALL STUDENTS.—
14 Any proration or limiting of loan amounts
15 under subparagraph (A) shall be applied in the
16 same manner to all students enrolled in a pro-
17 gram of study.

18 “(C) INCREASES FOR INDIVIDUAL STU-
19 DENTS.—Upon the request of a student whose
20 loan amount for an academic year has been
21 prorated or limited under subparagraph (A), an
22 eligible institution (at the discretion of the fi-
23 nancial aid administrator at the institution)
24 may increase such loan amount to an amount
25 not exceeding the annual loan amount applica-

1 ble to such student under this paragraph for
2 such academic year.”.

3 (b) **TERMINATION OF AUTHORITY TO MAKE FED-**
4 **ERAL DIRECT PLUS LOANS TO ANY STUDENT OR PARENT**
5 **BORROWER.**—Section 455(a) of the Higher Education Act
6 of 1965 (20 U.S.C. 1087e(a)) is amended by adding at
7 the end the following:

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

16 **SEC. 222. LOAN REPAYMENT.**

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

20 (1) in paragraph (1)(D) by inserting “(includ-
21 ing a repayment assistance plan under 455(e)(9))”
22 after “an income contingent repayment plan”; and

23 (2) by adding at the end the following:

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

1 “(A) DESIGN AND SELECTION.—Notwith-
2 standing paragraph (1), beginning on July 1,
3 2024, the Secretary shall offer a borrower of a
4 loan made under this part on or after July 1,
5 2024, two plans for repayment of such loan, in-
6 cluding principal and interest on the loan. The
7 borrower shall be entitled to accelerate, without
8 penalty, repayment on such loans. The borrower
9 may choose—

10 “(i) a standard repayment plan with a
11 fixed monthly repayment amount paid over
12 a fixed period of time, not to exceed 10
13 years; or

14 “(ii) a repayment assistance plan
15 under section 455(e)(9).

16 “(B) SELECTION BY SECRETARY.—If such
17 borrower does not select a repayment plan de-
18 scribed in subparagraph (A), the Secretary shall
19 provide the borrower with the repayment plan
20 described in subparagraph (A)(i).

21 “(C) CHANGES IN SELECTION.—

22 “(i) IN GENERAL.—Subject to clause
23 (ii), a borrower may change the borrower’s
24 selection of a repayment plan under sub-
25 paragraph (A), or the Secretary’s selection

1 of a plan for the borrower under subpara-
2 graph (B), as the case may be. Nothing in
3 this subsection shall prohibit the Secretary
4 from encouraging distressed borrowers
5 from enrolling in the repayment assistance
6 plan under section 455(e)(9).

7 “(ii) SAME REPAYMENT PLAN RE-
8 QUIRED.—All loans made under this part
9 on or after July 1, 2024, to a borrower
10 shall be repaid under the same repayment
11 plan under subparagraph (A), except that
12 the borrower may repay an excepted PLUS
13 loan or an excepted consolidation loan (as
14 such terms are defined in section
15 455(e)(9)) separately from other loans
16 made under this part to the borrower.

17 “(D) REPAYMENT AFTER DEFAULT.—The
18 Secretary may require a borrower who has de-
19 faulted on a loan made under this part to—

20 “(i) pay all reasonable collection costs
21 associated with such loan; and

22 “(ii) repay the loan pursuant to the
23 repayment assistance plan under section
24 455(e)(9).

1 “(E) PROHIBITIONS.—The Secretary may
2 not—

3 “(i) authorize a borrower of a loan
4 made under this part on or after July 1,
5 2024, to repay such loan pursuant to a re-
6 payment plan that is not described in
7 clause (i) or (ii) of subparagraph (A); or

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

12 (b) REPAYMENT ASSISTANCE PLAN.—Section 455(e)
13 of the Higher Education Act of 1965 (20 U.S.C.
14 1087e(e)) is amended by adding at the end the following:

15 “(9) REPAYMENT ASSISTANCE PLAN.—

16 “(A) IN GENERAL.—Notwithstanding any
17 other provision of this Act, beginning on July
18 1, 2024, the Secretary shall carry out a repay-
19 ment assistance program that shall have the
20 terms and conditions of an income-contingent
21 repayment plan described in paragraphs (1)
22 through (8), except that—

23 “(i) a borrower of any loan made
24 under this part (other than an excepted
25 PLUS loan or excepted consolidation loan),

1 may elect to have the borrower's aggregate
2 monthly payment for all such loans not ex-
3 ceed the applicable monthly payment for
4 the borrower, except that a borrower may
5 not be precluded from repaying an amount
6 that exceeds such applicable monthly pay-
7 ment for any month;

8 “(ii) the Secretary shall apply the bor-
9 rower's monthly payment under this para-
10 graph first toward interest due on such a
11 loan, next toward any fees due on the loan,
12 and then toward the principal of the loan;

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

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

18 “(v) notwithstanding paragraph (7),
19 the Secretary shall repay or cancel any
20 outstanding balance of principal and inter-
21 est due on all loans made under this part
22 (other than excepted PLUS loans or ex-
23 cepted consolidation loans) to a borrower—

1 “(I) who, at any time, elected to
2 participate in a repayment assistance
3 plan under clause (i);

4 “(II) whose final monthly pay-
5 ment for such loans prior to the loan
6 cancellation under this clause was
7 made under such repayment assist-
8 ance plan; and

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

21 “(aa)(AA) the total amount
22 of principal and interest that the
23 borrower would have repaid
24 under a standard repayment plan
25 under paragraph (1)(A) or

1 (6)(A)(i) of subsection (d), based
2 on a 10-year repayment period,
3 when the borrower entered repay-
4 ment on such loans; or

5 “(BB) in the case of a Fed-
6 eral Direct Consolidation Loan,
7 the total amount of principal and
8 interest that the borrower would
9 have repaid under the repayment
10 schedule established for the loan
11 under section 428C(c)(2) on the
12 date on which such loan was
13 made; plus

14 “(bb) an amount equal to
15 the amount of any unpaid inter-
16 est that has accrued, but was not
17 included in the calculation of the
18 total amount of principal and in-
19 terest that would have been re-
20 paid under the standard repay-
21 ment plan or schedule described
22 in item (aa)—

23 “(AA) during any
24 deferment period described

1 in clause (i) or (ii) of sub-
2 section (f)(2)(A); or

3 “(BB) during any for-
4 bearance period while serv-
5 ing in a medical or dental
6 internship or residency pro-
7 gram as described in section
8 428(c)(3)(A)(i)(I); and

9 “(vi) a borrower who is repaying a
10 loan pursuant to a repayment assistance
11 plan under clause (i) may elect, at any
12 time, to terminate repayment pursuant to
13 such plan and repay such loan under the
14 standard repayment plan under subsection
15 (d)(6)(A)(i).

16 “(B) REPAYMENT ASSISTANCE FOR DIS-
17 TRESSED BORROWERS.—

18 “(i) INTEREST SUBSIDY.—For each
19 month for which a borrower’s aggregate
20 monthly payment under this paragraph is
21 insufficient to pay the total amount of in-
22 terest that accrues on a loan for the
23 month, the amount of interest accrued and
24 not paid for the month shall be subtracted

1 from the total amount of interest due on
2 such loan for the month.

3 “(ii) PRINCIPAL SUBSIDY.—For each
4 month for which a borrower’s aggregate
5 monthly payment under this paragraph re-
6 pays an amount due on an individual loan
7 that is less than twice the total amount of
8 interest that accrues on such loan for the
9 month, the amount of the total principal
10 due on such loan shall be reduced by an
11 amount equal to half of the monthly pay-
12 ment under this paragraph on such loan
13 for the month.

14 “(C) DEFINITIONS.—In this paragraph:

15 “(i) ADJUSTED GROSS INCOME.—The
16 term ‘adjusted gross income’ has the
17 meaning given the term in section 62 of
18 the Internal Revenue Code of 1986.

19 “(ii) APPLICABLE MONTHLY PAY-
20 MENT.—The term ‘applicable monthly pay-
21 ment’ means, when used with respect to a
22 borrower, the amount obtained by dividing
23 by 12, 10 percent of the result obtained by
24 calculating, on at least an annual basis,
25 the amount by which—

1 “(I) the adjusted gross income of
2 the borrower or, if the borrower is
3 married and files a Federal income
4 tax return jointly with or separately
5 from the borrower’s spouse, the ad-
6 justed gross income of the borrower
7 and the borrower’s spouse; exceeds

8 “(II) 150 percent of the poverty
9 line applicable to the borrower’s fam-
10 ily size as determined under section
11 673(2) of the Community Services
12 Block Grant Act (42 U.S.C. 9902(2)).

13 “(iii) EXCEPTED CONSOLIDATION
14 LOAN.—The term ‘excepted Consolidation
15 Loan’ means a Federal Direct Consolida-
16 tion Loan, if the proceeds of such loan
17 were used to the discharge the liability
18 on—

19 “(I) an excepted PLUS loan; or

20 “(II) a Federal Direct Consolida-
21 tion loan, if the proceeds of such loan
22 were used to discharge the liability on
23 an excepted PLUS loan.

1 “(iv) EXCEPTED PLUS LOAN.—The
2 term ‘excepted PLUS Loan’ has the mean-
3 ing given the term in section 493C.”.

4 **SEC. 223. LOAN REHABILITATION.**

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

8 **SEC. 224. INTEREST CAPITALIZATION.**

9 (a) FEDERAL PLUS LOANS.—Section 428B(d)(2) of
10 the Higher Education Act of 1965 (20 U.S.C. 1078–
11 2(d)(2)) is amended to read as follows:

12 “(2) NO CAPITALIZATION OF INTEREST.—Inter-
13 est on loans made under this section for which pay-
14 ments of principal are deferred pursuant to para-
15 graph (1) shall be paid monthly or quarterly, if
16 agreed upon by the borrower and the lender.”.

17 (b) FEDERAL CONSOLIDATION LOANS DEFER-
18 RALS.—Section 428C(b)(4)(C)(ii)(III) of the Higher Edu-
19 cation Act of 1965 (20 U.S.C. 1078–3(b)(4)(C)(III)) is
20 amended by striking “or capitalized,”.

21 (c) LOAN LIMITS FOR UNSUBSIDIZED STAFFORD
22 LOANS.—Section 428H(d)(5) of the Higher Education
23 Act of 1965 (20 U.S.C. 1078–8(d)(5)) is amended by in-
24 serting “before the date of enactment of the College Cost
25 Reduction Act” after “Interest capitalized”.

1 (d) UNSUBSIDIZED STAFFORD LOANS FOR MIDDLE
2 INCOME BORROWERS.—Section 428H(e)(2) of the Higher
3 Education Act of 1965 (20 U.S.C. 1078–8(e)(2)) is
4 amended—

5 (1) in subparagraph (A), in the matter before
6 clause (i), by striking “, if agreed upon by the bor-
7 rower and the lender” and all that follows through
8 clause (ii)(IV) and inserting “be paid monthly or
9 quarterly, if agreed upon by the borrower and the
10 lender.”;

11 (2) by striking subparagraph (B); and

12 (3) by redesignating subparagraph (C) as sub-
13 paragraph (B).

14 (e) INCOME CONTINGENT REPAYMENT.—Section
15 455(e)(5) of the Higher Education Act of 1965 (20 U.S.C.
16 1087e(e)(5)) is amended by striking the last sentence and
17 inserting “No interest may be capitalized on such loan on
18 or after the date of the enactment of the College Cost Re-
19 duction Act, and the Secretary shall promulgate regula-
20 tions with respect to the treatment of accrued interest that
21 is not capitalized”.

22 (f) EFFECT OF DEFERMENT ON PRINCIPAL AND IN-
23 TEREST.—Section 455(f)(1)(B) of the Higher Education
24 Act of 1965 (20 U.S.C. 1087e(f)(1)(B)) is amended by
25 striking “capitalized or”.

1 (g) INCOME-BASED REPAYMENT PROGRAM.—Section
2 493C(b)(3)(B) of the Higher Education Act of 1965 (20
3 U.S.C. 1098e(b)(3)(B)) is amended by inserting “shall ac-
4 crue but not” before “be capitalized”.

5 **SEC. 225. ORIGINATION FEES.**

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

9 (b) EFFECTIVE DATE.—The amendment made by
10 subsection (a) shall apply with respect to loans made
11 under part D of title IV of the Higher Education Act of
12 1965 (20 U.S.C. 1087a et seq.) for which the first dis-
13 bursement of principal is made, or, in the case of a Fed-
14 eral Direct Consolidation Loan, the application is received,
15 on or after July 1, 2024.

16 **TITLE III—ACCOUNTABILITY**
17 **AND STUDENT SUCCESS**

18 **PART A—ACCOUNTABILITY**

19 **Subpart 1—Department of Education**

20 **SEC. 301. AGREEMENTS WITH INSTITUTIONS.**

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

23 (1) in subsection (a)—

24 (A) in paragraph (5), by striking “and”
25 after the semicolon;

1 (B) by redesignating paragraph (6) as
2 paragraph (7); and

3 (C) by inserting after paragraph (5) the
4 following new paragraph:

5 “(6) remit annual risk-sharing payments to the
6 Secretary in accordance with the requirements under
7 subsection (d); and”;

8 (2) by adding at the end the following new sub-
9 section:

10 “(d) RISK-SHARING REQUIREMENTS.—

11 “(1) ANNUAL RISK-SHARING PAYMENTS RE-
12 QUIRED.—Beginning in award year 2024–2025,
13 each institution of higher education participating in
14 the direct student loan program under this part
15 shall, for qualifying student loans, remit to the Sec-
16 retary, at such time as the Secretary may specify, an
17 annual risk-sharing payment for each student cohort
18 of the institution, based on the non-repayment bal-
19 ance of such cohort and calculated in accordance
20 with paragraph (3).

21 “(2) STUDENT COHORTS.—

22 “(A) COHORTS ESTABLISHED.—For each
23 institution of higher education, the Secretary
24 shall establish student cohorts, beginning with
25 award year 2023–2024, as follows:

1 “(i) COMPLETING STUDENT CO-
2 HORT.—For each program of study at
3 such institution, a student cohort com-
4 prised of all students who received Federal
5 financial assistance under this title and
6 who completed such program during such
7 award year.

8 “(ii) UNDERGRADUATE NON-COM-
9 PLETING STUDENT COHORT.—For such in-
10 stitution, a student cohort comprised of all
11 students who received Federal financial as-
12 sistance under this title, who were enrolled
13 in the institution during the previous
14 award year in a program of study leading
15 to an undergraduate credential, and who at
16 the time the cohort is established—

17 “(I) have not completed such
18 program of study; and

19 “(II) are not enrolled at the in-
20 stitution in any program of study
21 leading to an undergraduate creden-
22 tial.

23 “(iii) GRADUATE NON-COMPLETING
24 STUDENT COHORT.—For each program of
25 study leading to a graduate credential at

1 such institution, a student cohort com-
2 prised of all students who received Federal
3 financial assistance under this title, who
4 were enrolled in such program during the
5 previous award year, and who at the time
6 the cohort is established—

7 “(I) have not completed such
8 program of study; and

9 “(II) are not enrolled in such
10 program.

11 “(B) QUALIFYING STUDENT LOAN.—For
12 the purposes of this subsection, the term ‘quali-
13 fying student loan’ means a Federal Direct
14 loan, including a Federal Direct Consolidation
15 loan, made under this part that—

16 “(i) was made to a student included
17 in a student cohort of an institution; and

18 “(ii) except in the case of a loan de-
19 scribed in clause (i) or (ii) of subparagraph
20 (C), is not included in any other student
21 cohort of any institution of higher edu-
22 cation.

23 “(C) SPECIAL CIRCUMSTANCES.—

24 “(i) MULTIPLE CREDENTIALS.—In
25 the case of a student who completes two or

1 more programs of study during the same
2 award year, each qualifying student loan of
3 the student shall be included in the student
4 cohort for each of such program of study
5 for such award year.

6 “(ii) TREATMENT OF CERTAIN CON-
7 SOLIDATION LOANS.—A Federal Direct
8 Consolidation loan made under this title
9 shall not be considered a qualifying stu-
10 dent loan for a student cohort for an
11 award year if all of the loans included in
12 such consolidation loan are attributable to
13 another student cohort.

14 “(iii) CONSOLIDATION AFTER INCLU-
15 SION IN A STUDENT COHORT.—If a quali-
16 fying student loan is consolidated into a
17 consolidation loan under this title after
18 such qualifying student loan has been in-
19 cluded in a student cohort, the percentage
20 of the consolidation loan that was attrib-
21 utable to such student cohort at the time
22 of consolidation shall remain attributable
23 to the student cohort for the life of the
24 consolidation loan.

1 “(3) CALCULATION OF RISK-SHARING PAY-
2 MENTS.—

3 “(A) RISK-SHARING PAYMENT FORMULA.—

4 For each student cohort of an institution of
5 higher education established under this sub-
6 section, the annual risk-sharing payment for
7 such cohort shall be equal to—

8 “(i) the risk-sharing percentage deter-
9 mined for the cohort in accordance with
10 subparagraph (B); multiplied by

11 “(ii) the non-repayment balance for
12 the cohort for the award year, determined
13 in accordance with subparagraph (C).

14 “(B) RISK-SHARING PERCENTAGE.—The
15 risk-sharing percentage of a student cohort of
16 an institution shall be determined by the Sec-
17 retary when the cohort is established, shall re-
18 main constant for the life of the student cohort,
19 and shall be determined as follows:

20 “(i) COMPLETING STUDENT CO-
21 HORTS.—The risk-sharing percentage of a
22 completing student cohort shall be equal to
23 the percentage determined by—

24 “(I) subtracting from one the
25 quotient of—

1 “(aa) the median value-
2 added earnings (as defined in
3 section 103) of students who
4 completed such program of study
5 in the most recent award year for
6 which data is available, as re-
7 ported on the College Scorecard
8 at the time the cohort was estab-
9 lished; divided by

10 “(bb) the median total price
11 charged to students included in
12 such cohort; and

13 “(II) multiplying the difference
14 determined under subclause (I) by
15 100.

16 “(ii) SPECIAL CIRCUMSTANCES FOR
17 COMPLETING STUDENT COHORTS.—

18 “(I) HIGH-RISK COHORTS.—Not-
19 withstanding clause (i), if the median
20 value-added earnings of a completing
21 student cohort under clause (i)(I)(aa)
22 is negative, the risk-sharing percent-
23 age of the student cohort shall be 100
24 percent.

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

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

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

21 “(aa) did not complete an
22 undergraduate program of study
23 at the institution within 150 per-
24 cent of the program length of
25 such program; or

1 “(bb) only in the case of a
2 two-year institution, did not,
3 within 6 years after first enroll-
4 ing at the two-year institution,
5 complete a program of study at a
6 four-year institution for which a
7 bachelor’s degree (or substan-
8 tially similar credential) is
9 awarded; and

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

19 “(C) NON-REPAYMENT LOAN BALANCE.—

20 “(i) IN GENERAL.—For each award
21 year, the Secretary shall determine the
22 non-repayment loan balance for such
23 award year for each student cohort of an
24 institution of higher education by calcu-
25 lating the sum of—

1 “(I) for loans in such cohort in
2 repayment status that are being re-
3 paid under a standard 10-year repay-
4 ment plan under section 455(d)(1),
5 the difference between the total
6 amount of payments due from all bor-
7 rowers on such loans during such
8 year, as required under section
9 455(d)(1)(A), and the total amount of
10 payments made by all such borrowers
11 on such loans during such year; plus

12 “(II) for loans in such cohort in
13 repayment status that are being re-
14 paid under the repayment assistance
15 plan under section 455(e)(9)—

16 “(aa) the difference between
17 the total amount of payments
18 due from all borrowers on such
19 loans during such year, as re-
20 quired under section 455(e)(9),
21 and the total amount of pay-
22 ments made by all such bor-
23 rowers on such loans during such
24 year; plus

1 “(bb) the total amount of
2 repayment assistance for such
3 loans under such section
4 455(e)(9) during such year, in-
5 cluding the unpaid principal re-
6 duced, and interest subtracted,
7 by the Secretary.

8 “(ii) SPECIAL CIRCUMSTANCES.—For
9 the purpose of calculating the non-repay-
10 ment loan balance of student cohorts under
11 this paragraph, the Secretary shall—

12 “(I) for each qualifying student
13 loan in a student cohort that is in-
14 cluded in another student cohort be-
15 cause the student who borrowed such
16 loan completed two or more programs
17 of study during the same award year,
18 the total amount of repayment assist-
19 ance and amounts due but not paid
20 for such qualifying student loan shall
21 be divided equally among each of the
22 student cohorts in which such loan is
23 included; and

24 “(II) for each consolidation loan
25 in a student cohort—

1 “(aa) determine the percent-
2 age of the outstanding principal
3 balance of the consolidation loan
4 attributable to such student co-
5 hort—

6 “(AA) at the time of
7 that loan was included in
8 such cohort, in the case of a
9 loan consolidated before in-
10 clusion in such cohort; or

11 “(BB) at the time of
12 consolidation, in the case of
13 a loan consolidated after in-
14 clusion in such cohort; and

15 “(bb) include in the calcula-
16 tions under clause (i) for such
17 student cohort only the percent-
18 age of the total amount of repay-
19 ment assistance and amounts due
20 but not paid for the consolidation
21 loan for such year that is equal
22 to the percentage of the consoli-
23 dation loan determined under
24 item (aa).

1 “(D) TOTAL PRICE.—With respect to a
2 student who received Federal financial assist-
3 ance under this title and who completes a pro-
4 gram of study, the term ‘total price’ means the
5 total amount, before Federal financial assist-
6 ance under this title was applied, a student was
7 required to pay to complete the program of
8 study. A student’s total price shall be calculated
9 by the Secretary as the difference between—

10 “(i) the total amount of tuition and
11 fees (including the required costs described
12 in section 484(b)(3)(A)(i)(I)) that were
13 charged to such student before the applica-
14 tion of any Federal financial assistance
15 provided under this title; minus

16 “(ii) the total amount of grants and
17 scholarships described in section
18 480(i) awarded to such student from non-
19 Federal sources for such program of study.

20 “(4) NOTIFICATION AND REMITTANCE.—Begin-
21 ning with the first award year for which risk-sharing
22 payments are required under this subsection, and for
23 each succeeding award year, the Secretary shall—

24 “(A) notify each institution of higher edu-
25 cation of the amounts and due dates of each

1 annual risk-sharing payment calculated under
2 paragraph (3) for each student cohort of the in-
3 stitution within 30 days of calculating such
4 amounts; and

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

7 “(5) PENALTY FOR LATE PAYMENTS.—

8 “(A) THREE-MONTH DELINQUENCY.—If
9 an institution fails to remit to the Secretary a
10 risk-sharing payment for a student cohort as
11 required under this subsection within 90 days
12 of receiving notification from the Secretary in
13 accordance with paragraph (4), the institution
14 shall pay to the Secretary, in addition to such
15 risk-sharing payment, interest on such pay-
16 ment, at a rate that is the average rate applica-
17 ble to the loans in such student cohort.

18 “(B) TWELVE-MONTH DELINQUENCY.—If
19 an institution fails to remit to the Secretary a
20 risk-sharing payment for a student cohort as
21 required under this subsection, plus interest
22 owed in under subparagraph (A), within 12
23 months of receiving notification from the Sec-
24 retary in accordance with paragraph (4), the in-
25 stitution shall be ineligible to make direct loans

1 to any student enrolled in the program of study
2 for which the institution has failed to make the
3 risk-sharing payments until such payment is
4 made.

5 “(C) EIGHTEEN-MONTH DELINQUENCY.—

6 If an institution fails to remit to the Secretary
7 a risk-sharing payment for a student cohort as
8 required under this subsection, plus interest
9 owed under subparagraph (A), within 18
10 months of receiving notification from the Sec-
11 retary in accordance with paragraph (4), the in-
12 stitution shall be ineligible to make direct loans
13 or award Federal Pell grants under section 401
14 to any student enrolled in the institution until
15 such payment is made.

16 “(D) TWO-YEAR DELINQUENCY.—If an in-

17 stitution fails to remit to the Secretary a risk-
18 sharing payment for a student cohort as re-
19 quired under this subsection, plus interest owed
20 under subparagraph (A), within 2 years of re-
21 ceiving notification from the Secretary in ac-
22 cordance with paragraph (4), the institution
23 shall be ineligible to participate in any program
24 under this title for a period of not less than 10
25 years.

1 “(6) RELIEF FOR VOLUNTARY CESSATION OF
2 FEDERAL DIRECT LOANS FOR A PROGRAM OF
3 STUDY.—The Secretary shall, upon the request of an
4 institution that voluntarily ceases to make Federal
5 direct loans to students enrolled in a specific pro-
6 gram of study, reduce the amount of the annual
7 risk-sharing payment owed by the institution for
8 each student cohort associated with such program by
9 50 percent if the institution assures the Secretary
10 that the institution will not make Federal direct
11 loans to any student enrolled in such program of
12 study (or any substantially similar program of
13 study) for a period of not less than 10 award years,
14 beginning with the first award year that begins after
15 the date on which the Secretary reduces such risk-
16 sharing payment.

17 “(7) RESERVATION OF FUNDS FOR PROMISE
18 GRANTS.—Notwithstanding any other provision of
19 law, the Secretary shall reserve the funds remitted
20 to the Secretary as risk-sharing payments in accord-
21 ance with this subsection, and such funds shall be
22 made available to the Secretary only for the purpose
23 of awarding PROMISE grants in accordance with
24 subpart 4 of part A of this title.”.

1 **SEC. 302. REGULATORY RELIEF.**

2 (a) 90/10.—

3 (1) REGULATION REPEALED.—Section 668.28
4 of title 34, Code of Federal Regulations (relating to
5 the 90/10 rule), as added or amended by the final
6 regulations published by the Department of Edu-
7 cation in the Federal Register on October 28, 2022
8 (87 Fed. Reg. 65426 et seq.), is repealed and will
9 have no force or effect.

10 (2) AMENDMENTS.—Section 487 of the Higher
11 Education Act of 1965 (20 U.S.C. 1094) is amend-
12 ed—

13 (A) in subsection (a), by striking para-
14 graph (24);

15 (B) by striking subsection (d); and

16 (C) by redesignating subsections (e)
17 through (j) as subsections (d) through (i), re-
18 spectively.

19 (b) FINANCIAL VALUE TRANSPARENCY AND GAIN-
20 FUL EMPLOYMENT.—

21 (1) REGULATION REPEALED.—Sections 600.10,
22 600.21, 668.2, 668.13, 668.43, 668.91, 668.402
23 through 668.409 (excluding section 668.408), and
24 668.601 through 668.606 of title 34, Code of Fed-
25 eral Regulations (relating to financial value trans-
26 parency and gainful employment), as added or

1 amended by the final regulations published by the
2 Department of Education in the Federal Register on
3 October 10, 2023 (88 FR 70004 et seq.), are re-
4 pealed and will have no force or effect.

5 (2) PROHIBITION.—The Secretary of Education
6 shall not, on or after the date of enactment of this
7 Act, promulgate or enforce any regulation or rule
8 with respect to the definition or application of the
9 term “gainful employment” for any purpose under
10 the Higher Education Act of 1965 (20 U.S.C. 1001
11 et seq.).

12 (c) CHANGES IN OWNERSHIP.—

13 (1) REGULATION REPEALED.—Sections 600.2,
14 600.4, 600.20, 600.21, and 600.31 of title 34, Code
15 of Federal Regulations (relating to changes in own-
16 ership), 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.), are repealed and will have no
20 force or effect.

21 (2) AMENDMENTS.—Section 498(i) of the
22 Higher Education Act of 1965 (20 U.S.C. 1099c(i))
23 is amended—

1 (A) in the subsection heading, by inserting
2 “AND PROPOSED CHANGES OF OWNERSHIP”
3 after “OWNERSHIP”;

4 (B) in paragraph (1)—

5 (i) by striking “(1) An eligible institu-
6 tion”, and inserting the following: “(1)(A)
7 An eligible institution”;

8 (ii) by striking “the requirements of
9 section 102 (other than the requirements
10 in subsections (b)(5) and (c)(3))” and in-
11 sserting “the applicable requirements of
12 section 102 or 103(13)”; and

13 (iii) by adding at the end the fol-
14 lowing:

15 “(B)(i) Prior to a change in ownership re-
16 sulting in a change of control, an institution
17 may seek a pretransaction determination about
18 whether the institution will meet the applicable
19 requirements of section 102 or 103(13) and
20 this section after such proposed change in own-
21 ership by submitting to the Secretary a materi-
22 ally complete pretransaction review application.

23 “(ii) In reviewing applications submitted
24 under clause (i), the Secretary shall only pro-
25 vide a comprehensive review of each such appli-

1 cation, and may not provide an abbreviated or
2 partial review.

3 “(iii) If an institution submits a materially
4 complete pretransaction review application at
5 least 90 days prior to the transaction and the
6 Secretary approves the application, the subse-
7 quent change in ownership application shall also
8 be approved and the institution shall be cer-
9 tified as meeting the requirements for such
10 transaction, provided that the institution—

11 “(I) complies with the applicable
12 terms of this section; and

13 “(II) the transaction resulting in a
14 change of control does not differ materially
15 in its terms from the transaction proposed
16 in the pretransaction review application.”;

17 (C) in paragraph (2)—

18 (i) in subparagraph (E), by striking
19 “or” at the end;

20 (ii) in subparagraph (F), by striking
21 the period at the end and inserting “; or”;
22 and

23 (iii) by adding the following at the
24 end:

1 “(G) in the case of a proprietary institution of
2 higher education, a conversion to a public or other
3 nonprofit institution of higher education.”;

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

5 “(5)(A) Subject to subparagraph (B), when any insti-
6 tution submits an application for a change in ownership
7 resulting in a change in control under this section or sub-
8 mits a pretransaction review application under paragraph
9 (1)(B) (other than in the case of a conversion trans-
10 action), the institution shall be required to pay to the Sec-
11 retary an administrative fee that shall—

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

16 “(ii) be used exclusively for expenses related to
17 the processing of such application, and be available
18 to the Secretary without further appropriation, ex-
19 clusively for expenses related to the processing of
20 such approval or application.

21 “(B) In the case of a proprietary institution submit-
22 ting an application for conversion, or a pretransaction re-
23 view application for conversion, the institution shall be re-
24 quired to pay to the Secretary an administrative fee that
25 shall—

1 “(i) be in an amount equal to 0.30 percent of
2 the total institutional revenue derived from this title
3 by such institution for the most fiscal year for which
4 data is available; and

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

7 “(I) 50 percent shall be available to the
8 Secretary without further appropriation, exclu-
9 sively for expenses related to the processing of
10 such application; and

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

21 “(C) An institution that pays a fee under subpara-
22 graph (A) or (B) for a pretransaction application with re-
23 spect to a proposed transaction shall not be required to
24 pay another fee under such subparagraph for a change
25 in ownership application with respect to such transaction.

1 “(D) In no case may any fee remitted under subpara-
2 graph (A) or (B) exceed \$120,000 for any transaction (or
3 pretransaction) application, nor may the Secretary require
4 an institution that has paid a fee under subparagraph (B)
5 to pay an additional fee under subparagraph (A).

6 “(6)(A) The Secretary shall approve or deny a mate-
7 rially complete application (including pretransaction re-
8 views and conversion applications) submitted under this
9 section as soon as practicable and not later than the 90-
10 day period beginning on the date of receipt of such an
11 application, except that in a case in which the Secretary
12 determines, on a nondelegable basis, that good cause exists
13 to not make the determination during such 90-day period,
14 the Secretary shall notify the institution in writing detail-
15 ing the reasons for a good cause extension.

16 “(B) If the Secretary fails to approve or deny a mate-
17 rially complete application during the period described in
18 subparagraph (A) and does not find good cause for exten-
19 sion, the materially complete application shall be deemed
20 approved.

21 “(C) In no case may the Secretary grant a good cause
22 extension under this section to an institution for more
23 than one month at a time, or for a total of more than
24 more than 12 months.

1 “(D) To ensure timely submission of all relevant doc-
2 umentation, the Secretary may deny an application if an
3 institution does not make a good faith effort to submit
4 to the Secretary, in a timely manner—

5 “(i) all relevant documentation; or

6 “(ii) a materially complete application.

7 “(E)(i) Upon approving or denying an application
8 under this paragraph, the Secretary shall publish in the
9 Federal Register the reasoning for such approval or de-
10 nial, including—

11 “(I) a copy of the approval or denial letter sent
12 to the institution; and

13 “(II) any analysis regarding how the Secretary
14 determined under paragraph 7(A)(iii) that a director
15 of the institution was an interested or disinterested
16 party to the transaction.

17 “(ii) The Secretary shall not publish under clause (i)
18 any information that is otherwise exempt from disclosure
19 under section 552 of title 5, United States Code (relating
20 to the Freedom of Information Act), including trade se-
21 crets and commercial or financial information that is privi-
22 leged or confidential.

23 “(7)(A) In the case of a proprietary institution that
24 subsequent to the transaction would be owned and oper-
25 ated by an entity (in this paragraph referred to as the

1 ‘buyer’) seeking to be recognized as a public or other non-
2 profit institution, the buyer shall meet the definition of
3 a nonprofit institution under section 103(13) if—

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

6 “(ii) the buyer pays no more than fair market
7 value for any service or lease contracts, including
8 such service and lease contracts provided by the en-
9 tity selling the proprietary institution; and

10 “(iii) to prevent self-dealing in the case where
11 one or more individuals with a substantial ownership
12 or controlling interests in the proprietary institution
13 will also have substantial or controlling interests in
14 the institution seeking to be recognized as a public
15 or other nonprofit institution (meaning that one or
16 more individuals are on both sides of the trans-
17 action), the change of control transaction, and any
18 substantial asset acquisition, service, or lease agree-
19 ments with the proprietary institution shall be ap-
20 proved by a disinterested committee of directors of
21 the entity that seeks to be recognized as a public or
22 other nonprofit institution.

23 “(B) For the purposes of this paragraph, parties to
24 the transaction are entitled to a rebuttable presumption
25 that the assets, lease contracts, and service contracts that

1 are part of the transaction are purchased at fair market
2 value if—

3 “(i) the acquiring entity pays no more than fair
4 market value for such assets, lease contracts, or
5 service contracts; and

6 “(ii) the value of the assets, lease contracts, or
7 service contracts are evaluated by at least one inde-
8 pendent third-party entity hired by parties on both
9 sides of the transaction.

10 “(8)(A) An institution that has been approved for
11 conversion by the Secretary shall be subject to a moni-
12 toring period for a 5-year period beginning on the day
13 after the date of such approval. In conducting the moni-
14 toring of the institution under this paragraph, the Sec-
15 retary—

16 “(i) shall only conduct monitoring to ensure
17 that the institution is in compliance with the re-
18 quirements of section 103(13) and paragraph (7) of
19 this subsection; and

20 “(ii) may require the institution to submit reg-
21 ular reports or conduct audits of such institution re-
22 lating to such compliance.

23 “(B) Each institution that is subject to the moni-
24 toring period under this paragraph shall remit an annual
25 fee to the Secretary—

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

5 “(ii) that shall be exclusively for expenses re-
6 lated to monitoring of the institution for the period
7 described in subparagraph (A)—

8 “(I) of which 50 percent shall be used by
9 the Secretary, without further appropriation,
10 exclusively for expenses related to monitoring of
11 the institution during such period; and

12 “(II) of which 50 percent shall be remitted
13 by the Secretary to the Commissioner of Inter-
14 nal Revenue, to be available to such Commis-
15 sioner, without further appropriation, exclu-
16 sively for monitoring compliance with the Inter-
17 nal Revenue Code of such institution during
18 such period.

19 “(C) An institution may not be subject to an annual
20 fee under subparagraph (B) for monitoring related to a
21 conversion that exceeds \$60,000.

22 “(D) If the Secretary determines that an institution
23 should be subject to the monitoring under this paragraph
24 beyond the 5-year period described in subparagraph (A),
25 the Secretary shall provide the reasons justifying an exten-

1 sion in writing to the institution (and in the Federal Reg-
2 ister) at least 30 days before the expiration of such period.

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

17 “(9) Any institution that submits an application for
18 conversion shall not promote or market itself, in any man-
19 ner, as a public or other nonprofit institution of higher
20 education unless—

21 “(A) the Secretary has provided final approval
22 of the conversion of the institution to a public or
23 other nonprofit institution of higher education under
24 this section;

1 “(B) an accrediting agency or association recog-
2 nized by the Secretary pursuant to section 496 has
3 approved such public or nonprofit status of the insti-
4 tution;

5 “(C) the State has given final approval to the
6 institution as a public or nonprofit institution of
7 higher education, as applicable; and

8 “(D) in the case of an institution seeking non-
9 profit status, the Commissioner of Internal Revenue
10 has approved the institution as tax exempt pursuant
11 to the Internal Revenue Code of 1986.

12 “(10) Not later than 270 days after the date of enact-
13 ment of the College Cost Reduction Act, and periodically
14 thereafter, the Secretary shall publish (and update as nec-
15 essary) in the Federal Register—

16 “(A) descriptions of the documents and mate-
17 rials the Secretary expects or requires institutions of
18 higher education to submit (including any standard-
19 ized forms) as part of any pretransaction application
20 or change in ownership application under this sec-
21 tion, including a description of what the Secretary
22 considers to be a materially complete application;
23 and

24 “(B) after at least a 30-day notice and com-
25 ment period, responses to any public comments re-

1 ceived with respect to such descriptions or updates
2 to such descriptions.

3 “(11) In a case in which the Secretary requests a doc-
4 ument under this section as part of a pretransaction or
5 change in ownership application that is not described in
6 the Federal Register under paragraph (10), the Secretary
7 shall—

8 “(A) substantiate, in writing to the institution,
9 the reasons why the Secretary is requesting such
10 documents; and

11 “(B) publish such reasons in the Federal Reg-
12 ister, including whether the Secretary may request
13 other institutions that submit applications under this
14 section to produce similar documentation.

15 “(12)(A) Not later than 18 months after the date of
16 enactment of the College Cost Reduction Act, and annu-
17 ally thereafter, the Secretary shall submit a report to au-
18 thorizing committees, and post such report on a publicly
19 available website regarding implementation of the amend-
20 ments made to this section by such Act, including the fol-
21 lowing information:

22 “(i) The mean and median length of time taken
23 by the Secretary to review applications under this
24 section during the preceding 12-month period.

1 “(ii) The number of applications approved or
2 denied during the preceding 12-month period.

3 “(iii) For any application not processed during
4 the 90-day period beginning on the date of receipt
5 of the application for which the Secretary found
6 good cause under paragraph (6)(A) to extend the
7 deadline in which the application shall be processed,
8 a copy of the letter sent to the institution explaining
9 why the Secretary believed good cause existed for
10 such extension.

11 “(iv) For any application not processed during
12 such 90-day period, which was deemed to be auto-
13 matically approved by the requirements of this sec-
14 tion under paragraph (6)(B), the name of each insti-
15 tution involved and an explanation for why the appli-
16 cation was not processed in a timely manner.

17 “(v) Any legislative suggestions the Secretary
18 may have to improve the application or monitoring
19 process under this section.

20 “(B) If the Secretary fails to submit a report under
21 this paragraph by not later than 90 days after the dead-
22 line for such submission under subparagraph (A), the Sec-
23 retary may not, for the 12-month period following such
24 failure, spend the fees remitted by institutions under this

1 section or remit such fees to the Commissioner unless
2 Congress provides for such use by further appropriation.

3 “(13) For the purposes of this subsection, the term
4 ‘conversion’ means any transaction under which—

5 “(A) a proprietary institution is reorganized
6 and seeks recognition as a public or other nonprofit
7 institution; or

8 “(B) the control of a proprietary institution is
9 transferred as a result of a sale, donation, or other
10 method to an entity that seeks certification under
11 this section as a public or other nonprofit institu-
12 tion.”.

13 (3) APPLICATION.—The amendments made by
14 this section shall be apply with respect to applica-
15 tions submitted for change of control or conversion
16 submitted on or after January 1, 2023.

17 (4) REPORT.— Not later than 5 years after the
18 date of enactment of this Act, the Comptroller Gen-
19 eral shall submit to the Committee on Education
20 and the Workforce of the House of Representatives
21 and the Committee on Health, Education, Labor,
22 and Pensions of the Senate, a report on the imple-
23 mentation of the amendments made by this sub-
24 section, including recommendations to improve—

1 (A) the application process under section
2 498(i) of the Higher Education Act of 1965 (20
3 U.S.C. 1099c(i)), as amended by paragraph (2),
4 for institutions of higher education seeking a
5 change in ownership resulting in a change in
6 control; or

7 (B) the monitoring process under such sec-
8 tion for institutions of higher education that
9 have recently converted from being recognized
10 as a proprietary institution to a public or other
11 nonprofit institution.

12 (d) FINANCIAL RESPONSIBILITY.—

13 (1) REGULATION REPEALED.—Sections 668.15,
14 668.23, 668.171, and 668.174 through 668.177 of
15 title 34, Code of Federal Regulations (relating to fi-
16 nancial responsibility), as added or amended by the
17 final regulations published by the Department of
18 Education in the Federal Register on October 31,
19 2023 (87 Fed. Reg. 74568 et seq.), are repealed and
20 will have no force or effect.

21 (2) AMENDMENTS.—Section 498(c) of the
22 Higher Education Act of 1965 (20 6 U.S.C.
23 1099c(c)) is amended—

1 (A) by redesignating paragraphs (3), (4),
2 (5), and (6) as paragraphs (4), (5), (6), and
3 (7), respectively;

4 (B) in paragraph (2)—

5 (i) by striking “paragraph (1), if” and
6 inserting “paragraph (1), the Secretary
7 shall prescribe criteria regarding ratios
8 that aid in the determination financial re-
9 sponsibility. Such ratios shall be first
10 issued in draft form to the institution to
11 allow for adequate review, consisting of an
12 appeals process, by such institutions of
13 higher education. If”; and

14 (ii) by striking “prescribed by the
15 Secretary regarding ratios” and inserting
16 “prescribed by the Secretary regarding the
17 final ratios”;

18 (C) by inserting after paragraph (2) the
19 following:

20 “(3) Notwithstanding paragraph (2), the Secretary
21 shall take into account an institution’s current total finan-
22 cial circumstances, including any subsequent change in the
23 institution’s overall fiscal health based on the standards
24 in paragraph (2), when making a determination of its abil-
25 ity to meet the standards herein required before any sub-

1 sequent action is taken under paragraph (4). If an institu-
2 tion meets the standards in paragraph (2), the institution
3 shall be seen as financially responsible.”;

4 (D) in subparagraph (C) of paragraph (4),
5 as so redesignated, by striking “establishes to
6 the satisfaction of the Secretary, with” and in-
7 serting “establishes, with”;

8 (E) in paragraph (5), as so redesignated—

9 (i) in subparagraph (A), by inserting
10 “and” after the semicolon at the end;

11 (ii) in subparagraph (B), by striking
12 “; and” and inserting a period; and

13 (iii) by striking subparagraph (C);

14 (F) in paragraph (6), as so redesignated,
15 by striking “(3)(C)” and inserting “(4)(C)”;
16 and

17 (G) by adding at the end the following new
18 paragraph:

19 “(8) Not later than 18 months after the date of en-
20 actment of the College Cost Reduction Act, the Secretary
21 shall pursue a process to update the ratios regarding fi-
22 nancial responsibility as identified in paragraph (2). The
23 Secretary shall report the revised ratios to—

24 “(A) the Committee on Education and the
25 Workforce of the House of Representatives; and

1 “(B) the Committee on Health, Education,
2 Labor, and Pensions of the Senate.”.

3 (e) INCENTIVE COMPENSATION; THIRD PARTY
4 SERVICER.—

5 (1) AMENDMENTS.—Section 487(a)(20) (20
6 U.S.C. 1094(a)(20)) is amended to read as follows:

7 “(20) The institution will not provide any com-
8 mission, bonus, or other incentive payment based di-
9 rectly or indirectly on success in securing enroll-
10 ments or financial aid to any persons or entities en-
11 gaged in any student recruiting or admission activi-
12 ties, or in making decisions regarding the award of
13 student financial assistance, except that this para-
14 graph shall not apply—

15 “(A) to the recruitment of foreign students
16 residing in foreign countries who are not eligi-
17 ble to receive Federal student assistance; or

18 “(B) to a third party where—

19 “(i) the third party is providing the
20 institution recruiting or admissions activi-
21 ties as part of a larger bundle of services
22 not covered by this paragraph and which
23 may include marketing or advertising ac-
24 tivities that broadly disseminate or dis-
25 tribute widely available information;

1 “(ii) the third party does not provide
2 any commission, bonus, or other incentive-
3 based payments to its employees or sub-
4 contractors who are providing services to
5 the institution covered in this paragraph;
6 and

7 “(iii) the third party is not awarding
8 or disbursing Federal financial aid
9 awards.”.

10 (2) DEFINITION.—Section 481(c) (20 U.S.C.
11 1088(c)) is amended to read as follows:

12 “(c) THIRD PARTY SERVICER.—

13 “(1) For purposes of this title, the term ‘third
14 party servicer’—

15 “(A) means any individual, any State, or
16 any private, for-profit or nonprofit organization,
17 which enters into a contract with—

18 “(i) any eligible institution of higher
19 education to administer, through either
20 manual or automated processing, any as-
21 pect of such institution’s student assist-
22 ance programs under this title; or

23 “(ii) any guaranty agency, or any eli-
24 gible lender, to administer, through either
25 manual or automated processing, any as-

1 pect of such guaranty agency’s or lender’s
2 student loan programs under part B of
3 this title, including originating, guaran-
4 teeing, monitoring, processing, servicing, or
5 collecting loans; and

6 “(B) does not include any individual, any
7 State, or any private, for-profit or nonprofit or-
8 ganization, which conducts activities or inter-
9 acts with prospective or enrolled students for
10 the purposes of—

11 “(i) marketing or recruiting, such as
12 soliciting potential enrollments through the
13 dissemination of information and adver-
14 tising;

15 “(ii) assisting with the completion of
16 applications for enrollment, such as screen-
17 ing pre-enrollment information and offer-
18 ing admission counseling;

19 “(iii) administering ability-to-benefit
20 tests or establishing any aspect of an eligi-
21 ble career pathway program;

22 “(iv) conducting activities for the re-
23 tention of students, such as monitoring
24 academic engagement and conducting out-
25 reach to student regarding attendance; and

1 “(v) providing instructional content,
2 such as evaluating course completion, de-
3 livering mandatory tutoring, assessing stu-
4 dent learning, including through electronic
5 means, or developing curricula or course
6 materials.

7 “(2) The Secretary shall not regulate on the
8 definition of a ‘third party servicer’.”.

9 (f) OTHER REPEALS.—The following regulations (in-
10 cluding any supplement or revision to such regulations)
11 are repealed and shall have no legal effect:

12 (1) CLOSED SCHOOL DISCHARGES.—Sections
13 674.33(g), 682.402(d), and 685.214 of title 34,
14 Code of Federal Regulations (relating to closed
15 school discharges), as added or amended by the final
16 regulations published by the Department of Edu-
17 cation in the Federal Register on November 1, 2022
18 (87 Fed. Reg. 65904 et seq.).

19 (2) BORROWER DEFENSE TO REPAYMENT.—
20 Section 685.401 of title 34, Code of Federal Regula-
21 tions (relating to borrower defense to repayment), as
22 added or amended by the final regulations published
23 by the Department of Education in the Federal Reg-
24 ister on November 1, 2022 (87 Fed. Reg. 65904 et
25 seq.).

1 (3) PRE-DISPUTE ARBITRATION.—Sections
2 668.41, 685.300, and 685.304 of title 34, Code of
3 Federal Regulations (relating to pre-dispute arbitra-
4 tion), as added or amended by the final regulations
5 published by the Department of Education in the
6 Federal Register on November 1, 2022 (87 Fed.
7 Reg. 65904 et seq.).

8 (4) FALSE CERTIFICATION.—Sections
9 682.402(e), 685.215(c), and 685.215(d) of title 34,
10 Code of Federal Regulations (relating to false cer-
11 tification), as added or amended by the final regula-
12 tions published by the Department of Education in
13 the Federal Register on November 1, 2022 (87 Fed.
14 Reg. 65904 et seq.).

15 (5) ADMINISTRATIVE CAPABILITY.—Sections
16 668.16 of title 34, Code of Federal Regulations (re-
17 lating to administrative capability), as added or
18 amended by the final regulations published by the
19 Department of Education in the Federal Register on
20 October 31, 2023 (87 Fed. Reg. 74568 et seq.).

21 (6) CERTIFICATION PROCEDURES.—Sections
22 668.13, 668.14, and 668.43 of title 34, Code of Fed-
23 eral Regulations (relating to certification proce-
24 dures) as added or amended by the final regulations
25 published by the Department of Education in the

1 Federal Register on October 31, 2023 (87 Fed. Reg.
2 74568 et seq.).

3 (7) ABILITY TO BENEFIT.—Sections 668.2,
4 668.32, 668.156, and 668.157 of title 34, Code of
5 Federal Regulations (relating to ability to benefit) as
6 added or amended by the final regulations published
7 by the Department of Education in the Federal Reg-
8 ister on October 31, 2023 (87 Fed. Reg. 74568 et
9 seq.).

10 (8) PERSONAL LIABILITY.—The electronic an-
11 nouncement titled “Establishing Personal Liability
12 Requirements for Financial Losses Related to the
13 Title IV Programs” (GENERAL–23–11, published
14 on March 1, 2023).

15 (g) EFFECT OF REPEAL.—Any regulations repealed
16 by subsections (c) through (e) that were in effect on June
17 30, 2023, are restored and revived as if the repeal of such
18 regulations under such subsections had not taken effect.

19 (h) PROHIBITION.—The Secretary of Education may
20 not implement any rule, regulation, policy, or executive ac-
21 tion specified in this section (or a substantially similar
22 rule, regulation, policy, or executive action) unless author-
23 ity for such implementation is explicitly provided in an Act
24 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 ACTIVI-
5 TIES.—In conducting, responding to, and concluding pro-
6 gram review 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 writ-
14 ten response to a draft final program review report,
15 provide 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

1 such delay and provide an anticipated date for con-
2 clusion of the review.”.

3 **SEC. 303. LIMITATION ON AUTHORITY OF SECRETARY TO**
4 **PROPOSE OR ISSUE REGULATIONS AND EX-**
5 **ECUTIVE ACTIONS.**

6 Part G of title IV of the Higher Education Act of
7 1965 (20 U.S.C. 1088 et seq.) is amended by inserting
8 after section 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
13 date 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 (re-
17 gardless 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
23 an increase in a subsidy cost, then the Secretary
24 may take no further action with respect to such reg-
25 ulation.

1 “(b) PROPOSED OR FINAL REGULATIONS AND EXEC-
2 UTIVE ACTIONS.—Beginning after the date of enactment
3 of this section, the Secretary may not issue a proposed
4 rule, final regulation, or executive action implementing
5 this title if the Secretary determines that the rule, regula-
6 tion, or executive 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.—

11 The analyses required under subsections (a) and (b) shall
12 be in addition to any other cost analysis required under
13 law for a regulation implementing this title, including any
14 cost analysis that may be required pursuant to Executive
15 Order 12866 (58 Fed. Reg. 51735; relating to regulatory
16 planning and review), Executive Order 13563 (76 Fed.
17 Reg. 3821; relating to improving regulation and regu-
18 latory review), or any related or successor orders.

19 “(d) DEFINITION.—In this section, the term ‘eco-
20 nomically significant’, when used with respect to a draft,
21 proposed, or final regulation or executive action, means
22 that the regulation or executive action is likely, as deter-
23 mined by the Secretary—

24 “(1) to have an annual effect on the economy
25 of \$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 ref-
18 erences 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
24 of the following activities, as carried out by a quali-
25 fied 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
19 term is defined in section 2.101 of title 48, Code of
20 Federal Regulations) that instructs such loan
21 servicer to perform a function that is new or dif-
22 ferent from a function such servicer performs pursu-
23 ant to an existing contract, the PBO shall, not later
24 than 30 days before such contract change takes ef-

1 fect, provide such servicers with written guidance in
2 the form of—

3 “(A) a change order (as such term is de-
4 fined in section 2.101 of title 48, Code of Fed-
5 eral Regulations);

6 “(B) a dear colleague letter; or

7 “(C) an electronic announcement.

8 “(2) NON-BINDING DIRECTIVES.—A student
9 loan servicer that is notified of a final contract
10 modification described in paragraph (1) and receives
11 guidance in a form other than a form described in
12 paragraph (1) (including through emails or phone
13 calls) shall not be subject to such contract modifica-
14 tion.”.

15 **Subpart 2—Accreditors**

16 **SEC. 311. ACCREDITING AGENCY RECOGNITION.**

17 (a) CRITERIA REQUIRED.—Section 496(a) of the
18 Higher Education Act of 1965 (20 U.S.C. 1099b(a)) is
19 amended—

20 (1) in the matter preceding paragraph (1), in
21 the first sentence, by striking “or training” and in-
22 serting “skills development”;

23 (2) by amending paragraph (1) to read as fol-
24 lows:

1 “(1) the accrediting agency or association
2 (other than an accrediting agency or association de-
3 scribed in paragraph (2)(D)) shall be a State or na-
4 tional agency or association and shall demonstrate
5 the ability to operate as an institutional or pro-
6 grammatic accrediting agency or association within
7 the State or nationally, as appropriate;”;

8 (3) in paragraph (2)—

9 (A) in subparagraph (A)—

10 (i) in clause (i), by striking “prin-
11 cipal”; and

12 (ii) in clause (ii), by striking “its prin-
13 cipal” and inserting “a”; and

14 (B) in subparagraph (C), by inserting “or”
15 at the end; and

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

17 “(D) is an entity (such as an industry-spe-
18 cific quality assurance entity) that has been—

19 “(i) determined by a State to be a re-
20 liable authority as to the quality of edu-
21 cation or skills development offered in such
22 State for the purposes of this Act; and

23 “(ii) designated (in accordance with
24 subsection (b)(1)) by such State as an ac-

1 crediting agency or association with re-
2 spect to such State for such purposes;”;

3 (4) in paragraph (3)—

4 (A) by amending subparagraph (A) to read
5 as follows:

6 “(A) subparagraph (A), (C), or (D) of
7 paragraph (2), then such agency or association
8 is—

9 “(i) distinctly incorporated or orga-
10 nized; and

11 “(ii) both administratively and finan-
12 cially separate from, and independent of,
13 any related, associated, or affiliated trade
14 association or membership organization, by
15 ensuring that—

16 “(I) the members of the board or
17 governing body of the accrediting
18 agency or association are not elected
19 or selected by the board or chief execu-
20 tive officer (or the representative of
21 such board or officer) of any related,
22 associated, or affiliated trade associa-
23 tion or membership organization;

1 “(II) among the membership of
2 the board or governing body of the ac-
3 crediting agency or association—

4 “(aa) if such board or body
5 is comprised of 5 or fewer mem-
6 bers, there is a minimum of one
7 public member who represents
8 business and who is not a mem-
9 ber of any related, associated, or
10 affiliated trade association or
11 membership organization; and

12 “(bb) if such board or body
13 is comprised of 6 or more mem-
14 bers, there is a minimum of 1
15 such public member for every 6
16 members;

17 “(III) guidelines are established
18 for such members to avoid conflicts of
19 interest, including specific guidelines
20 to ensure that no such member is an
21 employee of any institution accredited
22 by the agency or association or has a
23 financial interest in any such institu-
24 tion;

1 “(IV) dues to the accrediting
2 agency or association are paid sepa-
3 rately from any dues paid to any re-
4 lated, associated, or affiliated trade
5 association or membership organiza-
6 tion; and

7 “(V) the budget of the accred-
8 iting agency or association is devel-
9 oped, decided, and maintained by the
10 accrediting agency or association with-
11 out any review by, consultation with,
12 or approval by any related, associated,
13 or affiliated trade association or mem-
14 bership organization;”;

15 (B) by striking “or” at the end of subpara-
16 graph (B); and

17 (C) by striking subparagraph (C);

18 (5) in paragraph (4)—

19 (A) in subparagraph (A)—

20 (i) by inserting “(in the manner de-
21 scribed in subparagraph (B))” after “reli-
22 gious missions”; and

23 (ii) by striking “and” at the end; and

24 (B) by striking subparagraph (B) and in-
25 serting the following:

1 “(B) such accrediting agency or associa-
2 tion consistently applies and enforces standards
3 that respect the stated religious mission of an
4 institution of higher education by—

5 “(i) basing decisions regarding accred-
6 itation and preaccreditation on the stand-
7 ards of accreditation of such agency or as-
8 sociation; and

9 “(ii) not using as a negative factor
10 the institution’s religious mission based
11 policies, decisions, and practices in the
12 areas covered by subparagraphs (B), (C),
13 (D), (E), and (F) of paragraph (5), except
14 that the agency or association may require
15 that the institution’s or a program of
16 study’s curricula include all core compo-
17 nents required by the agency or association
18 that are not inconsistent with the institu-
19 tion’s religious mission; and

20 “(C) such agency or association dem-
21 onstrates the ability to review, evaluate, and as-
22 sess the quality of any instruction delivery
23 model or method such agency or association has
24 or seeks to include within its scope of recogni-
25 tion, without giving preference to or differen-

1 tially treating a particular instruction delivery
2 model or method offered by an institution of
3 higher education or program, except that—

4 “(i) in a case in which the instruction
5 delivery model allows for the separation of
6 the student from the instructor, the agency
7 or association shall not be required to have
8 separate standards, procedures, or policies
9 for the evaluation of the quality of any in-
10 struction delivery model or method in order
11 to meet the requirements of this subpara-
12 graph; and

13 “(ii) in the case in which the instruc-
14 tion delivery model allows for the separa-
15 tion of the student from the instructor—

16 “(I) the agency or association re-
17 quires the institution to have proc-
18 esses through which the institution es-
19 tablishes that the student who reg-
20 isters in a course or program is the
21 same student who participates in the
22 program (including, to the extent
23 practicable, the testing or other as-
24 sessments required under the pro-

1 gram), completes the program, and
2 receives the academic credit; and

3 “(II) the agency or association
4 requires that any process used by an
5 institution to comply with the require-
6 ment under clause (I) does not in-
7 fringe upon student privacy and is im-
8 plemented in a manner that is mini-
9 mally burdensome to the student;”;
10 and

11 (6) in paragraph (5)—

12 (A) by amending subparagraph (A) to read
13 as follows:

14 “(A) success with respect to student
15 achievement outcomes in relation to the institu-
16 tion’s mission and to the programs the institu-
17 tion offers, or the mission of a specific degree,
18 certificate, or credential program, which may
19 include different standards for different institu-
20 tions or programs, and which shall include—

21 “(i) standards for consideration of the
22 median total price charged to students for
23 a program of study in relation to the me-
24 dian value-added earnings of students who
25 completed such program;

1 “(ii) standards for consideration of
2 learning outcomes measures (such as com-
3 petency attainment and licensing examina-
4 tion passage rates);

5 “(iii) standards for consideration of
6 labor market outcomes measures (such as
7 employer satisfaction surveys, employ-
8 ability measures, earnings gains, employ-
9 ment rates, or other similar approaches);
10 and

11 “(iv) standards for consideration of
12 student success outcomes measures (such
13 as completion rates, retention rates, and
14 loan repayment rates);”;

15 (B) by amending subparagraph (I) to read
16 as follows:

17 “(I) record of student complaints received
18 by, or available to, the agency or association,
19 and a process for resolving complaints received
20 by the institution; and”;

21 (C) in subparagraph (J), by inserting “and
22 the median total price charged to students for
23 a program of study in relation to the median
24 value-added earnings of students who completed
25 such program provided by the Secretary” after

1 “student loan default rate data provided by the
2 Secretary”.

3 (b) SECRETARIAL REQUIREMENTS AND AUTHOR-
4 ITY.—Subsection (b) of section 496 of the Higher Edu-
5 cation Act of 1965 (20 U.S.C. 1099b) is amended to read
6 as follows:

7 “(b) SECRETARIAL REQUIREMENTS AND AUTHOR-
8 ITY.—

9 “(1) STATE DESIGNATED ACCREDITING AGEN-
10 CY.—

11 “(A) APPROVAL OF STATE PLANS.—The
12 Secretary shall—

13 “(i) approve a State’s designation of
14 an entity as an accrediting agency or asso-
15 ciation for the purposes described in sub-
16 section (a)(2)(D) for a 5-year period, be-
17 ginning not later than 30 days after re-
18 ceipt of the plan from such State with re-
19 spect to such designation, if such plan in-
20 cludes each of the elements listed in sub-
21 paragraph (B);

22 “(ii) submit to the State and the au-
23 thorizing committees, and make publicly
24 available the Secretary’s response to the
25 State with respect to such plan, including

1 whether the plan includes each of the ele-
2 ments listed in subparagraph (B); and

3 “(iii) if a State’s designation of an en-
4 tity as an accrediting agency or association
5 is approved pursuant to this subparagraph,
6 publish in the Federal Register with a 30-
7 day public comment period—

8 “(I) the plan submitted by such
9 State with respect to such designa-
10 tion; and

11 “(II) the Secretary’s response to
12 such plan.

13 “(B) REQUIRED PLAN ELEMENTS.—The
14 required elements of a State plan submitted
15 under subparagraph (A) with respect to the
16 designation of an entity as an accrediting agen-
17 cy or association are as follows:

18 “(i) A description of the process the
19 State used to select the entity for such des-
20 ignation.

21 “(ii) A justification of the State’s de-
22 cision to select the entity for such designa-
23 tion.

24 “(iii) A description of any require-
25 ments (in addition to the requirements of

1 this section), that the State required the
2 entity to comply with as a condition of re-
3 ceiving and maintaining such designation.

4 “(iv) A copy of the standards, policies,
5 and procedures of the entity that the State
6 considered in selecting the entity for such
7 designation.

8 “(v) The State’s assessment of how
9 the standards for accreditation of the enti-
10 ty will be effective in meeting the require-
11 ments of subsection (a)(5).

12 “(vi) Evidence that at least one other
13 State has determined that such entity is a
14 reliable authority as to the quality of edu-
15 cation offered for the purposes of this Act.

16 “(vii) An assurance that the State will
17 comply with the monitoring requirements
18 described in subparagraph (C).

19 “(C) STATE MONITORING.—

20 “(i) IN GENERAL.—A State that has
21 designated an entity as an accrediting
22 agency or association for the purposes de-
23 scribed in subsection (a)(2)(D) shall sub-
24 mit to the Secretary, and to the State au-
25 thORIZING entity, as appropriate, a report at

1 the end of the 5-year period for which the
2 entity has received such designation, which
3 shall include, with respect to each postsec-
4 ondary education program or institution
5 that has been accredited by such entity
6 during such period, and disaggregated by
7 type of credential, certification, or de-
8 gree—

9 “(I) the number and percentage
10 of students who have successfully ob-
11 tained a postsecondary education cre-
12 dential, certification, or degree offered
13 by such program or institution; and

14 “(II) the number and percentage
15 of students who were enrolled and did
16 not successfully obtain such a creden-
17 tial, certification, or degree within 150
18 percent of the program length.

19 “(ii) COUNTING TRANSFER STU-
20 DENTS.—For purposes of clause (i)(I), a
21 student shall be counted as obtaining a
22 credential, certification, or degree offered
23 by a program or institution that was ac-
24 credited by the entity during the period for
25 which the report under this subparagraph

1 is being submitted, if the student obtains
2 such credential, certification, or degree
3 after transferring to another institution
4 during such period.

5 “(2) AUTHORITY TO PROVIDE AN ACCELER-
6 ATED PATH TO RECOGNITION.—With respect to a
7 prospective accrediting agency or association that
8 submits to the Secretary an application for initial
9 recognition under this Act, the Secretary may pro-
10 vide such recognition to such agency or association
11 within 2 years after receipt of such application, if
12 such application—

13 “(A) demonstrates that the agency or asso-
14 ciation—

15 “(i) has at least one year of experi-
16 ence in making accreditation or
17 preaccreditation decisions; and

18 “(ii) has policies in place that meet all
19 the criteria under subsection (a) for rec-
20 ognition covering the range of the specific
21 degrees, certificates, institutions, or pro-
22 gram of study for which the agency or as-
23 sociation seeks such recognition; and

24 “(B) provides an assurance that if the
25 agency or association receives such recognition,

1 the agency or association will submit to the
2 Secretary monitoring reports regarding accredi-
3 tation or preaccreditation decisions, as appro-
4 priate.

5 “(3) DEVELOPMENT OF COMMON TERMI-
6 NOLOGY.—Not later than 18 months after the date
7 of enactment of the College Cost Reduction Act, the
8 Secretary shall—

9 “(A) convene a panel of experts to develop
10 common terminology for accrediting agencies or
11 associations to use in making accrediting deci-
12 sions with respect to program of study or insti-
13 tutions, such as a common understanding of
14 monitoring, warning, show cause, and other rel-
15 evant statuses, as appropriate; and

16 “(B) publish the recommendations for such
17 common terminology in the Federal Register
18 with a 60-day public comment period.”.

19 (c) OPERATING PROCEDURES REQUIRED.—

20 (1) ON-SITE INSPECTIONS AND REVIEWS.—
21 Paragraph (1) of section 496(c) (20 U.S.C.
22 1099b(c)) is amended—

23 (A) by inserting “(which may vary based
24 on institutional risk consistent with policies pro-
25 mulgated by the agency or association to deter-

1 mine such risk and interval frequency as au-
2 thorized under subsection (p))” after “inter-
3 vals”; and

4 (B) by striking “, including those regard-
5 ing distance education”.

6 (2) MECHANISM TO IDENTIFY INSTITUTIONS
7 AND PROGRAMS EXPERIENCING DIFFICULTIES.—
8 Section 496(c) (20 U.S.C. 1099b(c)) is further
9 amended—

10 (A) by redesignating paragraphs (2)
11 through (9) as paragraphs (3) through (10), re-
12 spectively; and

13 (B) by inserting after paragraph (1) the
14 following:

15 “(2) develops a policy process to identify any
16 institution or program of study accredited by the
17 agency or association that is not meeting the stand-
18 ards for accreditation of the agency or association,
19 with a focus on the standards assessing an institu-
20 tion’s or program of study’s student achievement
21 outcomes described in subsection (a)(5)(A), and
22 other indicators, which shall include—

23 “(A) not less than annually, evaluating the
24 extent to which such an identified institution or

1 program of study continues to be in compliance
2 with such standards or other indicators; and

3 “(B) as appropriate, requiring the institu-
4 tion or program of study to submit a plan, on
5 an annual basis, to the accrediting agency or
6 association to—

7 “(i) address and remedy performance
8 issues with respect to such compliance; and

9 “(ii) ensure that such plan is success-
10 fully implemented.”.

11 (3) PROCEDURES WITH RESPECT TO SUB-
12 STANTIVE CHANGES.—Paragraph (5) of section
13 496(c) (20 U.S.C. 1099b(c)) (as redesignated by
14 paragraph (2)(A)) is amended to read as follows:

15 “(5) establishes and applies or maintains poli-
16 cies, which ensure that any substantive change to
17 the educational mission, program of study, or pro-
18 gram of study of an institution after the agency or
19 association has granted the institution accreditation
20 or preaccreditation status does not adversely affect
21 the capacity of the institution to continue to meet
22 the agency’s or association’s standards for such ac-
23 creditation or preaccreditation status, which shall in-
24 clude policies that—

1 “(A) require the institution to obtain the
2 agency’s or association’s approval of the sub-
3 stantive change before the agency or association
4 includes the change in the scope of the institu-
5 tion’s accreditation or preaccreditation status;
6 and

7 “(B) define substantive change to include,
8 at a minimum—

9 “(i) any change in the established
10 mission or objectives of the institution;

11 “(ii) any change in the legal status,
12 form of control, or ownership of the insti-
13 tution, including the acquisition or addition
14 of any other institution or new location
15 where more than 50 percent of a program
16 is offered;

17 “(iii) the addition of program of study
18 at a higher credential level from the cre-
19 dential level previously accredited by the
20 agency or association; or

21 “(iv) the entering into a contract
22 under which an institution or organization
23 not certified to participate in programs
24 under this title offers more than 25 per-
25 cent but less than 50 percent of the in-

1 struction of an educational program of the
2 institution with such accreditation or
3 preaccreditation status;”.

4 (4) PUBLIC AVAILABILITY.—Section 496(c) (20
5 U.S.C. 1099b(c)) is further amended—

6 (A) in paragraph (8) (as redesignated by
7 paragraph (2)(A))—

8 (i) in the matter preceding subpara-
9 graph (A), by inserting “, on the agency’s
10 or association’s website,” after “public”;
11 and

12 (ii) in subparagraph (C), by inserting
13 before the semicolon at the end the fol-
14 lowing: “, and a summary of why such ac-
15 tion was taken or such placement was
16 made”;

17 (B) in paragraph (9) (as so redesignated),
18 by striking “and” at the end;

19 (C) in paragraph (10)(B) (as so redesi-
20 gnated), by inserting before the period at the end
21 the following: “, including an assurance that
22 the institution does not deny a transfer of cred-
23 it based solely on the accreditation of the insti-
24 tution at which the credit was earned”; and

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

1 “(11) such agency or association shall make
2 publicly available, on the agency or association’s
3 website, a list of the institutions of higher education
4 or program of study accredited by such agency or
5 association, which includes, with respect to each
6 such institution or program of study—

7 “(A) the year accreditation was granted;

8 “(B) the most recent date of an award of
9 accreditation or reaccreditation; and

10 “(C) the anticipated date of the institu-
11 tion’s next evaluation for reaccreditation.”.

12 (5) PROHIBITION ON LITMUS TESTS.—Section
13 496(c) (20 U.S.C. 1099b(c)) is further amended by
14 adding at the end the following:

15 “(12) confirms that the standards for accredita-
16 tion of the agency or association do not—

17 “(A) except as provided in subparagraph

18 (B)—

19 “(i) require, encourage, or coerce any
20 institution to—

21 “(I) support, oppose, or commit
22 to supporting or opposing—

23 “(aa) a specific partisan, po-
24 litical, or ideological viewpoint or

1 belief or set of such viewpoints or
2 beliefs; or

3 “(bb) a specific viewpoint or
4 belief or set of viewpoints or be-
5 liefs on social, cultural, or polit-
6 ical issues; or

7 “(II) support or commit to sup-
8 porting the disparate treatment of any
9 individual or group of individuals on
10 the basis of any protected class under
11 Federal civil rights law, except as re-
12 quired by Federal law or a court
13 order; or

14 “(ii) assess an institution’s or pro-
15 gram of study’s commitment to any ide-
16 ology, belief, or viewpoint;

17 “(B) prohibit an institution—

18 “(i) from having a religious mission or
19 from requiring an applicant, student, em-
20 ployee, or independent contractor (such as
21 an adjunct professor) of such an institu-
22 tion to—

23 “(I) provide or adhere to a state-
24 ment of faith; or

1 “(II) adhere to a code of conduct
2 consistent with the stated religious
3 mission of such institution or the reli-
4 gious tenets of such organization; or

5 “(ii) from requiring an applicant, stu-
6 dent, employee, or contractor to take an
7 oath to uphold the Constitution of the
8 United States; or

9 “(C) require, encourage, or coerce an insti-
10 tution of higher education to violate any right
11 protected by the Constitution;”.

12 (6) PROHIBITION ON ASSESSMENT OF ELECTED
13 OR APPOINTED OFFICIALS.—Section 496(c) (20
14 U.S.C. 1099b(c)) is further amended by adding at
15 the end the following:

16 “(13) confirms that the standards for accredita-
17 tion of the agency or association do not assess the
18 roles (including actions or statements) of elected and
19 appointed State and Federal officials and legislative
20 bodies;”.

21 (7) PROHIBITION OF PRACTICES THAT DRIVE
22 CREDENTIAL INFLATION.—Section 496(c) (20
23 U.S.C. 1099b(c)) is further amended by adding at
24 the end the following:

1 “(14) confirms that the standards for accredita-
2 tion of the agency or association do not require an
3 institution to develop a program of study leading to
4 a degree, certificate, or recognized postsecondary
5 credential that is not in response to the needs of an
6 industry or occupation.”.

7 (d) LENGTH OF RECOGNITION.—Subsection (d) of
8 section 496 (20 U.S.C. 1099b) is amended—

9 (1) by striking “No accrediting” and inserting
10 the following:

11 “(1) IN GENERAL.—Except as otherwise pro-
12 vided in paragraph (2), no accrediting”; and

13 (2) by adding at the end the following new
14 paragraph:

15 “(2) LONGER RECOGNITION AUTHORIZED FOR
16 CERTAIN AGENCIES AND ASSOCIATIONS.—Notwith-
17 standing paragraph (1), an accrediting agency or as-
18 sociation that has been recognized by the Secretary
19 for the purpose of this Act for a period of 5 years,
20 may be recognized for an additional period of up to
21 3 years, if the Secretary determines, based on the
22 performance of the accrediting agency or association
23 during its recognition period under this Act, that the
24 accrediting agency or association—

1 “(A) has the capability to evaluate the
2 quality of institutions or program of study; and

3 “(B) has maintained compliance with the
4 criteria for accrediting agencies or associations
5 required by this section.”.

6 (e) LIMITATION ON SCOPE OF CRITERIA.—Section
7 496 (20 U.S.C. 1099b) is further amended by amending
8 subsection (g) to read as follows:

9 “(g) LIMITATION ON SCOPE OF CRITERIA.—

10 “(1) IN GENERAL.—The Secretary shall not es-
11 tablish criteria for accrediting agencies or associa-
12 tions that are not required by this section.

13 “(2) INSTITUTIONAL ELIGIBILITY.—An institu-
14 tion of higher education shall be eligible for partici-
15 pation in programs under this title if the institution
16 is in compliance with the standards of its accrediting
17 agency or association that assess the institution in
18 accordance with subsection (a)(5), regardless of any
19 additional standards adopted by the agency or asso-
20 ciation for purposes unrelated to participation in
21 programs under this title.”.

22 (f) CHANGE OF ACCREDITING AGENCY.—Section 496
23 (20 U.S.C. 1099b) is further amended by amending sub-
24 section (h) to read as follows:

1 “(h) CHANGE OF ACCREDITING AGENCY OR ASSOCIA-
2 TION.—

3 “(1) IN GENERAL.—The Secretary shall recog-
4 nize the accreditation of any otherwise eligible insti-
5 tution or program of study if the institution (or pro-
6 gram) is in the process of changing its accrediting
7 agency or association, unless the institution (or pro-
8 gram) is subject to one or more covered actions.

9 “(2) COVERED ACTION DEFINED.—For pur-
10 poses of this subsection, the term ‘covered action’
11 means one or more of the following, when used with
12 respect to an institution or program of study:

13 “(A) A pending or final action brought by
14 a State agency to suspend, revoke, withdraw, or
15 terminate the institution’s legal authority to
16 provide postsecondary education in the State.

17 “(B) A decision by a recognized accred-
18 iting agency or association to deny accreditation
19 or preaccreditation to the institution or pro-
20 gram of study.

21 “(C) A pending or final action brought by
22 a recognized accrediting agency or association
23 to suspend, revoke, withdraw, or terminate the
24 institution’s or program of study’s accreditation
25 or preaccreditation.

1 “(D) Probation or an equivalent status im-
2 posed on the institution or program of study by
3 a recognized accrediting agency or association.

4 “(3) INSTITUTIONS OF HIGHER EDUCATION
5 NOT SUBJECT TO COVERED ACTIONS.—An institu-
6 tion (or program of study) that is not subject to a
7 covered action described in paragraph (1) and that
8 desires to change its accrediting agency or associa-
9 tion for a reason not related to any such covered ac-
10 tion (such as compliance with State law) may make
11 such a change without the approval of the Secretary,
12 as long as the institution (or program) and the new
13 accrediting agency or association of the institution
14 (or program), not later than 30 days after the ac-
15 creditation decision by such agency or association,
16 notify the Secretary, in writing, of the effective date
17 of the institution’s (or program’s) accreditation by
18 such agency or association.”.

19 (g) DUAL ACCREDITATION RULE.—Section 496 (20
20 U.S.C. 1099b) is further amended by amending subsection
21 (i) to read as follows:

22 “(i) DUAL ACCREDITATION RULE.—

23 “(1) RECOGNITION BY SECRETARY.—The Sec-
24 retary shall recognize the accreditation of any other-
25 wise eligible institution of higher education if the in-

1 institution of higher education is accredited, as an in-
2 stitution, by more than one accrediting agency or as-
3 sociation.

4 “(2) DESIGNATION BY INSTITUTION.—If the in-
5 stitution is accredited, as an institution, by more
6 than one accrediting agency or association, the insti-
7 tution—

8 “(A) shall designate which agency’s or as-
9 sociation’s accreditation shall be utilized in de-
10 termining the institution’s eligibility for partici-
11 pation in programs under this Act; and

12 “(B) may change this designation at the
13 end of the institution’s period of recognition.”.

14 (h) RELIGIOUS INSTITUTIONS RULE.—Section 496
15 (20 U.S.C. 1099b) is further amended by amending sub-
16 section (k) to read as follows:

17 “(k) RELIGIOUS INSTITUTION RULE.—

18 “(1) IN GENERAL.—Notwithstanding subsection
19 (j), the Secretary shall allow an institution that has
20 had its accreditation withdrawn, revoked, or other-
21 wise terminated, or has voluntarily withdrawn from
22 an accreditation agency, to remain certified as an in-
23 stitution of higher education under section 102 and
24 subpart 3 of this part for a period sufficient to allow
25 such institution to obtain alternative accreditation, if

1 the Secretary determines that the withdrawal, rev-
2 ocation, or termination—

3 “(A) is related to the religious mission or
4 affiliation of the institution; and

5 “(B) is not related to the accreditation cri-
6 teria provided for in this section.

7 “(2) ADMINISTRATIVE COMPLAINT FOR FAIL-
8 URE TO RESPECT RELIGIOUS MISSION.—

9 “(A) IN GENERAL.—

10 “(i) INSTITUTION.—If an institution
11 of higher education believes that an ad-
12 verse action of an accrediting agency or as-
13 sociation fails to respect the institution’s
14 religious mission in violation of subsection
15 (a)(4)(B), the institution—

16 “(I) may file a complaint with
17 the Secretary to review the adverse
18 action of the agency or association;
19 and

20 “(II) prior to filing such com-
21 plaint, shall notify the Secretary and
22 the agency or association of an intent
23 to file such complaint not later than
24 30 days after—

1 “(aa) receiving the adverse
2 action from the agency or asso-
3 ciation; or

4 “(bb) determining that dis-
5 cussions with or the processes of
6 the agency or association to rem-
7 edy the failure to respect the reli-
8 gious mission of the institution
9 will fail to result in the with-
10 drawal of the adverse action by
11 the agency or association.

12 “(ii) ACCREDITING AGENCY OR ASSO-
13 CIATION.—Upon notification of an intent
14 to file a complaint and through the dura-
15 tion of the complaint process under this
16 paragraph, the Secretary and the accred-
17 iting agency or association shall treat the
18 accreditation status of the institution of
19 higher education as if the adverse action
20 for which the institution is filing the com-
21 plaint had not been taken.

22 “(B) COMPLAINT.—Not later than 45 days
23 after providing notice of the intent to file a
24 complaint, the institution shall file the com-
25 plaint with the Secretary (and provide a copy to

1 the accrediting agency or association), which
2 shall include—

3 “(i) a description of the adverse ac-
4 tion;

5 “(ii) how the adverse action fails to
6 respect the institution’s religious mission
7 in violation of subsection (a)(4)(B); and

8 “(iii) any other information the insti-
9 tution determines relevant to the com-
10 plaint.

11 “(C) RESPONSE.—

12 “(i) IN GENERAL.—The accrediting
13 agency or association shall have 30 days
14 from the date the complaint is filed with
15 the Secretary to file with the Secretary
16 (and provide a copy to the institution) a
17 response to the complaint, which response
18 shall include—

19 “(I) how the adverse action is
20 based on a violation of the agency or
21 association’s standards for accredita-
22 tion; and

23 “(II) how the adverse action does
24 not fail to respect the religious mis-

1 sion of the institution and is in com-
2 pliance with subsection (a)(4)(B).

3 “(ii) BURDEN OF PROOF.—

4 “(I) IN GENERAL.—The accred-
5 iting agency or association shall bear
6 the burden of proving that the agency
7 or association has not taken the ad-
8 verse action as a result of the institu-
9 tion’s religious mission, and that the
10 action does not fail to respect the in-
11 stitution’s religious mission in viola-
12 tion of subsection (a)(4)(B), by show-
13 ing that the adverse action does not
14 impact the aspect of the religious mis-
15 sion claimed to be affected in the
16 complaint.

17 “(II) INSUFFICIENT PROOF.—

18 Any evidence that the adverse action
19 results from the application of a neu-
20 tral and generally applicable rule shall
21 be insufficient to prove that the action
22 does not fail to respect an institu-
23 tion’s religious mission.

24 “(D) ADDITIONAL INSTITUTION RE-
25 SPONSE.—The institution shall have 30 days

1 from the date on which the agency or associa-
2 tion's response is filed with the Secretary to—

3 “(i) file with the Secretary (and pro-
4 vide a copy to the agency or association) a
5 response to any issues raised in the re-
6 sponse of the agency or association; or

7 “(ii) inform the Secretary and the
8 agency or association that the institution
9 elects to waive the right to respond to the
10 response of the agency or association.

11 “(E) SECRETARIAL ACTION.—

12 “(i) IN GENERAL.—Not later than 30
13 days of receipt of the institution's response
14 under subparagraph (D) or notification
15 that the institution elects not to file a re-
16 sponse under such subparagraph—

17 “(I) the Secretary shall review
18 the materials to determine if the ac-
19 crediting agency or association has
20 met its burden of proof under sub-
21 paragraph (C)(ii)(I); or

22 “(II) in a case in which the Sec-
23 retary fails to conduct such review—

24 “(aa) the Secretary shall be
25 deemed as determining that the

1 adverse action fails to respect the
2 religious mission of the institu-
3 tion; and

4 “(bb) the accrediting agency
5 or association shall be required to
6 reverse the action immediately
7 and take no further action with
8 respect to such adverse action.

9 “(ii) REVIEW OF COMPLAINT.—In re-
10 viewing the complaint under clause (i)(I)—

11 “(I) the Secretary shall consider
12 the institution to be correct in the as-
13 sertion that the adverse action fails to
14 respect the institution’s religious mis-
15 sion and shall apply the burden of
16 proof described in subparagraph
17 (C)(ii)(I) with respect to the accred-
18 iting agency or association; and

19 “(II) if the Secretary determines
20 that the accrediting agency or associa-
21 tion fails to meet such burden of
22 proof—

23 “(aa) the Secretary shall no-
24 tify the institution and the agen-
25 cy or association that the agency

1 or association is not in compli-
2 ance with subsection (a)(4)(B),
3 and that such agency or associa-
4 tion shall carry out the require-
5 ments of item (bb) to be in com-
6 pliance with subsection (a)(4)(B);
7 and

8 “(bb) the agency or associa-
9 tion shall reverse the adverse ac-
10 tion immediately and take no fur-
11 ther action with respect to such
12 adverse action.

13 “(iii) FINAL DEPARTMENTAL AC-
14 TION.—The Secretary’s determination
15 under this subparagraph shall be the final
16 action of the Department on the complaint.

17 “(F) RULE OF CONSTRUCTION.—Nothing
18 in this paragraph shall prohibit—

19 “(i) an accrediting agency or associa-
20 tion from taking an adverse action against
21 an institution of higher education for a
22 failure to comply with the agency or asso-
23 ciation’s standards of accreditation as long
24 as such standards are in compliance with

1 subsection (a)(4)(B) and any other appli-
2 cable requirements of this section; or

3 “(ii) an institution of higher education
4 from exercising any other rights to address
5 concerns with respect to an accrediting
6 agency or association or the accreditation
7 process of an accrediting agency or asso-
8 ciation.

9 “(G) GUIDANCE.—

10 “(i) IN GENERAL.—The Secretary
11 may only issue guidance under this para-
12 graph that explains or clarifies the process
13 for providing notice of an intent to file a
14 complaint or for filing a complaint under
15 this paragraph.

16 “(ii) CLARIFICATION.—The Secretary
17 may not issue guidance, or otherwise deter-
18 mine or suggest, when discussions to rem-
19 edy the failure by an accrediting agency or
20 association to respect the religious mission
21 of an institution of higher education re-
22 ferred to in subparagraph (A)(i)(II)(bb)
23 have failed or will fail.

24 “(3) RELIGIOUS MISSION DEFINED.—In this
25 Act, the term ‘religious mission’—

1 “(A) means a published institutional mis-
2 sion that is approved by the governing body of
3 an institution of higher education and that in-
4 cludes, refers to, or is predicated upon religious
5 tenets, beliefs, or teachings; and

6 “(B) may be reflected in any of the institu-
7 tion’s policies, decisions, or practices related to
8 such tenets, beliefs, or teachings (including any
9 policies or decisions concerning housing, em-
10 ployment, curriculum, self-governance, or stu-
11 dent admission, continuing enrollment, or grad-
12 uation).”.

13 (i) INDEPENDENT EVALUATION.—Section 496(n)(3)
14 (20 U.S.C. 1099b(n)(3)) is amended by striking the last
15 sentence.

16 (j) REGULATIONS.—Section 496(o) (20 U.S.C.
17 1099b(o)) is amended by inserting before the period at
18 the end the following: “, or with respect to the policies
19 and procedures of an accreditation agency or association
20 described in paragraph (2) or (5) of subsection (c) or how
21 the agency or association carries out such policies and pro-
22 cedures”.

23 (k) RISK-BASED REVIEW PROCESSES OR PROCE-
24 DURES; WAIVER.—Section 496 (20 U.S.C. 1099b) is fur-
25 ther amended—

1 (1) by striking subsections (p) and (q); and

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

3 “(p) RISK-BASED OR DIFFERENTIATED REVIEW
4 PROCESSES OR PROCEDURES.—

5 “(1) IN GENERAL.—Notwithstanding any other
6 provision of law (including subsection (a)(4)(A)), an
7 accrediting agency or association shall establish risk-
8 based processes or procedures for assessing compli-
9 ance with the accrediting agency or association’s
10 standards (including policies related to substantive
11 change and award of accreditation statuses) under
12 which the agency or association—

13 “(A) creates a system for designating each
14 institution of higher education and program of
15 study that the agency or association evaluates,
16 such as through using peer benchmarking to
17 understand an institution’s or program of
18 study’s performance in comparison with its
19 peers (which may include past performance
20 with respect to meeting the accrediting agency
21 or association’s standards, including the stand-
22 ards relating to the student achievement out-
23 comes described in subclauses (I) through (IV)
24 of subsection (a)(5)(A));

1 “(B) requires for each institution and pro-
2 gram of study designated as high-risk, in ac-
3 cordance with the accrediting agency or associa-
4 tion’s system in subparagraph (A), to submit
5 the annual plans described in subsection
6 (c)(2)(B) to the agency or association that ad-
7 dress the performance issues of such institution
8 or program of study that resulted in such des-
9 ignation;

10 “(C) with respect to institutions or pro-
11 gram of study meeting or exceeding perform-
12 ance as described in subparagraph (A), reduces
13 any compliance requirements with the stand-
14 ards of accreditation of the agency that are not
15 assessing an institution or program of study
16 under subsection (a)(5), such as on-site inspec-
17 tions; and

18 “(D) may require an institution or pro-
19 gram of study that has declining performance
20 (such as an institution or program of study
21 with a high-risk designation under subpara-
22 graph (B)), which has not improved as required
23 by the annual plan submitted under subsection
24 (c)(2)(B), to take actions to avoid or minimize
25 the risks that may lead to revocation of accredi-

1 tation (such as limiting certain program of
2 study enrollment or recommending to the Sec-
3 retary to limit funds under this title for such an
4 institution or program).

5 “(2) PROHIBITION.—Any risk-based review
6 process or procedure established pursuant to this
7 subsection shall not discriminate against, or other-
8 wise preclude, institutions of higher education based
9 on institutional sector or category, including an in-
10 stitution of higher education’s tax status.”.

11 (l) TOTAL PRICE DEFINED.—Section 496 (20 U.S.C.
12 1099b) is further amended by adding at the end the fol-
13 lowing:

14 “(q) TOTAL PRICE DEFINED.—For purposes of this
15 section, the term ‘total price’ has the meaning given such
16 term in section 454(d)(3).”.

17 **SEC. 312. NATIONAL ADVISORY COMMITTEE ON INSTITU-**
18 **TIONAL QUALITY AND INTEGRITY (NACIQI).**

19 Section 114 (20 U.S.C. 1011e) is amended—

20 (1) in subsection (b)—

21 (A) in paragraph (2), by redesignating
22 subparagraphs (A) through (C) as clauses (i)
23 through (iii), respectively, and adjusting the
24 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 the following:

8 “(B) DISQUALIFICATION.—No individual
9 may be appointed as a member of the Com-
10 mittee if such individual has a significant con-
11 flict of interest, such as being a current regu-
12 lator (such as a State authorizer) that would
13 require the individual to frequently be recused
14 from serving as a member of the Committee.”;
15 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
3 Committee who has been recused with respect to an
4 agenda item of the meeting shall be included in such
5 agenda.”;

6 (4) in subsection (e)(2)(D), by striking “, in-
7 cluding any additional functions established by the
8 Secretary through regulation”; and

9 (5) in subsection (f), by striking “September
10 30, 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
14 (20 U.S.C. 1094a) is amended—

15 (1) by redesignating subsection (c) as sub-
16 section (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 pate 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 enti-
3 ties, during such 5-year period, can maintain high
4 student achievement outcomes while participating in
5 programs under this title without being accredited
6 by an accrediting agency or association recognized
7 under section 496.

8 “(2) ELIGIBLE ENTITY DEFINED.—For pur-
9 poses 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
14 education;

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 pur-
19 poses 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
24 desiring to participate in the experimental site
25 initiative under this subsection shall submit an

1 application to the Secretary, at such time and
2 in 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 en-
14 tity that is an institution of higher
15 education, an attestation that such
16 program meets the standards of ac-
17 creditation of the institution’s accred-
18 iting agency or association described
19 in 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), doc-
3 umentation and verified administra-
4 tive data that the program meets
5 standards similar to the standards of
6 accreditation referenced in subclause
7 (I);

8 “(ii) a justification of the reason why
9 the eligible entity seeks to receive the waiv-
10 er described in paragraph (5)(A), including
11 estimates or documentation of the poten-
12 tial savings to the entity of receiving such
13 waiver; and

14 “(iii) a description of how the eligible
15 entity plans to share the financial risk with
16 the Secretary of receiving the waivers de-
17 scribed in paragraph (5), such as by—

18 “(I) providing matching non-Fed-
19 eral funds to the Secretary to cover
20 the cost of at least half of the ex-
21 pected disbursements under this title
22 to the students that enroll in such
23 program for the first year of the ex-
24 periment;

1 “(II) providing a letter of credit
2 to the Secretary to cover the cost de-
3 scribed in subclause (I); or

4 “(III) requesting to be placed on
5 a reimbursement system of payment.

6 “(4) SELECTION.—No later than 6 months
7 after the experimental site initiative is announced,
8 the Secretary shall select eligible entities to partici-
9 pate in the initiative based on the applications sub-
10 mitted under paragraph (3). In making such selec-
11 tions, the Secretary—

12 “(A) shall consider—

13 “(i) the number and quality of appli-
14 cations;

15 “(ii) each applicant’s ability to effec-
16 tively share the financial risk as required
17 under paragraph (3)(B)(iii); and

18 “(iii) in the case of an applicant that
19 is an institution of higher education, the
20 applicant’s history of compliance with the
21 requirements of this Act;

22 “(B) shall ensure that the selected eligible
23 entities represent a variety of eligible entities
24 with respect to size, mission, and geographic
25 distribution;

1 “(C) shall ensure that the number of eligi-
2 ble entities selected that are institutions of
3 higher education described in paragraph (2)(B)
4 is equal to the number of eligible entities se-
5 lected that are educational providers described
6 in paragraph (2)(B); and

7 “(D) may not select any eligible entity
8 whose approval to operate in a State is at risk.

9 “(5) WAIVERS.—The Secretary is authorized to
10 waive, for any eligible entity participating in the ex-
11 perimental site initiative under this subsection—

12 “(A) any requirements conditioning an eli-
13 gible entity’s eligibility to participate in pro-
14 grams under this title to being accredited by an
15 accrediting agency or association recognized
16 under section 496; and

17 “(B) any other requirements of this title
18 determined necessary by the Secretary to carry
19 out such initiative (including requirements re-
20 lated to the award process and disbursement of
21 student financial aid, or other management pro-
22 cedures or processes), except that the Secretary
23 shall not waive any provisions with respect to
24 award rules (other than an award rule related
25 to an experiment in modular or compressed

1 schedules), grant and loan maximum award
2 amounts, and need analysis requirements, un-
3 less the waiver of such provisions is authorized
4 by another provision under this title.

5 “(6) REVIEW AND EVALUATION.—

6 “(A) IN GENERAL.—The Secretary shall
7 review and evaluate the experimental site initia-
8 tive conducted under this subsection, including
9 by evaluating, with respect to each participating
10 program of each participating eligible entity,
11 whether—

12 “(i) the median value-added earnings
13 of students who complete the program of
14 study are greater than the median total
15 price charged to students for such pro-
16 gram; and

17 “(ii) the program of study is meeting
18 other student achievement outcomes (such
19 as outcomes based on standards of accredi-
20 tation described in section 496(a)(5)(A)),
21 as appropriate for the program.

22 “(B) RECOMMENDATIONS.—If, based on
23 such evaluation, the Secretary determines that
24 participating eligible entities were able to meet
25 the requirement of subparagraph (A)(i) and the

1 other student achievement outcomes evaluated
2 by the Secretary under subparagraph (A)(ii),
3 the Secretary shall submit to the authorizing
4 committees recommendations regarding amend-
5 ments to this Act that will streamline and en-
6 hance the quality assurance process of institu-
7 tions of higher education, and educational pro-
8 viders described in paragraph (2)(B).”.

9 **PART B—STUDENT SUCCESS**

10 **SEC. 321. POSTSECONDARY STUDENT SUCCESS GRANTS.**

11 Part B of title VII of the Higher Education Act of
12 1965 (20 U.S.C. 1138 et seq.) is amended—

13 (1) in section 741—

14 (A) by striking subsections (b), (c), (e),
15 and (f);

16 (B) by redesignating subsection (d) as sub-
17 section (e); and

18 (C) by inserting after subsection (a) the
19 following:

20 “(b) GRANTS.—

21 “(1) DEFINITIONS.—In this subsection:

22 “(A) COMPLETION RATE.—The term ‘com-
23 pletion rate’ means—

24 “(i) the percentage of students from
25 an initial cohort enrolled at an institution

1 of higher education that is a 2-year institu-
2 tion who have graduated from the institu-
3 tion or transferred to a 4-year institution
4 of higher education; or

5 “(ii) the percentage of students from
6 an initial cohort enrolled at an institution
7 of higher education in the State that is a
8 4-year institution who have graduated
9 from the institution.

10 “(B) ELIGIBLE ENTITY.—The term ‘eligi-
11 ble entity’ means—

12 “(i) an institution of higher education;

13 “(ii) a partnership between a non-
14 profit educational organization and an in-
15 stitution of higher education; and

16 “(iii) a consortium of institutions of
17 higher education.

18 “(C) ELIGIBLE INDIAN ENTITY.—The
19 term ‘eligible Indian entity’ means the entity re-
20 sponsible for the governance, operation, or con-
21 trol of a Tribal College or University.

22 “(D) EVIDENCE-BASED.—The term ‘evi-
23 dence-based’ has the meaning given the term in
24 section 8101(21)(A) of the Elementary and
25 Secondary Education Act of 1965 (20 U.S.C.

1 7801(21)(A)), except that such term shall also
2 apply to institutions of higher education.

3 “(E) EVIDENCE TIERS.—

4 “(i) EVIDENCE TIER 1 REFORM OR
5 PRACTICE.—The term ‘evidence tier 1 re-
6 form or practice’ means a reform or prac-
7 tice that prior research suggests has prom-
8 ise for the purpose of successfully improv-
9 ing student achievement or attainment for
10 high-need students.

11 “(ii) EVIDENCE TIER 2 REFORM OR
12 PRACTICE.—The term ‘evidence tier 2 re-
13 form or practice’ means a reform or prac-
14 tice described in clause (i), or other prac-
15 tice meeting similar criteria, that measures
16 impact and cost effectiveness of student
17 success activities, and, through rigorous
18 evaluation (including through the use of
19 existing administrative data, as applicable),
20 has been found to be successfully imple-
21 mented.

22 “(iii) EVIDENCE TIER 3 REFORM OR
23 PRACTICE.—The term ‘evidence tier 3 re-
24 form or practice’ means a reform or prac-
25 tice described in clause (ii), or other prac-

1 tice meeting similar criteria, that has been
2 found to produce sizable, important im-
3 pacts on student success and—

4 “(I) determines whether such im-
5 pacts can be successfully reproduced
6 and sustained over time; and

7 “(II) identifies the conditions in
8 which such reform or practice is most
9 effective.

10 “(F) FIRST GENERATION COLLEGE STU-
11 DENT.—The term ‘first generation college stu-
12 dent’ has the meaning given the term in section
13 402A(h) of the Higher Education Act of 1965
14 (20 U.S.C. 1070a–11(h)).

15 “(G) HIGH-NEED STUDENT.—The term
16 ‘high-need student’ means—

17 “(i) a student from low-income back-
18 ground;

19 “(ii) first generation college students;

20 “(iii) caregiver students;

21 “(iv) students with disabilities;

22 “(v) students who stopped out before
23 completing;

24 “(vi) reentering justice-impacted stu-
25 dents; and

1 “(vii) military-connected students.

2 “(H) SECRETARY.—The term ‘Secretary’
3 means the Secretary of Education.

4 “(I) TRIBAL COLLEGE OR UNIVERSITY.—
5 The term ‘Tribal College or University’ has the
6 meaning given the term in section 316(b) of the
7 Higher Education Act of 1965 (20 U.S.C.
8 1059c(b)).

9 “(2) RESERVATION OF FUNDS FOR ELIGIBLE
10 INDIAN ENTITIES.—From the total amount appro-
11 priated to carry out this subsection for a fiscal year,
12 the Secretary shall reserve 2 percent for grants to
13 eligible Indian entities to increase participation and
14 completion rates of high-need students.

15 “(3) AUTHORIZATION OF POSTSECONDARY STU-
16 DENT SUCCESS COMPETITIVE GRANTS.—

17 “(A) GRANT AUTHORIZATION.—For each
18 of fiscal years 2025 through 2030, the Sec-
19 retary shall award, on a competitive basis,
20 grants to eligible entities to provide student
21 services to increase participation, retention, and
22 completion rates of high-need students.

23 “(B) APPLICATION.—An eligible entity de-
24 siring a grant under this section shall submit
25 an application to the Secretary at such time, in

1 such manner, and containing the information
2 required under subparagraph (C).

3 “(C) CONTENTS.—An application sub-
4 mitted under this paragraph shall include the
5 following:

6 “(i) A plan to increase, with respect
7 to all students enrolled at the institution of
8 higher education, attainment and comple-
9 tion rates or graduation rates, including—

10 “(I) a description of which evi-
11 dence tiers would be met by the evi-
12 dence-based reforms or practices; and

13 “(II) a particular focus on serv-
14 ing high-need students through stu-
15 dent services and collaboration among
16 2-year programs, 4-year programs,
17 and workforce systems.

18 “(ii) Annual benchmarks for student
19 outcomes with respect to evidence-based
20 reforms or practices.

21 “(iii) A plan to evaluate the evidence-
22 based reforms or practices carried out pur-
23 suant to a grant received under this sub-
24 section.

1 “(iv) Rates of enrolled students who
2 received a Federal Pell Grant under sec-
3 tion 401.

4 “(v) Demographics of enrolled stu-
5 dents, including high-need students.

6 “(vi) A description of how the eligible
7 entity will, directly or in collaboration with
8 institutions of higher education or non-
9 profit organizations, use the grant funds to
10 implement 1 or more of the following evi-
11 dence-based reforms or practices:

12 “(I) Providing comprehensive
13 academic, career, and student serv-
14 ices, which may include mentoring,
15 advising, or case management serv-
16 ices.

17 “(II) Providing accelerated learn-
18 ing opportunities, which may include
19 dual or concurrent enrollment pro-
20 grams and early college high school
21 programs.

22 “(III) Reforming course sched-
23 uling or credit-awarding policies.

24 “(IV) Improving transfer path-
25 ways between the institution of higher

1 education, or eligible Indian entity,
2 and other institutions of higher edu-
3 cation.

4 “(vii) A description of how the evi-
5 dence-based reforms or practices carried
6 out pursuant to a grant under this sub-
7 section will be sustained once the grant ex-
8 pires.

9 “(D) EVIDENCE-BASED STUDENT SUCCESS
10 PROGRAMS.—From the total amount appro-
11 priated to carry out this subsection for a fiscal
12 year and not reserved under paragraph (4), the
13 Secretary shall reserve not less than 20 percent
14 to award grants to eligible entities with applica-
15 tions that propose to include reforms or prac-
16 tices—

17 “(i) at least 1 of which is a tier 3 re-
18 form or practice; and

19 “(ii) the rest of which are tier 1 or
20 tier 2 reforms or practices.

21 “(E) REQUIRED USE OF FUNDS.—An eligi-
22 ble entity that receives a grant under this sec-
23 tion shall use the grant funds to carry out the
24 plans submitted pursuant to subparagraph (C)
25 and for evidence-based reforms or practices for

1 improving retention and completion rates of
2 students that may include the following:

3 “(i) Student services to support reten-
4 tion, completion, and success, which may
5 include—

6 “(I) faculty and peer counseling;

7 “(II) use of real-time data on
8 student progress;

9 “(III) improving transfer student
10 success; and

11 “(IV) incentives for students to
12 re-enroll or stay on track.

13 “(ii) Direct student support services,
14 including a combination of—

15 “(I) tutoring, academic supports,
16 and enrichment services; and

17 “(II) emergency financial assist-
18 ance.

19 “(iii) Efforts to prepare students for a
20 career, which may include—

21 “(I) career coaching, career coun-
22 seling and planning services, and ef-
23 forts to lower student to advisor ra-
24 tios;

1 “(II) networking and work-based
2 learning opportunities to support the
3 development of skills and professional
4 relationships;

5 “(III) utilizing career pathways;
6 and

7 “(IV) boosting experiences nec-
8 essary to obtain and succeed in high-
9 wage, high-skilled, (as described in
10 section 122 of the Carl D. Perkins
11 Career and Technical Education Act
12 of 2006 (20 U.S.C. 2342)) or in-de-
13 mand sectors or occupations (as de-
14 fined in section 3(23) of the Work-
15 force Innovation and Opportunity Act
16 (29 U.S.C. 3102(23)).

17 “(iv) Efforts to recruit and retain fac-
18 ulty and other instructional staff.

19 “(F) PERMISSIVE USE OF FUNDS.—From
20 the total amount appropriated to carry out this
21 subsection for a fiscal year, and not reserved
22 under paragraph (4) or subparagraph (D), the
23 Secretary may set aside—

1 “(i) not more than 5 percent for ad-
2 ministration, capacity building, research,
3 evaluation, and reporting; and

4 “(ii) not more than 2 percent for
5 technical assistance to eligible entities.

6 “(G) EVALUATIONS.—

7 “(i) IN GENERAL.—For the purpose
8 of improving the effectiveness of the evi-
9 dence-based reforms or practices carried
10 out by eligible entities pursuant to a grant
11 under this subsection, the Secretary shall
12 make grants to or enter into contracts with
13 one or more organizations to—

14 “(I) evaluate the effectiveness of
15 such reforms or practices; and

16 “(II) disseminate information on
17 the impact of such reforms or prac-
18 tices in increasing completion and re-
19 tention activities of students, as well
20 as other appropriate measures.

21 “(ii) ISSUES TO BE EVALUATED.—
22 The evaluations required under clause (i)
23 shall measure the effectiveness of the evi-
24 dence-based reforms or practices carried

1 out by eligible entities pursuant to a grant
2 under this subsection in—

3 “(I) whether such eligible entity
4 implemented the plans, and carried
5 out the activities, described in sub-
6 paragraph (C); and

7 “(II) comparing the completion
8 and retention rates of students who
9 participated in such reforms or prac-
10 tices with the rates of students of
11 similar backgrounds who did not par-
12 ticipate in such reforms or practices.

13 “(iii) RESULTS.—Not later than 18
14 months after the date of the enactment of
15 this subsection, the Secretary shall submit
16 to the authorizing committees a final re-
17 port.

18 “(H) GRANT LIMIT.—An institution with
19 branch campuses that is an eligible entity may
20 only receive a grant under this subsection for 1
21 campus of such institution at a time.

22 “(4) AUTHORIZATION OF APPROPRIATIONS.—
23 There are authorized to be appropriated to carry out
24 this subsection, \$45,000,000, for each of fiscal years
25 2026 through 2031.”; and

1 (2) by striking sections 742 through 745.

2 **SEC. 322. REVERSE TRANSFER EFFICIENCY ACT.**

3 Section 444(b)(1) of the General Education Provi-
4 sions Act (20 U.S.C. 1232g(b)(1)) is amended—

5 (1) in subparagraph (K)(ii), by striking “; and”
6 and inserting a semicolon;

7 (2) in subparagraph (L), by striking the period
8 at the end and inserting “; and”; and

9 (3) by inserting after subparagraph (L) the fol-
10 lowing:

11 “(M) an institution of postsecondary edu-
12 cation in which a student was previously en-
13 rolled, to which records of postsecondary
14 coursework and credits are sent for the purpose
15 of applying such coursework and credits toward
16 completion of a recognized postsecondary cre-
17 dential (as that term is defined in section 3 of
18 the Workforce Innovation and Opportunity Act
19 (29 U.S.C. 3102)), upon condition that the stu-
20 dent provides written consent prior to receiving
21 such credential.”.

22 **SEC. 323. TRANSPARENT AND FAIR TRANSFER OF CREDIT**
23 **POLICIES.**

24 Section 485(h) of the Higher Education Act of 1965
25 (20 U.S.C. 1092(h)) is amended—

1 (1) in paragraph (1)(A), by inserting “, includ-
2 ing with respect to the acceptance or denial of such
3 credit” after “higher education”;

4 (2) by redesignating paragraph (2) as para-
5 graph (3); and

6 (3) by inserting after paragraph (1) the fol-
7 lowing:

8 “(2) DENIAL OF CREDIT TRANSFER.—An insti-
9 tution may not establish a transfer of credit policy
10 which denies credit earned at another institution
11 based solely on the source of accreditation of such
12 other institution, provided that such other institu-
13 tion is accredited by an agency or association that
14 is recognized by the Secretary pursuant to section
15 496.”.

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