

**AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO H.R. 6951
OFFERED BY MR. OWENS OF UTAH**

Strike all after the enacting clause and insert the following:

1 SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

2 (a) SHORT TITLE.—This Act may be cited as the
3 “College Cost Reduction Act”.

4 (b) TABLE OF CONTENTS.—The table of contents for
5 this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. References.

TITLE I—TRANSPARENCY

PART A—DEFINITIONS

Sec. 101. Definitions.

PART B—COLLEGE COSTS AND FINANCIAL VALUE

Sec. 111. Financial aid offers.
Sec. 112. College scorecard website.
Sec. 113. Postsecondary student data system.
Sec. 114. Database of student information prohibited.

TITLE II—ACCESS AND AFFORDABILITY

PART A—FINANCIAL NEED

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

PART B—FINANCIAL AID

SUBPART 1—GRANTS

Sec. 211. Federal Pell Grant program.
Sec. 212. Campus-based aid programs.

SUBPART 2—LOANS

- Sec. 221. Loan limits.
- Sec. 222. Loan repayment.
- Sec. 223. Loan rehabilitation.
- Sec. 224. Interest capitalization.
- Sec. 225. Origination fees.

TITLE III—ACCOUNTABILITY AND STUDENT SUCCESS

PART A—ACCOUNTABILITY

SUBPART 1—DEPARTMENT OF EDUCATION

- Sec. 301. Agreements with institutions.
- Sec. 302. Regulatory relief.
- Sec. 303. Limitation on authority of Secretary to propose or issue regulations and Executive actions.
- Sec. 304. Office of Federal Student Aid.

SUBPART 2—ACCREDITORS

- Sec. 311. Accrediting agency recognition.
- Sec. 312. National Advisory Committee on Institutional Quality and Integrity (NACIQI).
- Sec. 313. Alternative quality assurance experimental site initiative.

PART B—STUDENT SUCCESS

- Sec. 321. Postsecondary student success grants.
- Sec. 322. Reverse Transfer Efficiency Act.
- Sec. 323. Transparent and fair transfer of credit policies.

1 **SEC. 2. REFERENCES.**

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

9 (b) FAFSA SIMPLIFICATION ACT.—Except as other-
10 wise expressly provided, whenever in this Act a reference
11 to a section or other provision of the Higher Education
12 Act of 1965 (20 U.S.C. 1001 et seq.) refers to such section

1 or other provision as amended or added by the FAFSA
2 Simplification Act, the reference shall be considered to be
3 made to the section or other provision as amended or
4 added by—

5 (1) title VII of division FF of the Consolidated
6 Appropriations Act, 2021 (title VII of division FF of
7 Public Law 116–260), subject to the effective date
8 of section 701(b) of such Act, as amended by section
9 102(a) of the FAFSA Simplification Act Technical
10 Corrections Act (division R of Public Law 117–103)
11 (including the authorization provided under section
12 102(c)(1)(A) of such Act); and

13 (2) the FAFSA Simplification Act Technical
14 Corrections Act (division R of Public Law 117–103).

15 **TITLE I—TRANSPARENCY**

16 **PART A—DEFINITIONS**

17 **SEC. 101. DEFINITIONS.**

18 (a) DEFINITIONS.—Section 103 of the Higher Edu-
19 cation Act of 1965 (20 U.S.C. 1003) is amended by add-
20 ing at the end the following:

21 “(25) CIP CODE.—The term ‘CIP code’ means
22 the six-digit taxonomic identification code assigned
23 by an institution of higher education to a specific
24 program of study at the institution, determined by
25 the institution in accordance with the Classification

1 of Instructional Programs published by the National
2 Center for Education Statistics.

3 “(26) CREDENTIAL LEVEL.—

4 “(A) IN GENERAL.—The term ‘credential
5 level’ means the level of the degree or other cre-
6 dential awarded by an institution of higher edu-
7 cation to students who complete a program of
8 study of the institution. Each degree or other
9 credential awarded by an institution shall be
10 categorized by the institution as either under-
11 graduate credential level or graduate credential
12 level.

13 “(B) UNDERGRADUATE CREDENTIAL.—
14 When used with respect to a credential or cre-
15 dential level, the term ‘undergraduate creden-
16 tial’ includes credentials such as an under-
17 graduate certificate, an associate degree, a
18 bachelor’s degree, and a post-baccalaureate cer-
19 tificate.

20 “(C) GRADUATE CREDENTIAL.—When
21 used with respect to a credential or credential
22 level, the term ‘graduate credential’ includes
23 credentials such as a master’s degree, a doc-
24 toral degree, a professional degree, and a post-
25 graduate certificate.

1 “(27) PROGRAM OF STUDY.—The term ‘pro-
2 gram of study’ means an academic program of study
3 offered to students by an institution of higher edu-
4 cation that—

5 “(A) upon completion of the program, re-
6 sults in the award of a credential to a student,
7 including a degree, diploma, or certificate, for
8 one credential level;

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

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

13 “(i) a CIP code; and

14 “(ii) one credential level, determined
15 by the credential awarded upon completion
16 of the program.

17 “(28) PROGRAM LENGTH.—The term ‘program
18 length’ means the minimum amount of time in
19 weeks, months, or years that is specified in the cata-
20 log, marketing materials, or other official publica-
21 tions of an institution of higher education for a full-
22 time student to complete the requirements for a spe-
23 cific program of study and to obtain the degree or
24 credential awarded by such program.

1 “(29) TIME TO CREDENTIAL.—The term ‘time
2 to credential’ means, with respect to a student, the
3 actual amount of time in weeks, months, or years it
4 takes the student to complete the requirements for
5 a specific program of study and to obtain the degree
6 or credential awarded by such program.

7 “(30) VALUE-ADDED EARNINGS.—

8 “(A) CALCULATION.—With respect to a
9 student who received Federal financial aid
10 under title IV and who completed a program of
11 study offered by an institution of higher edu-
12 cation, the term ‘value-added earnings’
13 means—

14 “(i) the annual earnings of such stu-
15 dent measured during the applicable earn-
16 ings measurement period for such program
17 (as determined under subparagraph (C));
18 minus

19 “(ii) in the case of a student who
20 completed a program of study that
21 awards—

22 “(I) an undergraduate credential
23 (other than such a credential awarded
24 by a qualifying undergraduate pro-
25 gram as defined in section

1 455(a)(4)(B)(ii), 150 percent of the
2 poverty line applicable to a single indi-
3 vidual as determined under section
4 673(2) of the Community Services
5 Block Grant Act (42 U.S.C. 9902(2))
6 for such year; or

7 “(II) a graduate credential or an
8 undergraduate credential awarded by
9 a qualifying undergraduate program
10 as defined in section 455(a)(4)(B)(ii),
11 300 percent of the poverty line appli-
12 cable to a single individual as deter-
13 mined under section 673(2) of the
14 Community Services Block Grant Act
15 (42 U.S.C. 9902(2)) for such year.

16 “(B) GEOGRAPHIC ADJUSTMENT.—

17 “(i) IN GENERAL.—Except as pro-
18 vided in clause (ii), the Secretary shall use
19 the geographic location of the institution at
20 which a student completed a program of
21 study to adjust the value-added earnings of
22 the student calculated under subparagraph
23 (A) by dividing—

1 “(I) the difference between sub-
2 clauses (I) and (II) of such subpara-
3 graph; by

4 “(II) the most recent regional
5 price parity index of the Bureau of
6 Economics Analysis for the State or,
7 as applicable, metropolitan area in
8 which such institution is located.

9 “(ii) EXCEPTION.—The value-added
10 earnings of a student calculated under sub-
11 paragraph (A) shall not be adjusted based
12 on geographic location in accordance with
13 clause (i) if such student attended prin-
14 cipally through distance education.

15 “(C) EARNINGS MEASUREMENT PERIOD.—

16 “(i) IN GENERAL.—For the purpose
17 of calculating the value-added earnings of
18 a student, except as provided in clause (ii),
19 the annual earnings of a student shall be
20 measured—

21 “(I) in the case of a program of
22 study that awards an undergraduate
23 certificate, post baccalaureate certifi-
24 cate, or graduate certificate, one year

1 after the student completes such pro-
2 gram;

3 “(II) in the case of a program of
4 study that awards an associate’s de-
5 gree or master’s degree, 2 years after
6 the student completes such program;
7 and

8 “(III) in the case of a program of
9 study that awards a bachelor’s degree,
10 doctoral degree, or professional de-
11 gree, 4 years after the student com-
12 pletes such program.

13 “(ii) EXCEPTION.—The Secretary
14 may, as the Secretary determines appro-
15 priate based on the characteristics of a
16 program of study, extend an earnings
17 measurement period described in clause (i)
18 for a program of study that—

19 “(I) requires completion of an
20 additional educational program after
21 completion of the program of study in
22 order to obtain a licensure associated
23 with the credential awarded for such
24 program of study; and

1 “(II) when combined with the
2 program length of such additional
3 educational program for licensure, has
4 a total program length that exceeds
5 the relevant earnings measurement
6 period prescribed for such program of
7 study under clause (i),
8 except that in no case shall the annual
9 earnings of a student be measured more
10 than 5 years after the student completes a
11 program of study.”

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

13 **VALUE**

14 **SEC. 111. FINANCIAL AID OFFERS.**

15 (a) INSTITUTION FINANCIAL AID OFFER.—Part B of
16 title I of the Higher Education Act of 1965 (20 U.S.C.
17 1011 et seq.) is amended by adding at the end the fol-
18 lowing:

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

20 “(a) STANDARD FORM AND TERMINOLOGY.—The
21 Secretary, in consultation with the heads of relevant Fed-
22 eral agencies, shall develop standard terminology and a
23 standard form for financial aid offers based on rec-
24 ommendations from representatives of students, veterans,
25 servicemembers, families of students, institutions of higher

1 education (including community colleges, for-profit insti-
2 tutions, four-year public institutions, and four-year private
3 nonprofit institutions), financial aid experts, secondary
4 school and postsecondary counselors, college access profes-
5 sionals, nonprofit organizations, and consumer groups.

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

13 “(1) COST INFORMATION.—

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

17 “(i) DIRECT COSTS.—The total cost of
18 all items described in section 472 that are
19 billed to the student by the institution or
20 otherwise required by the institution for
21 enrollment, including such total cost
22 disaggregated by the cost of each such
23 item, including, as determined under such
24 section—

1 “(I) tuition and fees (and other
2 required expenses); and

3 “(II) housing and food for a stu-
4 dent electing institutionally owned or
5 operated food services or institution-
6 ally owned or operated housing.

7 “(ii) INDIRECT COSTS.—The total cost
8 (including such total cost disaggregated by
9 the cost of each item) as determined under
10 section 472, of—

11 “(I) housing and food for a stu-
12 dent not electing institutionally owned
13 or operated food services and not liv-
14 ing in institutionally owned or oper-
15 ated housing;

16 “(II) books, school supplies,
17 equipment, course materials, and
18 rental or purchase of a personal com-
19 puter;

20 “(III) transportation; and

21 “(IV) any other item described in
22 such section and not described in
23 clause (i) determined to be necessary
24 by the institution.

1 “(B) The academic period covered by the
2 financial aid offer, and an explanation that the
3 amount of financial aid offered may differ—

4 “(i) for academic periods not covered
5 by the aid offer, such as a summer term
6 or future academic year; or

7 “(ii) by program.

8 “(C) An indication of whether cost and aid
9 estimates are based on full-time or part-time
10 enrollment.

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

14 “(i) estimated based on the previous
15 year; or

16 “(ii) set for the academic period indi-
17 cated in accordance with subparagraph
18 (B).

19 “(2) GRANTS AND SCHOLARSHIPS.—The aggre-
20 gate amount of grants and scholarships, differen-
21 tiated by source, that the student does not have to
22 repay, such as grant aid offered under title IV,
23 grant aid offered through other Federal programs,
24 grant aid offered by the institution, grant aid of-
25 fered by the State, and, if known, grant aid or schol-

1 arship from an outside source to the student for
2 such academic period, including a disclosure that the
3 grants and scholarships do not have to be repaid, ex-
4 cept that institutions shall be authorized to list indi-
5 vidual grants and scholarships by name at the dis-
6 cretion of the institution.

7 “(3) NET PRICE.—

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

12 “(i) MINIMUM AMOUNT COVERED BY
13 STUDENT FOR ENROLLMENT.—The net
14 price of tuition and fees (and other re-
15 quired expenses), which is equal to—

16 “(I) the sum of the costs de-
17 scribed in paragraph (1)(A) that are
18 required for students (as determined
19 under paragraph (5)(B)) for the pe-
20 riod indicated in paragraph (1)(B);
21 minus

22 “(II) the total amount of grant
23 and scholarship aid described in para-
24 graph (2) that is included in the fi-
25 nancial aid offer and available to the

1 student for the costs described in sub-
2 clause (I).

3 “(ii) ESTIMATED ANNUAL NET PRICE
4 OF ATTENDANCE.—The estimated net
5 price of attendance, which is equal to—

6 “(I) the cost of attendance for
7 the student for the period indicated in
8 paragraph (1)(B); minus

9 “(II) the total amount of grant
10 and scholarship aid described in para-
11 graph (2).

12 “(B) DISCLOSURE.—A disclosure that the
13 estimated annual net price of attendance as cal-
14 culated under subparagraph (A)(ii) is based on
15 an estimate of the total cost of attendance for
16 the year and not necessarily equivalent to the
17 amount the student will owe directly to the in-
18 stitution.

19 “(4) LOANS.—

20 “(A) Information on any education loan of-
21 fered through any Federal or State program
22 (including any loan under part D or part E of
23 title IV other than a Federal Direct PLUS
24 Loan) that the institution offers for the student

1 for the academic period covered by the offer,
2 which shall be made—

3 “(i) with clear use of the word ‘loan’
4 to describe the recommended loan
5 amounts; and

6 “(ii) with clear labeling of subsidized
7 and unsubsidized loans.

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

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

13 “(5) STUDENT EMPLOYMENT.—Information on
14 work-study employment opportunities (including
15 work-study programs under part C of title IV, insti-
16 tutional work-study programs, or State work-study
17 programs), including—

18 “(A) the maximum annual amount the stu-
19 dent may earn through the program; and

20 “(B) a disclosure that any amounts re-
21 ceived pursuant to such a program may be—

22 “(i) subject to the availability of quali-
23 fied employment opportunities upon stu-
24 dents enrollment; and

1 “(ii) disbursed over time as earned by
2 the student.

3 “(6) PROCESS FOR ACCEPTING, ADJUSTING, OR
4 DECLINING AID AND NEXT STEPS.—

5 “(A) The deadlines and a summary of the
6 process (including the next steps) for—

7 “(i) accepting the financial aid of-
8 fered;

9 “(ii) adjusting the amount of aid of-
10 fered; and

11 “(iii) declining the aid offered.

12 “(B) Information on when and how costs
13 described in paragraph (1)(A)(i) must be paid,
14 including a clear indication of whether each
15 such cost is required or optional for the stu-
16 dent.

17 “(C) A disclosure that verification of infor-
18 mation provided on the Free Application for
19 Federal Student Aid may require the student to
20 submit further documentation.

21 “(D) Information about where a student or
22 the student’s family can seek additional infor-
23 mation regarding the financial aid offered, in-
24 cluding contact information for the institution’s

1 financial aid office and the Department of Edu-
2 cation’s website on financial aid.

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

9 “(7) NET PRICE CALCULATOR.—A link to the
10 universal net price calculator website described in
11 section 132(c)(4).

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

17 “(A) The minimum amount covered by the
18 student for enrollment described in paragraph
19 (3)(A)(i).

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

22 “(9) ADDITIONAL INFORMATION.—Any other
23 information the Secretary, in consultation with the
24 heads of relevant Federal agencies, including the
25 Secretary of the Treasury and the Director of the

1 Bureau of Consumer Financial Protection, deter-
2 mines necessary, based on the results and input of
3 the consumer testing under subsection (h)(2), and
4 limited only to effectively communicating college
5 costs and financial aid eligibility to students and
6 parents.

7 “(c) OTHER REQUIRED CONTENTS FOR AID
8 OFFER.—The standard form developed under subsection
9 (a) shall include, in addition to the information described
10 in subsection (b), the following information in a concise
11 format determined by the Secretary, in consultation with
12 the heads of relevant Federal agencies and the individuals
13 and entities described in subsection (a):

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

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

19 “(A) A disclosure that Federal Direct
20 PLUS Loans, private education loans, or in-
21 come share agreements may be available to
22 cover remaining need, except that the institu-
23 tion may not include Federal Direct PLUS
24 Loans or private education loans other than
25 under the conditions described in subsection

1 (b)(4)(C) and must include a disclosure that
2 such loans—

3 “(i) are subject to an additional appli-
4 cation process; and

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

10 “(B) A statement that students consid-
11 ering borrowing to cover the cost of attendance
12 should consider available Federal student loans
13 prior to applying for private education loans, in-
14 cluding an explanation that Federal student
15 loans offer generally more favorable terms and
16 beneficial repayment options than private loans.

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

20 “(1) Clearly distinguish between the aid offered
21 under paragraphs (2) and (4) of subsection (b), by
22 including a subtotal for the aid offered in each of
23 such paragraphs and by refraining from commin-
24 gling the different types of aid described in such
25 paragraphs.

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

4 “(3) Use the standard aid offer described in
5 subsection (f)(2).

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

11 “(f) SUPPLEMENTAL CONTENT AND DISCLOSURES
12 TO BE PROVIDED.—In addition to the standard form de-
13 scribed under subsection (a), institutions shall provide, in
14 supplemental documents or through easily accessible
15 weblinks to the institution’s portal or a website, the fol-
16 lowing:

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

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

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

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

9 “(B) if an institution’s recommended Fed-
10 eral student loan aid offered in subsection
11 (b)(4) is less than the Federal maximum avail-
12 able to the student, the institution shall provide
13 additional information on Federal student loans
14 including the types and amounts for which the
15 student is eligible and the process for request-
16 ing higher loan amounts if offered loan
17 amounts were included.

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

22 “(g) STANDARD INFORMATION ESTABLISHED BY
23 SECRETARY.—

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

1 College Cost Reduction Act, the Secretary, in con-
2 sultation with the heads of relevant Federal agen-
3 cies, and the individuals and entities described in
4 subsection (a) shall establish standard terminology
5 and definitions for the terms described in subsection
6 (b).

7 “(2) STANDARD FORM.—

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

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

16 “(ii) the requirements of this section.

17 “(B) SEPARATE FINANCIAL AID OFFERS.—

18 The Secretary shall develop separate financial
19 aid offers for—

20 “(i) undergraduate students; and

21 “(ii) graduate students.

22 “(h) ADDITIONAL INFORMATION; REMOVAL OF IN-
23 FORMATION.—Nothing in this section shall preclude an in-
24 stitution from—

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

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

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

8 “(B) the institution does not participate in
9 the aid program or type;

10 “(C) the aid offer does not include the aid
11 program or type; or

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

14 “(i) DEVELOPMENT OF FINANCIAL AID OFFER.—

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

24 “(A) the headings described in paragraphs

25 (1) through (4) of subsection (b) are in the

1 same font, appears in the same order, and are
2 displayed prominently on the financial aid offer,
3 such that none of that information is inappro-
4 priately omitted or deemphasized;

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

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

11 “(2) CONSUMER TESTING.—

12 “(A) IN GENERAL.—Not later than 9
13 months after the date of enactment of the Col-
14 lege Cost Reduction Act, the Secretary, in con-
15 sultation with the heads of relevant Federal
16 agencies, shall establish a process to submit the
17 financial aid offer drafts developed under para-
18 graph (1) for consumer testing among rep-
19 resentatives of students (including low-income
20 students, first generation college students, adult
21 students, veterans, servicemembers, and pro-
22 spective students), students’ families (including
23 low-income families, families with first genera-
24 tion college students, and families with prospec-
25 tive students), institutions of higher education,

1 secondary school and postsecondary counselors,
2 and nonprofit consumer groups.

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

8 “(C) NONAPPLICATION OF PAPERWORK
9 REDUCTION ACT.—Subchapter I of chapter 35
10 of title 44, United States Code, shall not apply
11 to the consumer testing process under this
12 paragraph.

13 “(3) FINAL FORM.—

14 “(A) IN GENERAL.—The results of con-
15 sumer testing under paragraph (2) shall be
16 used in the development of the finalized stand-
17 ard financial aid offer required under sub-
18 section (f)(2).

19 “(B) REPORTING REQUIREMENT.—Not
20 later than 3 months after the date on which the
21 consumer testing under paragraph (2) con-
22 cludes, the Secretary shall submit to Congress,
23 and publish on its website—

24 “(i) the final standard financial aid
25 offer; and

1 “(ii) a report detailing the results of
2 such testing, including whether the Sec-
3 retary added, modified, or moved any addi-
4 tional items to the standard financial aid
5 offer pursuant to subsection (b)(6).

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

13 “(j) **COST OF ATTENDANCE DEFINED.**—In this sec-
14 tion, the term ‘cost of attendance’ has the meaning given
15 such term in section 472.

16 “(k) **USE OF MANDATORY FINANCIAL AID OFFER**
17 **AND TERMS.**—

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

22 “(A) use the financial aid offer developed
23 under this section in providing paper, mobile-
24 optimized offers, or other electronic offers to all

1 students who apply for aid and are accepted at
2 the institution; and

3 “(B) use the standard terminology and
4 definitions developed by the Secretary under
5 subsection (f)(1) for all communications from
6 the institution related to financial aid offers.

7 “(2) EFFECTIVE DATE.—The requirements
8 under this section shall take effect on the first date
9 on which the Secretary releases the Free Application
10 for Federal Student Aid for the applicable award
11 year associated with that application, if such date
12 occurs not less than 1 year after the Secretary of
13 Education finalizes the standard terminology and
14 form developed in accordance with this section.

15 “(3) ADMINISTRATIVE PROCEDURES.—Notwith-
16 standing any other provision of law, the Secretary
17 shall not have the authority to prescribe regulations
18 to carry out this section, including with respect to
19 the definition of ‘income share agreement’ or ‘pri-
20 vate education loan’ (as such term is defined in sec-
21 tion 140(a) of the Truth in Lending Act (15 U.S.C.
22 1650(a)).”.

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

1 “(c) SUNSET.—The authority of the Secretary to
2 carry out this section shall terminate on the date on which
3 the standard form for financial aid offers under section
4 124 of the Higher Education Act of 1965 (20 U.S.C. 1001
5 et seq.) is released.”.

6 **SEC. 112. COLLEGE SCORECARD WEBSITE.**

7 (a) COLLEGE SCORECARD WEBSITE.—

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

11 (A) by amending subsection (a) to read as
12 follows:

13 “(a) DEFINITIONS.—In this section:

14 “(1) COLLEGE SCORECARD WEBSITE.—The
15 term ‘College Scorecard website’ means the College
16 Scorecard website required under subsection (c) and
17 includes any successor website.

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

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

1 “(A) the sum of the required costs de-
2 scribed in section 124(b)(3)(A)(i)(I) charged to
3 a student for such period of completion; minus

4 “(B) the total amount of grant and schol-
5 arship aid described in paragraph (2) of section
6 124(b) that is available to the student for the
7 costs described in subparagraph (A) for comple-
8 tion of a program of study.”;

9 (B) by striking subsections (b) through
10 (g); and

11 (C) by redesignating subsection (h) as sub-
12 section (b).

13 (2) SCORECARD AUTHORIZED.—Section 132 of
14 the Higher Education Act of 1965 (20 U.S.C.
15 1015a) is further amended—

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

17 (B) by inserting after subsection (b) the
18 following:

19 “(c) CONSUMER INFORMATION.—

20 “(1) AVAILABILITY OF INFORMATION FOR
21 TITLE IV INSTITUTIONS AND PROGRAMS.—Not later
22 than 18 months after the date of the enactment of
23 the College Cost Reduction Act, the Secretary shall
24 make publicly available on the College Scorecard
25 website the following aggregated information with

1 respect to each institution of higher education and
2 each program of study at such institution, as appli-
3 cable, that participates in a program under title IV:

4 “(A) A link to the website of the institu-
5 tion.

6 “(B) A link to the net price calculator for
7 such institution.

8 “(C) A link to the website of the institu-
9 tion containing campus safety data with respect
10 to such institution.

11 “(D) The geographic location of the insti-
12 tution.

13 “(E) Information on the type of institu-
14 tion, including sector, size, predominant and
15 highest credential awarded, research intensity,
16 programs of study offered, and other character-
17 istics of the institution.

18 “(F) Information on student enrollment,
19 including the number and percentage of stu-
20 dents enrolled full-time, less than full-time, and
21 enrolled in distance education.

22 “(G) Information on student progression
23 and completion, including time to credential
24 and rates of withdrawal, retention, transfer, or
25 completion.

1 “(H) Information on college costs and fi-
2 nancial aid, including average, median, min-
3 imum, and maximum values of—

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

8 “(ii) the grants and scholarships re-
9 ceived by students at the institution and
10 the number and percentage of such stu-
11 dents receiving such grants and scholar-
12 ships, disaggregated by source and whether
13 such aid is need-based, merit-based, an
14 athletic scholarship, or other type of grant
15 or scholarship; and

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

20 “(I) Information on student debt and re-
21 payment, including—

22 “(i) the average, median, minimum,
23 and maximum amounts borrowed by stu-
24 dents under title IV; and

1 “(ii) information with respect to re-
2 payment of loans made under title IV, in-
3 cluding borrower-based repayment rates,
4 dollar-based repayment rates, and time
5 spent in repayment.

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

11 “(i) with respect to students who com-
12 plete a program of study in an award
13 year—

14 “(I) the annual earnings of such
15 students; and

16 “(II) the value-added earnings of
17 such students; and

18 “(ii) with respect to students who do
19 not complete a program of study in an
20 award year, the annual earnings of such
21 students.

22 “(2) DISAGGREGATED INFORMATION.—The
23 Secretary shall ensure the information described in
24 paragraph (1) is disaggregated, as applicable, by the
25 following student characteristics:

- 1 “(A) Financial circumstances including—
- 2 “(i) household income categories, as
- 3 determined by students’ adjusted gross in-
- 4 come, family size, and poverty line (as de-
- 5 fined in section 401(a)); and
- 6 “(ii) student aid index categories, as
- 7 determined by the Secretary.
- 8 “(B) Sex.
- 9 “(C) Race and ethnicity.
- 10 “(E) Classification as a student with a dis-
- 11 ability.
- 12 “(F) Enrollment status, including part-
- 13 time or full-time enrollment, and status as a
- 14 distance education student.
- 15 “(G) Status as an in-district, in-State, or
- 16 out-of-State student.
- 17 “(H) Status as an international student.
- 18 “(I) Status as a recipient of Federal finan-
- 19 cial assistance, including—
- 20 “(i) a Pell Grant;
- 21 “(ii) a loan made under title IV; and
- 22 “(iii) assistance described in section
- 23 131(f)(4) administered, sponsored, or sup-
- 24 ported by the Department of Defense or
- 25 the Department of Veterans Affairs.

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

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

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

12 “(B) the student characteristics described
13 in paragraph (2).

14 “(4) UNIVERSAL NET PRICE CALCULATOR.—

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

23 “(i) the information described in sec-
24 tion 124, including the amounts described

1 in clauses (i) and (ii) of subsection (b)(3)
2 of such section; and

3 “(ii) the total net price required for
4 completion as defined under section
5 132(a).

6 “(B) UNIVERSAL NET PRICE CALCULATOR
7 INPUTS.—

8 “(i) IN GENERAL.—Except as pro-
9 vided in clause (ii), the information re-
10 quired under subparagraph (A) shall be
11 generated based on a single set of ques-
12 tions developed by the Secretary for pur-
13 poses of capturing the information speci-
14 fied in paragraph (2) and using the data
15 elements described in section
16 132(f)(2)(C)(ii).

17 “(ii) FAFSA-BASED ESTIMATE.—
18 When an individual submits a Free Appli-
19 cation for Federal Student Aid described
20 in section 483, the information required
21 under subparagraph (A) shall be automati-
22 cally generated based solely on the con-
23 tents of such application and the data ele-
24 ments described in section 132(f)(2)(C)(ii).

1 “(C) INTEGRATION WITH OTHER FEDERAL
2 FINANCIAL AID RESOURCES.—The Secretary
3 shall ensure that a website link or other means
4 of accessing the Universal Net Price Calculator
5 is included on—

6 “(i) the College Scorecard website;
7 and

8 “(ii) the FAFSA website.

9 “(D) RELATIONSHIP TO EARLY ESTIMATOR
10 TOOL.—Beginning on the date on which the
11 Universal Net Price Calculator becomes oper-
12 ational, the Secretary shall remove from the
13 FAFSA website the electronic estimator main-
14 tained pursuant to section 485E(b)(4).

15 “(5) UPDATES.—

16 “(A) DATA.—The Secretary shall update
17 the Universal Net Price Calculator Website and
18 College Scorecard website not less than annu-
19 ally.

20 “(B) TECHNOLOGY AND FORMAT.—The
21 Secretary shall regularly assess the format and
22 technology of the College Scorecard website and
23 make any changes or updates that the Sec-
24 retary considers appropriate.

1 “(6) CONSUMER TESTING.—In developing and
2 maintaining the College Scorecard website, the Sec-
3 retary, in consultation with appropriate departments
4 and agencies of the Federal Government—

5 “(A) not later than 6 months after the
6 date of the enactment of the College Cost Re-
7 duction Act, and not less than once every 3
8 years thereafter, shall conduct consumer testing
9 with appropriate persons, including current and
10 prospective college students, family members of
11 such students, institutions of higher education,
12 and experts, to ensure that the College Score-
13 card website is usable and easily understand-
14 able and provides useful and relevant informa-
15 tion to students and families; and

16 “(B) prominently shall display on such
17 website in simple, understandable, and unbiased
18 terms for the most recent academic year for
19 which satisfactory data is available, the infor-
20 mation described in paragraphs (1) and (2)
21 that was determined to be useful and relevant
22 to students and families based on the consumer
23 testing described in subparagraph (A) for each
24 institution and program of study (as applica-
25 ble).

1 “(7) INTERAGENCY COORDINATION.—The Sec-
2 retary, in consultation with each appropriate head of
3 a department or agency of the Federal Government,
4 shall ensure, to the greatest extent practicable, that
5 any information related to higher education that is
6 published by such department or agency is con-
7 sistent with the information published on the College
8 Scorecard website.

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

17 “(9) DATA PRIVACY.—

18 “(A) IN GENERAL.—The Secretary shall
19 ensure any information made available under
20 this section is made available in accordance
21 with the privacy laws described in section
22 132(f)(1)(C)(iv).

23 “(B) SMALL INSTITUTIONS AND PROGRAM
24 OF STUDY.—For purposes of publishing the in-
25 formation described in paragraphs (1) and (2),

1 for any year for which the number of students
2 is determined by the Secretary to be of insuffi-
3 cient size to maintain the privacy of student
4 data , the Secretary shall—

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

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

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

1 tial level, in lieu of data specific to stu-
2 dents in such program of study.”.

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

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

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

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

17 (1) by redesignating subsections (j) and (k) as
18 subsections (d) and (e), respectively;

19 (2) by redesignating subsection (l) as subsection
20 (g); and

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

23 “(f) POSTSECONDARY STUDENT DATA SYSTEM.—

24 “(1) IN GENERAL.—

1 “(A) ESTABLISHMENT OF SYSTEM.—Not
2 later than 3 years after the date of enactment
3 of the College Cost Reduction Act, the Commis-
4 sioner of the National Center for Education
5 Statistics (referred to in this subsection as the
6 ‘Commissioner’) in consultation with the Direc-
7 tor of the Institute of Education Sciences (re-
8 ferred to as ‘the Director’) shall develop and
9 maintain a secure and privacy-protected post-
10 secondary student-level data system in order
11 to—

12 “(i) accurately evaluate student en-
13 rollment patterns, progression, completion,
14 and postcollegiate outcomes, and higher
15 education costs and financial aid;

16 “(ii) assist with transparency, institu-
17 tional improvement, and analysis of Fed-
18 eral aid programs;

19 “(iii) provide accurate, complete, and
20 customizable information for students and
21 families making decisions about postsec-
22 ondary education; and

23 “(iv) to the extent practicable, reduce
24 the reporting burden on institutions of
25 higher education in accordance with sec-

1 tion 111 of the College Cost Reduction
2 Act.

3 “(B) AVOIDING DUPLICATE REPORTING.—
4 Notwithstanding any other provision of this sec-
5 tion, to the extent that another provision of this
6 section requires the same reporting or collection
7 of data that is required under this subsection,
8 an institution of higher education, or the Sec-
9 retary or Commissioner, shall use the reporting
10 or data required for the postsecondary student
11 data system under this subsection to satisfy
12 both requirements.

13 “(C) DEVELOPMENT PROCESS.—In devel-
14 oping the postsecondary student data system
15 described in this subsection, the Commissioner,
16 in consultation with the Director, shall—

17 “(i) focus on the needs of—

18 “(I) users of the data system;

19 and

20 “(II) entities, including institu-
21 tions of higher education, reporting to
22 the data system;

23 “(ii) take into consideration, to the
24 extent practicable—

25 “(I) the guidelines outlined in—

1 “(aa) the ‘United States
2 Web Design Standards’ main-
3 tained by the General Services
4 Administration; and

5 “(bb) the ‘Digital Services
6 Playbook’ and ‘TechFAR Hand-
7 book for Procuring Digital Serv-
8 ices Using Agile Processes’ of the
9 United States Digital Service;
10 and

11 “(II) the relevant successor docu-
12 ments or recommendations of such
13 guidelines;

14 “(iii) use modern, relevant privacy-
15 and security-enhancing technology, and en-
16 hance and update the data system as nec-
17 essary to carry out the purpose of this sub-
18 section;

19 “(iv) ensure data privacy and security
20 is consistent with any relevant Federal law
21 relating to privacy or data security, includ-
22 ing—

23 “(I) the requirements of sub-
24 chapter II of chapter 35 of title 44,
25 United States Code, specifying secu-

1 rity categorization under the Federal
2 Information Processing Standards or
3 any relevant successor of such stand-
4 ards;

5 “(II) security requirements that
6 are consistent with the Federal agency
7 responsibilities in section 3554 of title
8 44, United States Code, or any rel-
9 evant successor of such responsibil-
10 ities; and

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

22 “(v) follow Federal data minimization
23 practices to ensure only the minimum
24 amount of data is collected to meet the
25 system’s goals, in accordance with Federal

1 data minimization standards and guide-
2 lines developed by the National Institute of
3 Standards and Technology; and

4 “(vi) provide notice to students out-
5 lining the data included in the system and
6 how the data are used.

7 “(D) LIMITATION.—The data system de-
8 veloped under this subsection may only include
9 data with respect to—

10 “(i) students receiving—

11 “(I) Federal financial assistance
12 under title IV of this Act; or

13 “(II) assistance described in sec-
14 tion 131(f)(4) administered, spon-
15 sored, or supported by the Depart-
16 ment of Defense or the Department of
17 Veterans Affairs; and

18 “(ii) participants in a program de-
19 scribed in section 116(b)(3)(A)(ii) of the
20 Workforce Innovation and Opportunity Act
21 (29 U.S.C. 3131(b)(3)(A)(ii)).

22 “(2) DATA ELEMENTS.—

23 “(A) IN GENERAL.—Not later than 3 years
24 after the date of enactment of the College Cost
25 Reduction Act, the Commissioner, in consulta-

1 tion with the Postsecondary Student Data Sys-
2 tem Advisory Committee and the Director, es-
3 tablished under subparagraph (B), shall deter-
4 mine—

5 “(i) the data elements to be included
6 in the postsecondary student data system,
7 in accordance with subparagraphs (C) and
8 (D); and

9 “(ii) how to include the data elements
10 required under subparagraph (C), and any
11 additional data elements selected under
12 subparagraph (D), in the postsecondary
13 student data system.

14 “(B) POSTSECONDARY STUDENT DATA
15 SYSTEM ADVISORY COMMITTEE.—

16 “(i) ESTABLISHMENT.—Not later
17 than 1 year after the date of enactment of
18 the College Cost Reduction Act, the Com-
19 missioner, in consultation with the Direc-
20 tor, shall establish a Postsecondary Stu-
21 dent Data System Advisory Committee (re-
22 ferred to in this subsection as the ‘Advi-
23 sory Committee’), whose members shall in-
24 clude—

1 “(I) the Chief Privacy Officer of
2 the Department or an official of the
3 Department delegated the duties of
4 overseeing data privacy at the Depart-
5 ment;

6 “(II) the Chief Security Officer
7 of the Department or an official of
8 the Department delegated the duties
9 of overseeing data security at the De-
10 partment;

11 “(III) representatives of diverse
12 institutions of higher education, which
13 shall include equal representation be-
14 tween 2-year and 4-year institutions
15 of higher education, and from public,
16 nonprofit, and proprietary institutions
17 of higher education, including minor-
18 ity-serving institutions;

19 “(IV) representatives from State
20 higher education agencies, entities,
21 bodies, or boards;

22 “(V) representatives of postsec-
23 ondary students;

24 “(VI) representatives from rel-
25 evant Federal agencies;

1 “(VII) individuals with expertise
2 in data privacy and security;

3 “(VIII) the individual within a
4 State responsible for administering
5 the statewide, longitudinal data sys-
6 tem described in section 208 of the
7 Education Sciences Reform Act of
8 2002 (20 U.S.C. 9607(a)); and

9 “(IX) other stakeholders (includ-
10 ing individuals with consumer protec-
11 tion and postsecondary education re-
12 search).

13 “(ii) REQUIREMENTS.—The Commis-
14 sioner, working with the Director, shall en-
15 sure that the Advisory Committee—

16 “(I) adheres to all requirements
17 under chapter 10 of title 5, United
18 States Code (commonly known as the
19 ‘Federal Advisory Committee Act’);

20 “(II) establishes operating and
21 meeting procedures and guidelines
22 necessary to execute its advisory du-
23 ties; and

1 “(III) is provided with appro-
2 priate staffing and resources to exe-
3 cute its advisory duties.

4 “(C) REQUIRED DATA ELEMENTS.—The
5 data elements in the postsecondary student
6 data system shall include the following:

7 “(i) Student-level data elements nec-
8 essary to calculate the information within
9 the surveys designated by the Commis-
10 sioner as ‘student-related surveys’ in the
11 Integrated Postsecondary Education Data
12 System (IPEDS), as such surveys are in
13 effect on the day before the date of enact-
14 ment of the College Cost Reduction Act,
15 except that in the case that collection of
16 such elements would conflict with the pro-
17 hibition under subparagraph (F), such ele-
18 ments in conflict with such prohibition
19 shall be included in the aggregate instead
20 of at the student level.

21 “(ii) Student-level data elements re-
22 ported by institutions in accordance with
23 section 668.408 of title 34, Code of Fed-
24 eral Regulations, as in effect on July 1,
25 2024.

1 “(iii) Student-level data elements nec-
2 essary to allow for reporting student en-
3 rollment, persistence, progression (includ-
4 ing credit accumulation) retention, trans-
5 fer, completion, and time and credits to
6 credential measures for all credential levels
7 separately (including certificate, associate,
8 baccalaureate, and advanced degree levels),
9 within and across institutions of higher
10 education (including across all categories
11 of institution level, control, and predomi-
12 nant degree awarded). The data elements
13 shall allow for reporting about all such
14 data disaggregated by the following cat-
15 egories:

16 “(I) Enrollment status as a first-
17 time student, recent transfer student,
18 or other nonfirst-time student.

19 “(II) Attendance intensity,
20 whether full-time or part-time.

21 “(III) Credential-seeking status,
22 by credential level (including non-
23 credit-seeking and noncredit creden-
24 tials).

1 “(IV) Race or ethnicity, in a
2 manner that captures all the racial
3 groups specified in the most recent
4 American Community Survey of the
5 Bureau of the Census.

6 “(V) Age intervals.

7 “(VI) Sex.

8 “(VII) Status as a first genera-
9 tion college student (as defined in sec-
10 tion 402A(h)).

11 “(VIII) Economic status.

12 “(IX) Measures related to college
13 readiness, including participation in
14 postsecondary remedial coursework or
15 gateway course completion.

16 “(X) Program of study.

17 “(XI) Status as an online edu-
18 cation student, whether exclusively or
19 partially enrolled in online education.

20 “(XII) Military or veteran benefit
21 status (as determined based on receipt
22 of veteran’s education benefits, as de-
23 fined in section 480(c)).

24 “(XIII) Federal Pell Grant re-
25 cipient status under section 401 and

1 Federal loan recipient status under
2 title IV.

3 “(XIV) Status as a participant in
4 a program described in section
5 116(b)(3)(A)(ii) of the Workforce In-
6 novation and Opportunity Act (29
7 U.S.C. 3131(b)(3)(A)(ii)).

8 “(D) REEVALUATION.—Not less than once
9 every 3 years after the implementation of the
10 postsecondary student data system described in
11 this subsection, the Commissioner, in consulta-
12 tion with the Advisory Committee described in
13 subparagraph (B) and working with the Direc-
14 tor, shall report to Congress the data elements
15 included in the postsecondary student data sys-
16 tem and recommend any additional data ele-
17 ments to be included in such system.

18 “(E) PROHIBITIONS.—The postsecondary
19 student data system shall not include individual
20 health data (including data relating to physical
21 health or mental health), student discipline
22 records or data, elementary and secondary edu-
23 cation data, an exact address, course grades,
24 postsecondary entrance examination results, po-
25 litical affiliation, religion, or any other data in

1 the postsecondary student data system not de-
2 scribed in this subsection.

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

5 “(A) DATA SHARING AGREEMENTS.—

6 “(i) IN GENERAL.—The Commis-
7 sioner, in consultation with the Director,
8 shall ensure secure and privacy-protected
9 periodic data matches by entering into
10 data sharing agreements with each of the
11 following Federal agencies and offices:

12 “(I) The Secretary of the Treas-
13 ury and the Commissioner of the In-
14 ternal Revenue Service, in order to
15 calculate aggregate program- and in-
16 stitution-level earnings of postsec-
17 ondary students described in subpara-
18 graph (B)(ii).

19 “(II) The Secretary of Defense,
20 in order to assess the use of postsec-
21 ondary educational benefits and the
22 outcomes of servicemembers who are
23 receiving veteran’s education benefits
24 (as defined in section 480(c)).

1 “(III) The Secretary of Veterans
2 Affairs, in order to assess the use of
3 postsecondary educational benefits
4 and outcomes of veterans who are re-
5 ceiving veteran’s education benefits
6 (as defined in section 480(c)).

7 “(IV) The Director of the Bu-
8 reau of the Census, in order to assess
9 the employment outcomes of former
10 postsecondary education students de-
11 scribed in paragraph (1)(D).

12 “(V) The Chief Operating Officer
13 of the Office of Federal Student Aid,
14 in order to analyze the use of postsec-
15 ondary educational benefits provided
16 under this Act.

17 “(VI) The Commissioner of the
18 Social Security Administration, in
19 order to evaluate labor market out-
20 comes of former postsecondary edu-
21 cation students described in para-
22 graph (1)(D).

23 “(VII) The Secretary of Health
24 and Human Services, in order to
25 evaluate the wages of former postsec-

1 ondary education students described
2 in paragraph (1)(D).

3 “(ii) DATA SHARING AGREEMENTS.—
4 The heads of Federal agencies and offices
5 described under clause (i) shall enter into
6 data sharing agreements with the Commis-
7 sioner to ensure secure and privacy-pro-
8 tected periodic data matches as described
9 in this paragraph.

10 “(B) CATEGORIES OF DATA.—The Com-
11 missioner, in consultation with the Director,
12 shall, at a minimum, seek to ensure that the se-
13 cure and privacy-protected periodic data
14 matches described in subparagraph (A) permit
15 consistent reporting of the following categories
16 of data for students described in paragraph
17 (1)(D) who completed a program of study and
18 who did not complete a program of study:

19 “(i) Enrollment, retention, transfer,
20 and completion outcomes.

21 “(ii) Financial indicators for postsec-
22 ondary students receiving Federal grants
23 and loans, including grant and loan aid by
24 source, cumulative student debt, loan re-
25 payment status, and repayment plan.

1 “(iii) Post-completion outcomes, in-
2 cluding earnings and employment (includ-
3 ing industry, occupation, and location of
4 employment, and further education, by
5 program of study and credential level) and
6 as measured at time intervals appropriate
7 to the credential sought and earned.

8 “(C) PERIODIC DATA MATCH STREAM-
9 LINING AND CONFIDENTIALITY.—

10 “(i) STREAMLINING.—In carrying out
11 the secure and privacy-protected periodic
12 data matches under this paragraph, the
13 Commissioner shall—

14 “(I) ensure that such matches
15 are not continuous, but occur only pe-
16 riodically at appropriate intervals, as
17 determined by the Commissioner to
18 meet the goals of subparagraph (A);
19 and

20 “(II) seek to—

21 “(aa) streamline the data
22 collection and reporting require-
23 ments for institutions of higher
24 education;

1 “(bb) minimize duplicative
2 reporting across or within Fed-
3 eral agencies or departments, in-
4 cluding reporting requirements
5 applicable to institutions of high-
6 er education under the Workforce
7 Innovation and Opportunity Act
8 (29 U.S.C. 3101 et seq.) and the
9 Carl D. Perkins Career and
10 Technical Education Act of 2006;

11 “(cc) protect student pri-
12 vacy; and

13 “(dd) streamline the applica-
14 tion process for student loan ben-
15 efit programs available to bor-
16 rowers based on data available
17 from different Federal data sys-
18 tems.

19 “(ii) REVIEW.—Not less often than
20 once every 3 years after the establishment
21 of the postsecondary student data system
22 under this subsection, the Commissioner,
23 in consultation with the Advisory Com-
24 mittee and the Director, shall review meth-
25 ods for streamlining data collection from

1 institutions of higher education and mini-
2 mizing duplicative reporting within the De-
3 partment and across Federal agencies that
4 provide data for the postsecondary student
5 data system.

6 “(iii) CONFIDENTIALITY.—The Com-
7 missioner shall ensure that any periodic
8 matching or sharing of data through peri-
9 odic data system matches established in
10 accordance with this paragraph—

11 “(I) complies with the security
12 and privacy protections described in
13 paragraph (1)(C)(iv) and other Fed-
14 eral data protection protocols;

15 “(II) follows industry best prac-
16 tices commensurate with the sensi-
17 tivity of specific data elements or
18 metrics;

19 “(III) does not result in the cre-
20 ation of a single standing, linked Fed-
21 eral database at the Department that
22 maintains the information reported
23 across other Federal agencies; and

24 “(IV) discloses to postsecondary
25 students what data are included in the

1 data system and periodically matched
2 and how the data are used.

3 “(iv) CORRECTION.—The Commis-
4 sioner, in consultation with the Advisory
5 Committee and Director, shall establish a
6 process for students to request access to
7 only their personal information for inspec-
8 tion and request corrections to inaccuracies
9 in a manner that protects the student’s
10 personally identifiable information. The
11 Commissioner shall respond in writing to
12 every request for a correction from a stu-
13 dent.

14 “(4) PUBLICLY AVAILABLE INFORMATION.—

15 “(A) IN GENERAL.—The Commissioner
16 shall make the summary aggregate information
17 described in subparagraph (C), at a minimum,
18 publicly available through a user-friendly con-
19 sumer information website and analytic tool for
20 institutional and research use that—

21 “(i) provides appropriate mechanisms
22 for users to customize and filter informa-
23 tion by institutional and student character-
24 istics;

1 “(ii) allows users to build summary
2 aggregate reports of information, including
3 reports that allow comparisons across mul-
4 tiple institutions and programs, subject to
5 subparagraph (B);

6 “(iii) uses appropriate statistical dis-
7 closure limitation techniques necessary to
8 ensure that the data released to the public
9 cannot be used to identify specific individ-
10 uals; and

11 “(iv) provides users with appropriate
12 contextual factors to make comparisons,
13 which may include national median figures
14 of the summary aggregate information de-
15 scribed in subparagraph (C).

16 “(B) NO PERSONALLY IDENTIFIABLE IN-
17 FORMATION AVAILABLE.—The summary aggre-
18 gate information described in this paragraph
19 shall not include personally identifiable informa-
20 tion.

21 “(C) SUMMARY AGGREGATE INFORMATION
22 AVAILABLE.—The summary aggregate informa-
23 tion described in this paragraph shall, at a min-
24 imum, include each of the following for each in-
25 stitution of higher education:

1 “(i) Measures of student access, in-
2 cluding—

3 “(I) admissions selectivity and
4 yield; and

5 “(II) enrollment, disaggregated
6 by each category described in para-
7 graph (2)(C)(iii).

8 “(ii) Measures of student progression,
9 including retention rates and persistence
10 rates, disaggregated by each category de-
11 scribed in paragraph (2)(C)(iii).

12 “(iii) Measures of student completion,
13 including—

14 “(I) transfer rates and outcomes,
15 completion rates, and time and credits
16 to credential, disaggregated by each
17 category described in paragraph
18 (2)(C)(iii); and

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

22 “(iv) Measures of student costs, in-
23 cluding—

24 “(I) tuition, required fees, cost of
25 attendance, grants and scholarships,

1 net price, and unmet need
2 disaggregated by in-State tuition or
3 in-district tuition status (if applica-
4 ble), direct and indirect costs, pro-
5 gram of study (if applicable), and cre-
6 dential level; and

7 “(II) typical grant amounts and
8 loan amounts received by students re-
9 ported separately from Federal, State,
10 local, institutional, employers, and
11 other sources, and cumulative debt,
12 disaggregated by—

13 “(aa) each category de-
14 scribed in paragraph (2)(C)(iii);
15 and

16 “(bb) completion status.

17 “(v) Measures of postcollegiate stu-
18 dent outcomes, including return on invest-
19 ment, employment rates, earnings, loan re-
20 payment and default rates, and further
21 education rates. These measures shall—

22 “(I) be disaggregated by—

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

1 “(bb) completion status; and
2 “(II) be measured immediately
3 after leaving postsecondary education
4 and at time intervals appropriate to
5 the credential sought or earned.

6 “(D) DEVELOPMENT CRITERIA.—In devel-
7 oping the method and format of making the in-
8 formation described in this paragraph publicly
9 available, the Commissioner shall—

10 “(i) focus on the needs of the users of
11 the information, which will include stu-
12 dents, families of students, potential stu-
13 dents, researchers, and other consumers of
14 education data;

15 “(ii) take into consideration, to the
16 extent practicable, the guidelines described
17 in paragraph (1)(C)(ii)(I), and relevant
18 successor documents or recommendations
19 of such guidelines;

20 “(iii) use modern, relevant technology
21 and enhance and update the postsecondary
22 student data system with information, as
23 necessary to carry out the purpose of this
24 paragraph;

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

15 “(v) conduct consumer testing to de-
16 termine how to make the information as
17 meaningful to users as possible.

18 “(5) PERMISSIBLE DISCLOSURES OF DATA.—

19 “(A) DATA REPORTS AND QUERIES.—

20 “(i) IN GENERAL.—Not later than 3
21 years after the date of enactment of the
22 College Cost Reduction Act, the Commis-
23 sioner in consultation with the Director,
24 shall develop and implement a secure and
25 privacy-protected process for making stu-

1 dent-level, nonpersonally identifiable infor-
2 mation, with direct identifiers removed,
3 from the postsecondary student data sys-
4 tem available for vetted research and eval-
5 uation purposes approved by the Commis-
6 sioner in a manner compatible with prac-
7 tices for disclosing National Center for
8 Education Statistics restricted-use survey
9 data as in effect on the day before the date
10 of enactment of the College Cost Reduction
11 Act, or by applying other research and dis-
12 closure restrictions to ensure data privacy
13 and security. Such process shall be ap-
14 proved by the National Center for Edu-
15 cation Statistics' Disclosure Review Board
16 (or successor body).

17 “(ii) PROVIDING DATA REPORTS AND
18 QUERIES TO INSTITUTIONS AND STATES.—

19 “(I) IN GENERAL.—The Commis-
20 sioner shall provide feedback reports,
21 at least annually, to each institution
22 of higher education, each postsec-
23 ondary education system that fully
24 participates in the postsecondary stu-
25 dent data system, and each State

1 higher education body as designated
2 by the governor.

3 “(II) FEEDBACK REPORTS.—The
4 feedback reports provided under this
5 clause shall include program-level and
6 institution-level information from the
7 postsecondary student data system re-
8 garding students who are associated
9 with the institution or, for State rep-
10 resentatives, the institutions within
11 that State, on or before the date of
12 the report, on measures including stu-
13 dent mobility (including transfer and
14 completion rates) and workforce out-
15 comes, provided that the feedback ag-
16 gregate summary reports protect the
17 privacy of individuals.

18 “(III) DETERMINATION OF CON-
19 TENT.—The content of the feedback
20 reports shall be determined by the
21 Commissioner in consultation with the
22 Advisory Committee and the Director.

23 “(iii) PERMITTING STATE DATA QUE-
24 RIES.—The Commissioner shall, in con-
25 sultation with the Advisory Committee and

1 as soon as practicable, create a process
2 through which States may submit lists of
3 secondary school graduates within the
4 State to receive summary aggregate out-
5 comes for those students who enrolled at
6 an institution of higher education, includ-
7 ing postsecondary enrollment, retention
8 and transfer, and college completion, pro-
9 vided that those data protect the privacy of
10 individuals and that the State data sub-
11 mitted to the Commissioner are not stored
12 in the postsecondary education system.

13 “(iv) REGULATIONS.—The Commis-
14 sioner shall promulgate regulations to en-
15 sure fair, secure and privacy-protected, and
16 equitable access to data reports and que-
17 ries under this paragraph.

18 “(B) DISCLOSURE LIMITATIONS.—In car-
19 rying out the public reporting and disclosure re-
20 quirements of this subsection, the Commis-
21 sioner shall use appropriate statistical disclo-
22 sure limitation techniques necessary to ensure
23 that the data released to the public cannot in-
24 clude personally identifiable information or be
25 used to identify specific individuals.

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

8 “(D) LIMITATION ON USE BY OTHER FED-
9 ERAL AGENCIES.—

10 “(i) IN GENERAL.—The Commissioner
11 shall not allow any other Federal agency to
12 use data collected under this subsection for
13 any purpose except—

14 “(I) for vetted research and eval-
15 uation conducted by the other Federal
16 agency, as described in subparagraph
17 (A)(i); or

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

20 “(ii) PROHIBITION ON LIMITATION OF
21 SERVICES.—The Secretary, or the head of
22 any other Federal agency, shall not use
23 data collected under this subsection to
24 limit services to students.

1 “(E) LAW ENFORCEMENT.—Personally
2 identifiable information collected under this
3 subsection shall not be used for any Federal,
4 State, or local law enforcement activity or any
5 other activity that would result in adverse ac-
6 tion against any student or a student’s family.

7 “(F) LIMITATION OF USE FOR FEDERAL
8 RANKINGS OR SUMMATIVE RATING SYSTEM.—
9 The comprehensive data collection and analysis
10 necessary for the postsecondary student data
11 system under this subsection shall not be used
12 by the Secretary or any Federal entity to estab-
13 lish any Federal ranking system of institutions
14 of higher education or a system that results in
15 a summative Federal rating of institutions of
16 higher education.

17 “(G) RULE OF CONSTRUCTION.—Nothing
18 in this paragraph shall be construed to prevent
19 the use of individual categories of aggregate in-
20 formation to be used for accountability pur-
21 poses.

22 “(H) RULE OF CONSTRUCTION REGARDING
23 COMMERCIAL USE OF DATA.—Nothing in this
24 paragraph shall be construed to prohibit third-
25 party entities from using publicly available in-

1 formation in this data system for commercial
2 use.

3 “(6) SUBMISSION OF DATA.—

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

12 “(B) VOLUNTARY SUBMISSION.—Any insti-
13 tution of higher education not participating in
14 a program under title IV may voluntarily par-
15 ticipate in the postsecondary student data sys-
16 tem under this subsection by collecting and sub-
17 mitting data to the Commissioner, as the Com-
18 missioner may request to carry out this sub-
19 section.

20 “(C) PERSONALLY IDENTIFIABLE INFOR-
21 MATION.—In accordance with paragraph
22 (2)(C)(i), if the submission of an element of
23 student-level data is prohibited under para-
24 graph (2)(F) (or otherwise prohibited by law),

1 the institution of higher education shall submit
2 that data to the Commissioner in the aggregate.

3 “(7) UNLAWFUL WILLFUL DISCLOSURE.—

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

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

18 “(C) EMPLOYEE OF OFFICER OF THE
19 UNITED STATES.—If a violation of subpara-
20 graph (A) is committed by any officer or em-
21 ployee of the United States, the officer or em-
22 ployee shall be dismissed from office or dis-
23 charged from employment upon conviction for
24 the violation.

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

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

11 “(B) access controls;

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

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

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

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

1 the standards of National Center for Education
2 Statistics.

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

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

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

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

16 “(C) PERSONALLY IDENTIFIABLE INFOR-
17 MATION.—The term ‘personally identifiable in-
18 formation’ means personally identifiable infor-
19 mation within the meaning of section 444 of the
20 General Education Provisions Act.”.

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

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

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

3 “(1) that—

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

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

10 “(2) required under section 132.”.

11 (b) PROGRAM PARTICIPATION AGREEMENTS.—

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

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

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

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

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

16 **PART A—FINANCIAL NEED**

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

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

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

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

3 “(A) the”;

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

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

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

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

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

16 **PART B—FINANCIAL AID**

17 **Subpart 1—Grants**

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

19 Section 401(b)(3) (20 U.S.C. 1070a(b)(3)), as
20 amended by the FAFSA Simplification Act, is further
21 amended by adding at the end the following:

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

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

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

11 (a) **TERMINATION OF CERTAIN PROGRAMS.**—Not-
12 withstanding subparts 3 and 4 of part A, or part C, of
13 title IV of the Higher Education Act of 1965 (20 U.S.C.
14 1070 et seq.), or any other provision of law, except as ex-
15 pressly authorized by an Act of Congress enacted after
16 the date of enactment of this Act, beginning on October
17 1, 2026, no funds are authorized to be appropriated, or
18 may be expended, under this Act or any other Act to make
19 payments to States for the Leveraging Educational Assist-
20 ance Partnership Program under subpart 4 of part A of
21 title IV (20 U.S.C. 1070c et seq.), and the authority of
22 the Secretary to carry out such program shall be termi-
23 nated.

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

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

6 **“SEC. 415A. PURPOSE.**

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

9 “(1) assist institutions in providing certainty to
10 students and families about postsecondary afford-
11 ability;

12 “(2) increase postsecondary access and eco-
13 nomic mobility; and

14 “(3) ensure that students, institutions, and tax-
15 payers receive a financial return for investments in
16 postsecondary education.

17 **“SEC. 415B. PROMISE GRANTS.**

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

1 year period in an amount that is determined in accordance
2 with section 415D.

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

4 “(a) ELIGIBLE INSTITUTION.—To be eligible for a
5 PROMISE grant under this subpart, an institution
6 shall—

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

11 “(2) meet the maximum total price guarantee
12 requirements under subsection (c).

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

19 “(1) demonstrate that the institution—

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

22 “(B) will continue to meet the maximum
23 total price guarantee requirements for each
24 award year during the grant period with respect

1 to students first enrolling at the institution for
2 each such award year;

3 “(2) describe how grant funds awarded under
4 this subpart will be used by the institution to carry
5 out the purposes of this Act, including activities re-
6 lated to—

7 “(A) postsecondary affordability, includ-
8 ing—

9 “(i) the expansion and continuation of
10 the maximum total price guarantee re-
11 quirements under subsection (c); and

12 “(ii) any other activities to be carried
13 out by the institution to increase postsec-
14 ondary affordability and minimize the total
15 net price required for completion (as de-
16 fined in section 132(a)) paid by students
17 receiving need-based student aid;

18 “(B) postsecondary access, which may in-
19 clude—

20 “(i) the activities described in section
21 485E of this Act; and

22 “(ii) any other activities to be carried
23 out by the institution to increase postsec-
24 ondary access and expand opportunities for
25 low- and middle-income students; and

1 “(C) postsecondary student success, which
2 may include—

3 “(i) activities to improve completion
4 rates and reduce time to credential, includ-
5 ing the activities described in section 741
6 of this Act, as amended by the College
7 Cost Reduction Act;

8 “(ii) activities to align programs of
9 study with the needs of employers, includ-
10 ing with respect to in-demand industry sec-
11 tors or occupations (as defined in section 3
12 of the Workforce Innovation and Oppor-
13 tunity Act (29 U.S.C. 3102)); and

14 “(iii) any other activities to be carried
15 out by the institution to increase value-
16 added earnings and postsecondary student
17 success;

18 “(3) describe—

19 “(A) how the institution will evaluate the
20 effectiveness of the institution’s use of grant
21 funds awarded under this subpart; and

22 “(B) how the institution will collect and
23 disseminate information on promising practices
24 developed with the use of such grant funds; and

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

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

8 “(1) for each award year beginning after the
9 date of enactment of the College Cost Reduction
10 Act, not later than one year before the start of each
11 such award year (except that, for the first award
12 year beginning after such date of enactment, the in-
13 stitution shall meet these requirements as soon as
14 practicable such date of enactment)—

15 “(A) determine the maximum total price
16 for completion, in accordance with subsection
17 (e), for each program of study at the institu-
18 tion—

19 “(i) applicable to students in each in-
20 come category described in section
21 132(c)(2)(A)(i); and

22 “(ii) applicable to students in each
23 student aid index category determined by
24 the Secretary in accordance with section
25 132(c)(2)(A)(ii); and

1 “(B) publish such information on the insti-
2 tution’s website and in the institution’s catalog,
3 marketing materials, or other official publica-
4 tions;

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

14 “(3) provide to the Secretary an assurance that
15 the institution will continue to meet each of the
16 maximum total price guarantee requirements under
17 this subsection for students who first enroll, or plan
18 to enroll, in the institution during each award year
19 included in the grant period.

20 “(d) DURATION OF MINIMUM GUARANTEE PE-
21 RIOD.—

22 “(1) IN GENERAL.—The minimum period dur-
23 ing which a student shall be provided a guarantee
24 under subsection (c) with respect to the maximum
25 total price for completion of a program of study at

1 an institution shall be the median time to credential
2 of students who completed any undergraduate pro-
3 gram of study at the institution during the most re-
4 cent award year for which data are available, except
5 that such minimum guarantee period shall not be
6 less than the program length of the program of
7 study in which the student is enrolled.

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

13 “(e) DETERMINATION OF MAXIMUM TOTAL PRICE
14 FOR COMPLETION.—

15 “(1) IN GENERAL.—For the purposes of sub-
16 section (c), an institution shall determine, prior to
17 the first award year in which a student enrolls at
18 the institution, the maximum total price that may be
19 charged to the student for completion of a program
20 of study at the institution for the minimum guar-
21 antee period applicable to a student, before applica-
22 tion of any Federal Pell Grants or other Federal fi-
23 nancial aid under this title. Such a maximum total
24 price for completion shall be determined for students
25 in each income category and student aid index cat-

1 egory (as determined in accordance with section
2 132(c)(2)(A)). In determining the maximum total
3 price for completion to be charged to each such cat-
4 egory of students, the institution may consider the
5 ability of a category of students to pay tuition and
6 fees (including the required costs described in sec-
7 tion 124(b)(3)(A)(i)(I)), but may not include in such
8 consideration any Federal Pell Grants or other Fed-
9 eral financial aid awards that may be available to
10 such category of students under this title.

11 “(2) MULTIPLE MAXIMUM TOTAL PRICE GUAR-
12 ANTEES.—In the event that a student receives more
13 than one maximum total price guarantee because the
14 student is included in more than one category of stu-
15 dents for which the institution determines a max-
16 imum total price guarantee amount for the purposes
17 of subsection (c), the maximum total price guarantee
18 applicable to such student for the purposes of this
19 section shall be equal to the lowest such guarantee
20 amount.

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

22 “(a) GRANT AMOUNT FORMULA.—

23 “(1) FORMULA.—Subject to subsection (b), the
24 amount of a PROMISE grant for an eligible institu-
25 tion for each year of the grant period shall be deter-

1 mined by the Secretary annually and shall be equal
2 to—

3 “(A) the amount determined by multi-
4 plying—

5 “(i) the lesser of—

6 “(I) the difference determined by
7 subtracting one from the quotient
8 of—

9 “(aa) the average, for the 3
10 most recent award years for
11 which data are available, of the
12 median value-added earnings (as
13 defined in section 103) for each
14 such award year of students who
15 completed any program of study
16 of the institution; divided by

17 “(bb) the average for the 3
18 most recent award years, of the
19 maximum total price applicable
20 for each such award year to stu-
21 dents enrolled in the institution
22 in any program of study who re-
23 ceived financial aid under this
24 title; or

25 “(II) the number two;

1 “(ii) the average, for the 3 most re-
2 cent award years, of the total dollar
3 amount of Federal Pell Grants awarded to
4 students enrolled in the institution in each
5 such award year; and

6 “(iii) the average, for the 3 most re-
7 cent award years, of the percentage of low-
8 income students who received Federal fi-
9 nancial assistance under this title who
10 were enrolled in the institution in each
11 such award year who—

12 “(I) completed a program of
13 study at the institution within 100
14 percent of the program length of such
15 program; or

16 “(II) only in the case of a two-
17 year institution or a less than two-
18 year institution—

19 “(aa) transfer to a four-year
20 institution; and

21 “(bb) within 4 years after
22 first enrolling at the two-year or
23 less than two-year institution,
24 complete a program of study at
25 the four-year institution for

1 which a bachelor's degree (or
2 substantially similar credential)
3 is awarded; minus

4 “(B) the sum of—

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

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

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

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

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

25 “(2) \$5,000.

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

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

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

12 “(3) collecting and disseminating promising
13 practices related to the activities carried out with
14 such grant, in accordance with section
15 415C(b)(3)(B).

16 “(d) TRANSFER AUTHORITY.—In order to offer an
17 arrangement of types of aid which best fit the needs of
18 each individual student, an institution may transfer up to
19 100 percent of the institution’s allotment under subpart
20 3 of this part or part C of this title (or both) to the institu-
21 tion’s allotment under this section. Funds transferred to
22 an institution’s allotment under this section may be used
23 as a part of and for the same purposes as funds allotted
24 under this subpart. The Secretary shall have no control

1 over such transfer, except as specifically authorized, ex-
2 cept for the collection and dissemination of information.

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

4 “(a) USED OF RESERVED FUNDS.—

5 “(1) PRIMARY FUNDS.—To carry out this sub-
6 part, there shall be available to the Secretary any
7 funds remitted to the Secretary as reimbursements
8 in accordance with section 454(d) for any award
9 year; and

10 “(2) SECONDARY FUNDS.—Beginning award
11 year 2026–2027, if the amounts made available to
12 the Secretary under paragraph (1) to carry out this
13 subpart in any award year are insufficient to fully
14 fund the PROMISE grants awarded under this sub-
15 part in such award year, there shall be available to
16 the Secretary, in addition to such amounts, any
17 funds returned to the Secretary under section 484B
18 in the previous award year.

19 “(b) INSUFFICIENT FUNDS.—If the amounts made
20 available to the Secretary under subsection (a) to carry
21 out this subpart for are not sufficient to provide grants
22 to all eligible institutions in the amount determined under
23 this subpart for an award year, the Secretary shall first
24 provide grants to the eligible institutions that have the

1 highest percentage of students who are low-income stu-
2 dents (as defined in section 415D).”.

3 (c) INSTITUTIONAL REFUNDS.—Section 484B of the
4 Higher Education Act of 1965 (20 U.S.C. 1091b) is
5 amended by adding at the end the following:

6 “(f) RESERVATION OF FUNDS FOR PROMISE
7 GRANTS.—Notwithstanding any other provision of law,
8 the Secretary shall reserve the funds returned to the Sec-
9 retary under this section for 1 year after the return of
10 such funds for the purpose of awarding PROMISE grants
11 in accordance with subpart 4 of part A of this title.”.

12 **Subpart 2—Loans**

13 **SEC. 221. LOAN LIMITS.**

14 (a) STAFFORD LOANS.—

15 (1) AGGREGATE AND ANNUAL LIMITS FOR
16 GRADUATE AND PROFESSIONAL STUDENTS.—Section
17 455(a) (20 U.S.C. 1087e(a)) is amended—

18 (A) in paragraph (3)—

19 (i) in subparagraph (A)(ii), by insert-
20 ing before the period at the end the fol-
21 lowing: “, except that for any period of in-
22 struction beginning on or after July 1,
23 2025, such maximum annual amount shall
24 be determined in accordance with subpara-
25 graph (C)”;

1 (ii) in subparagraph (B), by inserting
2 before the period at the end the following:
3 “for any period of instruction through
4 June 30, 2025”; and

5 (iii) by adding at the end the fol-
6 lowing:

7 “(C) ANNUAL LIMITS.—Notwithstanding
8 any provision of this part or part B, for any pe-
9 riod of instruction beginning on or after July 1,
10 2025, the maximum annual amount of Federal
11 Direct Unsubsidized Stafford loans that a grad-
12 uate or professional student may borrow in any
13 academic year (as defined in section 481(a)(2))
14 or its equivalent shall be median cost of college
15 (as defined in section 472A) of the program of
16 study in which the student is enrolled, except
17 that the sum of such annual loan amount and
18 other financial assistance (as defined in section
19 480(i)) that the student receives for such aca-
20 demic year may not exceed the cost of attend-
21 ance of such student.

22 “(D) AGGREGATE LIMITS.—Notwith-
23 standing any provision of this part or part B,
24 for any period of instruction beginning on or
25 after July 1, 2025, the maximum aggregate

1 amount of Federal Direct Unsubsidized Staf-
2 ford loans that—

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

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

7 “(E) EXCEPTION FOR CERTAIN STU-
8 DENTS.—

9 “(i) IN GENERAL.—The provisions
10 listed in clause (ii) shall not apply with re-
11 spect to any individual who, as of June 30,
12 2025, is enrolled in a program of study at
13 an institution of higher education, and has
14 received a loan (or on whose behalf a loan
15 was made) under this part for such pro-
16 gram, during the individual’s expected time
17 to completion of such program, as deter-
18 mined by calculating by the difference be-
19 tween—

20 “(I) the program length for the
21 program of study in which such indi-
22 vidual is enrolled; and

23 “(II) the period of such program
24 that such individual has completed,

1 except that such expected time to comple-
2 tion may not exceed 3 years.

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

7 (2) ANNUAL LIMITS FOR UNDERGRADUATE
8 BORROWERS.—Section 455(a) (20 U.S.C. 1087e(a))
9 is further amended by adding at the end the fol-
10 lowing:

11 “(4) ANNUAL AND AGGREGATE LOAN LIMITS
12 FOR UNDERGRADUATE AND ALL BORROWERS.—

13 “(A) UNDERGRADUATE STUDENTS.—

14 “(i) ANNUAL LOAN LIMITS.—

15 “(I) SUBSIDIZED LOANS.—Not-
16 withstanding any provision of this
17 part or part B, for any period of in-
18 struction beginning on or after July 1,
19 2025, the maximum annual amount of
20 Federal Direct Stafford loans that an
21 undergraduate student may borrow in
22 any academic year (as defined in sec-
23 tion 481(a)(2)) or its equivalent shall
24 be the difference between—

1 “(aa) the median cost of col-
2 lege (as defined in section 472A)
3 of the program of study in which
4 the student is enrolled; and

5 “(bb) the Federal Pell Grant
6 under section 401 awarded to the
7 student for such academic year,
8 except that (1) the amount of such
9 Federal Direct Stafford loans awarded
10 to the student for such academic year
11 may not exceed the maximum annual
12 limit described in section 428(b)(1)
13 that is applicable to such student; and
14 (2) the sum of such Federal Direct
15 Stafford Loans and the amount of
16 such Federal Pell Grant and other fi-
17 nancial assistance (as defined in sec-
18 tion 480(i)) that the student receives
19 for such academic year may not ex-
20 ceed the cost of attendance of such
21 student.

22 “(II) UNSUBSIDIZED LOANS.—
23 Notwithstanding 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 Unsubsidized Stafford
3 loans that an undergraduate student
4 may borrow in any academic year (as
5 defined in section 481(a)(2)) or its
6 equivalent shall be the difference be-
7 tween—

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

12 “(bb) the sum of—

13 “(AA) the amount of
14 Federal Direct Stafford
15 loans awarded to such stu-
16 dent for such academic year;
17 and

18 “(BB) the amount of
19 the Federal Pell Grant
20 under section 401 awarded
21 to the student for such aca-
22 demic year,

23 except that the sum of all Fed-
24 eral financial aid under this title
25 and other financial assistance (as

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

6 “(ii) AGGREGATE LIMITS.—Notwith-
7 standing any provision of this part or part
8 B, for any period of instruction beginning
9 on or after July 1, 2025, with respect to
10 an undergraduate student—

11 “(I) the maximum aggregate
12 amount of Federal Direct Stafford
13 loans and Federal Direct Unsub-
14 sidized Stafford loans that may be
15 borrowed shall be \$50,000;

16 “(II) the maximum aggregate
17 amount of Federal Direct Stafford
18 loans that may be borrowed shall be
19 \$23,000; and

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

24 “(B) STUDENTS IN A QUALIFYING UNDER-
25 GRADUATE PROGRAM.—

1 “(i) AGGREGATE LIMITS.—Notwith-
2 standing the aggregate limits described in
3 subparagraph (A)(ii), a student enrolled in
4 a qualifying undergraduate program shall
5 be subject to the aggregate limits for pro-
6 fessional students described in paragraph
7 (3)(D)(ii).

8 “(ii) QUALIFYING UNDERGRADUATE
9 PROGRAM DEFINED.—For purposes of this
10 subparagraph, the term ‘qualifying under-
11 graduate program’ means a program of
12 study—

13 “(I) for which the total tuition
14 and fees (including the required costs
15 described in section
16 124(b)(3)(A)(i)(I)) exceeds the aggre-
17 gate limits for undergraduate students
18 described in subparagraph (A)(ii);

19 “(II) that meets certification re-
20 quirements of the Federal agency that
21 directly regulates the program and
22 provides final licensing and credentials
23 to students upon completion; and

24 “(III) the institution of higher
25 education offering such program of

1 study notifies the Secretary that the
2 program desires to be a qualifying un-
3 dergraduate program.

4 “(C) ALL STUDENTS.—The maximum ag-
5 gregate amount of loans made, insured, or
6 guaranteed under this title to a student shall be
7 \$200,000.”.

8 (3) INSTITUTIONALLY DETERMINED LIMITS.—
9 Section 455(a) of the Higher Education Act of 1965
10 (20 U.S.C. 1087e(a)) is further amended by adding
11 at the end the following:

12 “(5) INSTITUTIONALLY DETERMINED LIMITS.—

13 “(A) IN GENERAL.—Notwithstanding any
14 other provision of this subsection, an eligible in-
15 stitution (at the discretion of a financial aid ad-
16 ministrator at the institution) may prorate or
17 limit the amount of a loan any student who is
18 enrolled in a program of study for a period of
19 instruction beginning on or after July 1, 2024,
20 at that institution, may borrow under this part
21 for an academic year—

22 “(i) if the institution can reasonably
23 demonstrate that outstanding amounts
24 owed of loans made under this title are or
25 would be excessive for students who com-

1 plete such program, based on the most re-
2 cently available data from the College
3 Scorecard (or successor website of the De-
4 partment) on—

5 “(I) the median of the value-
6 added earnings of students who com-
7 plete such program; and

8 “(II) the median debt owed, and
9 the repayment rate, on loans made
10 under this part, of such students;

11 “(ii) in a case in which the student is
12 enrolled on a less than full-time basis or
13 the student is enrolled for less than the pe-
14 riod of enrollment to which the annual loan
15 limit applies under this subsection, based
16 on the student’s enrollment status; or

17 “(iii) based on the year of the pro-
18 gram for which the student is seeking such
19 loan.

20 “(B) APPLICATION TO ALL STUDENTS.—

21 Any proration or limiting of loan amounts
22 under subparagraph (A) shall be applied in the
23 same manner to all students enrolled in a pro-
24 gram of study.

1 “(C) INCREASES FOR INDIVIDUAL STU-
2 DENTS.—Upon the request of a student whose
3 loan amount for an academic year has been
4 prorated or limited under subparagraph (A), an
5 eligible institution (at the discretion of the fi-
6 nancial aid administrator at the institution)
7 may increase such loan amount to an amount
8 not exceeding the annual loan amount applica-
9 ble to such student under this paragraph for
10 such academic year.”.

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

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

1 **SEC. 222. LOAN REPAYMENT.**

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

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

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

9 “(6) REPAYMENT PLANS FOR LOANS MADE ON
10 OR AFTER JULY 1, 2024.—

11 “(A) DESIGN AND SELECTION.—Notwith-
12 standing paragraph (1), beginning on July 1,
13 2024, the Secretary shall offer a borrower of a
14 loan made under this part on or after July 1,
15 2024, two plans for repayment of such loan, in-
16 cluding principal and interest on the loan. The
17 borrower shall be entitled to accelerate, without
18 penalty, repayment on such loans. The borrower
19 may choose—

20 “(i) a standard repayment plan with a
21 fixed monthly repayment amount paid over
22 a fixed period of time, not to exceed 10
23 years; or

24 “(ii) a repayment assistance plan
25 under section 455(e)(9).

1 “(B) SELECTION BY SECRETARY.—If such
2 borrower does not select a repayment plan de-
3 scribed in subparagraph (A), the Secretary shall
4 provide the borrower with the repayment plan
5 described in subparagraph (A)(i).

6 “(C) CHANGES IN SELECTION.—

7 “(i) IN GENERAL.—Subject to clause
8 (ii), a borrower may change the borrower’s
9 selection of a repayment plan under sub-
10 subparagraph (A), or the Secretary’s selection
11 of a plan for the borrower under subpara-
12 graph (B), as the case may be. Nothing in
13 this subsection shall prohibit the Secretary
14 from encouraging distressed borrowers
15 from enrolling in the repayment assistance
16 plan under section 455(e)(9).

17 “(ii) SAME REPAYMENT PLAN RE-
18 QUIRED.—All loans made under this part
19 on or after July 1, 2024, to a borrower
20 shall be repaid under the same repayment
21 plan under subparagraph (A), except that
22 the borrower may repay an excepted PLUS
23 loan or an excepted consolidation loan (as
24 such terms are defined in section

1 455(e)(9)) separately from other loans
2 made under this part to the borrower.

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

6 “(i) pay all reasonable collection costs
7 associated with such loan; and

8 “(ii) repay the loan pursuant to the
9 repayment assistance plan under section
10 455(e)(9).

11 “(E) PROHIBITIONS.—The Secretary may
12 not—

13 “(i) authorize a borrower of a loan
14 made under this part on or after July 1,
15 2024, to repay such loan pursuant to a re-
16 payment plan that is not described in
17 clause (i) or (ii) of subparagraph (A); or

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

22 (b) REPAYMENT ASSISTANCE PLAN.—Section 455(e)
23 of the Higher Education Act of 1965 (20 U.S.C.
24 1087e(e)) is amended by adding at the end the following:

25 “(9) REPAYMENT ASSISTANCE PLAN.—

1 “(A) IN GENERAL.—Notwithstanding any
2 other provision of this Act, beginning on July
3 1, 2024, the Secretary shall carry out a repay-
4 ment assistance program that shall have the
5 terms and conditions of an income-contingent
6 repayment plan described in paragraphs (1)
7 through (8), except that—

8 “(i) a borrower of any loan made
9 under this part (other than an excepted
10 PLUS loan or excepted consolidation loan),
11 may elect to have the borrower’s aggregate
12 monthly payment for all such loans not ex-
13 ceed the applicable monthly payment for
14 the borrower, except that a borrower may
15 not be precluded from repaying an amount
16 that exceeds such applicable monthly pay-
17 ment for any month;

18 “(ii) the Secretary shall apply the bor-
19 rower’s monthly payment under this para-
20 graph first toward interest due on such a
21 loan, next toward any fees due on the loan,
22 and then toward the principal of the loan;

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

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

4 “(v) notwithstanding paragraph (7),
5 the Secretary shall repay or cancel any
6 outstanding balance of principal and inter-
7 est due on all loans made under this part
8 (other than excepted PLUS loans or ex-
9 cepted consolidation loans) to a borrower—

10 “(I) who, at any time, elected to
11 participate in a repayment assistance
12 plan under clause (i);

13 “(II) whose final monthly pay-
14 ment for such loans prior to the loan
15 cancellation under this clause was
16 made under such repayment assist-
17 ance plan; and

18 “(III) who has repaid on such
19 loans (pursuant to a repayment assist-
20 ance plan under clause (i), a standard
21 repayment plan under subsection
22 (d)(6)(A)(i), or a combination of any
23 such plan or any of the repayment
24 plans listed in clause (ii), (iii), (iv), or
25 (v) of paragraph (7)(B), or, in the

1 case of a consolidation loan, pursuant
2 to a repayment schedule described
3 item (aa)(BB) of this subclause) an
4 amount that is equal to—

5 “(aa)(AA) the total amount
6 of principal and interest that the
7 borrower would have repaid
8 under a standard repayment plan
9 under paragraph (1)(A) or
10 (6)(A)(i) of subsection (d), based
11 on a 10-year repayment period,
12 when the borrower entered repay-
13 ment on such loans; or

14 “(BB) in the case of a Fed-
15 eral Direct Consolidation Loan,
16 the total amount of principal and
17 interest that the borrower would
18 have repaid under the repayment
19 schedule established for the loan
20 under section 428C(c)(2) on the
21 date on which such loan was
22 made; plus

23 “(bb) an amount equal to
24 the amount of any unpaid inter-
25 est that has accrued, but was not

1 included in the calculation of the
2 total amount of principal and in-
3 terest that would have been re-
4 paid under the standard repay-
5 ment plan or schedule described
6 in item (aa)—

7 “(AA) during any
8 deferment period described
9 in clause (i) or (ii) of sub-
10 section (f)(2)(A); or

11 “(BB) during any for-
12 bearance period while serv-
13 ing in a medical or dental
14 internship or residency pro-
15 gram as described in section
16 428(c)(3)(A)(i)(I); and

17 “(vi) a borrower who is repaying a
18 loan pursuant to a repayment assistance
19 plan under clause (i) may elect, at any
20 time, to terminate repayment pursuant to
21 such plan and repay such loan under the
22 standard repayment plan under subsection
23 (d)(6)(A)(i).

24 “(B) REPAYMENT ASSISTANCE FOR DIS-
25 TRESSED BORROWERS.—

1 “(i) INTEREST SUBSIDY.—For each
2 month for which a borrower’s aggregate
3 monthly payment under this paragraph is
4 insufficient to pay the total amount of in-
5 terest that accrues on a loan for the
6 month, the amount of interest accrued and
7 not paid for the month shall be subtracted
8 from the total amount of interest due on
9 such loan for the month.

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

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

22 “(i) ADJUSTED GROSS INCOME.—The
23 term ‘adjusted gross income’ has the
24 meaning given the term in section 62 of
25 the Internal Revenue Code of 1986.

1 “(ii) APPLICABLE MONTHLY PAY-
2 MENT.—The term ‘applicable monthly pay-
3 ment’ means, when used with respect to a
4 borrower, the amount obtained by dividing
5 by 12, 10 percent of the result obtained by
6 calculating, on at least an annual basis,
7 the amount by which—

8 “(I) the adjusted gross income of
9 the borrower or, if the borrower is
10 married and files a Federal income
11 tax return jointly with or separately
12 from the borrower’s spouse, the ad-
13 justed gross income of the borrower
14 and the borrower’s spouse; exceeds

15 “(II) 150 percent of the poverty
16 line applicable to the borrower’s fam-
17 ily size as determined under section
18 673(2) of the Community Services
19 Block Grant Act (42 U.S.C. 9902(2)).

20 “(iii) EXCEPTED CONSOLIDATION
21 LOAN.—The term ‘excepted Consolidation
22 Loan’ means a Federal Direct Consolida-
23 tion Loan, if the proceeds of such loan
24 were used to the discharge the liability
25 on—

1 “(I) an excepted PLUS loan; or

2 “(II) a Federal Direct Consolida-
3 tion loan, if the proceeds of such loan
4 were used to discharge the liability on
5 an excepted PLUS loan.

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

9 **SEC. 223. LOAN REHABILITATION.**

10 Section 428F(a)(5) of the Higher Education Act of
11 1965 (20 U.S.C. 1078–6(a)(5)) is amended by striking
12 “one time” and inserting “two times”.

13 **SEC. 224. INTEREST CAPITALIZATION.**

14 (a) FEDERAL PLUS LOANS.—Section 428B(d)(2) of
15 the Higher Education Act of 1965 (20 U.S.C. 1078–
16 2(d)(2)) is amended to read as follows:

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

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

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

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

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

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

17 (3) by redesignating subparagraph (C) as sub-
18 paragraph (B).

19 (e) INCOME CONTINGENT REPAYMENT.—Section
20 455(e)(5) of the Higher Education Act of 1965 (20 U.S.C.
21 1087e(e)(5)) is amended by striking the last sentence and
22 inserting “No interest may be capitalized on such loan on
23 or after the date of the enactment of the College Cost Re-
24 duction Act, and the Secretary shall promulgate regula-

1 tions with respect to the treatment of accrued interest that
2 is not capitalized”.

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

7 (g) INCOME-BASED REPAYMENT PROGRAM.—Section
8 493C(b)(3)(B) of the Higher Education Act of 1965 (20
9 U.S.C. 1098e(b)(3)(B)) is amended by inserting “shall ac-
10 crue but not” before “be capitalized”.

11 **SEC. 225. ORIGINATION FEES.**

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

15 (b) EFFECTIVE DATE.—The amendment made by
16 subsection (a) shall apply with respect to loans made
17 under part D of title IV of the Higher Education Act of
18 1965 (20 U.S.C. 1087a et seq.) for which the first dis-
19 bursement of principal is made, or, in the case of a Fed-
20 eral Direct Consolidation Loan, the application is received,
21 on or after July 1, 2024.

1 **TITLE III—ACCOUNTABILITY**
2 **AND STUDENT SUCCESS**

3 **PART A—ACCOUNTABILITY**

4 **Subpart 1—Department of Education**

5 **SEC. 301. AGREEMENTS WITH INSTITUTIONS.**

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

8 (1) in subsection (a)—

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

11 (B) by redesignating paragraph (6) as
12 paragraph (7); and

13 (C) by inserting after paragraph (5) the
14 following new paragraph:

15 “(6) provide annual reimbursements to the Sec-
16 retary in accordance with the requirements under
17 subsection (d); and”;

18 (2) by adding at the end the following new sub-
19 section:

20 “(d) REIMBURSEMENT REQUIREMENTS.—

21 “(1) ANNUAL REIMBURSEMENTS REQUIRED.—
22 Beginning in award year 2024–2025, each institu-
23 tion of higher education participating in the direct
24 student loan program under this part shall, for
25 qualifying student loans, remit to the Secretary, at

1 such time as the Secretary may specify, an annual
2 reimbursement for each student cohort of the insti-
3 tution, based on the non-repayment balance of such
4 cohort and calculated in accordance with paragraph
5 (3).

6 “(2) STUDENT COHORTS.—

7 “(A) COHORTS ESTABLISHED.—For each
8 institution of higher education, the Secretary
9 shall establish student cohorts, beginning with
10 award year 2023–2024, as follows:

11 “(i) COMPLETING STUDENT CO-
12 HORT.—For each program of study at
13 such institution, a student cohort com-
14 prised of all students who received Federal
15 financial assistance under this title and
16 who completed such program during such
17 award year.

18 “(ii) UNDERGRADUATE NON-COM-
19 PLETING STUDENT COHORT.—For such in-
20 stitution, a student cohort comprised of all
21 students who received Federal financial as-
22 sistance under this title, who were enrolled
23 in the institution during the previous
24 award year in a program of study leading

1 to an undergraduate credential, and who at
2 the time the cohort is established—

3 “(I) have not completed such
4 program of study; and

5 “(II) are not enrolled at the in-
6 stitution in any program of study
7 leading to an undergraduate creden-
8 tial.

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

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

20 “(II) are not enrolled in such
21 program.

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

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

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

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

10 “(iii) is not in—

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

17 “(II) a graduate fellowship
18 deferment described in section
19 455(f)(2)(A)(ii)

20 “(III) rehabilitation training pro-
21 gram deferment described under sec-
22 tion 455(f)(2)(A)(ii);

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

1 “(V) a cancer deferment de-
2 scribed under section 455(f)(3);

3 “(VI) a military service
4 deferment described under section
5 455(f)(2)(C); or

6 “(VII) a post-active duty student
7 deferment described under section
8 493D; and

9 “(iv) is not in default.

10 “(C) SPECIAL CIRCUMSTANCES.—

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

18 “(ii) TREATMENT OF CERTAIN CON-
19 SOLIDATION LOANS.—A Federal Direct
20 Consolidation loan made under this title
21 shall not be considered a qualifying stu-
22 dent loan for a student cohort for an
23 award year if all of the loans included in
24 such consolidation loan are attributable to
25 another student cohort.

1 “(iii) CONSOLIDATION AFTER INCLU-
2 SION IN A STUDENT COHORT.—If a quali-
3 fying student loan is consolidated into a
4 consolidation loan under this title after
5 such qualifying student loan has been in-
6 cluded in a student cohort, the percentage
7 of the consolidation loan that was attrib-
8 utable to such student cohort at the time
9 of consolidation shall remain attributable
10 to the student cohort for the life of the
11 consolidation loan.

12 “(3) CALCULATION OF REIMBURSEMENT.—

13 “(A) REIMBURSEMENT PAYMENT FOR-
14 MULA.—For each student cohort of an institu-
15 tion of higher education established under this
16 subsection, the annual reimbursement for such
17 cohort shall be equal to—

18 “(i) the reimbursement percentage de-
19 termined for the cohort in accordance with
20 subparagraph (B); multiplied by

21 “(ii) the non-repayment balance for
22 the cohort for the award year, determined
23 in accordance with subparagraph (C).

24 “(B) REIMBURSEMENT PERCENTAGE.—

25 The reimbursement percentage of a student co-

1 hort of an institution shall be determined by the
2 Secretary when the cohort is established, shall
3 remain constant for the life of the student co-
4 hort, and shall be determined as follows:

5 “(i) COMPLETING STUDENT CO-
6 HORTS.—The reimbursement percentage of
7 a completing student cohort shall be equal
8 to the percentage determined by—

9 “(I) subtracting from one the
10 quotient of—

11 “(aa) the median value-
12 added earnings of students who
13 completed such program of study
14 in the most recent award year for
15 which such earnings data is
16 available; divided by

17 “(bb) the median total price
18 charged to students included in
19 such cohort; and

20 “(II) multiplying the difference
21 determined under subclause (I) by
22 100.

23 “(ii) SPECIAL CIRCUMSTANCES FOR
24 COMPLETING STUDENT COHORTS.—

1 “(I) HIGH-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 is negative, the reimbursement per-
6 centage of the student cohort shall be
7 100 percent.

8 “(II) LOW-RISK COHORTS.—Not-
9 withstanding clause (i), if the median
10 value-added earnings of a completing
11 student cohort under clause (i)(I)(aa)
12 exceeds the median total price of such
13 cohort under clause (i)(I)(bb), the re-
14 imbursement percentage of the stu-
15 dent cohort shall be 0 percent.

16 “(iii) NON-COMPLETING STUDENT CO-
17 HORTS.—The reimbursement percentage of
18 a non-completing student cohort shall be
19 determined based on the most recent data
20 available in the award year in which the
21 cohort is established, and—

22 “(I) for an undergraduate non-
23 completing student cohort, shall be
24 equal to the percentage of under-
25 graduate students who received Fed-

1 eral financial assistance under this
2 title at such institution who—

3 “(aa) did not complete an
4 undergraduate program of study
5 at the institution within 150 per-
6 cent of the program length of
7 such program; or

8 “(bb) only in the case of a
9 two-year institution, did not,
10 within 6 years after first enroll-
11 ing at the two-year institution,
12 complete a program of study at a
13 four-year institution for which a
14 bachelor’s degree (or substan-
15 tially similar credential) is
16 awarded; and

17 “(II) for a graduate non-com-
18 pleting student cohort, shall be equal
19 to the percentage of students who re-
20 ceived Federal financial assistance
21 under this title at the institution for
22 the applicable graduate program of
23 study and who did not complete such
24 program of study within 150 percent
25 of the program length.

1 “(C) NON-REPAYMENT LOAN BALANCE.—

2 “(i) IN GENERAL.—For each award
3 year, the Secretary shall determine the
4 non-repayment loan balance for such
5 award year for each student cohort of an
6 institution of higher education by calcu-
7 lating the sum of—

8 “(I) for loans in such cohort, the
9 difference between the total amount of
10 payments due from all borrowers on
11 such loans during such year and the
12 total amount of payments made by all
13 such borrowers on such loans during
14 such year; plus

15 “(II) the total amount of interest
16 waived, paid, or otherwise not charged
17 by the Secretary during such year
18 under an income-based repayment
19 plan described in section 493C or an
20 income-contingent repayment plan de-
21 scribed in section 455(e); plus

22 “(III) the total amount of prin-
23 cipal and interest forgiven, cancelled,
24 waived, discharged, repaid, or other-
25 wise reduced by the Secretary under

1 any act during such year that is not
2 included in subclause (II) and was not
3 discharged or forgiven under section
4 437(a) or 428J.

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

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

21 “(II) for each consolidation loan
22 in a student cohort—

23 “(aa) determine the percent-
24 age of the outstanding principal
25 balance of the consolidation loan

1 attributable to such student co-
2 hort—

3 “**(AA)** at the time of
4 that loan was included in
5 such cohort, in the case of a
6 loan consolidated before in-
7 clusion in such cohort; or

8 “**(BB)** at the time of
9 consolidation, in the case of
10 a loan consolidated after in-
11 clusion in such cohort; and

12 “**(bb)** include in the calcula-
13 tions under clause (i) for such
14 student cohort only the percent-
15 age of the sum of the amounts
16 described in subclauses (I)
17 through (III) of clause (i) for the
18 consolidation loan for such year
19 that is equal to the percentage of
20 the consolidation loan determined
21 under item (aa).

22 “**(D) TOTAL PRICE.**—With respect to a
23 student who received Federal financial assist-
24 ance under this title and who completes a pro-
25 gram of study, the term ‘total price’ means the

1 total amount, before Federal financial assist-
2 ance under this title was applied, a student was
3 required to pay to complete the program of
4 study. A student's total price shall be calculated
5 by the Secretary as the difference between—

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

12 “(ii) the total amount of grants and
13 scholarships described in section 480(i)
14 awarded to such student from non-Federal
15 sources for such program of study.

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

20 “(A) notify each institution of higher edu-
21 cation of the amounts and due dates of each
22 annual reimbursement calculated under para-
23 graph (3) for each student cohort of the institu-
24 tion within 30 days of calculating such
25 amounts; and

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

3 “(5) PENALTY FOR LATE PAYMENTS.—

4 “(A) THREE-MONTH DELINQUENCY.—If
5 an institution fails to remit to the Secretary a
6 reimbursement for a student cohort as required
7 under this subsection within 90 days of receiv-
8 ing notification from the Secretary in accord-
9 ance with paragraph (4), the institution shall
10 pay to the Secretary, in addition to such reim-
11 bursement, interest on such reimbursement
12 payment, at a rate that is the average rate ap-
13 plicable to the loans in such student cohort.

14 “(B) TWELVE-MONTH DELINQUENCY.—If
15 an institution fails to remit to the Secretary a
16 reimbursement for a student cohort as required
17 under this subsection, plus interest owed in
18 under subparagraph (A), within 12 months of
19 receiving notification from the Secretary in ac-
20 cordance with paragraph (4), the institution
21 shall be ineligible to make direct loans to any
22 student enrolled in the program of study for
23 which the institution has failed to make the re-
24 imbursement payments until such payment is
25 made.

1 “(C) EIGHTEEN-MONTH DELINQUENCY.—

2 If an institution fails to remit to the Secretary
3 a reimbursement for a student cohort as re-
4 quired under this subsection, plus interest owed
5 under subparagraph (A), within 18 months of
6 receiving notification from the Secretary in ac-
7 cordance with paragraph (4), the institution
8 shall be ineligible to make direct loans or award
9 Federal Pell Grants under section 401 to any
10 student enrolled in the institution until such
11 payment is made.

12 “(D) TWO-YEAR DELINQUENCY.—If an in-
13 stitution fails to remit to the Secretary a reim-
14 bursement for a student cohort as required
15 under this subsection, plus interest owed under
16 subparagraph (A), within 2 years of receiving
17 notification from the Secretary in accordance
18 with paragraph (4), the institution shall be in-
19 eligible to participate in any program under this
20 title for a period of not less than 10 years.

21 “(6) RELIEF FOR VOLUNTARY CESSATION OF
22 FEDERAL DIRECT LOANS FOR A PROGRAM OF
23 STUDY.—The Secretary shall, upon the request of an
24 institution that voluntarily ceases to make Federal
25 direct loans to students enrolled in a specific pro-

1 gram of study, reduce the amount of the annual re-
2 imbursement owed by the institution for each stu-
3 dent cohort associated with such program by 50 per-
4 cent if the institution assures the Secretary that the
5 institution will not make Federal direct loans to any
6 student enrolled in such program of study (or any
7 substantially similar program of study) for a period
8 of not less than 10 award years, beginning with the
9 first award year that begins after the date on which
10 the Secretary reduces such reimbursement.

11 “(7) RESERVATION OF FUNDS FOR PROMISE
12 GRANTS.—Notwithstanding any other provision of
13 law, the Secretary shall reserve the funds remitted
14 to the Secretary as reimbursements in accordance
15 with this subsection, and such funds shall be made
16 available to the Secretary only for the purpose of
17 awarding PROMISE grants in accordance with sub-
18 part 4 of part A of this title.”.

19 **SEC. 302. REGULATORY RELIEF.**

20 (a) 90/10.—

21 (1) REGULATION REPEALED.—Section 668.28
22 of title 34, Code of Federal Regulations (relating to
23 the 90/10 rule), as added or amended by the final
24 regulations published by the Department of Edu-
25 cation in the Federal Register on October 28, 2022

1 (87 Fed. Reg. 65426 et seq.), is repealed and will
2 have no force or effect.

3 (2) AMENDMENTS.—Section 487 of the Higher
4 Education Act of 1965 (20 U.S.C. 1094) is amend-
5 ed—

6 (A) in subsection (a), by striking para-
7 graph (24);

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

9 (C) by redesignating subsections (e)
10 through (j) as subsections (d) through (i), re-
11 spectively.

12 (b) FINANCIAL VALUE TRANSPARENCY AND GAIN-
13 FUL EMPLOYMENT.—

14 (1) REGULATION REPEALED.—Sections 600.10,
15 600.21, 668.2, 668.13, 668.43, 668.91, 668.402
16 through 668.409 (excluding section 668.408), and
17 668.601 through 668.606 of title 34, Code of Fed-
18 eral Regulations (relating to financial value trans-
19 parency and gainful employment), as added or
20 amended by the final regulations published by the
21 Department of Education in the Federal Register on
22 October 10, 2023 (88 FR 70004 et seq.), are re-
23 pealed and will have no force or effect.

24 (2) PROHIBITION.—The Secretary of Education
25 shall not, on or after the date of enactment of this

1 Act, promulgate or enforce any regulation or rule
2 with respect to the definition or application of the
3 term “gainful employment” for any purpose under
4 the Higher Education Act of 1965 (20 U.S.C. 1001
5 et seq.).

6 (c) CHANGES IN OWNERSHIP.—

7 (1) REGULATION REPEALED.—Sections 600.2,
8 600.4, 600.20, 600.21, and 600.31 of title 34, Code
9 of Federal Regulations (relating to changes in own-
10 ership), as added or amended by the final regula-
11 tions published by the Department of Education in
12 the Federal Register on October 28, 2022 (87 Fed.
13 Reg. 65426 et seq.), are repealed and will have no
14 force or effect.

15 (2) AMENDMENTS.—Section 498(i) of the
16 Higher Education Act of 1965 (20 U.S.C. 1099c(i))
17 is amended—

18 (A) in the subsection heading, by inserting
19 “AND PROPOSED CHANGES OF OWNERSHIP”
20 after “OWNERSHIP”;

21 (B) in paragraph (1)—

22 (i) by striking “(1) An eligible institu-
23 tion”, and inserting the following: “(1)(A)
24 An eligible institution”;

1 (ii) by striking “the requirements of
2 section 102 (other than the requirements
3 in subsections (b)(5) and (c)(3))” and in-
4 sserting “the applicable requirements of
5 section 102 or 103(13)”

6 (iii) by adding at the end the fol-
7 lowing:

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

16 “(ii) In reviewing applications submitted
17 under clause (i), the Secretary shall only pro-
18 vide a comprehensive review of each such appli-
19 cation, and may not provide an abbreviated or
20 partial review.

21 “(iii) If an institution submits a materially
22 complete pretransaction review application at
23 least 90 days prior to the transaction and the
24 Secretary approves the application, the subse-
25 quent change in ownership application shall also

1 be approved and the institution shall be cer-
2 tified as meeting the requirements for such
3 transaction, provided that the institution—

4 “(I) complies with the applicable
5 terms of this section; and

6 “(II) the transaction resulting in a
7 change of control does not differ materially
8 in its terms from the transaction proposed
9 in the pretransaction review application.”;
10 (C) in paragraph (2)—

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

13 (ii) in subparagraph (F), by striking
14 the period at the end and inserting “; or”;
15 and

16 (iii) by adding the following at the
17 end:

18 “(G) in the case of a proprietary institu-
19 tion of higher education, a conversion to a pub-
20 lic or other nonprofit institution of higher edu-
21 cation.”;

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

23 “(5)(A) Subject to subparagraph (B), when any
24 institution submits an application for a change in
25 ownership resulting in a change in control under this

1 section or submits a pretransaction review applica-
2 tion under paragraph (1)(B) (other than in the case
3 of a conversion transaction), the institution shall be
4 required to pay to the Secretary an administrative
5 fee that shall—

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

11 “(ii) be used exclusively for expenses
12 related to the processing of such applica-
13 tion, and be available to the Secretary
14 without further appropriation, exclusively
15 for expenses related to the processing of
16 such approval or application.

17 “(B) In the case of a proprietary institution
18 submitting an application for conversion, or a
19 pretransaction review application for conversion, the
20 institution shall be required to pay to the Secretary
21 an administrative fee that shall—

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

1 “(ii) be used exclusively for expenses re-
2 lated to the processing of such application, and
3 of which—

4 “(I) 50 percent shall be available to
5 the Secretary without further appropria-
6 tion, exclusively for expenses related to the
7 processing of such application; and

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

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

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

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

18 “(B) If the Secretary fails to approve or deny
19 a materially complete application during the period
20 described in subparagraph (A) and does not find
21 good cause for extension, the materially complete ap-
22 plication shall be deemed approved.

23 “(C) In no case may the Secretary grant a good
24 cause extension under this section to an institution

1 for more than one month at a time, or for a total
2 of more than more than 12 months.

3 “(D) To ensure timely submission of all rel-
4 evant documentation, the Secretary may deny an ap-
5 plication if an institution does not make a good faith
6 effort to submit to the Secretary, in a timely man-
7 ner—

8 “(i) all relevant documentation; or

9 “(ii) a materially complete application.

10 “(E)(i) Upon approving or denying an applica-
11 tion under this paragraph, the Secretary shall pub-
12 lish in the Federal Register the reasoning for such
13 approval or denial, including—

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

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

20 “(ii) The Secretary shall not publish under
21 clause (i) any information that is otherwise exempt
22 from disclosure under section 552 of title 5, United
23 States Code (relating to the Freedom of Information
24 Act), including trade secrets and commercial or fi-
25 nancial information that is privileged or confidential.

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

8 “(i) the buyer pays no more than fair
9 market value for any assets of the propri-
10 etary institution;

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

16 “(iii) to prevent self-dealing in the
17 case where one or more individuals with a
18 substantial ownership or controlling inter-
19 ests in the proprietary institution will also
20 have substantial or controlling interests in
21 the institution seeking to be recognized as
22 a public or other nonprofit institution
23 (meaning that one or more individuals are
24 on both sides of the transaction), the
25 change of control transaction, and any

1 substantial asset acquisition, service, or
2 lease agreements with the proprietary in-
3 stitution shall be approved by a disin-
4 terested committee of directors of the enti-
5 ty that seeks to be recognized as a public
6 or other nonprofit institution.

7 “(B) For the purposes of this paragraph, par-
8 ties to the transaction are entitled to a rebuttable
9 presumption that the assets, lease contracts, and
10 service contracts that are part of the transaction are
11 purchased at fair market value if—

12 “(i) the acquiring entity pays no more than
13 fair market value for such assets, lease con-
14 tracts, or service contracts; and

15 “(ii) the value of the assets, lease con-
16 tracts, or service contracts are evaluated by at
17 least one independent third-party entity hired
18 by parties on both sides of the transaction.

19 “(8)(A) An institution that has been approved
20 for conversion by the Secretary shall be subject to
21 a monitoring period for a 5-year period beginning on
22 the day after the date of such approval. In con-
23 ducting the monitoring of the institution under this
24 paragraph, the Secretary—

1 “(i) shall only conduct monitoring to
2 ensure that the institution is in compliance
3 with the requirements of section 103(13)
4 and paragraph (7) of this subsection; and

5 “(ii) may require the institution to
6 submit regular reports or conduct audits of
7 such institution relating to such compli-
8 ance.

9 “(B) Each institution that is subject to the
10 monitoring period under this paragraph shall remit
11 an annual fee to the Secretary—

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

16 “(ii) that shall be exclusively for expenses
17 related to monitoring of the institution for the
18 period described in subparagraph (A)—

19 “(I) of which 50 percent shall be used
20 by the Secretary, without further appro-
21 priation, exclusively for expenses related to
22 monitoring of the institution during such
23 period; and

24 “(II) of which 50 percent shall be re-
25 mitted by the Secretary to the Commis-

1 sioner of Internal Revenue, to be available
2 to such Commissioner, without further ap-
3 propriation, exclusively for monitoring
4 compliance with the Internal Revenue Code
5 of such institution during such period.

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

9 “(D) If the Secretary determines that an insti-
10 tution should be subject to the monitoring under this
11 paragraph beyond the 5-year period described in
12 subparagraph (A), the Secretary shall provide the
13 reasons justifying an extension in writing to the in-
14 stitution (and in the Federal Register) at least 30
15 days before the expiration of such period.

16 “(E) Any institution that is subject to moni-
17 toring under this paragraph may seek a waiver to be
18 exempt from such monitoring (including the annual
19 fee under subparagraph (B)) on an annual basis for
20 any year during the monitoring period and the Sec-
21 retary shall grant such waiver if there is no ongoing
22 contractual or financial relationship between the in-
23 stitution and the former entity or individuals that
24 previously owned the institution. The Secretary may
25 grant a waiver for more than 1 year in the case

1 where the entity that formerly owned the proprietary
2 institution has closed or no longer exists and the
3 Secretary determines the institution is not at risk of
4 violating the requirements of section 103(13) or
5 paragraph (7) of this subsection.

6 “(9) Any institution that submits an application
7 for conversion shall not promote or market itself, in
8 any manner, as a public or other nonprofit institu-
9 tion of higher education unless—

10 “(A) the Secretary has provided final ap-
11 proval of the conversion of the institution to a
12 public or other nonprofit institution of higher
13 education under this section;

14 “(B) an accrediting agency or association
15 recognized by the Secretary pursuant to section
16 496 has approved such public or nonprofit sta-
17 tus of the institution;

18 “(C) the State has given final approval to
19 the institution as a public or nonprofit institu-
20 tion of higher education, as applicable; and

21 “(D) in the case of an institution seeking
22 nonprofit status, the Commissioner of Internal
23 Revenue has approved the institution as tax ex-
24 empt pursuant to the Internal Revenue Code of
25 1986.

1 “(10) Not later than 270 days after the date of
2 enactment of the College Cost Reduction Act, and
3 periodically thereafter, the Secretary shall publish
4 (and update as necessary) in the Federal Register—

5 “(A) descriptions of the documents and
6 materials the Secretary expects or requires in-
7 stitutions of higher education to submit (includ-
8 ing any standardized forms) as part of any
9 pretransaction application or change in owner-
10 ship application under this section, including a
11 description of what the Secretary considers to
12 be a materially complete application; and

13 “(B) after at least a 30-day notice and
14 comment period, responses to any public com-
15 ments received with respect to such descriptions
16 or updates to such descriptions.

17 “(11) In a case in which the Secretary requests
18 a document under this section as part of a
19 pretransaction or change in ownership application
20 that is not described in the Federal Register under
21 paragraph (10), the Secretary shall—

22 “(A) substantiate, in writing to the institu-
23 tion, the reasons why the Secretary is request-
24 ing such documents; and

1 “(B) publish such reasons in the Federal
2 Register, including whether the Secretary may
3 request other institutions that submit applica-
4 tions under this section to produce similar doc-
5 umentation.

6 “(12)(A) Not later than 18 months after the
7 date of enactment of the College Cost Reduction
8 Act, and annually thereafter, the Secretary shall
9 submit a report to authorizing committees, and post
10 such report on a publicly available website regarding
11 implementation of the amendments made to this sec-
12 tion by such Act, including the following informa-
13 tion:

14 “(i) The mean and median length of
15 time taken by the Secretary to review ap-
16 plications under this section during the
17 preceding 12-month period.

18 “(ii) The number of applications ap-
19 proved or denied during the preceding 12-
20 month period.

21 “(iii) For any application not proc-
22 essed during the 90-day period beginning
23 on the date of receipt of the application for
24 which the Secretary found good cause
25 under paragraph (6)(A) to extend the

1 deadline in which the application shall be
2 processed, a copy of the letter sent to the
3 institution explaining why the Secretary
4 believed good cause existed for such exten-
5 sion.

6 “(iv) For any application not proc-
7 essed during such 90-day period, which
8 was deemed to be automatically approved
9 by the requirements of this section under
10 paragraph (6)(B), the name of each insti-
11 tution involved and an explanation for why
12 the application was not processed in a
13 timely manner.

14 “(v) Any legislative suggestions the
15 Secretary may have to improve the applica-
16 tion or monitoring process under this sec-
17 tion.

18 “(B) If the Secretary fails to submit a report
19 under this paragraph by not later than 90 days after
20 the deadline for such submission under subpara-
21 graph (A), the Secretary may not, for the 12-month
22 period following such failure, spend the fees remitted
23 by institutions under this section or remit such fees
24 to the Commissioner unless Congress provides for
25 such use by further appropriation.

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

4 “(A) a proprietary institution is reorga-
5 nized and seeks recognition as a public or other
6 nonprofit institution; or

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

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

16 (4) REPORT.—Not later than 5 years after the
17 date of enactment of this Act, the Comptroller Gen-
18 eral shall submit to the Committee on Education
19 and Labor of the House of Representatives and the
20 Committee on Health, Education, Labor, and Pen-
21 sions of the Senate, a report on the implementation
22 of the amendments made by this subsection, includ-
23 ing recommendations to improve—

24 (A) the application process under section
25 498(i) of the Higher Education Act of 1965 (20

1 U.S.C. 1099c(i)), as amended by paragraph (2),
2 for institutions of higher education seeking a
3 change in ownership resulting in a change in
4 control; or

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

10 (d) FINANCIAL RESPONSIBILITY.—

11 (1) REGULATION REPEALED.—Sections 668.15,
12 668.23, 668.171, and 668.174 through 668.177 of
13 title 34, Code of Federal Regulations (relating to fi-
14 nancial responsibility), as added or amended by the
15 final regulations published by the Department of
16 Education in the Federal Register on October 31,
17 2023 (87 Fed. Reg. 74568 et seq.) are repealed and
18 will have no force or effect.

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

22 (A) by redesignating paragraphs (3), (4),
23 (5), and (6) as paragraphs (4), (5), (6), and
24 (7), respectively;

25 (B) in paragraph (2)—

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

10 (ii) by striking “prescribed by the
11 Secretary regarding ratios” and inserting
12 “prescribed by the Secretary regarding the
13 final ratios”;

14 (C) by inserting after paragraph (2) the
15 following:

16 “(3) Notwithstanding paragraph (2), the Sec-
17 retary shall take into account an institution’s cur-
18 rent total financial circumstances, including any sub-
19 sequent change in the institution’s overall fiscal
20 health based on the standards in paragraph (2),
21 when making a determination of its ability to meet
22 the standards herein required before any subsequent
23 action is taken under paragraph (4). If an institu-
24 tion meets the standards in paragraph (2), the insti-
25 tution shall be seen as financially responsible.”;

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

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

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

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

10 (iii) by striking subparagraph (C);

11 (F) in paragraph (6), as so redesignated,
12 by striking “(3)(C)” and inserting “(4)(C)”;
13 and

14 (G) by adding at the end the following new
15 paragraph:

16 “(8) Not later than 18 months after the date
17 of enactment of the College Cost Reduction Act, the
18 Secretary shall pursue a process to update the ratios
19 regarding financial responsibility as identified in
20 paragraph (2). The Secretary shall report the re-
21 vised ratios to—

22 “(A) the Committee on Education and the
23 Workforce of the House of Representatives; and

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

1 (e) INCENTIVE COMPENSATION; THIRD PARTY
2 SERVICER.—

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

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

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

16 “(B) to a third party where—

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

24 “(ii) the third party does not provide
25 any commission, bonus, or other incentive-

1 based payments to its employees or sub-
2 contractors who are providing services to
3 the institution covered in this paragraph;
4 and

5 “(iii) the third party is not awarding
6 or disbursing Federal financial aid
7 awards.”.

8 (2) DEFINITION.—Section 481(c) (20 U.S.C.
9 1088(c)) is amended to read as follows:

10 “(c) THIRD PARTY SERVICER.—

11 “(1) For purposes of this title, the term ‘third
12 party servicer’—

13 “(A) means any individual, any State, or
14 any private, for-profit or nonprofit organization,
15 which enters into a contract with—

16 “(i) any eligible institution of higher
17 education to administer, through either
18 manual or automated processing, any as-
19 pect of such institution’s student assist-
20 ance programs under this title; or

21 “(ii) any guaranty agency, or any eli-
22 gible lender, to administer, through either
23 manual or automated processing, any as-
24 pect of such guaranty agency’s or lender’s
25 student loan programs under part B of

1 this title, including originating, guaran-
2 teeing, monitoring, processing, servicing, or
3 collecting loans; and

4 “(B) does not include any individual, any
5 State, or any private, for-profit or nonprofit or-
6 ganization, which conducts activities or inter-
7 acts with prospective or enrolled students for
8 the purposes of—

9 “(i) marketing or recruiting, such as
10 soliciting potential enrollments through the
11 dissemination of information and adver-
12 tising;

13 “(ii) assisting with the completion of
14 applications for enrollment, such as screen-
15 ing pre-enrollment information and offer-
16 ing admission counseling;

17 “(iii) administering ability-to-benefit
18 tests or establishing any aspect of an eligi-
19 ble career pathway program;

20 “(iv) conducting activities for the re-
21 tention of students, such as monitoring
22 academic engagement and conducting out-
23 reach to student regarding attendance; and

24 “(v) providing instructional content,
25 such as evaluating course completion, de-

1 livering mandatory tutoring, assessing stu-
2 dent learning, including through electronic
3 means, or developing curricula or course
4 materials.

5 “(2) The Secretary shall not regulate on the
6 definition of a ‘third party servicer’.”.

7 (f) OTHER REPEALS.—The following regulations (in-
8 cluding any supplement or revision to such regulations)
9 are repealed and shall have no legal effect:

10 (1) CLOSED SCHOOL DISCHARGES.—Sections
11 674.33(g), 682.402(d), and 685.214 of title 34,
12 Code of Federal Regulations (relating to closed
13 school discharges), as added or amended by the final
14 regulations published by the Department of Edu-
15 cation in the Federal Register on November 1, 2022
16 (87 Fed. Reg. 65904 et seq.).

17 (2) BORROWER DEFENSE TO REPAYMENT.—
18 Section 685.401 of title 34, Code of Federal Regula-
19 tions (relating to borrower defense to repayment), as
20 added or amended by the final regulations published
21 by the Department of Education in the Federal Reg-
22 ister on November 1, 2022 (87 Fed. Reg. 65904 et
23 seq.).

24 (3) PRE-DISPUTE ARBITRATION.—Sections
25 668.41, 685.300, and 685.304 of title 34, Code of

1 Federal Regulations (relating to pre-dispute arbitra-
2 tion), as added or amended by the final regulations
3 published by the Department of Education in the
4 Federal Register on November 1, 2022 (87 Fed.
5 Reg. 65904 et seq.).

6 (4) FALSE CERTIFICATION.—Sections
7 682.402(e), 685.215(c) and 685.215(d) of title 34,
8 Code of Federal Regulations (relating to false cer-
9 tification), as added or amended by the final regula-
10 tions published by the Department of Education in
11 the Federal Register on November 1, 2022 (87 Fed.
12 Reg. 65904 et seq.).

13 (5) ADMINISTRATIVE CAPABILITY.—Sections
14 668.16 of title 34, Code of Federal Regulations (re-
15 lating to administrative capability), as added or
16 amended by the final regulations published by the
17 Department of Education in the Federal Register on
18 October 31, 2023 (87 Fed. Reg. 74568 et seq.).

19 (6) CERTIFICATION PROCEDURES.—Sections
20 668.13, 668.14, and 668.43 of title 34, Code of Fed-
21 eral Regulations (relating to certification proce-
22 dures) as added or amended by the final regulations
23 published by the Department of Education in the
24 Federal Register on October 31, 2023 (87 Fed. Reg.
25 74568 et seq.).

1 (7) ABILITY TO BENEFIT.—Sections 668.2,
2 668.32, 668.156, and 668.157 of title 34, Code of
3 Federal Regulations (relating to ability to benefit) as
4 added or amended by the final regulations published
5 by the Department of Education in the Federal Reg-
6 ister on October 31, 2023 (87 Fed. Reg. 74568 et
7 seq.).

8 (8) PERSONAL LIABILITY.—The electronic an-
9 nouncement titled “Establishing Personal Liability
10 Requirements for Financial Losses Related to the
11 Title IV Programs” (GENERAL–23–11, published
12 on March 1, 2023).

13 (g) EFFECT OF REPEAL.—Any regulations repealed
14 by subsections (c) through (e) that were in effect on June
15 30, 2023, are restored and revived as if the repeal of such
16 regulations under such subsections had not taken effect.

17 (h) PROHIBITION.—The Secretary of Education may
18 not implement any rule, regulation, policy, or executive ac-
19 tion specified in this section (or a substantially similar
20 rule, regulation, policy, or executive action) unless author-
21 ity for such implementation is explicitly provided in an Act
22 of Congress.

23 (i) PROGRAM REVIEW AND DATA.—Section 498A (20
24 U.S.C. 1099c–1) is amended by adding at the end the fol-
25 lowing:

1 “(f) TIME LIMIT ON PROGRAM REVIEW ACTIVI-
2 TIES.—In conducting, responding to, and concluding pro-
3 gram review activities, the Secretary shall—

4 “(1) provide to the institution the initial report
5 finding not later than 90 days after concluding an
6 initial site visit;

7 “(2) upon each receipt of an institution’s re-
8 sponse during a program review inquiry, respond in
9 a substantive manner within 90 days;

10 “(3) upon each receipt of an institution’s writ-
11 ten response to a draft final program review report,
12 provide the final program review report and accom-
13 panying enforcement actions, if any, within 90 days;
14 and

15 “(4) conclude the entire program review process
16 not later than 2 years after the initiation of a pro-
17 gram review, unless the Secretary determines that
18 such a review is sufficiently complex and cannot rea-
19 sonably be concluded before the expiration of such 2-
20 year period, in which case the Secretary shall
21 promptly notify the institution of the reasons for
22 such delay and provide an anticipated date for con-
23 clusion of the review.”.

1 **SEC. 303. LIMITATION ON AUTHORITY OF SECRETARY TO**
2 **PROPOSE OR ISSUE REGULATIONS AND EX-**
3 **ECUTIVE ACTIONS.**

4 Part G of title IV of the Higher Education Act of
5 1965 (20 U.S.C. 1088 et seq.) is amended by inserting
6 after section 492 the following:

7 **“SEC. 492A. LIMITATION ON AUTHORITY OF THE SEC-**
8 **RETARY TO PROPOSE OR ISSUE REGULA-**
9 **TIONS AND EXECUTIVE ACTIONS.**

10 “(a) DRAFT REGULATIONS.—Beginning after the
11 date of enactment of this section, a draft regulation imple-
12 menting this title (as described in section 492(b)(1)) that
13 is determined by the Secretary to be economically signifi-
14 cant shall be subject to the following requirements (re-
15 gardless of whether negotiated rulemaking occurs):

16 “(1) The Secretary shall determine whether the
17 draft regulation, if implemented, would result in an
18 increase in a subsidy cost.

19 “(2) If the Secretary determines under para-
20 graph (1) that the draft regulation would result in
21 an increase in a subsidy cost, then the Secretary
22 may take no further action with respect to such reg-
23 ulation.

24 “(b) PROPOSED OR FINAL REGULATIONS AND EXEC-
25 UTIVE ACTIONS.—Beginning after the date of enactment
26 of this section, the Secretary may not issue a proposed

1 rule, final regulation, or executive action implementing
2 this title if the Secretary determines that the rule, regula-
3 tion, or executive action—

4 “(1) is economically significant; and

5 “(2) would result in an increase in a subsidy
6 cost.

7 “(c) RELATIONSHIP TO OTHER REQUIREMENTS.—

8 The analyses required under subsections (a) and (b) shall
9 be in addition to any other cost analysis required under
10 law for a regulation implementing this title, including any
11 cost analysis that may be required pursuant to Executive
12 Order 12866 (58 Fed. Reg. 51735; relating to regulatory
13 planning and review), Executive Order 13563 (76 Fed.
14 Reg. 3821; relating to improving regulation and regu-
15 latory review), or any related or successor orders.

16 “(d) DEFINITION.—In this section, the term ‘eco-
17 nomically significant’, when used with respect to a draft,
18 proposed, or final regulation or executive action, means
19 that the regulation or executive action is likely, as deter-
20 mined by the Secretary—

21 “(1) to have an annual effect on the economy
22 of \$100,000,000 or more; or

23 “(2) adversely to affect in a material way the
24 economy, a sector of the economy, productivity, com-
25 petition, jobs, the environment, public health or safe-

1 ty, or State, local, or tribal governments or commu-
2 nities.”.

3 **SEC. 304. OFFICE OF FEDERAL STUDENT AID.**

4 (a) FEDERAL PREEMPTION.—Section 456 (20 U.S.C.
5 1087f) is amended by adding at the end the following:

6 “(c) FEDERAL PREEMPTION.—

7 “(1) IN GENERAL.—Covered activities shall not
8 be subject to any law or other requirement of any
9 State or political subdivision of a State with respect
10 to—

11 “(A) disclosure requirements;

12 “(B) requirements or restrictions on the
13 content, time, quantity, or frequency of commu-
14 nications with borrowers, endorsers, or ref-
15 erences with respect to such loans; or

16 “(C) any other requirement relating to the
17 servicing or collection of a loan made under this
18 title.

19 “(2) COVERED ACTIVITIES DEFINED.—In this
20 subsection, the term ‘covered activities’ means any
21 of the following activities, as carried out by a quali-
22 fied entity:

23 “(A) Origination of a loan made under this
24 title.

1 “(B) Servicing of a loan made under this
2 title.

3 “(C) Collection of a loan made under this
4 title.

5 “(D) Any other activity related to the ac-
6 tivities described in subparagraphs (A) through
7 (C).”.

8 (b) PROCUREMENT FLEXIBILITY.—Section 142 (20
9 U.S.C. 1018a) is amended—

10 (1) by redesignating subsection (l) as subsection
11 (m); and

12 (2) by inserting after subsection (k) the fol-
13 lowing:

14 “(l) GUIDANCE TO STUDENT LOAN SERVICERS.—

15 “(1) IN GENERAL.—In notifying a student loan
16 servicer of a final contract modification (as such
17 term is defined in section 2.101 of title 48, Code of
18 Federal Regulations) that instructs such loan
19 servicer to perform a function that is new or dif-
20 ferent from a function such servicer performs pursu-
21 ant to an existing contract, the PBO shall, not later
22 than 30 days before such contract change takes ef-
23 fect, provide such servicers with written guidance in
24 the form of—

1 tional agency or association and shall demonstrate
2 the ability to operate as an institutional or pro-
3 grammatic accrediting agency or association within
4 the State or nationally, as appropriate;”;

5 (3) in paragraph (2)—

6 (A) in subparagraph (A)—

7 (i) in clause (i), by striking “prin-
8 cipal”; and

9 (ii) in clause (ii), by striking “its prin-
10 cipal” and inserting “a”; and

11 (B) in subparagraph (C), by inserting “or”
12 at the end; and

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

14 “(D) is an entity (such as an industry-spe-
15 cific quality assurance entity) that has been—

16 “(i) determined by a State to be a re-
17 liable authority as to the quality of edu-
18 cation or skills development offered in such
19 State for the purposes of this Act; and

20 “(ii) designated (in accordance with
21 subsection (b)(1)) by such State as an ac-
22 crediting agency or association with re-
23 spect to such State for such purposes;”;

24 (4) in paragraph (3)—

1 (A) by amending subparagraph (A) to read
2 as follows:

3 “(A) subparagraph (A), (C), or (D) of
4 paragraph (2), then such agency or association
5 is—

6 “(i) distinctly incorporated or orga-
7 nized; and

8 “(ii) both administratively and finan-
9 cially separate from, and independent of,
10 any related, associated, or affiliated trade
11 association or membership organization, by
12 ensuring that—

13 “(I) the members of the board or
14 governing body of the accrediting
15 agency or association are not elected
16 or selected by the board or chief execu-
17 tive officer (or the representative of
18 such board or officer) of any related,
19 associated, or affiliated trade associa-
20 tion or membership organization;

21 “(II) among the membership of
22 the board or governing body of the ac-
23 crediting agency or association—

24 “(aa) if such board or body
25 is comprised of 5 or fewer mem-

1 bers, there is a minimum of one
2 public member who represents
3 business and who is not a mem-
4 ber of any related, associated, or
5 affiliated trade association or
6 membership organization; and

7 ““(bb) if such board or body
8 is comprised of 6 or more mem-
9 bers, there is a minimum of 1
10 such public member for every 6
11 members;

12 ““(III) guidelines are established
13 for such members to avoid conflicts of
14 interest, including specific guidelines
15 to ensure that no such member is an
16 employee of any institution accredited
17 by the agency or association or has a
18 financial interest in any such institu-
19 tion;

20 ““(IV) dues to the accrediting
21 agency or association are paid sepa-
22 rately from any dues paid to any re-
23 lated, associated, or affiliated trade
24 association or membership organiza-
25 tion; and

1 “(V) the budget of the accred-
2 iting agency or association is devel-
3 oped, decided, and maintained by the
4 accrediting agency or association with-
5 out any review by, consultation with,
6 or approval by any related, associated,
7 or affiliated trade association or mem-
8 bership organization;”;

9 (B) by striking “or” at the end of subpara-
10 graph (B); and

11 (C) by striking subparagraph (C);

12 (5) in paragraph (4)—

13 (A) in subparagraph (A)—

14 (i) by inserting “(in the manner de-
15 scribed in subparagraph (B))” after “reli-
16 gious missions”; and

17 (ii) by striking “and” at the end; and

18 (B) by striking subparagraph (B) and in-
19 serting the following:

20 “(B) such accrediting agency or associa-
21 tion consistently applies and enforces standards
22 that respect the stated religious mission of an
23 institution of higher education by—

24 “(i) basing decisions regarding accred-
25 itation and preaccreditation on the stand-

1 ards of accreditation of such agency or as-
2 sociation; and

3 “(ii) not using as a negative factor
4 the institution’s religious mission based
5 policies, decisions, and practices in the
6 areas covered by subparagraphs (B), (C),
7 (D), (E), and (F) of paragraph (5), except
8 that the agency or association may require
9 that the institution’s or a program of
10 study’s curricula include all core compo-
11 nents required by the agency or association
12 that are not inconsistent with the institu-
13 tion’s religious mission; and

14 “(C) such agency or association dem-
15 onstrates the ability to review, evaluate, and as-
16 sess the quality of any instruction delivery
17 model or method such agency or association has
18 or seeks to include within its scope of recogni-
19 tion, without giving preference to or differen-
20 tially treating a particular instruction delivery
21 model or method offered by an institution of
22 higher education or program, except that—

23 “(i) in a case in which the instruction
24 delivery model allows for the separation of
25 the student from the instructor, the agency

1 or association shall not be required to have
2 separate standards, procedures, or policies
3 for the evaluation of the quality of any in-
4 struction delivery model or method in order
5 to meet the requirements of this subpara-
6 graph; and

7 “(i) in the case in which the instruc-
8 tion delivery model allows for the separa-
9 tion of the student from the instructor—

10 “(I) the agency or association re-
11 quires the institution to have proc-
12 esses through which the institution es-
13 tablishes that the student who reg-
14 isters in a course or program is the
15 same student who participates in the
16 program (including, to the extent
17 practicable, the testing or other as-
18 sessments required under the pro-
19 gram), completes the program, and
20 receives the academic credit; and

21 “(II) the agency or association
22 requires that any process used by an
23 institution to comply with the require-
24 ment under clause (I) does not in-
25 fringe upon student privacy and is im-

1 plemented in a manner that is mini-
2 mally burdensome to the student;”;
3 and

4 (6) in paragraph (5)—

5 (A) by amending subparagraph (A) to read
6 as follows:

7 “(A) success with respect to student
8 achievement outcomes in relation to the institu-
9 tion’s mission and to the programs the institu-
10 tion offers, or the mission of a specific degree,
11 certificate, or credential program, which may
12 include different standards for different institu-
13 tions or programs, and which shall include—

14 “(i) standards for consideration of the
15 median total price charged to students for
16 a program of study in relation to the me-
17 dian value-added earnings of students who
18 completed such program;

19 “(ii) standards for consideration of
20 learning outcomes measures (such as com-
21 petency attainment and licensing examina-
22 tion passage rates);

23 “(iii) standards for consideration of
24 labor market outcomes measures (such as
25 employer satisfaction surveys, employ-

1 ability measures, earnings gains, employ-
2 ment rates, or other similar approaches);
3 and

4 “(iv) standards for consideration of
5 student success outcomes measures (such
6 as completion rates, retention rates, and
7 loan repayment rates);”;

8 (B) by amending subparagraph (I) to read
9 as follows:

10 “(I) record of student complaints received
11 by, or available to, the agency or association,
12 and a process for resolving complaints received
13 by the institution; and”;

14 (C) in subparagraph (J), by inserting “and
15 the median total price charged to students for
16 a program of study in relation to the median
17 value-added earnings of students who completed
18 such program provided by the Secretary” after
19 “student loan default rate data provided by the
20 Secretary”.

21 (b) SECRETARIAL REQUIREMENTS AND AUTHOR-
22 ITY.—Subsection (b) of section 496 of the Higher Edu-
23 cation Act of 1965 (20 U.S.C. 1099b) is amended to read
24 as follows:

1 “(b) SECRETARIAL REQUIREMENTS AND AUTHOR-
2 ITY.—

3 “(1) STATE DESIGNATED ACCREDITING AGEN-
4 CY.—

5 “(A) APPROVAL OF STATE PLANS.—The
6 Secretary shall—

7 “(i) approve a State’s designation of
8 an entity as an accrediting agency or asso-
9 ciation for the purposes described in sub-
10 section (a)(2)(D) for a 5-year period, be-
11 ginning not later than 30 days after re-
12 ceipt of the plan from such State with re-
13 spect to such designation, if such plan in-
14 cludes each of the elements listed in sub-
15 paragraph (B);

16 “(ii) submit to the State and the au-
17 thorizing committees, and make publicly
18 available the Secretary’s response to the
19 State with respect to such plan, including
20 whether the plan includes each of the ele-
21 ments listed in subparagraph (B); and

22 “(iii) if a State’s designation of an en-
23 tity as an accrediting agency or association
24 is approved pursuant to this subparagraph,

1 publish in the Federal Register with a 30-
2 day public comment period—

3 “(I) the plan submitted by such
4 State with respect to such designa-
5 tion; and

6 “(II) the Secretary’s response to
7 such plan.

8 “(B) REQUIRED PLAN ELEMENTS.—The
9 required elements of a State plan submitted
10 under subparagraph (A) with respect to the
11 designation of an entity as an accrediting agen-
12 cy or association are as follows:

13 “(i) A description of the process the
14 State used to select the entity for such des-
15 ignation.

16 “(ii) A justification of the State’s de-
17 cision to select the entity for such designa-
18 tion.

19 “(iii) A description of any require-
20 ments (in addition to the requirements of
21 this section), that the State required the
22 entity to comply with as a condition of re-
23 ceiving and maintaining such designation.

24 “(iv) A copy of the standards, policies,
25 and procedures of the entity that the State

1 considered in selecting the entity for such
2 designation.

3 “(v) The State’s assessment of how
4 the standards for accreditation of the enti-
5 ty will be effective in meeting the require-
6 ments of subsection (a)(5).

7 “(vi) Evidence that at least one other
8 State has determined that such entity is a
9 reliable authority as to the quality of edu-
10 cation offered for the purposes of this Act.

11 “(vii) An assurance that the State will
12 comply with the monitoring requirements
13 described in subparagraph (C).

14 “(C) STATE MONITORING.—

15 “(i) IN GENERAL.—A State that has
16 designated an entity as an accrediting
17 agency or association for the purposes de-
18 scribed in subsection (a)(2)(D) shall sub-
19 mit to the Secretary, and to the State au-
20 thorizing entity, as appropriate, a report at
21 the end of the 5-year period for which the
22 entity has received such designation, which
23 shall include, with respect to each postsec-
24 ondary education program or institution
25 that has been accredited by such entity

1 during such period, and disaggregated by
2 type of credential, certification, or de-
3 gree—

4 “(I) the number and percentage
5 of students who have successfully ob-
6 tained a postsecondary education cre-
7 dential, certification, or degree offered
8 by such program or institution; and

9 “(II) the number and percentage
10 of students who were enrolled and did
11 not successfully obtain such a creden-
12 tial, certification, or degree within 150
13 percent of the program length.

14 “(ii) COUNTING TRANSFER STU-
15 DENTS.—For purposes of clause (i)(I), a
16 student shall be counted as obtaining a
17 credential, certification, or degree offered
18 by a program or institution that was ac-
19 credited by the entity during the period for
20 which the report under this subparagraph
21 is being submitted, if the student obtains
22 such credential, certification, or degree
23 after transferring to another institution
24 during such period.

1 “(2) AUTHORITY TO PROVIDE AN ACCELER-
2 ATED PATH TO RECOGNITION.—With respect to a
3 prospective accrediting agency or association that
4 submits to the Secretary an application for initial
5 recognition under this Act, the Secretary may pro-
6 vide such recognition to such agency or association
7 within 2 years after receipt of such application, if
8 such application—

9 “(A) demonstrates that the agency or asso-
10 ciation—

11 “(i) has at least one year of experi-
12 ence in making accreditation or
13 preaccreditation decisions; and

14 “(ii) has policies in place that meet all
15 the criteria under subsection (a) for rec-
16 ognition covering the range of the specific
17 degrees, certificates, institutions, or pro-
18 gram of study for which the agency or as-
19 sociation seeks such recognition; and

20 “(B) provides an assurance that if the
21 agency or association receives such recognition,
22 the agency or association will submit to the
23 Secretary monitoring reports regarding accredi-
24 tation or preaccreditation decisions, as appro-
25 priate.

1 “(3) DEVELOPMENT OF COMMON TERMI-
2 NOLOGY.—Not later than 18 months after the date
3 of enactment of the College Cost Reduction Act, the
4 Secretary shall—

5 “(A) convene a panel of experts to develop
6 common terminology for accrediting agencies or
7 associations to use in making accrediting deci-
8 sions with respect to program of study or insti-
9 tutions, such as a common understanding of
10 monitoring, warning, show cause, and other rel-
11 evant statuses, as appropriate; and

12 “(B) publish the recommendations for such
13 common terminology in the Federal Register
14 with a 60-day public comment period.”.

15 (c) OPERATING PROCEDURES REQUIRED.—

16 (1) ON-SITE INSPECTIONS AND REVIEWS.—
17 Paragraph (1) of section 496(c) (20 U.S.C.
18 1099b(c)) is amended—

19 (A) by inserting “(which may vary based
20 on institutional risk consistent with policies pro-
21 mulgated by the agency or association to deter-
22 mine such risk and interval frequency as au-
23 thorized under subsection (p))” after “inter-
24 vals”; and

1 (B) by striking “, including those regard-
2 ing distance education”.

3 (2) MECHANISM TO IDENTIFY INSTITUTIONS
4 AND PROGRAMS EXPERIENCING DIFFICULTIES.—
5 Section 496(c) (20 U.S.C. 1099b(c)) is further
6 amended—

7 (A) by redesignating paragraphs (2)
8 through (9) as paragraphs (3) through (10), re-
9 spectively; and

10 (B) by inserting after paragraph (1) the
11 following:

12 “(2) develops a policy process to identify any
13 institution or program of study accredited by the
14 agency or association that is not meeting the stand-
15 ards for accreditation of the agency or association,
16 with a focus on the standards assessing an institu-
17 tion’s or program of study’s student achievement
18 outcomes described in subsection (a)(5)(A), and
19 other indicators, which shall include—

20 “(A) not less than annually, evaluating the
21 extent to which such an identified institution or
22 program of study continues to be in compliance
23 with such standards or other indicators; and

24 “(B) as appropriate, requiring the institu-
25 tion or program of study to submit a plan, on

1 an annual basis, to the accrediting agency or
2 association to—

3 “(i) address and remedy performance
4 issues with respect to such compliance; and
5 “(ii) ensure that such plan is success-
6 fully implemented.”.

7 (3) PROCEDURES WITH RESPECT TO SUB-
8 STANTIVE CHANGES.—Paragraph (5) of section
9 496(c) (20 U.S.C. 1099b(c)) (as redesignated by
10 paragraph (2)(A)) is amended to read as follows:

11 “(5) establishes and applies or maintains poli-
12 cies, which ensure that any substantive change to
13 the educational mission, program of study, or pro-
14 gram of study of an institution after the agency or
15 association has granted the institution accreditation
16 or preaccreditation status does not adversely affect
17 the capacity of the institution to continue to meet
18 the agency’s or association’s standards for such ac-
19 creditation or preaccreditation status, which shall in-
20 clude policies that—

21 “(A) require the institution to obtain the
22 agency’s or association’s approval of the sub-
23 stantive change before the agency or association
24 includes the change in the scope of the institu-

1 tion’s accreditation or preaccreditation status;
2 and

3 “(B) define substantive change to include,
4 at a minimum—

5 “(i) any change in the established
6 mission or objectives of the institution;

7 “(ii) any change in the legal status,
8 form of control, or ownership of the insti-
9 tution, including the acquisition or addition
10 of any other institution or new location
11 where more than 50 percent of a program
12 is offered;

13 “(iii) the addition of program of study
14 at a higher credential level from the cre-
15 dential level previously accredited by the
16 agency or association; or

17 “(iv) the entering into a contract
18 under which an institution or organization
19 not certified to participate in programs
20 under this title offers more than 25 per-
21 cent but less than 50 percent of the in-
22 struction of an educational program of the
23 institution with such accreditation or
24 preaccreditation status;”.

1 (4) PUBLIC AVAILABILITY.—Section 496(c) (20
2 U.S.C. 1099b(c)) is further amended—

3 (A) in paragraph (8) (as redesignated by
4 paragraph (2)(A))—

5 (i) in the matter preceding subpara-
6 graph (A), by inserting “, on the agency’s
7 or association’s website,” after “public”;
8 and

9 (ii) in subparagraph (C), by inserting
10 before the semicolon at the end the fol-
11 lowing: “, and a summary of why such ac-
12 tion was taken or such placement was
13 made”;

14 (B) in paragraph (9) (as so redesignated),
15 by striking “and” at the end;

16 (C) in paragraph (10)(B) (as so redesi-
17 gnated), by inserting before the period at the end
18 the following: “, including an assurance that
19 the institution does not deny a transfer of cred-
20 it based solely on the accreditation of the insti-
21 tution at which the credit was earned”; and

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

23 “(11) such agency or association shall make
24 publicly available, on the agency or association’s
25 website, a list of the institutions of higher education

1 or program of study accredited by such agency or
2 association, which includes, with respect to each
3 such institution or program of study—

4 “(A) the year accreditation was granted;

5 “(B) the most recent date of an award of
6 accreditation or reaccreditation; and

7 “(C) the anticipated date of the institu-
8 tion’s next evaluation for reaccreditation.”.

9 (5) PROHIBITION ON LITMUS TESTS.—Section
10 496(c) (20 U.S.C. 1099b(e)) is further amended by
11 adding at the end the following:

12 “(12) confirms that the standards for accredita-
13 tion of the agency or association do not—

14 “(A) except as provided in subparagraph

15 (B)—

16 “(i) require, encourage, or coerce any
17 institution to—

18 “(I) support, oppose, or commit
19 to supporting or opposing—

20 “(aa) a specific partisan, po-
21 litical, or ideological viewpoint or
22 belief or set of such viewpoints or
23 beliefs; or

24 “(bb) a specific viewpoint or
25 belief or set of viewpoints or be-

1 liefs on social, cultural, or polit-
2 ical issues; or

3 “(II) support or commit to sup-
4 porting the disparate treatment of any
5 individual or group of individuals on
6 the basis of any protected class under
7 Federal civil rights law, except as re-
8 quired by Federal law or a court
9 order; or

10 “(ii) assess an institution’s or pro-
11 gram of study’s commitment to any ide-
12 ology, belief, or viewpoint; or

13 “(B) prohibit an institution—

14 “(i) from having a religious mission or
15 from requiring an applicant, student, em-
16 ployee, or independent contractor (such as
17 an adjunct professor) of such an institu-
18 tion to—

19 “(I) provide or adhere to a state-
20 ment of faith; or

21 “(II) adhere to a code of conduct
22 consistent with the stated religious
23 mission of such institution or the reli-
24 gious tenets of such organization; or

1 “(ii) from requiring an applicant, stu-
2 dent, employee, or contractor to take an
3 oath to uphold the Constitution of the
4 United States; or

5 “(C) require, encourage, or coerce an insti-
6 tution of higher education to violate any right
7 protected by the Constitution;”.

8 (6) PROHIBITION ON ASSESSMENT OF ELECTED
9 OR APPOINTED OFFICIALS.—Section 496(c) (20
10 U.S.C. 1099b(c)) is further amended by adding at
11 the end the following:

12 “(13) confirms that the standards for accredita-
13 tion of the agency or association do not assess the
14 roles (including actions or statements) of elected and
15 appointed State and Federal officials and legislative
16 bodies;”.

17 (7) PROHIBITION OF PRACTICES THAT DRIVE
18 CREDENTIAL INFLATION.—Section 496(c) (20
19 U.S.C. 1099b(c)) is further amended by adding at
20 the end the following:

21 “(14) confirms that the standards for accredita-
22 tion of the agency or association do not require an
23 institution to develop a program of study leading to
24 a degree, certificate, or recognized postsecondary

1 credential that is not in response to the needs of an
2 industry or occupation.”.

3 (d) LENGTH OF RECOGNITION.—Subsection (d) of
4 section 496 (20 U.S.C. 1099b) is amended—

5 (1) by striking “No accrediting” and inserting
6 the following:

7 “(1) IN GENERAL.—Except as otherwise pro-
8 vided in paragraph (2), no accrediting”; and

9 (2) by adding at the end the following new
10 paragraph:

11 “(2) LONGER RECOGNITION AUTHORIZED FOR
12 CERTAIN AGENCIES AND ASSOCIATIONS.—Notwith-
13 standing paragraph (1), an accrediting agency or as-
14 sociation that has been recognized by the Secretary
15 for the purpose of this Act for a period of 5 years,
16 may be recognized for an additional period of up to
17 3 years, if the Secretary determines, based on the
18 performance of the accrediting agency or association
19 during its recognition period under this Act, that the
20 accrediting agency or association—

21 “(A) has the capability to evaluate the
22 quality of institutions or program of study; and

23 “(B) has maintained compliance with the
24 criteria for accrediting agencies or associations
25 required by this section.”.

1 (e) LIMITATION ON SCOPE OF CRITERIA.—Section
2 496 (20 U.S.C. 1099b) is further amended by amending
3 subsection (g) to read as follows:

4 “(g) LIMITATION ON SCOPE OF CRITERIA.—

5 “(1) IN GENERAL.—The Secretary shall not es-
6 tablish criteria for accrediting agencies or associa-
7 tions that are not required by this section.

8 “(2) INSTITUTIONAL ELIGIBILITY.—An institu-
9 tion of higher education shall be eligible for partici-
10 pation in programs under this title if the institution
11 is in compliance with the standards of its accrediting
12 agency or association that assess the institution in
13 accordance with subsection (a)(5), regardless of any
14 additional standards adopted by the agency or asso-
15 ciation for purposes unrelated to participation in
16 programs under this title.”.

17 (f) CHANGE OF ACCREDITING AGENCY.—Section 496
18 (20 U.S.C. 1099b) is further amended by amending sub-
19 section (h) to read as follows:

20 “(h) CHANGE OF ACCREDITING AGENCY OR ASSOCIA-
21 TION.—

22 “(1) IN GENERAL.—The Secretary shall recog-
23 nize the accreditation of any otherwise eligible insti-
24 tution or program of study if the institution (or pro-
25 gram) is in the process of changing its accrediting

1 agency or association, unless the institution (or pro-
2 gram) is subject to one or more covered actions.

3 “(2) COVERED ACTION DEFINED.—For pur-
4 poses of this subsection, the term ‘covered action’
5 means one or more of the following, when used with
6 respect to an institution or program of study:

7 “(A) A pending or final action brought by
8 a State agency to suspend, revoke, withdraw, or
9 terminate the institution’s legal authority to
10 provide postsecondary education in the State.

11 “(B) A decision by a recognized accred-
12 iting agency or association to deny accreditation
13 or preaccreditation to the institution or pro-
14 gram of study.

15 “(C) A pending or final action brought by
16 a recognized accrediting agency or association
17 to suspend, revoke, withdraw, or terminate the
18 institution’s or program of study’s accreditation
19 or preaccreditation.

20 “(D) Probation or an equivalent status im-
21 posed on the institution or program of study by
22 a recognized accrediting agency or association.

23 “(3) INSTITUTIONS OF HIGHER EDUCATION
24 NOT SUBJECT TO COVERED ACTIONS.—An institu-
25 tion (or program of study) that is not subject to a

1 covered action described in paragraph (1) and that
2 desires to change its accrediting agency or associa-
3 tion for a reason not related to any such covered ac-
4 tion (such as compliance with State law) may make
5 such a change without the approval of the Secretary,
6 as long as the institution (or program) and the new
7 accrediting agency or association of the institution
8 (or program), not later than 30 days after the ac-
9 creditation decision by such agency or association,
10 notify the Secretary, in writing, of the effective date
11 of the institution's (or program's) accreditation by
12 such agency or association.”.

13 (g) DUAL ACCREDITATION RULE.—Section 496 (20
14 U.S.C. 1099b) is further amended by amending subsection
15 (i) to read as follows:

16 “(i) DUAL ACCREDITATION RULE.—

17 “(1) RECOGNITION BY SECRETARY.—The Sec-
18 retary shall recognize the accreditation of any other-
19 wise eligible institution of higher education if the in-
20 stitution of higher education is accredited, as an in-
21 stitution, by more than one accrediting agency or as-
22 sociation.

23 “(2) DESIGNATION BY INSTITUTION.—If the in-
24 stitution is accredited, as an institution, by more

1 than one accrediting agency or association, the insti-
2 tution—

3 “(A) shall designate which agency’s or as-
4 sociation’s accreditation shall be utilized in de-
5 termining the institution’s eligibility for partici-
6 pation in programs under this Act; and

7 “(B) may change this designation at the
8 end of the institution’s period of recognition.”.

9 (h) RELIGIOUS INSTITUTIONS RULE.—Section 496
10 (20 U.S.C. 1099b) is further amended by amending sub-
11 section (k) to read as follows:

12 “(k) RELIGIOUS INSTITUTION RULE.—

13 “(1) IN GENERAL.—Notwithstanding subsection
14 (j), the Secretary shall allow an institution that has
15 had its accreditation withdrawn, revoked, or other-
16 wise terminated, or has voluntarily withdrawn from
17 an accreditation agency, to remain certified as an in-
18 stitution of higher education under section 102 and
19 subpart 3 of this part for a period sufficient to allow
20 such institution to obtain alternative accreditation, if
21 the Secretary determines that the withdrawal, rev-
22 ocation, or termination—

23 “(A) is related to the religious mission or
24 affiliation of the institution; and

1 “(B) is not related to the accreditation cri-
2 teria provided for in this section.

3 “(2) ADMINISTRATIVE COMPLAINT FOR FAIL-
4 URE TO RESPECT RELIGIOUS MISSION.—

5 “(A) IN GENERAL.—

6 “(i) INSTITUTION.—If an institution
7 of higher education believes that an ad-
8 verse action of an accrediting agency or as-
9 sociation fails to respect the institution’s
10 religious mission in violation of subsection
11 (a)(4)(B), the institution—

12 “(I) may file a complaint with
13 the Secretary to review the adverse
14 action of the agency or association;
15 and

16 “(II) prior to filing such com-
17 plaint, shall notify the Secretary and
18 the agency or association of an intent
19 to file such complaint not later than
20 30 days after—

21 “(aa) receiving the adverse
22 action from the agency or asso-
23 ciation; or

24 “(bb) determining that dis-
25 cussions with or the processes of

1 the agency or association to rem-
2 edy the failure to respect the reli-
3 gious mission of the institution
4 will fail to result in the with-
5 drawal of the adverse action by
6 the agency or association.

7 “(ii) ACCREDITING AGENCY OR ASSO-
8 CIATION.—Upon notification of an intent
9 to file a complaint and through the dura-
10 tion of the complaint process under this
11 paragraph, the Secretary and the accred-
12 iting agency or association shall treat the
13 accreditation status of the institution of
14 higher education as if the adverse action
15 for which the institution is filing the com-
16 plaint had not been taken.

17 “(B) COMPLAINT.—Not later than 45 days
18 after providing notice of the intent to file a
19 complaint, the institution shall file the com-
20 plaint with the Secretary (and provide a copy to
21 the accrediting agency or association), which
22 shall include—

23 “(i) a description of the adverse ac-
24 tion;

1 “(ii) how the adverse action fails to
2 respect the institution’s religious mission
3 in violation of subsection (a)(4)(B); and

4 “(iii) any other information the insti-
5 tution determines relevant to the com-
6 plaint.

7 “(C) RESPONSE.—

8 “(i) IN GENERAL.—The accrediting
9 agency or association shall have 30 days
10 from the date the complaint is filed with
11 the Secretary to file with the Secretary
12 (and provide a copy to the institution) a
13 response to the complaint, which response
14 shall include—

15 “(I) how the adverse action is
16 based on a violation of the agency or
17 association’s standards for accredita-
18 tion; and

19 “(II) how the adverse action does
20 not fail to respect the religious mis-
21 sion of the institution and is in com-
22 pliance with subsection (a)(4)(B).

23 “(ii) BURDEN OF PROOF.—

24 “(I) IN GENERAL.—The accred-
25 iting agency or association shall bear

1 the burden of proving that the agency
2 or association has not taken the ad-
3 verse action as a result of the institu-
4 tion’s religious mission, and that the
5 action does not fail to respect the in-
6 stitution’s religious mission in viola-
7 tion of subsection (a)(4)(B), by show-
8 ing that the adverse action does not
9 impact the aspect of the religious mis-
10 sion claimed to be affected in the
11 complaint.

12 “(II) INSUFFICIENT PROOF.—
13 Any evidence that the adverse action
14 results from the application of a neu-
15 tral and generally applicable rule shall
16 be insufficient to prove that the action
17 does not fail to respect an institu-
18 tion’s religious mission.

19 “(D) ADDITIONAL INSTITUTION RE-
20 SPONSE.—The institution shall have 30 days
21 from the date on which the agency or associa-
22 tion’s response is filed with the Secretary to—

23 “(i) file with the Secretary (and pro-
24 vide a copy to the agency or association) a

1 response to any issues raised in the re-
2 sponse of the agency or association; or

3 “(ii) inform the Secretary and the
4 agency or association that the institution
5 elects to waive the right to respond to the
6 response of the agency or association.

7 “(E) SECRETARIAL ACTION.—

8 “(i) IN GENERAL.—Not later than 30
9 days of receipt of the institution’s response
10 under subparagraph (D) or notification
11 that the institution elects not to file a re-
12 sponse under such subparagraph—

13 “(I) the Secretary shall review
14 the materials to determine if the ac-
15 crediting agency or association has
16 met its burden of proof under sub-
17 paragraph (C)(ii)(I); or

18 “(II) in a case in which the Sec-
19 retary fails to conduct such review—

20 “(aa) the Secretary shall be
21 deemed as determining that the
22 adverse action fails to respect the
23 religious mission of the institu-
24 tion; and

1 “(bb) the accrediting agency
2 or association shall be required to
3 reverse the action immediately
4 and take no further action with
5 respect to such adverse action.

6 “(ii) REVIEW OF COMPLAINT.—In re-
7 viewing the complaint under clause (i)(I)—

8 “(I) the Secretary shall consider
9 the institution to be correct in the as-
10 sertion that the adverse action fails to
11 respect the institution’s religious mis-
12 sion and shall apply the burden of
13 proof described in subparagraph
14 (C)(ii)(I) with respect to the accred-
15 iting agency or association; and

16 “(II) if the Secretary determines
17 that the accrediting agency or associa-
18 tion fails to meet such burden of
19 proof—

20 “(aa) the Secretary shall no-
21 tify the institution and the agen-
22 cy or association that the agency
23 or association is not in compli-
24 ance with subsection (a)(4)(B),
25 and that such agency or associa-

1 tion shall carry out the require-
2 ments of item (bb) to be in com-
3 pliance with subsection (a)(4)(B);
4 and

5 “‘(bb) the agency or associa-
6 tion shall reverse the adverse ac-
7 tion immediately and take no fur-
8 ther action with respect to such
9 adverse action.

10 “(iii) FINAL DEPARTMENTAL AC-
11 TION.—The Secretary’s determination
12 under this subparagraph shall be the final
13 action of the Department on the complaint.

14 “(F) RULE OF CONSTRUCTION.—Nothing
15 in this paragraph shall prohibit—

16 “(i) an accrediting agency or associa-
17 tion from taking an adverse action against
18 an institution of higher education for a
19 failure to comply with the agency or asso-
20 ciation’s standards of accreditation as long
21 as such standards are in compliance with
22 subsection (a)(4)(B) and any other appli-
23 cable requirements of this section; or

24 “(ii) an institution of higher education
25 from exercising any other rights to address

1 concerns with respect to an accrediting
2 agency or association or the accreditation
3 process of an accrediting agency or asso-
4 ciation.

5 “(G) GUIDANCE.—

6 “(i) IN GENERAL.—The Secretary
7 may only issue guidance under this para-
8 graph that explains or clarifies the process
9 for providing notice of an intent to file a
10 complaint or for filing a complaint under
11 this paragraph.

12 “(ii) CLARIFICATION.—The Secretary
13 may not issue guidance, or otherwise deter-
14 mine or suggest, when discussions to rem-
15 edy the failure by an accrediting agency or
16 association to respect the religious mission
17 of an institution of higher education re-
18 ferred to in subparagraph (A)(i)(II)(bb)
19 have failed or will fail.

20 “(3) RELIGIOUS MISSION DEFINED.—In this
21 Act, the term ‘religious mission’—

22 “(A) means a published institutional mis-
23 sion that is approved by the governing body of
24 an institution of higher education and that in-

1 cludes, refers to, or is predicated upon religious
2 tenets, beliefs, or teachings; and

3 “(B) may be reflected in any of the institu-
4 tion’s policies, decisions, or practices related to
5 such tenets, beliefs, or teachings (including any
6 policies or decisions concerning housing, em-
7 ployment, curriculum, self-governance, or stu-
8 dent admission, continuing enrollment, or grad-
9 uation).”.

10 (i) INDEPENDENT EVALUATION.—Section 496(n)(3)
11 (20 U.S.C. 1099b(n)(3)) is amended by striking the last
12 sentence.

13 (j) REGULATIONS.—Section 496(o) (20 U.S.C.
14 1099b(o)) is amended by inserting before the period at
15 the end the following: “, or with respect to the policies
16 and procedures of an accreditation agency or association
17 described in paragraph (2) or (5) of subsection (c) or how
18 the agency or association carries out such policies and pro-
19 cedures”.

20 (k) RISK-BASED REVIEW PROCESSES OR PROCE-
21 DURES; WAIVER.—Section 496 (20 U.S.C. 1099b) is fur-
22 ther amended—

23 (1) by striking subsections (p) and (q); and

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

1 “(p) RISK-BASED OR DIFFERENTIATED REVIEW
2 PROCESSES OR PROCEDURES.—

3 “(1) IN GENERAL.—Notwithstanding any other
4 provision of law (including subsection (a)(4)(A)), an
5 accrediting agency or association shall establish risk-
6 based processes or procedures for assessing compli-
7 ance with the accrediting agency or association’s
8 standards (including policies related to substantive
9 change and award of accreditation statuses) under
10 which the agency or association—

11 “(A) creates a system for understanding
12 an institution’s or program of study’s perform-
13 ance in comparison with other similarly situated
14 institutions or programs of study (which may
15 include past performance with respect to meet-
16 ing the accrediting agency or association’s
17 standards, including the standards relating to
18 the student achievement outcomes described in
19 subclauses (I) through (IV) of subsection
20 (a)(5)(A));

21 “(B) requires for each institution and pro-
22 gram of study designated as high-risk, in ac-
23 cordance with the accrediting agency or associa-
24 tion’s system in subparagraph (A), to submit
25 the annual plans described in subsection

1 (c)(2)(B) to the agency or association that ad-
2 dress the performance issues of such institution
3 or program of study that resulted in such des-
4 ignation;

5 “(C) with respect to institutions or pro-
6 gram of study meeting or exceeding perform-
7 ance as described in subparagraph (A), reduces
8 any compliance requirements with the stand-
9 ards of accreditation of the agency that are not
10 assessing an institution or program of study
11 under subsection (a)(5), such as on-site inspec-
12 tions; and

13 “(D) may require an institution or pro-
14 gram of study that has declining performance
15 (such as an institution or program of study
16 with a high-risk designation under subpara-
17 graph (B)), which has not improved as required
18 by the annual plan submitted under subsection
19 (c)(2)(B), to take actions to avoid or minimize
20 the risks that may lead to revocation of accredi-
21 tation (such as limiting certain program of
22 study enrollment or recommending to the Sec-
23 retary to limit funds under this title for such an
24 institution or program.

1 “(2) PROHIBITION.—Any risk-based review
2 process or procedure established pursuant to this
3 subsection shall not discriminate against, or other-
4 wise preclude, institutions of higher education based
5 on institutional sector or category, including an in-
6 stitution of higher education’s tax status.”.

7 (l) TOTAL PRICE DEFINED.—Section 496 (20 U.S.C.
8 1099b) is further amended by adding at the end the fol-
9 lowing:

10 “(q) TOTAL PRICE DEFINED.—For purposes of this
11 section, the term ‘total price’ has the meaning given such
12 term in section 454(d)(3).”.

13 **SEC. 312. NATIONAL ADVISORY COMMITTEE ON INSTITU-**
14 **TIONAL QUALITY AND INTEGRITY (NACIQI).**

15 Section 114 (20 U.S.C. 1011c) is amended—

16 (1) in subsection (b)—

17 (A) in paragraph (2), by redesignating
18 subparagraphs (A) through (C) as clauses (i)
19 through (iii), respectively, and adjusting the
20 margins accordingly;

21 (B) by striking “Individuals” and inserting
22 the following:

23 “(A) IN GENERAL.—Individuals”;

1 (C) in clause (ii), as so redesignated, by
2 striking “and training” and inserting “skills de-
3 velopment”;

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

5 “(B) DISQUALIFICATION.—No individual
6 may be appointed as a member of the Com-
7 mittee if such individual has a significant con-
8 flict of interest, such as being a current regu-
9 lator (such as a State authorizer), that would
10 require the individual to frequently be recused
11 from serving as a member of the Committee.”;
12 and

13 (E) in paragraph (3), by striking “Except
14 as provided in paragraph (5), the term” and in-
15 sserting “The term”;

16 (2) in subsection (c)—

17 (A) in paragraph (4), by adding “and” at
18 the end;

19 (B) in paragraph (5), by striking “; and”
20 at the end and inserting a period; and

21 (C) by striking paragraph (6);

22 (3) in subsection (d)(2), by inserting at the end
23 the following: “The name of any member of the
24 Committee who has been recused with respect to an

1 agenda item of the meeting shall be included in such
2 agenda.”;

3 (4) in subsection (e)(2)(D), by striking “, in-
4 cluding any additional functions established by the
5 Secretary through regulation”; and

6 (5) in subsection (f), by striking “September
7 30, 2021” and inserting “September 30, 2028”.

8 **SEC. 313. ALTERNATIVE QUALITY ASSURANCE EXPERI-**
9 **MENTAL SITE INITIATIVE.**

10 Section 487A of the Higher Education Act of 1965
11 (20 U.S.C. 1094a) is amended—

12 (1) by redesignating subsection (c) as sub-
13 section (d); and

14 (2) by inserting after subsection (b) the end the
15 following:

16 “(c) ALTERNATIVE QUALITY ASSURANCE EXPERI-
17 MENTAL SITE INITIATIVE.—

18 “(1) EXPERIMENTAL SITE AUTHORIZED.—The
19 Secretary shall select, in accordance with paragraph
20 (4), eligible entities that voluntarily seek to partici-
21 pate in an Alternative Quality Assurance experi-
22 mental site initiative for a duration of 5 years and
23 receive the waivers or other flexibility described in
24 paragraph (5) to evaluate whether the eligible enti-
25 ties, during such 5-year period, can maintain high

1 student achievement outcomes while participating in
2 programs under this title without being accredited
3 by an accrediting agency or association recognized
4 under section 496.

5 “(2) ELIGIBLE ENTITY DEFINED.—For pur-
6 poses of this subsection, an eligibility entity means—

7 “(A) an institution of higher education (as
8 defined in section 102); or

9 “(B) an educational provider that—

10 “(i) is not an institution of higher
11 education;

12 “(ii) does not receive funding under
13 this Act;

14 “(iii) is not accredited by an accred-
15 iting agency or association for the pur-
16 poses of this title; and

17 “(iv) is authorized to operate in the
18 State in which the provider is located.

19 “(3) APPLICATION.—

20 “(A) IN GENERAL.—Each eligible entity
21 desiring to participate in the experimental site
22 initiative under this subsection shall submit an
23 application to the Secretary, at such time and
24 in such manner as the Secretary may require,
25 which shall contain the information described in

1 subparagraph (B). The Secretary may not re-
2 quire any information in such an application
3 that is not described in subparagraph (B).

4 “(B) CONTENTS.—Each application under
5 paragraph (1) shall include—

6 “(i) a description of which program of
7 study offered at the eligible entity will be
8 included in the experimental site initiative,
9 including—

10 “(I) in the case of an eligible en-
11 tity that is an institution of higher
12 education, an attestation that such
13 program meets the standards of ac-
14 creditation of the institution’s accred-
15 iting agency or association described
16 in clauses (i) through (iv) of section
17 496(a)(5)(A) (including the standard
18 requiring that the median value-added
19 earnings of students who complete the
20 program are greater than the median
21 total price charged to students for the
22 program); and

23 “(II) in the case of an eligible en-
24 tity defined in paragraph (2)(B), doc-
25 umentation and verified administra-

1 tive data that the program meets
2 standards similar to the standards of
3 accreditation referenced in subclause
4 (I);

5 “(ii) a justification of the reason why
6 the eligible entity seeks to receive the waiver
7 described in paragraph (5)(A), including
8 estimates or documentation of the poten-
9 tial savings to the entity of receiving such
10 waiver; and

11 “(iii) a description of how the eligible
12 entity plans to share the financial risk with
13 the Secretary of receiving the waivers de-
14 scribed in paragraph (5), such as by—

15 “(I) providing matching non-Fed-
16 eral funds to the Secretary to cover
17 the cost of at least half of the ex-
18 pected disbursements under this title
19 to the students that enroll in such
20 program for the first year of the ex-
21 periment;

22 “(II) providing a letter of credit
23 to the Secretary to cover the cost de-
24 scribed in subclause (I); or

1 “(III) requesting to be placed on
2 a reimbursement system of payment.

3 “(4) SELECTION.—No later than 6 months
4 after the experimental site initiative is announced,
5 the Secretary shall select eligible entities to partici-
6 pate in the initiative based on the applications sub-
7 mitted under paragraph (3). In making such selec-
8 tions, the Secretary—

9 “(A) shall consider—

10 “(i) the number and quality of appli-
11 cations;

12 “(ii) each applicant’s ability to effec-
13 tively share the financial risk as required
14 under paragraph (3)(B)(iii); and

15 “(iii) in the case of an applicant that
16 is an institution of higher education, the
17 applicant’s history of compliance with the
18 requirements of this Act;

19 “(B) shall ensure that the selected eligible
20 entities represent a variety of eligible entities
21 with respect to size, mission, and geographic
22 distribution;

23 “(C) shall ensure that the number of eligi-
24 ble entities selected that are institutions of
25 higher education described in paragraph (2)(B)

1 is equal to the number of eligible entities se-
2 lected that are educational providers described
3 in paragraph (2)(B); and

4 “(D) may not select any eligible entity
5 whose approval to operate in a State is at risk.

6 “(5) WAIVERS.—The Secretary is authorized to
7 waive, for any eligible entity participating in the ex-
8 perimental site initiative under this subsection—

9 “(A) any requirements conditioning an eli-
10 gible entity’s eligibility to participate in pro-
11 grams under this title to being accredited by an
12 accrediting agency or association recognized
13 under section 496; and

14 “(B) any other requirements of this title
15 determined necessary by the Secretary to carry
16 out such initiative (including requirements re-
17 lated to the award process and disbursement of
18 student financial aid, or other management pro-
19 cedures or processes), except that the Secretary
20 shall not waive any provisions with respect to
21 award rules (other than an award rule related
22 to an experiment in modular or compressed
23 schedules), grant and loan maximum award
24 amounts, and need analysis requirements, un-

1 less the waiver of such provisions is authorized
2 by another provision under this title.

3 “(6) REVIEW AND EVALUATION.—

4 “(A) IN GENERAL.—The Secretary shall
5 review and evaluate the experimental site initia-
6 tive conducted under this subsection, including
7 by evaluating, with respect to each participating
8 program of each participating eligible entity,
9 whether—

10 “(i) the median value-added earnings
11 of students who complete the program of
12 study are greater than the median total
13 price charged to students for such pro-
14 gram; and

15 “(ii) the program of study is meeting
16 other student achievement outcomes (such
17 as outcomes based on standards of accredi-
18 tation described in section 496(a)(5)(A)),
19 as appropriate for the program.

20 “(B) RECOMMENDATIONS.—If, based on
21 such evaluation, the Secretary determines that
22 participating eligible entities were able to meet
23 the requirement of subparagraph (A)(i) and the
24 other student achievement outcomes evaluated
25 by the Secretary under subparagraph (A)(ii),

1 the Secretary shall submit to the authorizing
2 committees recommendations regarding amend-
3 ments to this Act that will streamline and en-
4 hance the quality assurance process of institu-
5 tions of higher education, and educational pro-
6 viders described in paragraph (2)(B).”.

7 **PART B—STUDENT SUCCESS**

8 **SEC. 321. POSTSECONDARY STUDENT SUCCESS GRANTS.**

9 Part B of title VII of the Higher Education Act of
10 1965 (20 U.S.C. 1138 et seq.) is amended—

11 (1) in section 741—

12 (A) by striking subsections (b), (c), (e),
13 and (f);

14 (B) by redesignating subsection (d) as sub-
15 section (e); and

16 (C) by inserting after subsection (a) the
17 following:

18 “(b) GRANTS.—

19 “(1) DEFINITIONS.—In this subsection:

20 “(A) COMPLETION RATE.—The term ‘com-
21 pletion rate’ means—

22 “(i) the percentage of students from
23 an initial cohort enrolled at an institution
24 of higher education that is a 2-year institu-
25 tion who have graduated from the institu-

1 tion or transferred to a 4-year institution
2 of higher education; or

3 “(ii) the percentage of students from
4 an initial cohort enrolled at an institution
5 of higher education in the State that is a
6 4-year institution who have graduated
7 from the institution.

8 “(B) ELIGIBLE ENTITY.—The term ‘eligi-
9 ble entity’ means—

10 “(i) an institution of higher education;

11 “(ii) a partnership between a non-
12 profit educational organization and an in-
13 stitution of higher education; and

14 “(iii) a consortium of institutions of
15 higher education.

16 “(C) ELIGIBLE INDIAN ENTITY.—The
17 term ‘eligible Indian entity’ means the entity re-
18 sponsible for the governance, operation, or con-
19 trol of a Tribal College or University.

20 “(D) EVIDENCE-BASED.—The term ‘evi-
21 dence-based’ has the meaning given the term in
22 section 8101(21)(A) of the Elementary and
23 Secondary Education Act of 1965 (20 U.S.C.
24 7801(21)(A)), except that such term shall also
25 apply to institutions of higher education.

1 “(E) EVIDENCE TIERS.—

2 “(i) EVIDENCE TIER 1 REFORM OR
3 PRACTICE.—The term ‘evidence tier 1 re-
4 form or practice’ means a reform or prac-
5 tice that prior research suggests has prom-
6 ise for the purpose of successfully improv-
7 ing student achievement or attainment for
8 high-need students.

9 “(ii) EVIDENCE TIER 2 REFORM OR
10 PRACTICE.—The term ‘evidence tier 2 re-
11 form or practice’ means a reform or prac-
12 tice described in clause (i), or other prac-
13 tice meeting similar criteria, that measures
14 impact and cost effectiveness of student
15 success activities, and, through rigorous
16 evaluation (including through the use of
17 existing administrative data, as applicable),
18 has been found to be successfully imple-
19 mented.

20 “(iii) EVIDENCE TIER 3 REFORM OR
21 PRACTICE.—The term ‘evidence tier 3 re-
22 form or practice’ means a reform or prac-
23 tice described in clause (ii), or other prac-
24 tice meeting similar criteria, that has been

1 found to produce sizable, important im-
2 pacts on student success and—

3 “(I) determines whether such im-
4 pacts can be successfully reproduced
5 and sustained over time; and

6 “(II) identifies the conditions in
7 which such reform or practice is most
8 effective.

9 “(F) FIRST GENERATION COLLEGE STU-
10 DENT.—The term ‘first generation college stu-
11 dent’ has the meaning given the term in section
12 402A(h) of the Higher Education Act of 1965
13 (20 U.S.C. 1070a–11(h)).

14 “(G) HIGH-NEED STUDENT.—The term
15 ‘high-need student’ means—

16 “(i) a student from low-income back-
17 ground;

18 “(ii) first generation college students;

19 “(iii) caregiver students;

20 “(iv) students with disabilities;

21 “(v) students who stopped out before
22 completing;

23 “(vi) reentering justice-impacted stu-
24 dents; and

25 “(vii) military-connected students.

1 “(H) SECRETARY.—The term ‘Secretary’
2 means the Secretary of Education.

3 “(I) TRIBAL COLLEGE OR UNIVERSITY.—
4 The term ‘Tribal College or University’ has the
5 meaning given the term in section 316(b) of the
6 Higher Education Act of 1965 (20 U.S.C.
7 1059c(b)).

8 “(2) RESERVATION OF FUNDS FOR ELIGIBLE
9 INDIAN ENTITIES.—From the total amount appro-
10 priated to carry out this subsection for a fiscal year,
11 the Secretary shall reserve 2 percent for grants to
12 eligible Indian entities to increase participation and
13 completion rates of high-need students.

14 “(3) AUTHORIZATION OF POSTSECONDARY STU-
15 DENT SUCCESS COMPETITIVE GRANTS.—

16 “(A) GRANT AUTHORIZATION.—For each
17 of fiscal years 2025 through 2030, the Sec-
18 retary shall award, on a competitive basis,
19 grants to eligible entities to provide student
20 services to increase participation, retention, and
21 completion rates of high-need students.

22 “(B) APPLICATION.—An eligible entity de-
23 siring a grant under this section shall submit
24 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 industry sectors or occupations
14 (as defined in section 3 of the Work-
15 force Innovation and Opportunity Act
16 (29 U.S.C. 3102)).

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.”.

