

S 2954

Higher Education Affordability Act

Congress: 113 (2013–2015, Ended)

Chamber: Senate

Policy Area: Education

Introduced: Nov 20, 2014

Current Status: Read twice and referred to the Committee on Health, Education, Labor, and Pensions.

Latest Action: Read twice and referred to the Committee on Health, Education, Labor, and Pensions. (Nov 20, 2014)

Official Text: <https://www.congress.gov/bill/113th-congress/senate-bill/2954>

Sponsor

Name: Sen. Harkin, Tom [D-IA]

Party: Democratic • **State:** IA • **Chamber:** Senate

Cosponsors

No cosponsors are listed for this bill.

Committee Activity

Committee	Chamber	Activity	Date
Health, Education, Labor, and Pensions Committee	Senate	Referred To	Nov 20, 2014

Subjects & Policy Tags

Policy Area:

Education

Related Bills

Bill	Relationship	Last Action
113 S 2993	Related bill	Dec 10, 2014: Read twice and referred to the Committee on Health, Education, Labor, and Pensions.
113 HR 5572	Related bill	Nov 17, 2014: Referred to the Subcommittee on Higher Education and Workforce Training.
113 S 2898	Related bill	Sep 18, 2014: Read twice and referred to the Committee on Health, Education, Labor, and Pensions.
113 S 2506	Related bill	Jun 19, 2014: Read twice and referred to the Committee on Health, Education, Labor, and Pensions.
113 HR 4391	Related bill	Jun 13, 2014: Referred to the Subcommittee on Higher Education and Workforce Training.
113 S 2385	Related bill	May 22, 2014: Read twice and referred to the Committee on Health, Education, Labor, and Pensions.
113 S 2204	Related bill	Apr 3, 2014: Read twice and referred to the Committee on Health, Education, Labor, and Pensions. (text of measure as introduced: CR S2162-2164)
113 S 2164	Related bill	Mar 27, 2014: Read twice and referred to the Committee on Health, Education, Labor, and Pensions.
113 HR 482	Related bill	Apr 23, 2013: Referred to the Subcommittee on Higher Education and Workforce Training.
113 S 216	Related bill	Feb 4, 2013: Read twice and referred to the Committee on Health, Education, Labor, and Pensions.

Higher Education Affordability Act - Amends the Higher Education Act of 1965 (HEA) to revise and reauthorize HEA programs.

Title I: General Provisions - Requires proprietary institutions of higher education, for student aid eligibility purposes, to derive at least 15% of their revenue from sources other than federal funds.

Prohibits institutions of higher education (IHEs) that are affiliated with a consumer financial product or service from receiving HEA funds unless they take specified steps to avoid conflicts of interest.

Prohibits IHEs or other postsecondary educational institutions from using revenues derived from federal educational assistance funds for recruiting or marketing activities.

Requires the establishment of new college cost and assistance information resources for students, parents, and the public and the enhancement of existing resources.

Prohibits a state from charging certain active duty military personnel and homeless and foster care youth tuition for attending a public institution of higher education at a rate that is greater than the rate charged for state residents.

Directs the Secretary of Education to establish a complaint tracking system to collect, monitor, and respond to complaints or inquiries regarding the educational practices and services, and recruiting and marketing practices, of all postsecondary educational institutions.

Establishes the Proprietary Education Oversight Coordination Committee to oversee proprietary IHEs and publish an annual Warning List for Parents and Students regarding certain issues facing such schools.

Title II: Improving Educator Preparation - Revises title II of the HEA to establish a new part A program awarding grants to partnerships of high-need local educational agencies (LEAs), high-need schools, IHEs, and high-need early childhood education programs to design and implement effective educator residency programs that prepare educators for success in high-need schools.

Establishes a new part B program awarding grants to states to reform and improve educator preparation programs.

Establishes a new part C requiring educator preparation programs to set annual quantifiable goals for increasing the number of prospective educators trained in educator shortage areas designated by the Secretary or the applicable state. Requires states to identify and assist low-performing educator preparation programs. Cuts off federal funding for those programs that lose state support or funding due to low performance.

Preserves the Honorable Augustus F. Hawkins Centers of Excellence program and the Teach to Reach grant program in a new part D.

Title III: Institutional Aid - Revises and reauthorizes the Institutional Aid programs, under title III of the HEA, that provide grants to IHEs serving high percentages of minority and low-income students. Alters the authorized uses of the grant funds.

Requires the Secretary and states to cover the costs that certain IHEs that are required to provide a tuition-free education to Indian students incur in providing such an education to out-of-state Indian students.

Raises the principal limit on outstanding federally-insured bonds used to finance historically Black colleges and universities.

Title IV: Student Assistance - Revises and reauthorizes Student Assistance programs under title IV of the HEA.

Establishes a year-round Federal Pell Grant program to allow eligible students to accelerate the time needed to earn a degree.

Establishes demonstration programs to:

- encourage IHEs to improve their performance in enrolling and graduating a significant number of low- and moderate-income students on time;
- explore the effectiveness of providing secondary school students with early notification of their postsecondary financial aid options and the cost of postsecondary education;
- explore the effectiveness of providing adult students with information regarding their postsecondary financial aid options and the cost of postsecondary education; and
- explore ways of delivering competency-based postsecondary education programs that assess student competencies rather than credit hours to potentially reduce the costs students incur, and the time they need, to attain a postsecondary degree.

Establishes an American Dream grants program allotting grants to states to offer Dreamer students in-state tuition and expand their access to in-state financial aid.

Provides loan forgiveness under the Federal Family Education Loan (FFEL) and William D. Ford Federal Direct Loan (DL) programs for certain Indian teachers employed by Indian schools or LEAs that serve a high percentage of Indian students.

Reduces, from 75% to 50%, the federal share of Federal Supplemental Educational Opportunity grants and the federal share of the compensation provided to students employed in Federal Work-Study programs.

Raises the required IHE contribution of funds for Federal Perkins Loans from one-third to one-half of the federal contributions.

Increases the income protection allowances used in determining dependent and independent students' need for title IV assistance.

Directs the Secretary to develop standard formats for: (1) notifying any borrower who is delinquent, or at risk of becoming delinquent, on an FFEL or DL of repayment options; (2) IHE financial aid award letters to students and parents.

Requires the Secretary to publicize fiscal year FFEL and DL repayment and default rates for each IHE participating in a title IV program.

Establishes a One-Time FAFSA (Free Application for Federal Student Aid) pilot program to: (1) streamline the process by which students apply for federal financial assistance, and (2) reduce the need for students to apply for such assistance each year.

Allows students who have not graduated from secondary school to receive title IV assistance if they: (1) are enrolled in an eligible career pathway program, and (2) are determined or demonstrate the ability to benefit from the education or

training being offered.

Requires IHEs to provide students with: (1) information regarding their policy on harassment, and (2) additional and more frequent and personalized information regarding student assistance.

Bans IHEs participating in title IV programs from: (1) providing incentive compensation to persons or entities based on their success in recruiting, enrolling, or educating students or placing them in employment; or (2) including a predispute arbitration agreement in any contract with a student.

Authorizes the Secretary to impose civil penalties and sanctions on IHEs that engage in substantial misrepresentations or other serious violations of title IV requirements.

Directs the Secretary to establish procedures to automatically enroll delinquent FFEL or DL borrowers who have a partial financial hardship into an income-based repayment plan.

Requires each IHE that enrolls a student who receives title IV assistance to establish a system to disburse credit balances through electronic payments to a deposit account or a general use prepaid card with the protections afforded under the Electronic Fund Transfer Act.

Requires IHEs to provide, and the Secretary to collect, specified student unit record data.

Prohibits accreditors from requiring IHEs to enter into predispute arbitration agreements with their students. Requires them to publicly disclose their finalized accreditation documents relating to academic and institutional quality.

Directs the Secretary to conduct program reviews of IHEs that pose a significant risk of failing to comply with title IV requirements.

Establishes a State-Federal College Affordability Partnership program to award block grants to states to incentivize their investment in public higher education.

Title V: Developing Institutions - Revises and reauthorizes the Developing Institutions grant program for Hispanic-serving IHEs under title V of the HEA. Alters the authorized uses of grant funds.

Title VI: International Education Programs - Reauthorizes the International Education programs under title VI of the HEA.

Title VII: Graduate and Postsecondary Improvement Programs - Reauthorizes the Graduate and Postsecondary Improvement programs under title VII of the HEA.

Establishes:

- a First In The World Competitive Grant program to help IHEs implement innovative strategies designed to increase postsecondary education access, affordability, and completion;
- Dual Enrollment and Early College High School programs;
- a Minority-Serving Institutions Innovation Fund to assist minority-serving institutions in developing, implementing, and replicating innovations that enable economically and educationally disadvantaged students to enroll in, persist through, and graduate from their schools; and
- a program providing competitive grants to states to establish or implement a comprehensive state plan to increase students' access to, and completion of, postsecondary education.

Title VIII: Additional Programs - Strikes the following parts of title VIII of the HEA:

- E (American History for Freedom),
- H (Improving College Enrollment by Secondary Schools),
- I (Early Childhood Education Professional Development and Career Task Force),
- K (Pilot Programs to Increase College Persistence and Success),
- M (Low Tuition),
- N (Cooperative Education),
- O (College Partnership Grants),
- R (Campus-Based Digital Theft Prevention),
- U (University Sustainability Programs),
- V (Modeling and Simulation Programs),
- X (School of Veterinary Medicine Competitive Grant Program), and
- Y (Early Federal Pell Grant Commitment Demonstration Program).

Replaces the program under part C (Business Workforce Partnerships for Job Skills Training in High-Growth Occupations or Industries) with a Community College and Industry Partnerships program for the development, improvement, or provision of educational or career training programs.

Reauthorizes the remaining title VIII programs.

Establishes the Tyler Clementi Program to award competitive grants to IHEs to address and prevent student harassment.

Title IX: Higher Education Opportunities and Supports for Students with Disabilities - Provides for the establishment and support of: (1) a National Technical Assistance Center for College Students With Disabilities and Their Families, (2) a National Technical Assistance Center for Disability Support Services at Institutions of Higher Education, (3) a National Data Center on Higher Education and Disability.

Establishes a competitive grant program to enable IHEs to create or expand high quality, inclusive, higher education programs for students with intellectual disabilities. Requires the establishment of a coordinating center for such programs that provides them with information, technical assistance, and evaluations.

Establishes a competitive grant program to enable IHEs to create or expand high quality, inclusive, model comprehensive transition and postsecondary programs for students who are deaf-blind. Requires the establishment of a coordinating center for such programs that provides them with information, technical assistance, and evaluations.

Directs the Architectural and Transportation Barriers Compliance Board to establish, regularly review, and amend guidelines regarding the accessibility of all instructional materials for students who are attending IHEs that receive title IV funding.

Establishes a competitive grant program to support model demonstration programs to improve the access of postsecondary students with print disabilities to quality postsecondary instructional materials in specialized formats.

Requires certain producers of instructional materials for the postsecondary education market to include closed captions or subtitles in materials that incorporate synchronized audio and visual formats.

Directs the Secretary to establish the Advisory Commission on Serving and Supporting Students with Psychiatric Disabilities in Institutions of Higher Education to conduct a comprehensive study aimed at improving the opportunities for

postsecondary students with psychiatric disabilities to receive services and supports that optimize their rates of retention and graduation.

Title X: Amendments to Other Laws - Amends the Truth in Lending Act to:

- require a lender, before issuing a private education loan for a student attending an IHE, to obtain specified certifications from the IHE;
- impose specified reporting requirements on issuers of private education loans;
- bar borrowers from making a pre-dispute waiver of their rights or remedies relating to a private education loan;
- require a private education lender to discharge the liability of borrowers in the event of their death or disability;
- subject postsecondary education lenders, loan holders, and loan servicers to civil liability;
- impose specified reporting requirements on financial institutions regarding any agreement they have with an IHE or its affiliates to offer consumer financial products or services to students;
- prohibit a financial institution that offers a consumer financial product or service that is affiliated with an IHE from entering into a revenue-sharing arrangement with the IHE; and
- impose specified consumer protection and disclosure requirements on student loan servicers.

Amends the Internal Revenue Code to authorize the disclosure of tax return information to the Department of Education on student borrowers who are more than 150 days delinquent on an FFEL or DL.

Revises federal bankruptcy law to limit the hardship exception to the exemption of educational debts from discharge in bankruptcy to: (1) an educational benefit overpayment or loan made, insured, or guaranteed by a governmental unit or made under any program funded in whole or in part by a governmental unit; or (2) an obligation to repay funds received from a governmental unit as an educational benefit, scholarship, or stipend.

Amends the Servicemembers Civil Relief Act to set a 6% limitation on the interest rate that can be charged a servicemember during the servicemember's military service and one year thereafter on the student loans incurred by the servicemember prior to his or her military service, including student loans incurred prior to such service but consolidated or refinanced during that service.

Amends the United States Institute of Peace Act to reauthorize funding for the United States Institute of Peace.

Title XI: Reports, Studies, and Miscellaneous Provisions - Prohibits IHEs from participating in a federal financial assistance program unless they meet certain consumer protection requirements with respect to any of their students who are in a program of postsecondary education or training that is designed to prepare them for entry into a recognized occupation or profession that has pre-conditions for entry.

Requires:

- a longitudinal study of the effectiveness of student loan counseling,
- a study on public service loan forgiveness,
- a longitudinal study of the causes of student loan default, and
- a study on the impact of federal financial aid changes on graduate students.

Directs the Secretaries of Education, Defense (DOD), and Veterans Affairs (VA) and the Director of the Consumer Financial Protection Bureau (CFPB) to establish and maintain a working group to assess and improve the resources available to federal personnel to assist members of the Armed Forces and their spouses in using DOD tuition assistance

programs.

Directs the Secretary to establish an Institutional Risk-Sharing Commission to study and make recommendations for the implementation of a new risk-sharing system for IHEs that participate in the DL program through which IHEs would be held financially accountable for poor student outcomes.

Requires the the Comptroller General (GAO) to report to Congress on the educational attainment of homeless and foster care youth.

American Dream Accounts Act - Directs the Secretary to establish a competitive grant program enabling specified eligible entities to establish American Dream Accounts for a group of low-income students. Defines an "American Dream Account" as a personal online account for low-income students that monitors their readiness for higher education and includes a college savings account.

Actions Timeline

- **Nov 20, 2014:** Introduced in Senate
- **Nov 20, 2014:** Sponsor introductory remarks on measure. (CR S6207)
- **Nov 20, 2014:** Read twice and referred to the Committee on Health, Education, Labor, and Pensions.