S. 4772

To require institutions of higher education participating in Federal financial aid programs to pay a percentage of the cost of attendance for each enrolled full-time student, based on the endowment fund of the institution, and for other purposes.

IN THE SENATE OF THE UNITED STATES

AUGUST 4, 2022

Mr. SCOTT of Florida introduced the following bill; which was read twice and referred to the Committee on Health, Education, Labor, and Pensions

A BILL

To require institutions of higher education participating in Federal financial aid programs to pay a percentage of the cost of attendance for each enrolled full-time student, based on the endowment fund of the institution, and for other purposes.

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

3 SECTION 1. SHORT TITLE.

4 This Act may be cited as the “Changing Our Learning,
5 Loans, Endowments, and Graduation Expectations
6 Act” or the “COLLEGE Act”.


SEC. 2. COST MATCH REQUIREMENT.

Part G of title IV of the Higher Education Act of 1965 (20 U.S.C. 1088 et seq.) is amended by adding at the end the following:

"SEC. 494A. COST MATCH REQUIREMENT AND COST AND ENDOWMENT REPORT.

“(a) Cost Match Requirement.—

“(1) In general.—For each award year, each institution of higher education participating in a program under this title that has an endowment fund that is maintained for the purpose of generating income for the support of the institution and is greater than $1,000,000,000 shall pay the covered percentage of the cost of attendance for each full-time student enrolled at the institution of higher education.

“(2) Covered percentage.—The covered percentage shall be:

“(A) In the case of an institution of higher education that has an endowment fund that is greater than $1,000,000,000, but less than $5,000,000,000, 25 percent.

“(B) In the case of an institution of higher education that has an endowment fund that is $5,000,000,000 or greater, but less than $10,000,000,000, 50 percent."
“(C) In the case of an institution of higher education that has an endowment fund that is $10,000,000,000 or greater, 75 percent.

“(b) COST AND ENDOowment REPORT.—Not later than July 1 of each year, each institution of higher education participating in a program under this title shall submit a report to the Secretary containing the following information:

“(1) The total cost of attendance for a full-time student for the upcoming award year.

“(2) If the total cost of attendance for the upcoming award year is greater than the cost of attendance for the prior award year—

“(A) the amount of the increase in the cost of attendance from the prior award year; and

“(B) an explanation of the basis for such increase.

“(3) A statement of whether the institution of higher education has an endowment fund, and if so—

“(A) the amount of the endowment fund as of the date the report is submitted; and

“(B) the total increase in the amount of the endowment fund over the preceding 4 fiscal
quarters, specifying the growth attributable to—

“(i) contributions to the endowment fund, including charitable donations, gifts, bequests, and similar contributions of money or assets; and

“(ii) investments of amounts in the endowment fund, including bonds, securi-
ties, asset acquisitions or sales, and similar financial investments and transactions.”.

SEC. 3. PROGRAM PARTICIPATION AGREEMENT.

Section 487(a) of the Higher Education Act of 1965 (20 U.S.C. 1094(a)) is amended by adding at the end the following:

“(30) The institution will—

“(A) pay the covered percentage of the cost of attendance for each full-time enrolled student, as described in section 494A(a); and

“(B) annually submit the cost and endow-
ment report described in section 494A(b).”.

SEC. 4. RISK-SHARING PAYMENTS FOR FEDERAL DIRECT LOANS.

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

(1) in subsection (a)—
(A) in paragraph (5), by striking “and” after the semicolon;

(B) by redesignating paragraph (6) as paragraph (8); and

(C) by inserting after paragraph (5) the following:

“(6) provide that the institution accepts the institutional risk-sharing requirements under subsection (d);”; and

(2) by adding at the end the following:

“(d) INSTITUTIONAL RISK-SHARING BASED ON LOAN DEFAULT.—

“(1) IN GENERAL.—Beginning with the first fiscal year that begins after the date of enactment of the COLLEGE Act, and each succeeding fiscal year, each institution of higher education participating in the direct student loan program under this part shall remit to the Secretary, at such times as the Secretary may specify, an institutional risk-sharing payment, as determined under paragraph (2).

“(2) DETERMINATION OF RISK-SHARING PAYMENTS.—

“(A) DETERMINATION OF COHORT LOAN BALANCE.—The cohort loan balance of an institution for a fiscal year equals the total principal
amount of all loans made under this part to attend such institution for the cohort of borrowers who entered repayment, deferment, or forbearance on such loans in the third preceding fiscal year for which the determination is made.

“(B) Determination of cohort non-repayment loan balance.—The cohort non-repayment loan balance of an institution for a fiscal year equals, from the total amount of the loans described in subparagraph (A), the total loan balance of those borrowers who have gone into default in the 3 consecutive fiscal years since their loans entered repayment, deferment, or forbearance.

“(C) Determination of payment.—The risk-sharing payment of an institution for a fiscal year shall equal, for the first fiscal year after the date of enactment of the COLLEGE Act through the twenty-fifth fiscal year after such date, an amount equal to 1 percent of the cohort nonrepayment loan balance determined under subparagraph (B) through 25 percent of that balance, respectively, for each year.”
SEC. 5. PROGRAM INTEGRITY.

(a) INSTITUTIONAL REPORTING.—Section 454 of the Higher Education Act of 1965 (20 U.S.C. 1087d), as amended by section 4, is further amended—

(1) in subsection (a), by inserting after paragraph (6) (as added by section 4), the following:

“(7) provide that the institution will collect and by July 1 of each year report to the Secretary data, in the aggregate and disaggregated by academic major, regarding—

“(A) the 4-year graduation rate for each academic program offered at the institution;

“(B) the percentage of graduates who are employed full-time or continuing their education full-time 1, 3, and 5 years after graduating;

“(C) the median full-time wages of graduates for each academic program 1, 3, and 5 years after graduating;

“(D) the total cost of tuition and fees for the mandatory credit hours necessary to graduate with a degree for each academic program;

“(E) the cost to graduate with a degree for each academic program by major (including tuition, fees, room and board, and books and supplies);
“(F) the average monthly payment due for loans made under part B, D, or E, for graduates of each academic program;

“(G) the average total student loan debt of graduates for each academic program; and

“(H) the average 3-year student loan default rate of graduates for each academic program; and”;

(2) by adding at the end the following:

“(e) PUBLICLY AVAILABLE INFORMATION.—The Secretary shall publish and make publicly available the data described in subsection (a)(7).”.

(b) PROGRAM REVIEW AND DATA.—Section 498A(a)(1) of the Higher Education Act of 1965 (20 U.S.C. 1099c–1(a)(1)) is amended by striking “title;” and inserting “title, which shall include annually collecting and reporting, for each institution—

“(A) the average amount of Federal student loan debt owed for an individual student on the date of graduation from that institution; and

“(B) the rate of loan deferment, rate of forbearance, rate of default, and rate of delinquency (each expressed separately) for borrowers of all Federal student loans, 5, 7, and
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1 10 years after the borrowers' date of graduation from the institution;”.

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