

HBCU CAPITAL FINANCING IMPROVEMENT ACT

JULY 11, 2016.—Committed to the Committee of the Whole House on the State of
the Union and ordered to be printed

Mr. KLINE, from the Committee on Education and the Workforce,
submitted the following

R E P O R T

[To accompany H.R. 5530]

[Including cost estimate of the Congressional Budget Office]

The Committee on Education and the Workforce, to whom was referred the bill (H.R. 5530) to amend the Higher Education Act of 1965 to modify certain provisions relating to the capital financing of historically Black colleges and universities, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The amendment is as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the “HBCU Capital Financing Improvement Act”.

SEC. 2. BOND INSURANCE.

Section 343 of the Higher Education Act of 1965 (20 U.S.C. 1066b) is amended—

(1) by striking “escrow account” each place it appears and inserting “bond insurance fund”; and

(2) in subsection (b)—

(A) in paragraph (1), by striking “an” and inserting “a”; and

(B) in paragraph (8), in the matter preceding subparagraph (A), by striking “an” and inserting “a”.

SEC. 3. STRENGTHENING TECHNICAL ASSISTANCE.

Paragraph (9) of section 345 of the Higher Education Act of 1965 (20 U.S.C. 1066d) is amended to read as follows:

“(9) may, directly or by grant or contract, provide financial counseling and technical assistance to eligible institutions to prepare the institutions to qualify, apply for, and maintain a capital improvement loan, including a loan under this part; and”.

SEC. 4. HBCU CAPITAL FINANCING ADVISORY BOARD.

Paragraph (2) of section 347(c) of the Higher Education Act of 1965 (20 U.S.C. 1066f(c)) is amended to read as follows:

“(2) REPORT.—On an annual basis, the Advisory Board shall prepare and submit to the authorizing committees a report on the status of the historically Black colleges and universities described in paragraph (1)(A). That report shall also include—

“(A) an overview of all loans in the capital financing program, including the most recent loans awarded in the fiscal year in which the report is submitted; and

“(B) administrative and legislative recommendations, as needed, for addressing the issues related to construction financing facing historically Black colleges and universities.”.

PURPOSE

H.R. 5530, the *HBCU Capital Financing Improvement Act*, increases access to, and strengthens congressional oversight of, the Historically Black College and University (HBCU) Capital Financing Program.

COMMITTEE ACTION

As the Committee on Education and the Workforce (Committee) continues the *Higher Education Act* reauthorization process, increasing transparency and usefulness of higher education data; simplifying and improving the federal student aid programs; and promoting innovation, access, and completion remain top priorities.

112TH CONGRESS

Hearings—First session

On March 1, 2011, the Committee held a hearing in Washington, D.C., on “Education Regulations: Weighing the Burden on Schools and Students.” The hearing was the first in a series examining the burden of federal, state, and local regulations on the nation’s education system. The purpose of the hearing was to uncover the damaging effects of federal regulations on schools and institutions. These rules increasingly stifle growth and innovation, raise operating costs, and limit student access to affordable colleges and universities throughout the nation. Testifying before the Committee were Dr. Edgar Hatrick, Superintendent, Loudon County Public Schools, Ashburn, Virginia; Ms. Kati Haycock, President, The Education Trust, Washington, D.C.; Mr. Gene Wilhoit, Executive Director, Council of Chief State School Officers, Washington, D.C.; and Mr. Christopher B. Nelson, President, St. John’s College, Annapolis, Maryland.

On March 11, 2011, the Committee on Education and the Workforce Subcommittee on Higher Education and Workforce Training held a hearing in Washington, D.C., on “Education Regulations: Federal Overreach into Academic Affairs.” The purpose of the hearing was to discuss the most egregious and intrusive pieces of the program integrity regulations issued by the U.S. Department of Education, specifically, the state authorization regulation and the credit hour regulation, and to uncover the unintended consequences of the regulations to states and institutions of higher education. Testifying before the Subcommittee were Mr. John Ebersole, President, Excelsior College, Albany, New York; Dr. G. Blair Dowden, President, Huntington University, Huntington, Indiana; The Honorable Kathleen Tighe, Inspector General, U.S. Department of Education, Washington, D.C.; and Mr. Ralph Wolff, President, Western Association of Schools and Colleges, Alameda, California.

On March 17, 2011, the Committee on held a hearing in Washington, D.C., on “Education Regulations: Roadblocks to Student Choice in Higher Education.” The purpose of the hearing was to explore the harmful consequences of the gainful employment regulation issued by the U.S. Department of Education. Testifying before the Committee were Ms. Catherine Barreto, Graduate, Monroe College, and Senior Sales Associate, Doubletree Hotels, Brooklyn, New York; Mr. Travis Jennings, Electrical Supervisor of the Manufacturing Launch Systems Group, Orbital Sciences Corporation, Chandler, Arizona; Dr. Arnold Mitchem, President, Council for Opportunity in Education, Washington, D.C.; and Ms. Jeanne Herrmann, Chief Operating Officer, Globe University/Minnesota School of Business, Woodbury, Minnesota.

On March 21, 2011, the Committee held a hearing in Wilkes-Barre, Pennsylvania, on “Reviving our Economy: The Role of Higher Education in Job Growth and Development.” The purpose of the hearing was to highlight work by local colleges and universities to respond to local and state economic needs. Testifying before the Committee were Mr. James Perry, President, Hazelton City Council, Hazelton, Pennsylvania; Mr. Jeffrey Alesson, Vice President of Strategic Planning and Quality Assurance, Diamond Manufacturing, Exeter, Pennsylvania; Dr. Reynold Verret, Provost, Wilkes University, Wilkes-Barre, Pennsylvania; Mr. Raymond Angeli, President, Lackawanna College, Scranton, Pennsylvania; Ms. Joan Seaman, Executive Director, Empire Beauty School, Moosic, Pennsylvania; and Mr. Thomas P. Leary, President, Luzerne County Community College, Nanticoke, Pennsylvania.

On March 22, 2011, the Committee held a hearing in Utica, New York, on “Reviving our Economy: The Role of Higher Education in Job Growth and Development.” The purpose of the hearing was to highlight work by local colleges and universities to respond to local and state economic needs. Testifying before the Committee were Mr. Anthony J. Picente, Jr., County Executive, Oneida County, Utica, New York; Mr. Dave Mathis, Director, Oneida County Workforce Development, Utica, New York; Dr. John Bay, Vice President and Chief Scientist, Assured Information Security, Inc., Rome, New York; Dr. Bjong Wolf Yeigh, President, State University of New York Institute of Technology, Utica, New York; Dr. Ann Marie Murray, President, Herkimer County Community College, Herkimer, New York; Dr. Judith Kirkpatrick, Provost, Utica College, Utica, New York; and Mr. Phil Williams, President, Utica School of Commerce, The Business College, Utica, New York.

On April 21, 2011, the Committee held a hearing in Columbia, Tennessee, on “Reviving our Economy: The Role of Higher Education in Job Growth and Development.” The purpose of the hearing was to highlight the work by local colleges and universities to respond to local and state economic needs. Testifying before the Committee were Dr. Janet Smith, President, Columbia State Community College, Columbia, Tennessee; Dr. Ted Brown, President, Martin-Methodist College, Pulaski, Tennessee; Mr. Jim Coakley, President, Nashville Auto-Diesel College, Nashville, Tennessee; The Honorable Dean Dickey, Mayor, City of Columbia, Columbia, Tennessee; Ms. Susan Marlow, President and Chief Executive Officer, Smart Data Strategies, Franklin, Tennessee; Ms. Jan McKeel, Executive Director, South Central Tennessee Workforce Board, Co-

lumbia, Tennessee; and Ms. Margaret Prater, Executive Director, Northwest Tennessee Workforce Board, Dyersburg, Tennessee.

On July 8, 2011, the Committee on Education and the Workforce Subcommittee on Higher Education and Workforce Training, together with the House Committee on Oversight and Government Reform Subcommittee on Regulatory Affairs, Stimulus Oversight, and Government Spending, held a hearing in Washington, D.C., on “The Gainful Employment Regulation: Limiting Job Growth and Student Choice.” The purpose of the hearing was to explore the harmful consequences of the gainful employment regulation issued by the U.S. Department of Education. Testifying before the subcommittees were Dr. Dario A. Cortes, President, Berkeley College, New York City, New York; Dr. Anthony P. Carnevale, Director, Georgetown University Center on Education and the Workforce, Washington, D.C.; Ms. Karla Carpenter, Graduate, Herzing University and Program Manager, Quest Software, Madison, Wisconsin; and Mr. Harry C. Alford, President and Chief Executive Officer, National Black Chamber of Commerce, Washington, D.C.

On August 16, 2011, the Committee on Education and the Workforce Subcommittee on Higher Education and Workforce Training held a hearing in Greenville, South Carolina, on “Reviving Our Economy: The Role of Higher Education in Job Growth and Development.” The purpose of the hearing was to highlight the work by local colleges and universities to respond to local and state economic needs. Testifying before the Subcommittee were The Honorable Knox White, Mayor, City of Greenville, Greenville, South Carolina; Mr. Werner Eikenbusch, Section Manager, Associate Development and Training, BMW Manufacturing Co., Spartanburg, South Carolina; Ms. Laura Harmon, Project Director, Greenville Works, Greenville, South Carolina; Dr. Brenda Thames, Vice President of Academic Development, Greenville Health System, Greenville, South Carolina; Mr. James F. Barker, President, Clemson University, Clemson, South Carolina; Dr. Thomas F. Moore, Chancellor, University of South Carolina Upstate, Spartanburg, South Carolina; Dr. Keith Miller, President, Greenville Technical College, Greenville, South Carolina; and Ms. Amy Hickman, Campus President, ECPI College of Technology, Greenville, South Carolina.

On October 25, 2011, the Committee on Education and the Workforce Subcommittee on Higher Education and Workforce Training held a hearing in Washington, D.C., on “Government-Run Student Loans: Ensuring the Direct Loan Program is Accountable to Students and Taxpayers.” The purpose of the hearing was to examine the switch to and implementation of the Direct Loan program. Testifying before the Subcommittee were Mr. James W. Runcie, Chief Operating Officer, Office of Federal Student Aid, U.S. Department of Education, Washington, D.C.; Mr. Ron H. Day, Director of Financial Aid, Kennesaw State University, Kennesaw, Georgia; Ms. Nancy Hoover, Director of Financial Aid, Denison University, Granville, Ohio; and Mr. Mark A. Bandr, Vice President for Enrollment Management and Student Affairs, Baker University, Baldwin City, Kansas.

On November 30, 2011, the Committee on Education and the Workforce Subcommittee on Higher Education and Workforce Training held a hearing in Washington, D.C., on “Keeping College Within Reach: Discussing Ways Institutions Can Streamline Costs

and Reduce Tuition.” The purpose of the hearing was to highlight innovative practices institutions of higher education are implementing to reduce their costs to limit tuition increases for students. Testifying before the Subcommittee were Ms. Jane V. Wellman, Executive Director, Delta Project on Postsecondary Costs, Productivity, and Accountability, Washington, D.C.; Dr. Ronald E. Manahan, President, Grace College and Seminary, Winona Lake, Indiana; Mr. Jamie P. Merisotis, President and Chief Executive Officer, Lumina Foundation for Education, Indianapolis, Indiana; and Mr. Tim Foster, President, Colorado Mesa University, Grand Junction, Colorado.

Legislative action—First session

On February 17, 2011, the House of Representatives considered an amendment offered by Committee Chairman John Kline (R-MN), Higher Education and Workforce Training Subcommittee Chairwoman Virginia Foxx (R-NC), and Rep. Alcee Hastings (D-FL) to H.R. 1, the *Disaster Relief Appropriations Act of 2013*. The amendment prohibited the use of funds by the U.S. Department of Education to implement and enforce the gainful employment regulation. The amendment was agreed to by a bipartisan vote of 289 to 136.

On February 19, 2011, the House of Representatives passed H.R. 1 by a vote of 235 to 189. This bill was not signed into law.

On June 3, 2011, Chairman John Kline (R-MN) and Subcommittee Chairwoman Virginia Foxx (R-NC) introduced H.R. 2117, the *Protecting Academic Freedom in Higher Education Act*. The bill repealed the state authorization regulation, one piece of the credit hour regulation, and prohibited the Secretary of Education (Secretary) from defining credit hour for any purpose under the *Higher Education Act of 1965*.

On June 15, 2011, the Committee considered H.R. 2117 in legislative session and reported it favorably, as amended, to the House of Representatives by a bipartisan vote of 27 to 11.

The Committee considered and adopted the following amendment to H.R. 2117:

- Subcommittee Chairwoman Virginia Foxx (R-NC) offered an amendment in the nature of a substitute to add a short title to the legislation. The amendment was adopted by voice vote.

The Committee further considered the following amendments to H.R. 2117, which were not adopted:

- Rep. Raúl Grijalva (D-AZ) offered an amendment to maintain pieces of the state authorization regulation, including the complaint process. The amendment failed by a vote of 17 to 22.

- Ranking Member George Miller (D-CA) offered an amendment to prohibit implementation until the U.S. Department of Education Inspector General certifies there are equal or greater protections in place related to program integrity under Title IV of the *Higher Education Act of 1965*. The amendment failed by a vote of 17 to 22.

- Rep. Rush Holt (D-NJ) offered an amendment to stipulate the act would be effective only if the maximum Pell Grant award is at least \$5,550 for the 2012–2013 school year. The amendment was ruled out of order.

- Rep. Tim Bishop (D–NY) offered an amendment to strike the repeal of the credit hour regulation that establishes a federal definition of a credit hour. The amendment failed by a vote of 11 to 27.
- Rep. Tim Bishop (D–NY) offered an amendment to strike the prohibition on the Secretary of Education from defining credit hour in the future. The amendment failed by a vote of 16 to 22.

Hearings—Second session

On July 18, 2012, the Committee on Education and the Workforce Subcommittee on Higher Education and Workforce Training held a hearing in Washington, D.C., on “Keeping College Within Reach: Exploring State Efforts to Curb Costs.” The purpose of the hearing was to highlight innovative practices at the state level to assist postsecondary institutions in keeping costs affordable and to promote accountability of public funds. Testifying before the Subcommittee were Mr. Scott Pattison, Executive Director, National Association of State Budget Officers, Washington, D.C.; Ms. Teresa Lubbers, Commissioner for Higher Education, State of Indiana, Indianapolis, Indiana; Mr. Stan Jones, President, Complete College America, Zionsville, Indiana; and Dr. Joe May, President, Louisiana Community and Technical College System, Baton Rouge, Louisiana.

On September 20, 2012, the Committee on Education and the Workforce Subcommittee on Higher Education and Workforce Training held a hearing in Washington, D.C., on “Assessing College Data: Helping to Provide Valuable Information to Students, Institutions, and Taxpayers.” The purpose of the hearing was to examine data collected by the federal government from institutions of higher education, including data requirements established during the last reauthorization of the *Higher Education Act*. Testifying before the Subcommittee were Dr. Mark Schneider, Vice President, American Institutes for Research, Washington, D.C.; Dr. James Hallmark, Vice Chancellor for Academic Affairs, Texas A&M System, College Station, Texas; Dr. Jose Cruz, Vice President for Higher Education Policy and Practice, The Education Trust, Washington, D.C.; and Dr. Tracy Fitzsimmons, President, Shenandoah University, Winchester, Virginia.

Legislative action—Second session

On February 28, 2012, the House of Representatives passed H.R. 2117 by a bipartisan vote of 303 to 114. The bill was sent to the Senate and referred to the Senate Committee on Health, Education, Labor, and Pensions.

On April 25, 2012, Rep. Judy Biggert (R–IL) introduced H.R. 4628, the *Interest Rate Reduction Act*. The bill reduced the interest rate on subsidized Stafford loans made to undergraduate students from 6.8 percent to 3.4 percent for one year, from July 1, 2012, through June 30, 2013. To offset the increase in mandatory spending, the bill repealed the Prevention and Public Health Fund authorized under Section 4002 of the Patient Protection and Affordable Care Act and rescinded the balance of unobligated monies made available for the fund.

On April 27, 2012, the House of Representatives passed H.R. 4628 by a vote of 215 to 195.

While H.R. 4628 was never considered by the Senate, its provisions were included in the Conference Report for H.R. 4348, the *Moving Ahead for Progress in the 21st Century Act* (MAP-21), sponsored by Rep. John Mica (R-FL). To partially offset the increase in mandatory spending that resulted from the temporary reduction in interest rates on subsidized Stafford loans, the bill permanently restricted the period of eligibility to borrow subsidized Stafford loans to 150 percent of the published length of a student's educational program.

On June 29, 2012, the House of Representatives passed the Conference Report to H.R. 4348 by a bipartisan vote of 373 to 52.

On June 29, 2012, the Senate passed the Conference Report to H.R. 4348 by a bipartisan vote of 74 to 19.

On July 6, 2012, the President of the United States signed H.R. 4348 into law (P.L. 112-141).

113TH CONGRESS

Hearings—First session

On March 13, 2013, the Committee held a hearing in Washington, D.C., on "Keeping College Within Reach: Examining Opportunities to Strengthen Federal Student Loan Programs." The purpose of the hearing was to examine ways to strengthen federal student loans, as well as how moving to a market-based or variable interest rate on all federal student loans could benefit both students and taxpayers. Testifying before the Committee were Dr. Deborah J. Lucas, Sloan Distinguished Professor of Finance, Massachusetts Institute of Technology, Cambridge, Massachusetts; Mr. Jason Delisle, Director, Federal Education Budget Project, The New America Foundation, Washington, D.C.; Mr. Justin Draeger, President and Chief Executive Officer, National Association of Student Financial Aid Administrators, Washington, D.C.; and Dr. Charmaine Mercer, Vice President of Policy, Alliance for Excellent Education, Washington, D.C.

On April 9, 2013, the Committee on Education and the Workforce Subcommittee on Higher Education and Workforce Training held a hearing in Monroe, Michigan, entitled "Reviving Our Economy: The Role of Higher Education in Job Growth and Development." The purpose of the hearing was to highlight work being done by local colleges and universities to respond to local and state economic needs. Testifying before the Subcommittee were Mr. Henry Lievens, Commissioner, Monroe County, Monroe, Michigan; Ms. Lynette Dowler, Plant Director, Fossil Generation, DTE Energy, Detroit, Michigan; Ms. Susan Smith, Executive Director, Economic Development Partnership of Hillsdale County, Jonesville, Michigan; Mr. Dan Fairbanks, United Auto Workers International Representative, UAW-GM Skill Development and Training Department, Detroit, Michigan; Dr. David E. Nixon, President, Monroe County Community College, Monroe, Michigan; Sister Peg Albert, OP, Ph.D., President, Siena Heights University, Adrian, Michigan; Dr. Michelle Shields, Career Coach/Workforce Development Director, Jackson Community College, Jackson, Michigan; and Mr. Douglas A. Levy, Director of Financial Aid, Macomb Community College, Warren, Michigan.

On April 16, 2013, the Committee on Education and the Workforce Subcommittee on Higher Education and Workforce Training held a hearing in Washington, D.C., entitled “Keeping College Within Reach: The Role of Federal Student Aid Programs.” The purpose of the hearing was to examine shifting the focus of federal student aid programs from enhancing access to improving student outcomes. Testifying before the Subcommittee were Mr. Terry W. Hartle, Senior Vice President, Division of Government and Public Affairs, American Council on Education, Washington, D.C.; Ms. Moriah Miles, State Chair, Minnesota State University Student Association, Mankato, Minnesota; Ms. Patricia McGuire, President, Trinity Washington University, Washington, D.C.; and Mr. Dan Madzellan, Former Employee (Retired), U.S. Department of Education, University Park, Maryland.

On April 24, 2013, the Committee on Education and the Workforce Subcommittee on Higher Education and Workforce Training held a hearing in Washington, D.C., entitled “Keeping College Within Reach: Enhancing Transparency for Students, Families, and Taxpayers.” The purpose of the hearing was to examine ways to improve the information provided by the federal government to inform students and families about their postsecondary education options. Testifying before the Subcommittee were Dr. Donald E. Heller, Dean, College of Education, Michigan State University, East Lansing, Michigan; Mr. Alex Garrido, Student, Keiser University, Miami, Florida; Dr. Nicole Farmer Hurd, Founder and Executive Director, National College Advising Corps, Carrboro, North Carolina; and Mr. Travis Reindl, Program Director, Postsecondary Education, National Governors Association Center for Best Practices, Washington, D.C.

On June 13, 2013, the Committee on Education and the Workforce Subcommittee on Higher Education and Workforce Training held a hearing in Washington, D.C., entitled “Keeping College Within Reach: Discussing Program Quality through Accreditation.” The purpose of the hearing was to examine the historical role of accreditation, discuss the role of regional and national accreditors in measuring institutional quality, and contemplate areas for reform. Testifying before the Subcommittee were Dr. Elizabeth H. Sibolski, President, Middle States Commission on Higher Education, Philadelphia, Pennsylvania; Dr. Michale McComis, Executive Director, Accrediting Commission of Career Schools and Colleges, Arlington, Virginia; Ms. Anne D. Neal, President, American Council of Trustees and Alumni, Washington, D.C.; and Mr. Kevin Carey, Director of the Education Policy Program, The New America Foundation, Washington, D.C.

On July 9, 2013, the Committee held a hearing in Washington, D.C., entitled “Keeping College Within Reach: Improving Higher Education through Innovation.” The purpose of the hearing was to highlight innovation in higher education occurring at the state and institutional level and in the private sector. Testifying before the Committee were Mr. Scott Jenkins, Director of External Relations, Western Governors University, Salt Lake City, Utah; Dr. Pamela J. Tate, President and Chief Executive Officer, Council for Adult and Experiential Learning, Chicago, Illinois; Dr. Joann A. Boughman, Senior Vice Chancellor for Academic Affairs, University System of Maryland, Adelphi, Maryland; and Mr. Burck Smith,

Chief Executive Officer and Founder, StraighterLine, Baltimore, Maryland.

On September 11, 2013, the Committee on Education and the Workforce Subcommittee on Higher Education and Workforce Training held a hearing in Washington, D.C., entitled “Keeping College Within Reach: Supporting Higher Education Opportunities for America’s Servicemembers and Veterans.” The purpose of the hearing was to examine the efforts of higher education to improve postsecondary education opportunities for servicemembers and veterans. Testifying before the Subcommittee were Mrs. Kimrey W. Rhinehardt, Vice President for Federal and Military Affairs, The University of North Carolina, Chapel Hill, North Carolina; Dr. Arthur F. Kirk, Jr., President, Saint Leo University, Saint Leo, Florida; Dr. Russell S. Kitchner, Vice President for Regulatory and Governmental Relations, American Public University System, Charles Town, West Virginia; and Dr. Ken Sauer, Senior Associate Commissioner for Research and Academic Affairs, Indiana Commission for Higher Education, Indianapolis, Indiana.

On September 18, 2013, the Committee on Education and the Workforce Subcommittee on Higher Education and Workforce Training held a hearing in Washington, D.C., entitled “Keeping College Within Reach: Improving Access and Affordability through Innovative Partnerships.” The purpose of the hearing was to examine the efforts of higher education institutions to expand access and reduce costs by partnering with local employers, other colleges, or online course providers. Testifying before the Subcommittee were Dr. Jeffrey Docking, President, Adrian College, Adrian, Michigan; Ms. Paula R. Singer, President and Chief Executive Officer, Laureate Global Products and Services, Baltimore, Maryland; Dr. Rich Baraniuk, Professor, Rice University, and Founder, Connexions, Houston, Texas; and Dr. Charles Lee Isbell, Jr., Professor and Senior Associate Dean, College of Computing, Georgia Institute of Technology, Atlanta, Georgia.

On November 13, 2013, the Committee held a hearing in Washington, D.C., entitled “Keeping College Within Reach: Simplifying Federal Student Aid.” The purpose of the hearing was to examine the need to streamline, consolidate, and simplify federal student aid programs. Testifying before the Committee were Ms. Kristin D. Conklin, Founding Partner, HCM Strategies, LLC, Washington, D.C.; Dr. Sandy Baum, Research Professor of Education Policy, George Washington University Graduate School of Education and Human Development, and Senior Fellow, Urban Institute, Washington, D.C.; Ms. Jennifer Mishory, J.D., Deputy Director, Young Invincibles, Washington, D.C.; and Mr. Jason Delisle, Director, Federal Education Budget Project, New America Foundation, Washington, D.C.

On December 3, 2013, the Committee on Education and the Workforce Subcommittee on Higher Education and Workforce Training held a hearing in Washington, D.C., entitled “Keeping College Within Reach: Strengthening Pell Grants for Future Generations.” The purpose of the hearing was to examine Pell Grant program reform proposals to better target funds to the neediest students and put the program on a fiscally responsible and sustainable path. Testifying before the Subcommittee were Mr. Justin Draeger, President and Chief Executive Officer, National Associa-

tion of Student Financial Aid Administrators, Washington, D.C.; Dr. Jenna Ashley Robinson, Director of Outreach, John W. Pope Center for Higher Education Policy, Raleigh, North Carolina; Mr. Michael Dannenberg, Director of Higher Education and Education Finance Policy, The Education Trust, Washington, D.C.; and Mr. Richard C. Heath, Director of Student Financial Services, Anne Arundel Community College, Arnold, Maryland.

Legislative action—First session

On May 9, 2013, Chairman John Kline (R–MN) and Subcommittee Chairwoman Virginia Foxx (R–NC) introduced H.R. 1911, the *Smarter Solutions for Students Act*. The bill moved all federal student loans (except Perkins loans) to a market-based interest rate.

On May 16, 2013, the Committee considered H.R. 1911 in legislative session and reported it favorably, as amended, to the House of Representatives by a bipartisan vote of 24 to 13.

The Committee considered and adopted the following amendment to H.R. 1911:

- Subcommittee Chairwoman Virginia Foxx (R–NC) offered an amendment in the nature of a substitute to make a technical change to the bill. The amendment was adopted by voice vote.

The Committee further considered the following amendments to H.R. 1911, which were not adopted:

- Rep. Joe Heck (R–NV) offered an amendment to allocate a portion of the savings generated under the bill to Pell Grants. The amendment was withdrawn.

- Rep. Joe Heck (R–NV) offered an amendment to provide the Secretary of Education with authority to reduce the interest rate on student loans if a borrower makes the first 48 payments on time. The amendment was withdrawn.

- Rep. John Tierney (D–MA) offered an amendment to set the federal student loan interest rates at the same rate the Federal Reserve charges to banks for two years. The amendment failed by a vote of 14 to 23.

- Rep. Joe Courtney (D–CT) offered an amendment to extend the 3.4 percent interest rate on subsidized Stafford loans for two years. The amendment failed by a vote of 15 to 21.

On May 23, 2013, the House of Representatives passed H.R. 1911 by a bipartisan vote of 221 to 198.

On July 24, 2013, the Senate passed a substitute version of H.R. 1911, the *Bipartisan Student Loan Certainty Act*, by a bipartisan vote of 81 to 18. The legislation allowed student loan interest rates to reset once a year by the market, but they would be locked into a fixed rate once the loan is disbursed to the student. Interest rates would be set using the following formulas:

- Undergraduate Stafford loans (subsidized and unsubsidized): 10-year Treasury Note plus 2.05 percent, capped at 8.25 percent.

- Graduate Stafford loans: 10-year Treasury Note plus 3.6 percent, capped at 9.5 percent

- PLUS loans (graduate and parent): 10-year Treasury Note plus 4.6 percent, capped at 10.5 percent.

On July 31, 2013, the House of Representatives agreed to suspend the rules and agree to the Senate amendment to H.R. 1911 by a bipartisan vote of 392 to 31.

On August 9, 2013, the President of the United States signed H.R. 1911 into law (P.L. 113–28).

On May 13, 2013, Rep. Luke Messer (R–IN) introduced H.R. 1949, the *Improving Postsecondary Education Data for Students Act*. The bill directed the Secretary to convene an Advisory Committee on Improving Postsecondary Education Data to conduct a study on the factors students and families want, need, and already consider when choosing a higher education institution.

On May 16, 2013, the Committee considered H.R. 1949 in legislative session and reported it favorably, as amended, to the House of Representatives by a voice vote. The Committee considered and adopted the following amendment to H.R. 1949:

- Rep. Luke Messer (R–IN) offered an amendment in the nature of a substitute to H.R. 1949 to (1) include individuals who represent undergraduate and graduate education; college and career counselors at secondary schools; experts in data policy, collection, and use; and experts in labor markets on the list of individuals required to be represented on the Advisory Committee on Improving Postsecondary Education Data; (2) ensure individuals on the advisory committee represent economic, racial, and geographically diverse populations; (3) require the advisory committee to examine information related to the sources of financial assistance, including federal student loans, as part of the required aspects of the study; (4) require the advisory committee to examine how information regarding student outcomes should be disaggregated for first-generation students; and (5) provide other conforming and technical changes to the bill. The amendment was adopted by voice vote.

On May 22, 2013, the House of Representatives agreed to suspend the rules and pass H.R. 1949 by voice vote. The bill was sent to the Senate and referred to the Senate Committee on Health, Education, Labor, and Pensions.

On July 10, 2013, Chairman John Kline (R–MN), Subcommittee Chairwoman Virginia Foxx (R–NC), and Rep. Alcee Hastings (D–FL) introduced H.R. 2637, the *Supporting Academic Freedom through Regulatory Relief Act*. The bill, which included the text of the *Protecting Academic Freedom in Higher Education Act* (H.R. 2117) and the Kline/Foxx/Hastings amendment to H.R. 1 from the 112th Congress, repealed the credit hour, state authorization, and gainful employment regulations and amended the statute to clarify the incentive compensation regulation. Additionally, the bill prohibited the U.S. Department of Education from issuing related regulations until after Congress reauthorizes the *Higher Education Act*.

On July 24, 2013, the Committee considered H.R. 2637 in legislative session and reported it favorably, as amended, to the House of Representatives by a bipartisan vote of 22 to 13.

The Committee considered and adopted the following amendment to H.R. 2637:

- Subcommittee Chairwoman Virginia Foxx (R–NC) offered an amendment in the nature of a substitute to change a subsection title in the legislation. The amendment was adopted by voice vote.

The Committee further considered the following amendment to H.R. 2637, which was not adopted:

- Rep. Tim Bishop (D–NY) offered an amendment to strike the prohibition on the U.S. Department of Education from issuing regu-

lations related to state authorization, gainful employment, and credit hour. The amendment failed by a vote of 13 to 22.

Hearings—Second session

On January 28, 2014, the Committee on Education and the Workforce Subcommittee on Higher Education and Workforce Training held a hearing in Washington, D.C., entitled “Keeping College Within Reach: Sharing Best Practices for Serving Low-Income and First Generation Students.” The purpose of the hearing was to highlight best practices at institutions of higher education for serving low-income and first generation students. Testifying before the Subcommittee were Dr. James Anderson, Chancellor, Fayetteville State University, Fayetteville, North Carolina; Mrs. Mary Beth Del Balzo, Senior Executive Vice President and Chief Executive Officer, The College of Westchester, White Plains, New York; Mr. Josse Alex Garrido, Graduate Student, University of Texas—Pan American, Edinburg, Texas; and Rev. Dennis H. Holtschneider, President, DePaul University, Chicago, Illinois.

On February 27, 2013, the Committee on Education and the Workforce Subcommittee on Early Childhood, Elementary, and Secondary Education and Subcommittee on Higher Education and Workforce Training held a joint hearing in Washington, D.C., on “Exploring Efforts to Strengthen the Teaching Profession.” The purpose of the hearing was to discuss the state of teacher preparation nationwide. Testifying before the subcommittees were Dr. Deborah A. Gist, Commissioner, Rhode Island Department of Elementary and Secondary Education, Providence, Rhode Island; Dr. Marcy Singer-Gabella, Professor of the Practice of Education, Vanderbilt University, Nashville, Tennessee; Dr. Heather Peske, Associate Commissioner for Educator Quality, Massachusetts Department of Elementary and Secondary Education, Malden, Massachusetts; and Ms. Christina Hall, Co-Founder and Co-Director, Urban Teacher Center, Baltimore, Maryland.

On March 12, 2014, the Committee on Education and the Workforce Subcommittee on Higher Education and Workforce Training held a hearing in Washington, D.C., on “Examining the Mismanagement of the Student Loan Rehabilitation Process.” The purpose of the hearing was to examine the U.S. Department of Education’s ability to oversee the processing of rehabilitated loans issued under the Direct Loan program. Testifying before the Subcommittee were Ms. Melissa Emrey-Arras, Director of Education, Workforce, and Income Security Issues, U.S. Government Accountability Office, Boston, Massachusetts; The Honorable Kathleen Tighe, Inspector General, U.S. Department of Education, Washington, D.C.; Mr. James Runcie, Chief Operating Officer, Federal Student Aid, U.S. Department of Education, Washington, D.C.; and Ms. Peg Julius, Executive Director of Enrollment Management, Kirkwood Community College, Cedar Rapids, Iowa.

On March 20, 2014, the Committee held a hearing in Mesa, Arizona, entitled “Reviving our Economy: Supporting a 21st Century Workforce.” The purpose of the hearing was to explore the role of local higher education institutions in fostering job creation and growth through innovative partnerships with the business community and new modes of teaching delivery. Testifying before the Committee were The Honorable Rick Heumann, Vice Mayor, City

of Chandler, Chandler, Arizona; Ms. Cathleen Barton, Education Manager, Intel Corporate Affairs, Southwestern United States, Intel Corporation, Chandler, Arizona; Mr. Lee D. Lambert, J.D., Chancellor, Pima Community College, Tucson, Arizona; Dr. William Pepicello, President, University of Phoenix, Tempe, Arizona; Dr. Michael Crow, President, Arizona State University, Tempe, Arizona; Dr. Ann Weaver Hart, President, The University of Arizona, Tucson, Arizona; Dr. Ernest A. Lara, President, Estrella Mountain Community College, Avondale, Arizona; and Ms. Christy Farley, Vice President of Government Affairs and Business Partnerships, Northern Arizona University, Phoenix, Arizona.

On April 2, 2014, the Committee on Education and the Workforce held a hearing in Washington, D.C., entitled “Keeping College Within Reach: Meeting the Needs of Contemporary Students.” The purpose of the hearing was to examine how institutions, states, and other entities assist contemporary college students in accessing and completing postsecondary education. Testifying before the Committee were Dr. George A. Pruitt, President, Thomas Edison State College, Trenton, New Jersey; Dr. Kevin Gilligan, Chairman and Chief Executive Officer, Capella Education Company, Minneapolis, Minnesota; Mr. David Moldoff, Chief Executive Officer and Founder, AcademyOne, Inc., West Chester, Pennsylvania; Dr. Joann A. Boughman, Senior Vice Chancellor for Academic Affairs, University System of Maryland, Adelphi, Maryland; Mr. Stan Jones, President, Complete College America, Indianapolis, Indiana; and Dr. Brooks A. Keel, President, Georgia Southern University, Statesboro, Georgia.

Legislative action—Second session

On September 19, 2013, Rep. Matt Salmon (R–AZ), Rep. Susan Brooks (R–IN), and Rep. Jared Polis (D–CO) introduced H.R. 3136, the *Advancing Competency-Based Education Demonstration Project Act of 2013*. The bill directed the Secretary to select institutions or consortia of institutions for voluntary participation in competency-based education demonstration projects. The demonstration projects would have provided participating entities with the ability to offer competency-based education programs that do not meet certain statutory and regulatory requirements which would otherwise prevent them from participating in federal student aid programs.

On July 10, 2014, the Committee considered H.R. 3136 in legislative session and reported it favorably, as amended, to the House of Representatives by a voice vote. The Committee considered and adopted the following amendment to H.R. 3136:

- Rep. Matt Salmon (R–AZ) and Rep. Jared Polis (D–CO) offered an amendment in the nature of a substitute to add certain requirements to the applications to participate in a competency-based education project; allow eligible entities to submit amendments to their previously-approved applications; set requirements for the entities the Secretary must choose to participate in the programs; require institutions to provide student information to the director of the Institute of Education Sciences (IES); require the Director of IES to annually evaluate each project and provide a report with specified information to the authorizing committees; authorize funds to be available from the amount appropriated for salaries and expenses of the U.S. Department of Education, and make conforming and

technical changes to the introduced bill. The amendment was adopted by voice vote.

The Committee further considered the following amendment to H.R. 3136, which was not adopted:

- Rep. Tierney (D–MA) offered an amendment that would have allowed students with federal student loans and private student loans issued prior to 2013 to refinance those loans into new federal loans at the interest rate set for the 2013–2014 academic year. The amendment was ruled non-germane. Ranking Member George Miller (D–CA) appealed the ruling of the chair. Rep. Glenn Thompson (R–PA) offered a motion to table the appeal of the ruling of the chair, which was adopted by a vote of 22 to 16.

On July 23, 2014, the House of Representatives considered H.R. 3136 and passed it, as amended, by a recorded vote of 414–0 on July 23, 2014. The bill was sent to the Senate and was referred to the Senate Committee on Health, Education, Labor, and Pensions.

On June 26, 2014, Subcommittee Chairwoman Virginia Foxx (R–NC) and Rep. Luke Messer (R–IN) introduced H.R. 4983, the Strengthening Transparency in Higher Education Act. The bill simplified and streamlined the information made publicly available by the Secretary regarding institutions of higher education.

On July 10, 2014, the Committee considered H.R. 4983 in legislative session and reported it favorably, as amended, to the House of Representatives by a voice vote. The Committee considered and adopted the following amendment to H.R. 4983:

- Subcommittee Chairwoman Virginia Foxx (R–NC) offered an amendment in the nature of a substitute that required additional information on the College Dashboard; required the Secretary to conduct consumer testing in consultation with appropriate federal departments and agencies; ensured consumer testing addresses whether the College Dashboard provides useful and relevant information to students and families; required the Secretary to submit to the authorizing committees recommendations based on the results of consumer testing; set new minimum requirements for net price calculators, required funding to come from funds already appropriated to maintain the College Navigator; and made other conforming and technical changes. The amendment was adopted by voice vote.

The Committee further considered the following amendment to H.R. 4983, which was not adopted:

- Ranking Member George Miller (D–CA) offered an amendment that required the Commissioner of Education Statistics to establish a formula for determining the percentage of student borrowers who have completed their course of study and who are in repayment or in an authorized deferment period at three, five and 10 years after completion of a program of study. The amendment failed by a vote of 13 to 21.

On July 23, 2014, the House of Representatives considered H.R. 4983 under suspension of the rules. The bill was agreed to by voice vote, sent to the Senate, and referred to the Senate Committee on Health, Education, Labor, and Pensions.

On June 26, 2014, Rep. Brett Guthrie (R–KY) and Rep. Richard Hudson (R–NC) introduced H.R. 4984, the *Empowering Students through Enhanced Financial Counseling Act*. The bill amended the

loan counseling requirements under the *Higher Education Act* and required counseling for Federal Pell Grant recipients.

On July 10, 2014, the Committee considered H.R. 4984 in legislative session and reported it favorably, as amended, to the House of Representatives by voice vote. The Committee considered and adopted the following amendment to H.R. 4984:

- Reps. Brett Guthrie (R-KY) and Suzanne Bonamici (D-OR) offered an amendment in the nature of a substitute that removed the requirement that annual counseling for Pell Grant recipients be tied to disbursement of the grant; required additional information be disclosed to borrowers during annual counseling and exit counseling sessions; required institutions to provide annual counseling to borrowers receiving Parent PLUS loans; required any funds used to carry out the act to come from funds already appropriated to maintain the Financial Awareness Counseling Tool; and made conforming and technical changes. The amendment was adopted by voice vote.

The Committee further considered the following amendment to H.R. 4984, which was not adopted:

- Rep. Susan Davis (D-CA) offered an amendment to modify the rule requiring for-profit colleges to receive at least 10 percent of their revenue from sources other than the U.S. Department of Education to remain eligible for federal student aid to include all federal aid, including veterans' educational benefits and some *Workforce Investment Act* funds, in the 90 percent portion of the calculation and only private funds in the 10 percent portion of the calculation. The amendment was ruled non-germane. Ranking Member George Miller (D-CA) appealed the ruling of the chair. Rep. Glenn Thompson (R-PA) offered a motion to table the appeal of the ruling of the chair, which was adopted by a vote of 20 to 13.

On July 24, 2014, the House of Representatives considered H.R. 4984 and passed it, as amended, by a vote of 405–11. The bill was sent to the Senate and referred to the Senate Committee on Health, Education, Labor, and Pensions.

114TH CONGRESS

Hearings—First session

On February 4, 2015, the Committee held a hearing in Washington, D.C., on “Expanding Opportunity in America’s Schools and Workplaces.” The purpose of the hearing was to allow Committee members to learn about efforts made by state leaders to strengthen education, to make sure those who graduate are prepared to pursue a postsecondary education and compete in the workforce, and promote efforts to spur job creation. Testifying before the Committee were Dr. Michael Amiridis, Provost and Executive Vice President for Academic Affairs, University of South Carolina, Columbia, South Carolina; Mr. Drew Greenblatt, President and CEO, Marlin Steel Wire Products, Baltimore, Maryland; Dr. Lawrence Mishel, Ph.D., President, Economic Policy Institute, Washington, D.C.; and The Honorable Mike Pence, Governor, State of Indiana, Indianapolis, Indiana.

On March 17, 2015, the Committee on Education and the Workforce Subcommittee on Higher Education and Workforce Training held a hearing in Washington, D.C., on “Strengthening America’s

Higher Education System.” The purpose of the hearing was to explore policy proposals that align with the Committee’s four pillars for reauthorization of the HEA: (1) empowering students and families to make informed decisions; (2) simplifying and improving student aid; (3) promoting innovation, access, and completion; and (4) ensuring strong accountability and a limited federal role. Testifying before the Subcommittee were Mr. Willis Goldsmith, Partner, Jones Day, New York, New York who testified on behalf of the U.S. Chamber of Commerce; Mr. Stan Soloway, President and CEO, Professional Services Council, Arlington, Virginia; Ms. Angela Styles, Partner, Crowell & Moring LLP, Washington, D.C.; and Ms. Karla Walter, Associate Director, American Worker Project, Center for American Progress, Washington, D.C.

On April 30, 2015, the Committee on Education and the Workforce Subcommittee on Higher Education and Workforce Training held a hearing in Washington, D.C., on “Improving College Access and Completion for Low-Income and First-Generation Students.” The purpose of the hearing was to explore policy proposals and best practices to strengthen programs to help disadvantaged students access and complete higher education. Testifying before the Subcommittee were Dr. Laura Perna, James S. Riepe Professor, Executive Director, Alliance for Higher Education and Democracy, University of Pennsylvania, Philadelphia, Pennsylvania; Dr. Charles J. Alexander, Associate Vice Provost for Student Diversity, Director, Academic Advancement Program, Associate Adjunct Professor, University of California, Los Angeles, California; Dr. Michelle Asha Cooper, President, Institute for Higher Education Policy, Washington, D.C.; and Dr. Joe D. May, Chancellor, Dallas County Community College District, Dallas, Texas.

On September 10, 2015, the Committee on Education and the Workforce Subcommittee on Higher Education and Workforce Training held a hearing in Washington, D.C., on “Preventing and Responding to Sexual Assault on College Campuses.” The purpose of the hearing was to explore policy proposals and best practices to help institutions address and respond to campus sexual assault and violence. Testifying before the Subcommittee were Ms. Dana Scaduto, General Counsel, Dickinson College, Carlisle, Pennsylvania; Dr. Penny Rue, Vice President for Campus Life, Wake Forest University, Winston-Salem, North Carolina; Ms. Lisa M. Maatz, M.A., Vice President for Government Relations, American Association of University Women, Washington, D.C.; and Mr. Joseph Cohn, Legislative and Policy Director, Foundation for Individual Rights in Education, Philadelphia, Pennsylvania.

On November 18, 2015, the Committee on Education and the Workforce Subcommittee on Higher Education and Workforce Training, together with the House Committee on Oversight and Government Reform Subcommittee on Government Operations held a hearing in Washington, D.C., on “Federal Student Aid: Performance-Based Organization Review.” The purpose of the hearing was to review the Office of Federal Student Aid’s (FSA) responsibilities as a Performance-Based Organization (PBO), evaluate the PBO’s performance, and identify possible areas of reform. Testifying before the subcommittees were Mr. James Runcie, Chief Operating Officer, U.S. Department of Education, Washington, D.C.; Ms. Melissa Emrey-Arras, Director, Education Workforce, and Income Se-

curity, U.S. Government Accountability Office, Washington, D.C.; The Honorable Kathleen Tighe, Inspector General, U.S. Department of Education, Washington, D.C.; Mr. Ben Miller, Senior Director, Postsecondary Education, Center for American Progress, Washington, D.C.; and Mr. Justin Draeger, President, National Association of Student Financial Aid Administrators, Washington, D.C.

Legislative action—First session

On July 23, 2015, Higher Education and Workforce Training Subcommittee Chairwoman Virginia Foxx along with Chairman John Kline (R-MN), Ranking Member Robert C. Scott (D-VA), and Reps. Luke Messer (R-IN), Gregorio Sablan (D-MP), Tim Walberg (R-MI), Joe Heck (R-NV), Buddy Carter (R-GA), Elise Stefanik (R-NY), Susan Davis (D-CA), Raúl Grijalva (D-AZ), and Mark DeSaulnier (D-CA) introduced H.R. 3178, the *Strengthening Transparency in Higher Education Act*. The bill ensures straightforward and useful information is easily accessible to students and parents and improves coordination between federal agencies to publish information about colleges and universities.

On July 23, 2015, Rep. Brett Guthrie (R-KY) along with Chairman John Kline (R-MN), Ranking Member Robert C. Scott (D-VA), and Reps. Rick Allen (R-GA), Suzanne Bonamici (D-OR), Duncan Hunter (R-CA), Tim Walberg (R-MI), Joe Heck (R-NV), Luke Messer (R-IN), Buddy Carter (R-GA), Elise Stefanik (R-NY), Susan Davis (D-CA), Raúl Grijalva (D-AZ), Gregorio Sablan (D-MP), Mark Pocan (D-WI), Mark Takano (D-CA), Katherine Clark (D-MA), Mark DeSaulnier (D-CA), and Richard Hudson (R-NC) introduced H.R. 3179, the *Empowering Students Through Enhanced Financial Counseling Act*. The bill promotes financial literacy through enhanced counseling for all recipients of federal financial aid.

On September 24, 2015, Reps. Mike Bishop (R-MI) and Mark Pocan (D-WI) introduced H.R. 3594, the *Higher Education Extension Act of 2015*. The bill extends the authorization of the National Advisory Committee on Institutional Quality and Integrity and the authority of institutions of higher education to make loans to new borrowers under the federal Perkins loan program through September 30, 2016.

On September 28, 2015, the House of Representatives passed H.R. 3594 by a voice vote. The bill was sent to the Senate and referred to the Senate Committee on Health, Education, Labor, and Pensions. The Senate amended the bill to extend the authorization of the federal Perkins loan program to September 30, 2017. The amendment was adopted by unanimous consent, and the underlying legislation was subsequently passed in the Senate on December 16, 2015, by voice vote.

On December 17, 2015, the House agreed to the Senate amendment by unanimous consent. The *Higher Education Extension Act of 2015* was signed into law by the President on December 18, 2015.

Legislative action—Second session

On June 22, 2016, the Committee on Education and the Workforce considered H.R. 3178 in legislative session and reported it favorably, as amended, to the House of Representatives by voice vote.

The Committee considered and adopted the following amendment to H.R. 3178:

- Subcommittee Chairwoman Virginia Foxx (R–NC) offered an amendment in the nature of a substitute to make conforming and technical changes. The amendment was adopted by voice vote.

On June 22, 2016, the Committee considered H.R. 3179 in legislative session and reported it favorably, as amended, to the House of Representatives by voice vote. The Committee considered and adopted the following amendment to H.R. 3179:

- Rep. Brett Guthrie (R–KY) offered an amendment in the nature of a substitute to make conforming and technical changes. The amendment was adopted by voice vote.

On June 20, 2016, Rep. Joe Heck (R–NV) along with Reps. David “Phil” Roe (R–TN), Jared Polis (D–CO), and Mark Pocan (D–WI) introduced H.R. 5528, the *Simplifying the Application for Student Aid Act*. The bill ensures continued allowance for earlier notification of federal student aid, leverages technology to make the application for federal student aid more accessible and easier to fill out, and provides more time for aid administrators to verify and package student aid.

On June 22, 2016, the Committee considered H.R. 5528 in legislative session and reported it favorably, as amended, to the House of Representatives by voice vote. The Committee considered and adopted the following amendment to H.R. 5528:

- Rep. Joe Heck (R–NV) offered an amendment in the nature of a substitute to make conforming and technical changes. The amendment was adopted by voice vote.

On June 20, 2016, Rep. Joe Heck (R–NV) along with Reps. Ruben Hinojosa (D–TX) and Raul Ruiz (D–CA) introduced H.R. 5529, the *Accessing Higher Education Opportunities Act*. The bill expands the authorized uses of funds for Hispanic-Serving Institutions (HSIs) so they may promote dual enrollment opportunities and encourage Hispanic students to pursue doctoral degree programs in the healthcare industry.

On June 22, 2016, the Committee considered H.R. 5529 in legislative session and reported it favorably, as amended, to the House of Representatives by voice vote. The Committee considered and adopted the following amendment to H.R. 5529:

- Rep. Joe Heck (R–NV) offered an amendment in the nature of a substitute to make conforming and technical changes. The amendment was adopted by voice vote.

On June 20, 2016, Reps. Alma Adams (D–NC) and Bradley Byrne (R–AL) introduced H.R. 5530, the *HBCU Capital Financing Improvement Act*. The bill improves the program by requiring the advisory board to send an annual report to Congress regarding the status of the HBCU Capital Financing Program. Additionally, the bill renames the escrow account to “bond insurance fund.” Lastly, this bill allows for financial counseling to potential eligible HBCUs to assist in their preparation to qualify, apply for, and maintain a capital improvement loan.

On June 22, 2016, the Committee considered H.R. 5530 in legislative session and reported it favorably, as amended, to the House of Representatives by voice vote. The Committee considered and adopted the following amendment to H.R. 5530:

- Rep. Alma Adams (D–NC) offered an amendment in the nature of a substitute to make conforming and technical changes. The amendment was adopted by voice vote.

SUMMARY

The *HBCU Capital Financing Improvement Act* makes needed improvements to the HBCU Capital Financing Program. This bipartisan legislation improves access to the program and improves financial counseling offered by the program, while strengthening the program’s congressional oversight, to help the program fulfill its intended purpose.

The bill ensures public HBCUs will have greater access to the HBCU Capital Financing Program by requiring institutions to pay into a “bond insurance fund,” rather than a pooled escrow account as in current law, to better reflect the purpose of the withheld funds.

The *HBCU Capital Financing Improvement Act* specifically authorizes the Secretary to provide financial counseling to eligible institutions to prepare them to qualify, apply for, and maintain a capital improvement loan.

The bill requires the program’s advisory board to provide an annual report to Congress, giving an overview of all the loans awarded by the program, the status and financial condition of at least 10 institutions participating in the program, and any administrative and legislative recommendations they may have for improving the program.

COMMITTEE VIEWS

Introduction

HBCUs play a unique and important role in helping African-American students overcome documented¹ barriers of access and completion of postsecondary education. Due to many factors, including the actions by some state and private actors,² many HBCUs have a poorer financial outlook than other institutions of similar size and age. Presently, the cost of capital is a roadblock that prevents many HBCUs, some of which have physical plants over 150 years old,³ from making improvements to their campuses. Just this year, a report documented the continuing difficulty some HBCUs have had raising capital in the private bond market.⁴

Recognizing these challenges, the HBCU Capital Financing Program was created in the *Higher Education Amendments of 1992* to help fund capital projects at a lower cost to these institutions. The HBCU Capital Financing Program acts as a loan guarantee program, ensuring the payment of principal and interest on bonds by

¹See e.g., *Sweatt v. Painter*, 339 U.S. 629 (1950); *McLaurin v. Okla. St. Regents of Higher Educ.*, 339 U.S. 637 (1950); Richardson, Jeanita W., and Harris J. John. “Brown and Historically Black Colleges and Universities (HBCUs): A Paradox of Desegregation Policy.” *The Journal of Negro Education* 73.3 (2004): 365–78.

²See e.g., Higher Education Act of 1965, 20 U.S.C. 1060 321 (2012) (“the current state of Black colleges and universities is partly attributable to the discriminatory action of the States and the Federal Government . . .”); Dougal, C, Gao, P., Mayew, W. J., & Parsons, C. A. (2015, August). What’s in a (school) name? Racial discrimination in higher education bond markets. Retrieved from <http://w4.stern.nyu.edu/finance/docs/pdfs/Seminars/1503w-parsons.pdf>.

³The first HBCUs, Cheney University and Lincoln University, were founded in 1837 and 1854 respectively.

⁴Dougal, *supra* note 2, at 3.

using funds from the U.S. Department of the Treasury to ultimately cover the cost. The program allows institutions to finance, or refinance, the repair, renovation, and construction of capital projects. Funded projects can range from the construction of classroom facilities to the repair of sewer and drainage systems. The program also helps ensure students at HBCUs receive their education in safe, up-to-date facilities with access to the modern technology and equipment necessary to provide a 21st century education.

Promoting access

The HBCU Capital Financing Program provides support to some, but not all, institutions in need of additional assistance to finance capital projects. In 2006, 14 years after the HBCU Capital Financing Program was authorized, only 14 schools, or slightly more than 10 percent of HBCUs, were participating in the program. Currently, 43 HBCUs are receiving loans, but fewer than half of all HBCUs have ever originated a loan with the program.⁵

The Committee recognizes that while public and private institutions desire to utilize the program, many public HBCUs have experienced difficulty accessing program funds due to statutory requirements. Since the program is based on bonds, participating schools are required to place 5 percent of their loans into a pooled escrow account that helps cover payments to bondholders should any institution default on its loan obligation. This account acts as bond insurance to ensure the payments of principal and interest on the bonds are covered and bondholders are made whole.⁶ Public HBCUs have been denied participation in the program due to states' concerns over the requirement that 5 percent of the loan funds, which the states view as state funds, must go into the escrow account. Today, according to the U.S. Department of Education, the escrow account is at \$50 million, with only one school drawing down from the account.

To better reflect the intention and purpose of the escrow account, the *HBCU Capital Financing Improvement Act* renames this account a "bond insurance fund." This small change will help more public HBCUs access the program by easing the concerns of some state governments who are unsure of the account's purpose. In addition, this re-classification will reinforce with participating institutions that their 5 percent contributions are not a regulatory burden but a necessary protection for bondholders who participate in the program. This is a good first step to reform the insurance requirements of the program.

Improving financial counseling

The sizable investments made by the HBCU Capital Financing Program require participating schools have a requisite level of financial skill to handle the funds. The current outstanding balance for the HBCU Capital Financing Program is about \$1.11 billion,

⁵ <http://gao.gov/products/GAO-07-64>.

⁶ Authority is given to the Secretary to designate a private, for-profit organization to serve as the designated bonding authority (DBA). The DBA is included in the program to serve as the issuer of qualified bonds. The proceeds of these bonds are used to issue loans to participating HBCUs. To ensure payments on the issued bonds, the DBA uses the loan payments from the participating HBCUs. If a HBCU is unable to make a payment, the DBA can draw from the escrow account to cover the payment on the bond.

with 43 institutions currently receiving loan amounts ranging from \$7.5 million to \$165 million.⁷ Since 1996, 77 bonds have been issued, resulting in about \$310 million in loan proceeds for public HBCUs and \$1.25 billion in loan proceeds for private HBCUs.⁸

Given the magnitude of the program and loan amounts, it is important for current and future program participants to receive thorough financial counseling to better ensure a successful experience with the program. Financial counseling can help a school find its financial footing, establish a plan to make timely payments to the program, or improve the overall financial health of the institution. This counseling will lead to more institutions successfully making their payments on time and increased financial stability.

The *HBCU Capital Financing Improvement Act* specifically authorizes the Secretary to provide financial counseling to HBCUs to prepare the institutions to qualify, apply for, and maintain a capital improvement loan. Thorough financial counseling can help guide institutional leaders as they critically think about difficult questions, such as the appropriate loan amount needed to help meet the institutions needs while remaining in good financial standing to make the monthly payments on time.

The Committee hopes the additional counseling will involve helping institutions in the maintenance and growth of endowment funds. Many non-HBCUs are able to sustain long campaigns of capital improvements without fear of financial strain due to large pools of endowed funds that have grown with the institution over time. HBCU endowments are on average significantly lower than other institutions. Based on data for 2014, the endowments of the Top 10 HBCUs combined would make them collectively only the 54th largest university endowment.⁹

Financial counseling that includes some aspects germane to endowments may help improve the financial outlook of institutions. Helping these institutions become more self-sustaining will ideally lead to a decrease in the loan amounts needed for capital projects and decrease the overall financial burden on the schools.

Strengthening congressional oversight

Along with the creation of the HBCU Capital Financing Program, current law includes a board to advise the Secretary on the capital needs of HBCUs, how the program can meet those needs, and ways the program can be improved. This advisory board consists of presidents from both private and public HBCUs, as well as representatives from the United Negro College Fund, National Association for Equal Opportunity in Higher Education, Thurgood Marshall College Fund, and the executive director of the White House Initiative on HBCUs. This advisory board is appointed by the Secretary, with the Secretary or an appointed designee also serving on the board.

The advisory board is required by law to meet at least twice yearly and was tasked with providing Congress a report, no later

⁷ <http://www2.ed.gov/programs/hbcucapfinance/awards.html>.

⁸ *Id.*

⁹ Using statistics collected by the National Association of College and University Business Officers (NACUBO) in 2014, the ten largest endowments at HBCUs totaled approximately \$1.729 billion combined. As one university, they would place between #53 UCLA (\$1.732 billion) and #54 Boston University (\$1.616 billion). <http://www.nacubo.org/Documents/EndowmentFiles/2014_Endowment_Market_Values_Revised2.27.15.pdf>.

than six months after the 2008 enactment of the *Higher Education Opportunity Act* (HEOA), on the fiscal status and financial condition of at least 10 HBCUs participating in the program. The report was also to include any administrative or legislative recommendations for addressing construction financing issues. According to a 2006 study by the U.S. Government Accountability Office (GAO), the advisory board had only convened a total of “three times in the last 12 years,” and GAO recommended the Secretary comply with the law by regularly convening and consulting with the advisory board.¹⁰ Due to this finding, the HEOA mandated the Secretary submit a report to Congress on the progress of implementing the recommendations produced in the study. While more meetings have taken place since the findings of the study, the advisory board still appears to be out of compliance with the statute, most recently meeting in spring 2015.

The mere scale of the HBCU Capital Financing Program suggests it is important for Congress to remain apprised of the usefulness and current standing of the program. Given this, the *HBCU Capital Financing Improvement Act* requires the advisory board to provide an annual report to Congress giving an overview of all the loans awarded, the fiscal status and financial condition of at least 10 of the institutions participating in the program, and any administrative and legislative recommendations for improving construction financing issues. The Committee expects this requirement will improve compliance with the advisory board meetings requirement in the statute.

While the advisory board will only be required to provide the fiscal status and financial condition of at least 10 institutions in each report, the Committee expects the advisory board will provide this information for all participating institutions over the span of the annual reports, with updates to the status of the institutions as needed. The Committee also expects the advisory board report will include, at least, the following as part of the overview of loans: the most recent outstanding balance of the program; the current and remaining lengths of all loans; the funding level of the bond insurance fund; the loan amounts for both public and private HBCUs; and any specific details about each loan, such as whether the loan has a fixed or variable interest rate, the interest rate amount, and repayment status.

Requiring the advisory board to provide an annual report will help ensure the board convenes and discusses the issues that are most concerning to HBCUs. Also, more regular and consistent communication with the board will help keep Congress updated on the health of the program and the needs of the participating HBCUs.

Conclusion

With greater access, financial counseling, and oversight, the Committee believes H.R. 5530 will strengthen the HBCU Capital Financing Program. We expect with these changes, institutions will be better able to utilize the bond proceeds to improve HBCU campuses. By allowing for low-cost capital to flow to HBCUs, the Committee hopes to improve the educational experience for more students at many of our nations most historic campuses.

¹⁰ <http://gao.gov/products/GAO-07-64>.

SECTION-BY-SECTION ANALYSIS

Section 1. Short title

States the short title is the *HBCU Capital Financing Improvement Act*.

Section 2. Bond insurance

Amends Section 343 of the *Higher Education Act of 1965* by striking the term “escrow account” where it appears and replacing it with the term “bond insurance fund.” Other minor technical changes are made as well.

Section 3. Strengthening technical assistance

Gives the Secretary the authority to provide financial counseling as well as technical assistance to institutions to apply, qualify for, and maintain capital improvement loans.

Section 4. HBCU capital financing advisory board

Amends section 347 to require the advisory board to report annually to Congress and provide an overview of all the loans made and any administrative or legislative recommendations to improve the program.

EXPLANATION OF AMENDMENTS

The amendments, including the amendment in the nature of a substitute, are explained in the body of this report.

APPLICATION OF LAW TO THE LEGISLATIVE BRANCH

Section 102(b)(3) of Public Law 104–1 requires a description of the application of this bill to the legislative branch. H.R. 5530, the *HBCU Capital Financing Improvement Act*, increases access to, and strengthens congressional oversight of, the Historically Black College and University Capital Financing Program.

UNFUNDED MANDATE STATEMENT

Section 423 of the Congressional Budget and Impoundment Control Act (as amended by Section 101(a)(2) of the Unfunded Mandates Reform Act, P.L. 104–4) requires a statement of whether the provisions of the reported bill include unfunded mandates. This issue is addressed in the CBO letter.

EARMARK STATEMENT

H.R. 5530 does not contain any congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9 of House Rule XXI.

STATEMENT OF GENERAL PERFORMANCE GOALS AND OBJECTIVES

In accordance with clause (3)(c) of House Rule XIII, the goals of H.R. 5530 are to increase access to, and strengthen congressional oversight of, the Historically Black College and University Capital Financing Program.

DUPLICATION OF FEDERAL PROGRAMS

No provision of H.R. 5530 establishes or reauthorizes a program of the Federal Government known to be duplicative of another Federal program, a program that was included in any report from the Government Accountability Office to Congress pursuant to section 21 of Public Law 111–139, or a program related to a program identified in the most recent Catalog of Federal Domestic Assistance.

DISCLOSURE OF DIRECTED RULE MAKINGS

The committee estimates that enacting H.R. 5530 does not specifically direct the completion of any specific rule makings within the meaning of 5 U.S.C. 551.

STATEMENT OF OVERSIGHT FINDINGS AND RECOMMENDATIONS OF
THE COMMITTEE

In compliance with clause 3(c)(1) of rule XIII and clause 2(b)(1) of rule X of the Rules of the House of Representatives, the committee's oversight findings and recommendations are reflected in the body of this report.

NEW BUDGET AUTHORITY AND CBO COST ESTIMATE

With respect to the requirements of clause 3(c)(2) of rule XIII of the Rules of the House of Representatives and section 308(a) of the Congressional Budget Act of 1974 and with respect to requirements of clause 3(c)(3) of rule XIII of the Rules of the House of Representatives and section 402 of the Congressional Budget Act of 1974, the committee has received the following estimate for H.R. 5530 from the Director of the Congressional Budget Office:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, July 5, 2016.

Hon. JOHN KLINE,
*Chairman, Committee on Education and the Workforce,
House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 5530, the HBCU Capital Financing Improvement Act.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Justin Humphrey.

Sincerely,

KEITH HALL.

Enclosure.

H.R. 5530—HBCU Capital Financing Improvement Act

H.R. 5530 would amend the reporting requirements for the Historically Black College and University (HBCU) Advisory Board, which advises the Department of Education about the HBCU Capital Financing Program. It also would allow the department to provide financial counseling to HBCUs to better prepare them to qualify for that program.

Based on current funding levels for administering this program (\$334,000 for 2016), CBO estimates that implementing H.R. 5530

would have a negligible additional effect on discretionary spending. Enacting the bill would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

CBO estimates that enacting H.R. 5530 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2027.

H.R. 5530 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments.

The CBO staff contact for this estimate is Justin Humphrey. The estimate was approved by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.

COMMITTEE COST ESTIMATE

Clause 3(d)(1) of rule XIII of the Rules of the House of Representatives requires an estimate and a comparison of the costs that would be incurred in carrying out H.R. 5530. However, clause 3(d)(2)(B) of that rule provides that this requirement does not apply when the committee has included in its report a timely submitted cost estimate of the bill prepared by the Director of the Congressional Budget Office under section 402 of the Congressional Budget Act.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (new matter is printed in italic and existing law in which no change is proposed is shown in roman):

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, and existing law in which no change is proposed is shown in roman):

HIGHER EDUCATION ACT OF 1965

* * * * *

TITLE III—INSTITUTIONAL AID

* * * * *

PART D—HISTORICALLY BLACK COLLEGE AND UNIVERSITY CAPITAL FINANCING

* * * * *

SEC. 343. FEDERAL INSURANCE FOR BONDS.

(a) GENERAL RULE.—Subject to the limitations in section 344, the Secretary is authorized to enter into insurance agreements to provide financial insurance to guarantee the full payment of principal

and interest on qualified bonds upon the conditions set forth in subsections (b), (c) and (d).

(b) RESPONSIBILITIES OF THE DESIGNATED BONDING AUTHORITY.—The Secretary may not enter into an insurance agreement described in subsection (a) unless the Secretary designates a qualified bonding authority in accordance with sections 345(1) and 346 and the designated bonding authority agrees in such agreement to—

(1) use the proceeds of the qualified bonds, less costs of issuance not to exceed 2 percent of the principal amount thereof, to make loans to eligible institutions or for deposit into [an] a [escrow account] *bond insurance fund* for repayment of the bonds;

(2) provide in each loan agreement with respect to a loan that not less than 95 percent of the proceeds of the loan will be used—

(A) to finance the repair, renovation, and, in exceptional cases, construction or acquisition, of a capital project; or

(B) to refinance an obligation the proceeds of which were used to finance the repair, renovation, and, in exceptional cases, construction or acquisition, of a capital project;

(3)(A) charge such interest on loans, and provide for such a schedule of repayments of loans, as will, upon the timely repayment of the loans, provide adequate and timely funds for the payment of principal and interest on the bonds; and

(B) require that any payment on a loan expected to be necessary to make a payment of principal and interest on the bonds be due not less than 60 days prior to the date of the payment on the bonds for which such loan payment is expected to be needed;

(4) prior to the making of any loan, provide for a credit review of the institution receiving the loan and assure the Secretary that, on the basis of such credit review, it is reasonable to anticipate that the institution receiving the loan will be able to repay the loan in a timely manner pursuant to the terms thereof;

(5) provide in each loan agreement with respect to a loan that, if a delinquency on such loan results in a funding under the insurance agreement, the institution obligated on such loan shall repay the Secretary, upon terms to be determined by the Secretary, for such funding;

(6) assign any loans to the Secretary, upon the demand of the Secretary, if a delinquency on such loan has required a funding under the insurance agreement;

(7) in the event of a delinquency on a loan, engage in such collection efforts as the Secretary shall require for a period of not less than 45 days prior to requesting a funding under the insurance agreement;

(8) establish [an] a [escrow account] *bond insurance fund*—

(A) into which each eligible institution shall deposit 5 percent of the proceeds of any loan made under this part, with each eligible institution required to maintain in the [escrow account] *bond insurance fund* an amount equal to 5 percent of the outstanding principal of all loans made to such institution under this part; and

(B) the balance of which—

(i) shall be available to the Secretary to pay principal and interest on the bonds in the event of delinquency in loan repayment; and

(ii) shall be used to return to an eligible institution an amount equal to any remaining portion of such institution's 5 percent deposit of loan proceeds within 120 days following scheduled repayment of such institution's loan;

(9) provide in each loan agreement with respect to a loan that, if a delinquency on such loan results in amounts being withdrawn from the [escrow account] *bond insurance fund* to pay principal and interest on bonds, subsequent payments on such loan shall be available to replenish such [escrow account] *bond insurance fund*;

(10) comply with the limitations set forth in section 344 of this part;

(11) make loans only to eligible institutions under this part in accordance with conditions prescribed by the Secretary to ensure that loans are fairly allocated among as many eligible institutions as possible, consistent with making loans of amounts that will permit capital projects of sufficient size and scope to significantly contribute to the educational program of the eligible institutions; and

(12) limit loan collateralization, with respect to any loan made under this part, to 100 percent of the loan amount, except as otherwise required by the Secretary.

(c) ADDITIONAL AGREEMENT PROVISIONS.—Any insurance agreement described in subsection (a) of this section shall provide as follows:

(1) The payment of principal and interest on bonds shall be insured by the Secretary until such time as such bonds have been retired or canceled.

(2) The Federal liability for delinquencies and default for bonds guaranteed under this part shall only become effective upon the exhaustion of all the funds held in the [escrow account] *bond insurance fund* described in subsection (b)(8).

(3) The Secretary shall create a letter of credit authorizing the Department of the Treasury to disburse funds to the designated bonding authority or its assignee.

(4) The letter of credit shall be drawn upon in the amount determined by paragraph (5) of this subsection upon the certification of the designated bonding authority to the Secretary or the Secretary's designee that there is a delinquency on 1 or more loans and there are insufficient funds available from loan repayments and the [escrow account] *bond insurance fund* to make a scheduled payment of principal and interest on the bonds.

(5) Upon receipt by the Secretary or the Secretary's designee of the certification described in paragraph (4) of this subsection, the designated bonding authority may draw a funding under the letter of credit in an amount equal to—

(A) the amount required to make the next scheduled payment of principal and interest on the bonds, less

(B) the amount available to the designated bonding authority from loan repayments and the [escrow account] *bond insurance fund*.

(6) All funds provided under the letter of credit shall be paid to the designated bonding authority within 2 business days following receipt of the certification described in paragraph (4).

(d) FULL FAITH AND CREDIT PROVISIONS.—Subject to section 343(c)(1) the full faith and credit of the United States is pledged to the payment of all funds which may be required to be paid under the provisions of this section.

(e) SALE OF QUALIFIED BONDS.—Notwithstanding any other provision of law, a qualified bond guaranteed under this part may be sold to any party that offers terms that the Secretary determines are in the best interest of the eligible institution.

* * * * *

SEC. 345. AUTHORITY OF THE SECRETARY.

In the performance of, and with respect to, the functions vested in the Secretary by this part, the Secretary—

(1) shall, within 120 days of the date of enactment of the Higher Education Opportunity Act, publish in the Federal Register a notice and request for proposals for any private for-profit organization or entity wishing to serve as the designated bonding authority under this part, which notice shall—

(A) specify the time and manner for submission of proposals; and

(B) specify any information, qualifications, criteria, or standards the Secretary determines to be necessary to evaluate the financial capacity and administrative capability of any applicant to carry out the responsibilities of the designated bonding authority under this part;

(2) shall ensure that—

(A) the selection process for the designated bonding authority is conducted on a competitive basis; and

(B) the evaluation and selection process is transparent;

(3) shall—

(A) review the performance of the designated bonding authority after the third year of the insurance agreement; and

(B) following the review described in subparagraph (A), implement a revised competitive selection process, if determined necessary by the Secretary in consultation with the Advisory Board established pursuant to section 347;

(4) shall require that the first loans for capital projects authorized under section 343 be made no later than March 31, 1994;

(5) may sue and be sued in any court of record of a State having general jurisdiction or in any district court of the United States, and such district courts shall have jurisdiction of civil actions arising under this part without regard to the amount in controversy, and any action instituted under this part without regard to the amount in controversy, and any action instituted under this section by or against the Secretary shall survive notwithstanding any change in the person occupying the office of the Secretary or any vacancy in such office;

(6)(A) may foreclose on any property and bid for and purchase at any foreclosure, or any other sale, any property in connection with which the Secretary has been assigned a loan pursuant to this part; and

(B) in the event of such an acquisition, notwithstanding any other provisions of law relating to the acquisition, handling, or disposal of real property by the United States, complete, administer, remodel and convert, dispose of, lease, and otherwise deal with, such property, except that—

(i) such action shall not preclude any other action by the Secretary to recover any deficiency in the amount of a loan assigned to the Secretary; and

(ii) any such acquisition of real property shall not deprive any State or political subdivision thereof of its civil or criminal jurisdiction in and over such property or impair the civil rights under the State or local laws of the inhabitants on such property;

(7) may sell, exchange, or lease real or personal property and securities or obligations;

(8) may include in any contract such other covenants, conditions, or provisions necessary to ensure that the purposes of this part will be achieved;

【(9) may, directly or by grant or contract, provide technical assistance to eligible institutions to prepare the institutions to qualify, apply for, and maintain a capital improvement loan, including a loan under this part; and】

(9) may, directly or by grant or contract, provide financial counseling and technical assistance to eligible institutions to prepare the institutions to qualify, apply for, and maintain a capital improvement loan, including a loan under this part; and

(10) not later than 120 days after the date of enactment of the Higher Education Opportunity Act, shall submit to the authorizing committees a report on the progress of the Department in implementing the recommendations made by the Government Accountability Office in October 2006 for improving the Historically Black College and Universities Capital Financing Program.

SEC. 347. HBCU CAPITAL FINANCING ADVISORY BOARD.

(a) ESTABLISHMENT AND PURPOSE.—There is established within the Department of Education, the Historically Black College and Universities Capital Financing Advisory Board (hereinafter in this part referred to as the “Advisory Board”) which shall provide advice and counsel to the Secretary and the designated bonding authority as to the most effective and efficient means of implementing construction financing on African American college campuses, and advise the Congress of the United States regarding the progress made in implementing this part. The Advisory Board shall meet with the Secretary at least twice each year to advise him as to the capital needs of historically Black colleges and universities, how those needs can be met through the program authorized by this part, and what additional steps might be taken to improve the operation and implementation of the construction financing program.

(b) BOARD MEMBERSHIP.—

(1) COMPOSITION.—The Advisory Board shall be appointed by the Secretary and shall be composed of 11 members as follows:

(A) The Secretary or the Secretary's designee.

(B) Three members who are presidents of private historically Black colleges or universities.

(C) Three members who are presidents of public historically Black colleges or universities.

(D) The president of the United Negro College Fund, Inc., or the president's designee.

(E) The president of the National Association for Equal Opportunity in Higher Education, or the designee of the Association.

(F) The executive director of the White House Initiative on historically Black colleges and universities.

(G) The president of the Thurgood Marshall College Fund, or the designee of the president.

(2) TERMS.—The term of office of each member appointed under paragraphs (1)(B) and (1)(C) shall be 3 years, except that—

(A) of the members first appointed pursuant to paragraphs (1)(B) and (1)(C), 2 shall be appointed for terms of 1 year, and 3 shall be appointed for terms of 2 years;

(B) members appointed to fill a vacancy occurring before the expiration of a term of a member shall be appointed to serve the remainder of that term; and

(C) a member may continue to serve after the expiration of a term until a successor is appointed.

(c) ADDITIONAL RECOMMENDATIONS FROM ADVISORY BOARD.—

(1) IN GENERAL.—In addition to the responsibilities of the Advisory Board described in subsection (a), the Advisory Board shall advise the Secretary and the authorizing committees regarding—

(A) the fiscal status and strategic financial condition of not less than ten historically Black colleges and universities that have—

(i) obtained construction financing through the program under this part and seek additional financing or refinancing under such program; or

(ii) applied for construction financing through the program under this part but have not received financing under such program; and

(B) the feasibility of reducing borrowing costs associated with the program under this part, including reducing interest rates.

【(2) REPORT.—Not later than six months after the date of enactment of the Higher Education Opportunity Act, the Advisory Board shall prepare and submit a report to the authorizing committees regarding the historically Black colleges and universities described in paragraph (1)(A) that includes administrative and legislative recommendations for addressing the issues related to construction financing facing such historically Black colleges and universities.】

(2) REPORT.—*On an annual basis, the Advisory Board shall prepare and submit to the authorizing committees a report on*

the status of the historically Black colleges and universities described in paragraph (1)(A). That report shall also include—

(A) an overview of all loans in the capital financing program, including the most recent loans awarded in the fiscal year in which the report is submitted; and

(B) administrative and legislative recommendations, as needed, for addressing the issues related to construction financing facing historically Black colleges and universities.

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