

108TH CONGRESS  
1ST SESSION

# H. R. 3311

To amend the Higher Education Act of 1965 to address the rising cost  
of postsecondary education.

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## IN THE HOUSE OF REPRESENTATIVES

OCTOBER 16, 2003

Mr. McKEON (for himself, Mr. BOEHNER, Mr. ISAKSON, Mr. PETRI, Mr. COLE, and Mr. DUNCAN) introduced the following bill; which was referred to the Committee on Education and the Workforce

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## A BILL

To amend the Higher Education Act of 1965 to address  
the rising cost of postsecondary education.

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

3       **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4       (a) SHORT TITLE.—This Act may be cited as the  
5       “Affordability in Higher Education Act of 2003”.

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

Sec. 1. Short title; table of contents.  
Sec. 2. Reference; effective date.

### TITLE I—COLLEGE AFFORDABILITY INDEX

Sec. 101. Establishment of index.

“Sec. 131. Consumer information and public accountability in higher education.”

## TITLE II—INNOVATIVE APPROACHES TO HIGHER EDUCATION

Sec. 201. College Affordability Demonstration Program.

“Sec. 486A. College Affordability Demonstration Program.”

## TITLE III—TRANSFER OF CREDIT

Sec. 301. Requirement relating to credit transfer.

## TITLE IV—SENSE OF CONGRESS

Sec. 401. Regulatory burden impact on tuition and fees.

### 1 **SEC. 2. REFERENCE; EFFECTIVE DATE.**

2       (a) REFERENCE.—Except as otherwise expressly pro-  
3       vided in this Act, whenever in this Act an amendment or  
4       repeal is expressed in terms of an amendment to, or repeal  
5       of, a section or other provision, the reference shall be con-  
6       sidered to be made to a section or other provision of the  
7       Higher Education Act of 1965 (20 U.S.C. 1001 et seq.).

8       (b) EFFECTIVE DATE.—Except as otherwise provided  
9       in this Act, the amendments made by this Act shall take  
10      effect on the date of enactment of this Act.

## 11           **TITLE I—COLLEGE** 12           **AFFORDABILITY INDEX**

### 13 **SEC. 101. ESTABLISHMENT OF INDEX.**

14       Section 131 (20 U.S.C. 1015) is amended to read as  
15      follows:

16       **“SEC. 131. CONSUMER INFORMATION AND PUBLIC AC-**  
17           **COUNTABILITY IN HIGHER EDUCATION.**

18       “(a) DATA COLLECTION.—

1           “(1) DATA SYSTEMS.—The Secretary shall con-  
2        tinue to redesign the relevant parts of the postsec-  
3        ondary education data systems to include additional  
4        data as required by this section and to continue to  
5        improve the usefulness and timeliness of data col-  
6        lected by such systems.

7           “(2) INFORMATION FROM INSTITUTIONS.—The  
8        Commissioner of Education Statistics shall collect,  
9        for each academic year and in accordance with  
10       standard definitions developed by the Commissioner  
11       of Education Statistics (including definitions devel-  
12       oped under section 131(a)(3)(A) as in effect on the  
13       day before the date of enactment of the Affordability  
14       in Higher Education Act of 2003), from at least all  
15       institutions of higher education participating in pro-  
16       grams under title IV, and such institutions shall  
17       provide, the following data:

18           “(A) the tuition and fees charged for a  
19        full-time undergraduate student;

20           “(B) the room and board charges for such  
21        a student;

22           “(C) the cost of attendance for a full-time  
23        undergraduate student, consistent with the pro-  
24        visions of section 472;

1                   “(D) the average amount of financial as-  
2                   sistance received by a full-time undergraduate  
3                   student, including—

4                   “(i) each type of assistance or benefits  
5                   described in 428(a)(2)(C)(ii);

6                   “(ii) fellowships;

7                   “(iii) institutional and other assist-  
8                   ance;

9                   “(iv) loans under parts B and D;

10                  “(E) the number of students receiving fi-  
11                  nancial assistance described in each clause of  
12                  subparagraph (D); and

13                  “(F) the institutional instructional expend-  
14                  iture per full-time equivalent student.

15                  “(b) DATA DISSEMINATION.—The Secretary shall  
16                  make available the data collected pursuant to this section,  
17                  including an institution’s college affordability index as cal-  
18                  culated in accordance with subsection (c), and its afford-  
19                  ability alert status (if required under subsection  
20                  (d)(3)(A)(ii)). Such data shall be made available in a man-  
21                  ner that permits the review and comparison of data sub-  
22                  missions of individual institutions of higher education.  
23                  Such data shall be presented in a form that is easily acces-  
24                  sible and understandable and allows parents and students  
25                  to make informed decisions based on the prices for typical

1 full-time undergraduate students and the institution's rate  
2 of cost increase.

3       **“(c) COLLEGE AFFORDABILITY INDEX.—**

4       **“(1) IN GENERAL.—**The Secretary shall, on the  
5 basis of the data submitted under subsection (a),  
6 calculate a college affordability index for each insti-  
7 tution of higher education submitting such data and  
8 shall make the index available in accordance with  
9 subsection (b) as soon as operationally possible on  
10 the Department's college opportunity on line  
11 website.

12       **“(2) CALCULATION OF INDEX.—**The college af-  
13 fordability index shall be equal to—

14           **“(A)** the percentage increase in the tuition  
15 and fees charged for a first-time, full-time, full-  
16 year undergraduate student between the first of  
17 3 most recent preceding academic years and the  
18 last of those 3 academic years, divided by

19           **“(B)** the percentage increase in the Con-  
20 sumer Price Index-All Urban Consumers (Cur-  
21 rent Series) from July of the first of those 3  
22 academic years to July of the last of those 3  
23 academic years.

24       **“(d) OUTCOMES AND ACTIONS.—**

1                 “(1) RESPONSE FROM INSTITUTION.—Effective  
2                 on June 30, 2008, an institution that has a college  
3                 affordability index that exceeds 2.0 for any 3-year  
4                 interval ending on or after that date shall provide a  
5                 report to the Secretary, in such a form, at such  
6                 time, and containing such information as the Sec-  
7                 retary may require. Such report shall include—

8                     “(A) an explanation of the factors contrib-  
9                 uting to the increase in the institution’s costs  
10                 and in the tuition and fees charged to students;

11                 “(B) a management plan stating the spe-  
12                 cific steps the institution is and will be taking  
13                 to reduce its college affordability index;

14                 “(C) an action plan, including a schedule,  
15                 by which the institution will reduce increases in  
16                 or stabilize, such costs and tuition and fees; and

17                 “(D) if determinations of tuition and fee  
18                 increases are not within the exclusive control of  
19                 the institution, a description of the agency or  
20                 instrumentality of State government or other  
21                 entity that participates in such determinations  
22                 and the authority exercised by such agency, in-  
23                 strumentality, or entity.

24                 “(2) INFORMATION TO THE PUBLIC.—Upon re-  
25                 ceipt of the institution’s report and management

1 plan under paragraph (1), the Secretary shall make  
2 the institution's report required under paragraph (1)  
3 available to the public in accordance with subsection  
4 (b).

5       “(3) CONSEQUENCES OF FAILURE TO REDUCE  
6 COLLEGE AFFORDABILITY INDEX.—

7           “(A) CONSEQUENCES FOR TWO YEAR CON-  
8 TINUATION OF FAILURE.—If the Secretary de-  
9 termines that the institution has failed to com-  
10 ply with the management plan and action plan  
11 submitted by the institution under this sub-  
12 section following the next 2 academic years that  
13 begin after the submission of such plan, and  
14 has failed to reduce the college affordability  
15 index below 2.0 for such 2 academic years, the  
16 Secretary—

17           “(i) shall make available to the public  
18 a detailed report provided by the institu-  
19 tion on all costs and expenditures and on  
20 all tuition and fees charged to students;

21           “(ii) shall place the institution on an  
22 affordability alert status and shall make  
23 the information regarding the institution's  
24 failure available in accordance with sub-  
25 section (b);

1                     “(iii) shall notify the institution’s ac-  
2                     crediting agency of the institution’s failure;  
3                     and

4                     “(iv) may require the institution to  
5                     submit to a review and audit by the In-  
6                     spector General of the Department of Edu-  
7                     cation to determine the cause of the insti-  
8                     tution’s failure.

9                     “(B) LOSS OF ELIGIBILITY TO PARTICI-  
10                     PATE.—If the Secretary determines that the  
11                     failure to reduce the college affordability index  
12                     below 2.0 has continued for 3 academic years  
13                     after the submission of the management plan,  
14                     the Secretary shall provide reasonable notice to  
15                     the institution of action to be taken, after op-  
16                     portunity for a hearing, to remove the institu-  
17                     tion from participation in all the programs  
18                     under title IV, other than under subpart 1 of  
19                     part A, and parts B and D. No such removal  
20                     shall, in the case of any grant awarded for a  
21                     multiyear term prior to such removal, result in  
22                     the termination of such grant before the end of  
23                     such term.

24                     “(C) INAPPLICABILITY OF LOAN LIMIT IN-  
25                     CREASES.—Notwithstanding subparagraph (B)

1 and the provisions on annual and aggregate  
2 loan limits in parts B and D, no increase in  
3 loan limits under part B or D of title IV that  
4 is enacted by Congress after the date of enact-  
5 ment of this section shall apply to a loan to  
6 cover the cost of attendance at an institution  
7 that has lost eligibility to participate in other  
8 programs pursuant to subparagraph (B).

9 “(D) REGAINING ELIGIBILITY.—The Sec-  
10 retary shall prescribe procedures by which an  
11 institution that reduces its college affordability  
12 index may regain eligibility for participation  
13 after any removal from participation under sub-  
14 paragraph (B).

15 “(4) INFORMATION TO STATE AGENCIES.—Any  
16 institution that reports under paragraph (1)(C) that  
17 an agency or instrumentality of State government or  
18 other entity participates in the determinations of tui-  
19 tion and fee increases shall, prior to submitting any  
20 information to the Secretary under this subsection,  
21 submit such information to, and request the com-  
22 ments and input of, such agency, instrumentality, or  
23 entity. With respect to any such institution, the Sec-  
24 retary shall provide a copy of any communication by

1 the Secretary with that institution to such agency,  
2 instrumentality, or entity.

3       “(5) EXEMPTIONS.—

4           “(A) RELATIVE PRICE EXEMPTION.—The  
5           Secretary shall, for any 3-year interval for  
6           which college affordability indexes are computed  
7           under paragraph (1), determine and publish the  
8           dollar amount that, for each class of institution  
9           described in subparagraph (C) of this para-  
10          graph, represents the maximum tuition and fees  
11          charged for a full-time undergraduate student  
12          by the least costly quartile of institutions within  
13          each such class during the last year of such 3-  
14          year interval. An institution that has a college  
15          affordability index computed under paragraph  
16          (1) that exceeds 2.0 for any such 3-year inter-  
17          val, but that, on average during such 3-year in-  
18          terval, charges less than such maximum tuition  
19          and fees shall not be subject to the actions re-  
20          quired by subparagraph (B) or (C) of para-  
21          graph (1), or any action under paragraph (3),  
22          unless such institution, for a subsequent 3-year  
23          interval, charges more than such maximum tui-  
24          tion and fees.

1                   “(B) DOLLAR INCREASE EXEMPTION.—An  
2                   institution that has a college affordability index  
3                   computed under paragraph (1) that exceeds 2.0  
4                   for any 3-year interval, but that exceeds such  
5                   2.0 by a dollar amount that is less than \$500,  
6                   shall not be subject to the actions required by  
7                   subparagraph (B) or (C) of paragraph (1), or  
8                   any action under paragraph (3), unless such in-  
9                   stitution has a college affordability index for a  
10                  subsequent 3-year interval that exceeds 2.0 by  
11                  more than such dollar amount.

12                  “(C) CLASSES OF INSTITUTIONS.—For  
13                  purposes of subparagraph (B), the classes of in-  
14                  stitutions shall be those sectors used by the in-  
15                  tegrated postsecondary education data system,  
16                  based on whether the institution is public, non-  
17                  profit private, or for-profit private, and whether  
18                  the institution has a 4-year, 2-year, or less than  
19                  2-year program of instruction.

20                  “(e) FINES.—In addition to actions authorized in  
21                  section 487(c), the Secretary may impose a fine in an  
22                  amount not to exceed \$25,000 on an institution of higher  
23                  education for failing to provide the information described  
24                  in this section in a timely and accurate manner, or for  
25                  failing to otherwise cooperate with the National Center for

1 Education Statistics regarding efforts to obtain data on  
2 the cost and price of higher education under this section  
3 and pursuant to the program participation agreement en-  
4 tered into under section 487.

5 “(f) GAO STUDY AND REPORT.—

6 “(1) GAO STUDY.—The Comptroller General  
7 shall conduct a study of the policies and procedures  
8 implemented by institutions in increasing the afford-  
9 ability of postsecondary education. Such study shall  
10 include information with respect to—

11 “(A) a list of those institutions that—

12 “(i) have reduced their college afford-  
13 ability indexes; or

14 “(ii) are, as determined under sub-  
15 section (d)(5)(A), within the least costly  
16 quartile of institutions within each class  
17 described in subsection (d)(5)(C);

18 “(B) policies implemented to stem the in-  
19 crease in tuition and fees and institutional  
20 costs;

21 “(C) the extent to which room and board  
22 costs and prices changed;

23 “(D) the extent to which other services  
24 were altered to affect tuition and fees;

1               “(E) the extent to which the institution’s  
2               policies affected student body demographics;

3               “(F) what, if any, operational factors  
4               played a role in reducing tuition and fees;

5               “(G) the extent to which academic quality  
6               was affected, and how;

7               “(H) the extent to which policies and prac-  
8               tices reducing costs and prices may be rep-  
9               licated from one institution to another; and

10               “(I) other information as necessary to de-  
11               termine best practices in increasing the afford-  
12               ability of postsecondary education.

13               “(2) FINAL REPORT.—The Comptroller General  
14               shall submit a report regarding the findings of the  
15               study required by paragraph (2) to the appropriate  
16               authorizing committees of Congress not later than  
17               July 31, 2010.

18               “(g) STUDENT AID RECIPIENT SURVEY.—

19               “(1) SURVEY REQUIRED.—The Secretary shall  
20               conduct a survey of student aid recipients under title  
21               IV on a regular and State-by-State basis, but not  
22               less than once every 4 years—

23               “(A) to identify the population of students  
24               receiving Federal student aid;

1                   “(B) to describe the income distribution  
2                   and other socioeconomic characteristics of fed-  
3                   erally aided students;

4                   “(C) to describe the combinations of aid  
5                   from State, Federal, and private sources re-  
6                   ceived by students from all income groups;

7                   “(D) to describe the debt burden of edu-  
8                   cational loan recipients and their capacity to  
9                   repay their education debts, and the impact of  
10                   such debt burden on career choices;

11                   “(E) to describe the role played by the  
12                   price of postsecondary education in the deter-  
13                   mination by students of what institution to at-  
14                   tend; and

15                   “(F) to describe how the increased costs of  
16                   textbooks and other instructional materials af-  
17                   fects the costs of postsecondary education to  
18                   students.

19                   “(2) SURVEY DESIGN.—The survey shall be  
20                   representative of full-time and part-time, under-  
21                   graduate, graduate, and professional and current  
22                   and former students in all types of institutions, and  
23                   designed and administered in consultation with the  
24                   Congress and the postsecondary education commu-  
25                   nity.

1           “(3) DISSEMINATION.—The Secretary shall dis-  
2       seminate the information resulting from the survey  
3       in both printed and machine readable form.

4           “(h) REGULATIONS.—The Secretary is authorized to  
5       issue such regulations as may be necessary to carry out  
6       the provisions of this section.”.

7       **TITLE II—INNOVATIVE AP-  
8       PROACHES TO HIGHER EDU-  
9       CATION**

10      **SEC. 201. COLLEGE AFFORDABILITY DEMONSTRATION PRO-  
11       GRAM.**

12       Part G of title IV is amended by inserting after sec-  
13       tion 486 (20 U.S.C. 1093) the following new section:

14      **“SEC. 486A. COLLEGE AFFORDABILITY DEMONSTRATION  
15       PROGRAM.**

16       “(a) PURPOSE.—It is the purpose of this section—  
17           “(1) to provide, through a college affordability  
18       demonstration program, for increased innovation in  
19       the delivery of higher education and student finan-  
20       cial aid in a manner resulting in reduced costs for  
21       students as well as the institution by accelerating  
22       degree or program completion, increasing availability  
23       of, and access to, distance components of education  
24       delivery, and other alternative methodologies; and  
25           “(2) to help determine—

1                   “(A) the most effective means of delivering  
2                   student financial aid as well as quality edu-  
3                   cation;

4                   “(B) the specific statutory and regulatory  
5                   requirements that should be altered to provide  
6                   for more efficient and effective delivery of stu-  
7                   dent financial aid, as well as access to high  
8                   quality distance education programs, resulting  
9                   in a student more efficiently completing post-  
10                  secondary education; and

11                  “(C) the most effective methods of obtain-  
12                  ing and managing institutional resources.

13                  “(b) DEMONSTRATION PROGRAM AUTHORIZED.—

14                  “(1) IN GENERAL.—In accordance with the  
15                  purposes described in subsection (a) and the provi-  
16                  sions of subsection (d), the Secretary is authorized  
17                  to select not more than 100 institutions of higher  
18                  education or systems of such institutions for vol-  
19                  untary participation in the College Affordability  
20                  Demonstration Program in order to enable partici-  
21                  pating institutions to carry out such purposes by  
22                  providing programs of postsecondary education, and  
23                  making available student financial assistance under  
24                  this title to students enrolled in those programs, in

1 a manner that would not otherwise meet the require-  
2 ments of this title.

3       “(2) WAIVERS.—The Secretary is authorized to  
4 waive for any institutions of higher education, or  
5 any system or consortia of institutions of higher  
6 education, selected for participation in the College  
7 Affordability Demonstration Program, any require-  
8 ments of this Act or the regulations thereunder as  
9 deemed necessary by the Secretary to meet the pur-  
10 pose described in subsection (a)(1).

11       “(3) ELIGIBLE APPLICANTS.—

12       “(A) ELIGIBLE INSTITUTIONS.—Except as  
13 provided in subparagraphs (B) and (C), only an  
14 institution of higher education that is eligible to  
15 participate in programs under this title shall be  
16 eligible to participate in the demonstration pro-  
17 gram authorized under this section.

18       “(B) PROHIBITION.—An institution of  
19 higher education described in section  
20 102(a)(1)(C) shall not be eligible to participate  
21 in the demonstration program authorized under  
22 this section.

23       “(C) SPECIAL RULE.—Subject to subpara-  
24 graph (B), an institution of higher education  
25 that meets the requirements of subsection (a) of

1           section 102, other than the requirement of  
2           paragraph (3)(A) or (3)(B) of such subsection,  
3           and that provides a 2-year or 4-year program of  
4           instruction for which the institution awards an  
5           associate or baccalaureate degree, shall be eligi-  
6           ble to participate in the demonstration program  
7           authorized under this section.

8           “(c) APPLICATION.—

9           “(1) IN GENERAL.—Each institution or system  
10          of institutions desiring to participate in the dem-  
11          onstration program under this section shall submit  
12          an application to the Secretary at such time and in  
13          such manner as the Secretary may require.

14           “(2) CONTENTS OF APPLICATIONS.—Each ap-  
15          plication for the college affordability demonstration  
16          program shall include at least the following:

17           “(A) a description of the institution or sys-  
18          tem of institutions and what quality assurance  
19          mechanisms are in place to insure the integrity  
20          of the federal financial aid programs;

21           “(B) a description of each regulatory or  
22          statutory requirement for which waivers are  
23          sought, with a reason for each waiver;

24           “(C) a description of the programs being  
25          offered and the affected students;

1               “(D) a description of the expected out-  
2       comes of the program changes proposed, includ-  
3       ing the estimated reductions in costs both for  
4       the institution and for students;

5               “(E) a description of any collaborative ar-  
6       rangements with other institutions or organiza-  
7       tions to reduce costs;

8               “(F) a description of any expected eco-  
9       nomic impact of participation in the program  
10      within the community in which the institution is  
11      located;

12              “(G) a description of how the institution  
13      will reduce the costs of instructional materials,  
14      including textbooks;

15              “(H) an assurance that the participating  
16      institution or system of institutions will offer  
17      full cooperation with the ongoing evaluations of  
18      the demonstration program provided for in this  
19      section; and

20              “(I) any other information or assurances  
21      the Secretary may require.

22              “(d) SELECTION.—In selecting institutions to partici-  
23      pate in the demonstration program under this section, the  
24      Secretary shall take into account—

1           “(1) the number and quality of applications re-  
2 ceived, determined on the basis of the contents re-  
3 quired by subsection (c)(2);

4           “(2) the Department’s capacity to oversee and  
5 monitor each institution’s participation;

6           “(3) an institution’s—

7               “(A) financial responsibility;

8               “(B) administrative capability;

9               “(C) program or programs being offered  
10 via distance education;

11               “(D) student completion rates; and

12               “(E) student loan default rates; and

13           “(4) ensuring the participation of a diverse  
14 group of institutions with respect to size, mission,  
15 and geographic distribution.

16           “(e) NOTIFICATION.—The Secretary shall make  
17 available to the public and to the Committee on Health,  
18 Education, Labor, and Pensions of the Senate and the  
19 Committee on Education and the Workforce of the House  
20 of Representatives a list of institutions and systems of in-  
21 stitutions selected to participate in the demonstration pro-  
22 gram authorized by this section. Such notice shall include  
23 a listing of the specific statutory and regulatory require-  
24 ments being waived for each institution or system of insti-

1 tutions and a description of the distance education courses  
2 to be offered.

3       “(f) EVALUATIONS AND REPORTS.—

4           “(1) EVALUATION.—The Secretary shall eval-  
5           uate the demonstration program authorized under  
6           this section on a biennial basis. Such evaluations  
7           specifically shall review—

8               “(A) the number and types of students  
9               participating in the programs offered, including  
10              the progress of participating students toward  
11              recognized certificates or degrees and the extent  
12              to which participation in such programs in-  
13              creased;

14               “(B) issues related to student financial as-  
15              sistance for distance education;

16               “(C) effective technologies and alternative  
17              methodologies for delivering student financial  
18              assistance;

19               “(D) the extent of the cost savings to the  
20              institution, the student, and the Federal Gov-  
21              ernment by virtue of the waivers provided, and  
22              an estimate as to future cost savings should the  
23              demonstration program continue;

1                   “(E) the extent to which students saved  
2                   money by virtue of completing their postsec-  
3                   ondary education sooner;

4                   “(F) the extent to which the institution re-  
5                   duced its tuition and fees and its costs by virtue  
6                   of participation in the demonstration program;

7                   “(G) the extent to which any collaborative  
8                   arrangements with other institutions or organi-  
9                   zations have reduced the participating institu-  
10                  tion’s costs; and

11                  “(H) the extent to which statutory or reg-  
12                  ulatory requirements not waived under the dem-  
13                  onstration program present difficulties for stu-  
14                  dents or institutions.

15                  “(2) POLICY ANALYSIS.—The Secretary shall  
16                  review current policies and identify those policies  
17                  that present impediments to the development and  
18                  use of distance education and other nontraditional  
19                  methods of expanding access to education.

20                  “(3) REPORTS.—The Secretary shall provide a  
21                  report to the Committee on Health, Education,  
22                  Labor, and Pensions of the Senate and the Com-  
23                  mittee on Education and the Workforce of the  
24                  House of Representatives on an annual basis regard-  
25                  ing—

1                   “(A) the demonstration program author-  
2                   ized under this section;

3                   “(B) the results of the evaluations con-  
4                   ducted under subsection (f);

5                   “(C) the cost savings to the Federal Gov-  
6                   ernment by the demonstration program author-  
7                   ized by this section; and

8                   “(D) recommendations for policy, statu-  
9                   tory, or regulatory changes to increase the effi-  
10                   ciency and effective delivery of financial aid.

11                “(g) OVERSIGHT.—In conducting the demonstration  
12                   program authorized under this section, the Secretary  
13                   shall, on a continuing basis—

14                “(1) ensure compliance of institutions or sys-  
15                   tems of institutions with the requirements of this  
16                   title (other than the sections and regulations that  
17                   are waived under subsection (b)(2));

18                “(2) provide technical assistance to institutions  
19                   in their application to and participation in the dem-  
20                   onstration program;

21                “(3) monitor fluctuations in the student popu-  
22                   lation enrolled in the participating institutions or  
23                   systems of institutions;

24                “(4) monitor changes in financial assistance  
25                   provided at the institution; and

1               “(5) consult with appropriate accrediting agen-  
2        cies or associations and appropriate State regulatory  
3        authorities.

4               “(h) TERMINATION OF AUTHORITY.—The authority  
5        of the Secretary under this section shall cease to be effec-  
6        tive on October 1, 2010.”.

7               **TITLE III—TRANSFER OF**  
8               **CREDIT**

9               **SEC. 301. REQUIREMENT RELATING TO CREDIT TRANSFER.**

10               (a) PROGRAM PARTICIPATION AGREEMENTS.—Sec-  
11        tion 487(a) (20 U.S.C. 1094(a)) is amended by adding  
12        at the end the following new paragraph:

13               “(24)(A) The institution will not exclude the  
14        transfer of credits earned by a student completing  
15        courses or programs at other eligible institutions of  
16        higher education solely on the basis of the agency or  
17        association that accredited such other eligible insti-  
18        tution if that agency or association is recognized by  
19        the Secretary pursuant to section 496 to be a reli-  
20        able authority as to the quality of the education or  
21        training offered and is currently listed by the Sec-  
22        retary pursuant to section 101(c).

23               “(B) The institution will base decisions on  
24        whether to accept such credits on the basis of whether  
25        (i) the courses or programs are equivalent in con-

1       tent to the courses or programs offered by the institu-  
2       tion, and (ii) the student completed such courses  
3       or programs at the institution's required level of  
4       proficiency.

5               “(C) The institution will report publicly, on an  
6       annual as well as a three-year rolling average basis,  
7       the percentage of credits accepted in transfer and  
8       fully counted toward the degree or certificate com-  
9       pletion requirements of undergraduate students.  
10       Such data shall be disaggregated to report on the  
11       following categories of institutions from which cred-  
12       its were accepted in transfer: (i) nationally accred-  
13       ited; (ii) regionally accredited in the same State; (iii)  
14       regionally accredited in the same region; and (iv) re-  
15       gionally accredited in a different region.”.

16       (b) ACCREDITING AGENCY AND ASSOCIATION RE-  
17       QUIREMENTS.—Section 496(a) (20 U.S.C. 1099b(a)) is  
18       amended—

19               (1) by striking “and” at the end of paragraph  
20       (7);

21               (2) by striking the period at the end of para-  
22       graph (8) and inserting “; and”; and

23               (3) by adding at the end the following new  
24       paragraph:

1           “(9) such agency or association not adopt or  
2       apply standards, policies, or practices that restrict or  
3       deny the transfer of credits earned by a student  
4       completing courses or programs at other eligible in-  
5       stitutions of higher education solely on the basis of  
6       the agency or association that accredited such other  
7       eligible institution if that agency or association is  
8       recognized by the Secretary pursuant to this section  
9       to be a reliable authority as to the quality of the  
10      education or training offered and is currently listed  
11      by the Secretary pursuant to section 101(c).”.

12           (c) ACCREDITING AGENCY STANDARDS.—Section  
13 496(a)(5) (20 U.S.C. 1099b(a)(5)) is amended—

14           (1) by striking “and” at the end of subparagraph  
15      (I);

16           (2) by inserting “and” after the semicolon at  
17      the end of subparagraph (J); and

18           (3) by inserting after subparagraph (J) the fol-  
19      lowing new subparagraph:

20           “(K) policies for the transfer of credit and  
21      the notification of the public of such policies;”.

## 22 **TITLE IV—SENSE OF CONGRESS**

### 23 **SEC. 401. REGULATORY BURDEN IMPACT ON TUITION AND 24 FEES.**

25 It is the sense of Congress that—

1 (1) reducing administrative and regulatory bur-  
2 dens within the Federal student financial assistance  
3 programs will improve efficiency and reduce the  
4 costs associated with the management of such pro-  
5 grams, as well as increase the affordability of post-  
6 secondary education for all students;