

108TH CONGRESS  
2D SESSION

# S. 2795

To provide for higher education affordability, access, and opportunity.

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IN THE SENATE OF THE UNITED STATES

SEPTEMBER 13, 2004

Mr. ENZI (for himself, Mr. BAUCUS, Mr. ALEXANDER, Mrs. DOLE, and Mr. LIEBERMAN) introduced the following bill; which was read twice and referred to the Committee on Health, Education, Labor, and Pensions

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## A BILL

To provide for higher education affordability, access, and opportunity.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Higher Education Af-  
5 fordability, Access, and Opportunity Act of 2004”.

6 **SEC. 2. IMPROVEMENTS IN MARKET INFORMATION AND**  
7 **PUBLIC ACCOUNTABILITY.**

8 (a) DATA DISSEMINATION.—Section 131(b) of the  
9 Higher Education Act of 1965 (20 U.S.C. 1015(b)) is  
10 amended to read as follows:

1 “(b) COMPARATIVE DATA.—

2 “(1) IN GENERAL.—Each year the Secretary  
3 shall make available to the public the information  
4 described in paragraph (2), disaggregated by institu-  
5 tion of higher education, in a form that enables the  
6 public to compare the information among institu-  
7 tions.

8 “(2) INFORMATION.—The information referred  
9 to in paragraph (1) is the following:

10 “(A) Tuition and fees for a full-time un-  
11 dergraduate student.

12 “(B) Cost of attendance for a full-time un-  
13 dergraduate student.

14 “(C) The average annual cost of attend-  
15 ance for a full-time undergraduate student for  
16 the 10 preceding academic years, or if data are  
17 not available for the 10 preceding academic  
18 years, data for as many of the 10 preceding  
19 academic years as is available.

20 “(D) The percentage of full-time under-  
21 graduate students receiving financial assistance,  
22 including—

23 “(i) Federal grants;

24 “(ii) State and local grants;

25 “(iii) institutional grants; and

1 “(iv) loans to students.

2 “(E) The average percentage of credit  
3 hours accepted from students transferring to an  
4 institution of higher education from another in-  
5 stitution of higher education, and the policy of  
6 the accepting institution of higher education for  
7 the transfer of credit.

8 “(F) The percentage of students who have  
9 completed an undergraduate program who are  
10 placed in unsubsidized employment not later  
11 than 12 months after the date of completion of  
12 the program.

13 “(G) A ranking of the dollar and percent-  
14 age increases in tuition for all institutions of  
15 higher education for which data are available,  
16 disaggregated by quartile.

17 “(3) STANDARD DEFINITIONS.—In carrying out  
18 this section, the Secretary shall use the standard  
19 definitions developed under subsection (a)(3).”.

20 (b) STUDY AND ANNUAL REPORT.—Section 131(c)  
21 of the Higher Education Act of 1965 (20 U.S.C. 1015(c))  
22 is amended—

23 (1) in paragraph (1)—

1 (A) in the matter preceding subparagraph  
2 (A), by inserting “and costs” after “expendi-  
3 tures”;

4 (B) in subparagraph (F), by striking  
5 “and” after the semicolon;

6 (C) in subparagraph (G), by striking the  
7 period and inserting “; and”; and

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

9 “(H) the information and costs described  
10 in subparagraphs (D) through (G) of paragraph  
11 (2).”;

12 (2) in paragraph (2)—

13 (A) in subparagraph (B), by striking  
14 “and” after the semicolon;

15 (B) in subparagraph (C), by striking the  
16 period and inserting a semicolon; and

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

18 “(D) national trends in the cost of attend-  
19 ing an institution of higher education;

20 “(E) the mean cost of attending an institu-  
21 tion of higher education, disaggregated by type  
22 of institution of higher education;

23 “(F) the mean annual cost of attending an  
24 institution of higher education for the 10 pre-  
25 ceding academic years (if available),

1 disaggregated by type of institution of higher  
2 education; and

3 “(G) the assistance provided to institutions  
4 of higher education by each State, which infor-  
5 mation the Secretary shall make available to  
6 the public.”; and

7 (3) in paragraph (3)—

8 (A) in the subsection heading, by striking  
9 “FINAL” and inserting “ANNUAL”;

10 (B) by striking “a report” and inserting  
11 “an annual report”;

12 (C) by inserting “and the evaluation re-  
13 quired by paragraph (2)” after “paragraph  
14 (1)”; and

15 (D) by striking “not later than September  
16 30, 2002”.

17 **SEC. 3. TEACHER QUALITY ENHANCEMENT GRANTS.**

18 (a) DEFINITION OF HIGH NEED LOCAL EDU-  
19 CATIONAL AGENCY.—Section 201(b)(2) of the Higher  
20 Education Act of 1965 (20 U.S.C. 1021(b)(2)) is amend-  
21 ed—

22 (1) in the matter preceding subparagraph (A),  
23 by striking “that serves an elementary school or sec-  
24 ondary school located in an area in which there is”;

1           (2) in each of subparagraphs (A), (B), and (C),  
 2           by inserting “that serves an elementary school or  
 3           secondary school located in an area in which there  
 4           is” before “a high”;

5           (3) in subparagraph (B) (as so amended), by  
 6           striking “or” after the semicolon;

7           (4) in subparagraph (C) (as so amended), by  
 8           striking the period and inserting “; or”; and

9           (5) by adding at the end the following:

10                   “(D) with a total of less than 600 students  
 11                   in average daily attendance at the schools that  
 12                   are served by the local educational agency and  
 13                   all of those schools are designated with a school  
 14                   locale code of 7 or 8, as determined by the Sec-  
 15                   retary.”.

16           (b) DEFINITION OF ELIGIBLE PARTNERSHIPS.—Sec-  
 17           tion 203(b)(1)(B) of the Higher Education Act of 1965  
 18           (20 U.S.C. 1023(b)(1)(B)) is amended by inserting “edu-  
 19           cational service agency (as defined in section 9101 of the  
 20           Elementary and Secondary Education Act of 1965),” after  
 21           “State educational agency,”.

22           **SEC. 4. GRANTS FOR JOB SKILL TRAINING.**

23           Title III of the Higher Education Act of 1965 (20  
 24           U.S.C. 1051 et seq.) is amended—

25           (1) by redesignating part F as part G; and

1 (2) by inserting after part E the following:

2 **“PART F—JOB SKILL TRAINING**

3 **“Subpart 1—Job Skill Training in High-Growth**

4 **Occupations or Industries**

5 **“SEC. 371. JOB SKILL TRAINING IN HIGH-GROWTH OCCUPA-**  
6 **TIONS OR INDUSTRIES.**

7 “(a) GRANTS AUTHORIZED.—The Secretary is au-  
8 thorized to award grants, on a competitive basis, to eligible  
9 partnerships to enable the eligible partnerships to provide  
10 relevant job skill training in high-growth industries or oc-  
11 cupations.

12 “(b) DEFINITIONS.—In this section:

13 “(1) ELIGIBLE PARTNERSHIP.—The term ‘eligi-  
14 ble partnership’ means a partnership—

15 “(A) between an institution of higher edu-  
16 cation and a local board (as such term is de-  
17 fined in section 101 of the Workforce Invest-  
18 ment Act of 1998); or

19 “(B) if an institution of higher education  
20 is located within a State that does not operate  
21 local boards, between the institution of higher  
22 education and a State board (as such term is  
23 defined in section 101 of the Workforce Invest-  
24 ment Act of 1998).

1           “(2) NONTRADITIONAL STUDENT.—The term  
2           ‘nontraditional student’ means a student who—

3                   “(A) is independent, as defined in section  
4                   480(d);

5                   “(B) attends an institution of higher edu-  
6                   cation—

7                           “(i) on less than a full-time basis;

8                           “(ii) via evening, weekend, modular,  
9                           or compressed courses; or

10                           “(iii) via distance learning methods;

11                           or

12                           “(C) has delayed enrollment at an institu-  
13                           tion of higher education.

14           “(3) INSTITUTION OF HIGHER EDUCATION.—

15           The term ‘institution of higher education’ means an  
16           institution of higher education, as defined in section  
17           101(b), that offers a 1- or 2-year program of study  
18           leading to a degree or certificate.

19           “(c) APPLICATION.—

20                   “(1) IN GENERAL.—Each eligible partnership  
21                   that desires a grant under this section shall submit  
22                   an application to the Secretary at such time, in such  
23                   manner, and accompanied by such additional infor-  
24                   mation as the Secretary may require.

1           “(2) CONTENTS.—Each application submitted  
2 under paragraph (1) shall include a description of—

3           “(A) how the eligible partnership, through  
4 the institution of higher education, will provide  
5 relevant job skill training for students to enter  
6 high-growth occupations or industries;

7           “(B) local high-growth occupations or in-  
8 dustries; and

9           “(C) the need for qualified workers to meet  
10 the local demand of high-growth occupations or  
11 industries.

12          “(d) AWARD BASIS.—In awarding grants under this  
13 section, the Secretary shall—

14           “(1) ensure an equitable distribution of grant  
15 funds under this section among urban and rural  
16 areas of the United States; and

17           “(2) take into consideration the capability of  
18 the institution of higher education—

19           “(A) to offer relevant, high quality instruc-  
20 tion and job skill training for students entering  
21 a high-growth occupation or industry;

22           “(B) to involve the local business commu-  
23 nity and to place graduates in the community  
24 in employment in high-growth occupations or  
25 industries;

1           “(C) to assist students in obtaining loans  
2           under section 428L, if appropriate, or other  
3           forms of student financial assistance;

4           “(D) to serve nontraditional or low-income  
5           students, or adult or displaced workers; and

6           “(E) to serve students from rural or re-  
7           mote communities.

8           “(e) USE OF FUNDS.—Grant funds provided under  
9           this section may be used—

10           “(1) to expand or create academic programs or  
11           programs of training that provide relevant job skill  
12           training for high-growth occupations or industries;

13           “(2) to purchase equipment which will facilitate  
14           the development of academic programs or programs  
15           of training that provide training for high-growth oc-  
16           cupations or industries;

17           “(3) to support outreach efforts that enable  
18           students to attend institutions of higher education  
19           with academic programs or programs of training fo-  
20           cused on high-growth occupations or industries;

21           “(4) to expand or create programs for distance,  
22           evening, weekend, modular, or compressed learning  
23           opportunities that provide relevant job skill training  
24           in high-growth occupations or industries;

1           “(5) to build partnerships with local businesses  
2           in high-growth occupations or industries; and

3           “(6) for other uses that the Secretary deter-  
4           mines to be consistent with the intent of this section.

5           “(f) REQUIREMENTS.—

6           “(1) FISCAL AGENT.—For the purpose of this  
7           section, the institution of higher education in an eli-  
8           gible partnership shall serve as the fiscal agent and  
9           grant recipient for the eligible partnership.

10          “(2) DURATION.—The Secretary shall award  
11          grants under this section for a 1-year period.

12          “(3) AVAILABILITY OF GRANT FUNDS.—Grant  
13          funds awarded under this section shall be available  
14          for not more than 18 months unless, at the Sec-  
15          retary’s discretion, the Secretary extends the avail-  
16          ability of the grant funds.

17          “(4) SUPPLEMENT, NOT SUPPLANT.—Funds  
18          made available under this section shall be used to  
19          supplement and not supplant other Federal, State,  
20          and local funds available to the eligible partnership  
21          for carrying out the activities described in subsection  
22          (e).

1 **“Subpart 2—Small Business Innovation Partnership**  
2 **Grants**

3 **“SEC. 375. SMALL BUSINESS INNOVATION PARTNERSHIP**  
4 **GRANTS.**

5 “(a) GRANTS AUTHORIZED.—The Secretary is au-  
6 thorized to award grants to eligible partnerships to enable  
7 the eligible partnerships to provide training and relevant  
8 job skills to small business owners or operators for the  
9 purpose of facilitating small business development in the  
10 communities served by the eligible partnerships.

11 “(b) DEFINITION OF ELIGIBLE PARTNERSHIP.—In  
12 this section the term ‘eligible partnership’ means a part-  
13 nership between or among an institution of higher edu-  
14 cation and 1 or more entities that the Secretary, in con-  
15 sultation with the Administrator of the Small Business  
16 Administration, identifies as facilitating small business de-  
17 velopment, which may include—

18 “(1) a community development financial institu-  
19 tion;

20 “(2) a small business development center; or

21 “(3) a microenterprise lending institution.

22 “(c) AWARD BASIS.—The Secretary shall award  
23 grants under this section on the basis of—

24 “(1) the ability of an eligible partnership to fa-  
25 cilitate small business development; and

1           “(2)(A) the ability of an eligible partnership to  
2           serve a rural community;

3           “(B) the ability of an eligible partnership to  
4           serve a low-income population; or

5           “(C) other criteria developed by the Secretary  
6           in consultation with the Administrator of the Small  
7           Business Administration.

8           “(d) LIMITATION.—Of the funds appropriated under  
9           section 378 for this part for a fiscal year, the Secretary  
10          is authorized to use not more than \$15,000,000 of such  
11          funds to carry out this section.

12                   **“Subpart 3—Administrative Provisions**

13           **“SEC. 378. AUTHORIZATION OF APPROPRIATIONS.**

14           “‘There are authorized to be appropriated to carry out  
15          this part \$65,000,000 for fiscal year 2005 and such sums  
16          as may be necessary for each of the 4 succeeding fiscal  
17          years.’”.

18           **SEC. 5. LEAP APPLICATIONS.**

19           Section 415C of the Higher Education Act of 1965  
20          (20 U.S.C. 1070c–2) is amended—

21                   (1) in subsection (a), by inserting after the first  
22          sentence the following: “A State agency may submit  
23          an application under this section in partnership with  
24          a philanthropic organization within the State, a pub-  
25          lic or private degree granting institution of higher

1 education within the State, or a combination of such  
2 organizations or institutions.”; and

3 (2) in subsection (b)(10), by inserting “, from  
4 philanthropic, institutional, or private funds, or from  
5 a combination of such sources” before the period.

6 **SEC. 6. WORKFORCE DEVELOPMENT LOAN PROGRAM.**

7 Part B of title IV of the Higher Education Act of  
8 1965 (20 U.S.C. 1071 et seq.) is amended by inserting  
9 after section 428K (20 U.S.C. 1078–11) the following:

10 **“SEC. 428L. HIGH-GROWTH OCCUPATION OR INDUSTRY**

11 **WORKFORCE DEVELOPMENT STUDENT**

12 **LOANS.**

13 “(a) LOAN PROGRAM AUTHORIZED.—The Secretary  
14 shall carry out a loan program under which eligible stu-  
15 dents may receive a loan of not more than \$2,000 for each  
16 of the first 2 years of the eligible students’ undergraduate  
17 program of study in the same manner as the eligible stu-  
18 dents receive loans under this part and part D.

19 “(b) DEFINITIONS.—

20 “(1) ELIGIBLE INSTITUTION OF HIGHER EDU-  
21 CATION.—The term ‘eligible institution of higher  
22 education’ means an institution of higher education  
23 that offers undergraduate academic programs or un-  
24 dergraduate programs of training in a subject identi-  
25 fied under subsection (d)(1) by the State board of

1 the State where the institution of higher education  
2 is located.

3 “(2) ELIGIBLE STUDENT.—The term ‘eligible  
4 student’ means an undergraduate student who—

5 “(A) is otherwise eligible for a loan under  
6 this part or part D;

7 “(B) enters into an agreement with the eli-  
8 gible institution of higher education where the  
9 student is or will be in attendance, under which  
10 the student agrees to pursue an undergraduate  
11 academic program or undergraduate program of  
12 training that trains the student for employment  
13 in a high-growth occupation or industry identi-  
14 fied under subsection (d)(1);

15 “(C) is age 18 or older; and

16 “(D) has an expected family contribution  
17 (calculated under part F) equal to or less than  
18 zero.

19 “(3) STATE BOARD; LOCAL BOARD.—The terms  
20 ‘State board’ and ‘local board’ have the meanings  
21 given such terms in section 101 of the Workforce In-  
22 vestment Act of 1998.

23 “(c) LIMITS ON LOAN AMOUNTS.—

24 “(1) ANNUAL LOAN LIMITS.—The total aggre-  
25 gate amount of loans made to an eligible student

1 under this part (including this section) and part D  
2 for each of the first and second years of the eligible  
3 student's program of study at an eligible institution  
4 of higher education, or their equivalent (as deter-  
5 mined by the Secretary), that may be covered by Fed-  
6 eral loan insurance may not exceed \$4,625 for each  
7 such year, notwithstanding sections 425 and 428.

8 “(2) AGGREGATE LIMITS.—The Secretary shall  
9 include the amount of any loans received by an eligi-  
10 ble student under this section in calculating the eli-  
11 gible student's aggregate loan limits under sections  
12 425(a)(2) and 428(b)(1)(B).

13 “(3) AVAILABILITY OF OTHER FUNDS.—An eli-  
14 gible student who receives the maximum loan  
15 amount allowed under this section remains eligible  
16 for any other program for which the eligible student  
17 qualifies under this Act.

18 “(d) IDENTIFICATION OF HIGH-GROWTH OCCUPA-  
19 TIONS OR INDUSTRIES.—

20 “(1) IN GENERAL.—The State board, in con-  
21 sultation with the local boards and the State entity  
22 or agency responsible for licensing institutions of  
23 higher education, shall identify high growth occupa-  
24 tions or industries in accordance with paragraph (2).

1           “(2) TIMING.—The State board shall review  
2           and update the identification required under para-  
3           graph (1) each time the State board is required to  
4           submit or resubmit a State plan under section 112  
5           of the Workforce Investment Act of 1998.

6           “(3) SPECIAL RULE.—A student who has com-  
7           pleted 1 year of a 2-year undergraduate academic  
8           program or undergraduate program of training in a  
9           subject which was previously identified as prepara-  
10          tion for a high-growth occupation or industry but,  
11          after the review under paragraph (2), is no longer  
12          so identified, shall be eligible to receive a loan under  
13          this section for the student’s second year of such  
14          program of study if the student—

15                 “(A) qualified as an eligible student, as de-  
16                 fined in subsection (b)(2), and received a loan  
17                 under this section, for the first year of such  
18                 program of study; and

19                 “(B) meets the qualifications of subpara-  
20                 graphs (A), (C), and (D) of subsection (b)(2).

21          “(e) FUNDS FOR ADMINISTRATION.—

22                 “(1) IN GENERAL.—From funds appropriated  
23                 under subsection (f), the Secretary shall make avail-  
24                 able to each eligible institution of higher education  
25                 serving an eligible student with a loan made under

1 this section not more than the amount determined  
2 under paragraph (2).

3 “(2) AMOUNT.—The amount referred to in  
4 paragraph (1) for each eligible institution of higher  
5 education serving an eligible student with a loan  
6 made under this section is 2 percent of the total  
7 amount of all loans made under this section to eligi-  
8 ble students at the eligible institution of higher edu-  
9 cation, or \$100,000, whichever is less.

10 “(3) USES.—The funds made available under  
11 paragraph (1) may be used for the following pur-  
12 poses:

13 “(A) OFFICE.—To create an office of busi-  
14 ness and workforce partnerships at the eligible  
15 institution of higher education to provide staff  
16 support for building relationships between the  
17 eligible institution of higher education and local  
18 businesses.

19 “(B) ANNUAL REPORT.—To provide an  
20 annual report to the Secretary regarding the  
21 number of eligible students receiving loans  
22 made under this section who—

23 “(i) remain in their academic program  
24 or program of training;

1                   “(ii) graduate from their academic  
2                   program or program of training;

3                   “(iii) transfer to another institution of  
4                   higher education; or

5                   “(iv) are placed in unsubsidized em-  
6                   ployment not later than 12 months after  
7                   graduation.

8           “(f) AUTHORIZATION OF APPROPRIATIONS.—There  
9   are authorized to be appropriated to carry out this section  
10 such sums as may be necessary for fiscal year 2005 and  
11 each of the 4 succeeding fiscal years.”.

12 **SEC. 7. REQUIREMENT RELATING TO CREDIT TRANSFER.**

13       (a) PROGRAM PARTICIPATION AGREEMENTS.—Sec-  
14 tion 487(a) of the Higher Education Act of 1965 (20  
15 U.S.C. 1094(a)) is amended by adding at the end the fol-  
16 lowing:

17                   “(24) The institution will not exclude the trans-  
18       fer of credits earned by a student completing courses  
19       or programs at other eligible institutions of higher  
20       education solely on the basis of the agency or asso-  
21       ciation that accredited such other eligible institution  
22       if that agency or association is recognized by the  
23       Secretary pursuant to section 496 to be a reliable  
24       authority as to the quality of the education or train-

1 ing offered and is currently listed by the Secretary  
2 pursuant to section 101(c).”.

3 (b) ACCREDITING AGENCY AND ASSOCIATION RE-  
4 QUIREMENTS.—Section 496(a) (20 U.S.C. 1099b(a)) is  
5 amended—

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

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

10 (3) by adding at the end the following:

11 “(9) such agency or association not adopt or  
12 apply standards, policies, or practices that restrict or  
13 deny the transfer of credits earned by a student  
14 completing courses or programs at other eligible in-  
15 stitutions of higher education solely on the basis of  
16 the agency or association that accredited such other  
17 eligible institution if that agency or association is  
18 recognized by the Secretary pursuant to this section  
19 to be a reliable authority as to the quality of the  
20 education or training offered and is currently listed  
21 by the Secretary pursuant to section 101(c).”.

22 (c) ACCREDITING AGENCY STANDARDS.—Section  
23 496(a)(5) of the Higher Education Act of 1965 (20 U.S.C.  
24 1099b(a)(5)) is amended—

1           (1) by striking “and” at the end of subpara-  
2           graph (I);

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

5           (3) by inserting after subparagraph (J) the fol-  
6           lowing new subparagraph:

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

○