

110TH CONGRESS
1ST SESSION

H. R. 472

To amend the Higher Education Act of 1965 to address the issues of college affordability and transparency.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 16, 2007

Mr. McKEON (for himself, Mr. KELLER of Florida, Mr. CASTLE, and Mr. BAKER) introduced the following bill; which was referred to the Committee on Education and Labor

A BILL

To amend the Higher Education Act of 1965 to address the issues of college affordability and transparency.

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 “College Affordability
5 and Transparency Act of 2007”.

6 **SEC. 2. CONSUMER INFORMATION AND PUBLIC ACCOUNT-**
7 **ABILITY IN HIGHER EDUCATION.**

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

1 **“SEC. 131. CONSUMER INFORMATION AND PUBLIC AC-**
2 **COUNTABILITY IN HIGHER EDUCATION.**

3 “(a) PURPOSE.—It is the purpose of this section to—

4 “(1) provide students and families with an
5 easy-to-use, comprehensive web-based tool for re-
6 searching and comparing institutions of higher edu-
7 cation;

8 “(2) increase the transparency of college cost,
9 price, and financial aid; and

10 “(3) raise public awareness of information
11 available about postsecondary education, particularly
12 among low-income families, non-traditional student
13 populations, and first-generation college students.

14 “(b) COLLEGE OPPORTUNITY ON-LINE (COOL)
15 WEBSITE RE-DESIGN PROCESS.—In carrying out this
16 section, the Commissioner of Education Statistics—

17 “(1) shall identify the data elements that are of
18 greatest importance to prospective students, enrolled
19 students, and their families, paying particular atten-
20 tion to low-income, non-traditional student popu-
21 lations, and first-generation college students;

22 “(2) shall convene a group of individuals with
23 expertise in the collection and reporting of data re-
24 lated to institutions of higher education to—

1 “(A) determine the relevance of particular
2 data elements to prospective students, enrolled
3 students, and families;

4 “(B) assess the cost-effectiveness of var-
5 ious ways in which institutions of higher edu-
6 cation might produce relevant data;

7 “(C) determine the general comparability
8 of the data across institutions of higher edu-
9 cation;

10 “(D) make recommendations regarding the
11 inclusion of specific data items and the most ef-
12 fective and least burdensome methods of col-
13 lecting and reporting useful data from institu-
14 tions of higher education; and

15 “(3) shall ensure that the redesigned COOL
16 website—

17 “(A) uses, to the extent practicable, data
18 elements currently provided by institutions of
19 higher education to the Secretary;

20 “(B) includes clear and uniform informa-
21 tion determined to be relevant to prospective
22 students, enrolled students, and families;

23 “(C) provides comparable information, by
24 ensuring that data are based on accepted cri-
25 teria and common definitions;

1 “(D) includes a sorting function that per-
2 mits users to customize their search for and
3 comparison of institutions of higher education
4 based on the information identified through the
5 process as prescribed in paragraph (1) as being
6 of greatest relevance to choosing an institution
7 of higher education.

8 “(c) DATA COLLECTION.—

9 “(1) DATA SYSTEM.—The Commissioner of
10 Education Statistics shall continue to redesign the
11 relevant parts of the Integrated Postsecondary Edu-
12 cation Data System to include additional data as re-
13 quired by this section and to continue to improve the
14 usefulness and timeliness of data collected by such
15 systems in order to inform consumers about institu-
16 tions of higher education.

17 “(2) COLLEGE CONSUMER PROFILE.—The Sec-
18 retary shall continue to publish on the COOL
19 website, for each academic year and in accordance
20 with standard definitions developed by the Commis-
21 sioner of Education Statistics (including definitions
22 developed under section 131(a)(3)(A) as in effect on
23 the day before the date of enactment of the College
24 Affordability and Transparency Act of 2007), from
25 at least all institutions of higher education partici-

1 pating in programs under title IV the following in-
2 formation:

3 “(A) The tuition and fees charged for a
4 first-time, full-time, full-year undergraduate
5 student.

6 “(B) The room and board charges for a
7 first-time, full-time, full-year undergraduate
8 student.

9 “(C) The price of attendance for a first-
10 time, full-time, full-year undergraduate student,
11 consistent with the provisions of section 472.

12 “(D) The average amount of financial as-
13 sistance received by a first-year, full-time, full-
14 year undergraduate student, including—

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

17 “(ii) institutional and other assist-
18 ance; and

19 “(iii) Federal loans under parts B, D,
20 and E of title IV.

21 “(E) The number of first-time, full-time,
22 full-year undergraduate students receiving fi-
23 nancial assistance described in each clause of
24 subparagraph (D).

1 “(F) The institutional instructional ex-
2 penditure per full-time equivalent student.

3 “(G) Student enrollment information, in-
4 cluding information on the number and percent-
5 age of full-time and part-time students, the
6 number and percentage of resident and non-
7 resident students.

8 “(H) Faculty-to-student ratios.

9 “(I) Faculty information, including the
10 total number of faculty and the percentage of
11 faculty who are full-time employees of the insti-
12 tution and the percentage who are part-time.

13 “(J) Completion and graduation rates of
14 undergraduate students, identifying whether the
15 completion or graduation rates are from a 2-
16 year or 4-year program of instruction and, in
17 the case of a 2-year program of instruction, the
18 percentage of students who transfer to 4-year
19 institutions prior or subsequent to completion
20 or graduation.

21 “(K) A link to the institution of higher
22 education with information of interest to stu-
23 dents including mission, accreditation, student
24 services (including services for students with
25 disabilities), transfer of credit policies and, if

1 appropriate, placement rates and other meas-
 2 ures of success in preparing students for entry
 3 into or advancement in the workforce.

4 “(L) The college affordability information
 5 elements specified in subsection (d).

6 “(M) Any additional information that the
 7 Secretary may require.

8 “(d) COLLEGE AFFORDABILITY INFORMATION ELE-
 9 MENTS.—The college affordability information elements
 10 required by subsection (c)(2)(L) shall include, for each in-
 11 stitution submitting data—

12 “(1) the sticker price of the institution for the
 13 3 most recent academic years;

14 “(2) the net tuition price of the institution for
 15 the 3 most recent academic years;

16 “(3) the percentage change in both the sticker
 17 price and the net tuition price over the 3-year time
 18 period that is being reported;

19 “(4) the percentage change in the CPI over the
 20 same time period; and

21 “(5) whether the institution has been placed on
 22 affordability alert status as required by subsection
 23 (e)(3).

24 “(e) OUTCOMES AND ACTIONS.—

1 “(1) RESPONSE FROM INSTITUTION.—Effective
2 on June 30, 2008, an institution that increases its
3 sticker price at a percentage rate for any 3-year in-
4 terval ending on or after that date that exceeds two
5 times the rate of change in the CPI over the same
6 time period shall provide a report to the Secretary,
7 in such a form, at such time, and containing such
8 information as the Secretary may require. Such re-
9 port shall be published by the Secretary on the
10 COOL website, and shall include—

11 “(A) a description of the factors contrib-
12 uting to the increase in the institution’s costs
13 and in the tuition and fees charged to students;
14 and

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

22 “(2) QUALITY-EFFICIENCY TASK FORCES.—

23 “(A) REQUIRED.—Each institution subject
24 to paragraph (1) that has a percentage change
25 in its sticker price that is in the highest 5 per-

1 cent of all institutions subject to paragraph (1)
2 shall establish a quality-efficiency task force to
3 review the operations of such institution.

4 “(B) MEMBERSHIP.—Such task force shall
5 include administrators, business and civic lead-
6 ers, and faculty, and may include students,
7 trustees, parents of students, and alumni of
8 such institution.

9 “(C) FUNCTIONS.—Such task force shall
10 analyze institutional operating costs in compari-
11 son with such costs at other institutions within
12 the class of institutions. Such analysis should
13 identify areas where, in comparison with other
14 institutions in such class, the institution oper-
15 ates more expensively to produce a similar re-
16 sult. Any identified areas should then be tar-
17 geted for in-depth analysis for cost reduction
18 opportunities.

19 “(D) REPORT.—The results of the analysis
20 by a quality-efficiency task force under this
21 paragraph shall be made available to the public
22 on the COOL website.

23 “(3) CONSEQUENCES FOR 2-YEAR CONTINU-
24 ATION OF FAILURE.—If the Secretary determines
25 that an institution that is subject to paragraph (1))

1 has failed to reduce the subsequent increase in stick-
2 er price below two times the rate of change in the
3 CPI for 2 consecutive academic years subsequent to
4 the 3-year interval used under paragraph (1), the
5 Secretary shall place the institution on affordability
6 alert status.

7 “(4) EXEMPTIONS.—Notwithstanding para-
8 graph (3), an institution shall not be placed on af-
9 fordability alert status if, for any 3-year interval for
10 which sticker prices are computed under paragraph
11 (1)—

12 “(A) with respect the the class of institu-
13 tions described in paragraph (6) to which the
14 institution belongs, the sticker price of the in-
15 stitution is in the lowest quartile of institutions
16 within such class, as determined by the Sec-
17 retary, during the last year of such 3-year in-
18 terval; or

19 “(B) the institution has a percentage
20 change in its sticker price computed under
21 paragraph (1) that exceeds two times the rate
22 of change in the CPI over the same time period,
23 but the dollar amount of the sticker price in-
24 crease is less than \$500.

1 “(5) INFORMATION TO STATE AGENCIES.—Any
2 institution that reports under paragraph (1)(B) that
3 an agency or instrumentality of State government or
4 other entity participates in the determinations of tui-
5 tion and fee increases shall, prior to submitting any
6 information to the Secretary under this subsection,
7 submit such information to, and request the com-
8 ments and input of, such agency, instrumentality, or
9 entity. With respect to any such institution, the Sec-
10 retary shall provide a copy of any communication by
11 the Secretary with that institution to such agency,
12 instrumentality, or entity.

13 “(6) CLASSES OF INSTITUTIONS.—For purposes
14 of this subsection, the classes of institutions shall be
15 those sectors used by the Integrated Postsecondary
16 Education Data System, based on whether the insti-
17 tution is public, nonprofit private, or for-profit pri-
18 vate, and whether the institution has a 4-year, 2-
19 year, or less than 2-year program of instruction.

20 “(7) DATA REJECTION.—Nothing in this sub-
21 section shall be construed as allowing the Secretary
22 to reject the data submitted by an individual institu-
23 tion of higher education.

24 “(f) INFORMATION TO THE PUBLIC.—The Secretary
25 shall work with public and private entities to promote

1 broad public awareness, particularly among middle and
 2 high school students and their families, of the information
 3 made available under this section, including by distribu-
 4 tion to students who participate in or receive benefits from
 5 means-tested federally funded education programs and
 6 other Federal programs determined by the Secretary.

7 “(g) FINES.—In addition to actions authorized in
 8 section 487(c), the Secretary may impose a fine in an
 9 amount not to exceed \$25,000 on an institution of higher
 10 education for failing to provide the information required
 11 by this section in a timely and accurate manner, or for
 12 failing to otherwise cooperate with the National Center for
 13 Education Statistics regarding efforts to obtain data
 14 under subsections (c) and (j) and pursuant to the program
 15 participation agreement entered into under section 487.

16 “(h) GAO STUDY AND REPORT.—

17 “(1) GAO STUDY.—The Comptroller General
 18 shall conduct a study of the policies and procedures
 19 implemented by institutions in increasing the afford-
 20 ability of postsecondary education. Such study shall
 21 include information with respect to—

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

23 “(i) have reduced their sticker prices;

24 or

1 “(ii) are within the least costly quar-
2 tile of institutions within each class de-
3 scribed in subsection (e)(6);

4 “(B) policies implemented to stem the in-
5 crease in tuition and fees and institutional
6 costs;

7 “(C) the extent to which room and board
8 costs and prices changed;

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

11 “(E) the extent to which the institution’s
12 policies affected student body demographics and
13 time to completion;

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

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

18 “(H) if the institution is a public institu-
19 tion, the relationship between State and local
20 appropriations and the institution’s tuition and
21 fees;

22 “(I) the extent to which policies and prac-
23 tices reducing costs and prices may be rep-
24 licated from one institution to another; and

1 “(J) other information as necessary to de-
2 termine best practices in increasing the afford-
3 ability of postsecondary education.

4 “(2) INTERIM AND FINAL REPORTS.— The
5 Comptroller General shall submit an interim and a
6 final report regarding the findings of the study re-
7 quired by paragraph (1) to the appropriate author-
8 izing committees of Congress. The interim report
9 shall be submitted not later than July 31, 2011, and
10 the final report shall be submitted not later than
11 July 31, 2013.

12 “(i) STUDENT AID RECIPIENT SURVEY.—

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

17 “(A) to identify the population of students
18 receiving Federal student aid;

19 “(B) to describe the income distribution
20 and other socioeconomic characteristics of fed-
21 erally aided students;

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

1 “(D) to describe the debt burden of edu-
2 cational loan recipients and their capacity to
3 repay their education debts, and the impact of
4 such debt burden on career choices;

5 “(E) to describe the role played by the
6 price of postsecondary education in the deter-
7 mination by students of what institution to at-
8 tend; and

9 “(F) to describe how the increased costs of
10 textbooks and other instructional materials af-
11 fects the costs of postsecondary education to
12 students.

13 “(2) SURVEY DESIGN.—The survey shall be
14 representative of full-time and part-time, under-
15 graduate, graduate, and professional and current
16 and former students in all types of institutions, and
17 designed and administered in consultation with the
18 Congress and the postsecondary education commu-
19 nity.

20 “(3) DISSEMINATION.—The Commissioner of
21 Education Statistics shall disseminate the informa-
22 tion resulting from the survey in both printed and
23 electronic form.

1 “(j) REGULATIONS.—The Secretary is authorized to
2 issue such regulations as may be necessary to carry out
3 the provisions of this section.

4 “(k) DEFINITIONS.—For the purposes of this section:

5 “(1) NET TUITION PRICE.—The term ‘net tui-
6 tion price’ means the average tuition and fees
7 charged to a first-time, full-time, full-year under-
8 graduate student, minus the average grants provided
9 to such students, for any academic year.

10 “(2) STICKER PRICE.—The term ‘sticker price’
11 means the average tuition and fees charged to a
12 first-time, full-time, full-year undergraduate student
13 by an institution of higher education for any aca-
14 demic year.

15 “(3) CPI.—The term ‘CPI’ means the Con-
16 sumer Price Index-All Urban Consumers (Current
17 Series).”.

18 **SEC. 3. COLLEGE AFFORDABILITY DEMONSTRATION**
19 **PROJECT.**

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

22 **“SEC. 486A. COLLEGE AFFORDABILITY DEMONSTRATION**
23 **PROJECT.**

24 “(a) PURPOSE.—It is the purpose of this section—

1 “(1) to provide, through a college affordability
2 demonstration project, for increased innovation in
3 the delivery of higher education and student finan-
4 cial aid in a manner resulting in reduced costs for
5 students as well as the institution by employing one
6 or more strategies including accelerating degree or
7 program completion, increasing availability of, and
8 access to, distance components of education delivery,
9 engaging in collaborative arrangements with other
10 institutions and organizations, and other alternative
11 methodologies; and

12 “(2) to help determine—

13 “(A) the most effective means of delivering
14 student financial aid as well as quality edu-
15 cation;

16 “(B) the specific statutory and regulatory
17 requirements that should be altered to provide
18 for more efficient and effective delivery of stu-
19 dent financial aid, as well as access to high
20 quality distance education programs, resulting
21 in a student more efficiently completing post-
22 secondary education; and

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

25 “(b) DEMONSTRATION PROJECT AUTHORIZED.—

1 “(1) IN GENERAL.—In accordance with the
2 purposes described in subsection (a) and the provi-
3 sions of subsection (d), the Secretary is authorized
4 to select not more than 100 institutions of higher
5 education, including those applying as part of sys-
6 tems or consortia of such institutions, for voluntary
7 participation in the College Affordability Demonstra-
8 tion Project in order to enable participating institu-
9 tions to carry out such purposes by providing pro-
10 grams of postsecondary education, and making avail-
11 able student financial assistance under this title to
12 students enrolled in those programs, in a manner
13 that would not otherwise meet the requirements of
14 this title.

15 “(2) WAIVERS.—The Secretary is authorized to
16 waive for any institutions of higher education, or
17 any system or consortia of institutions of higher
18 education, selected for participation in the College
19 Affordability Demonstration Project, any require-
20 ments of this Act or the regulations thereunder as
21 deemed necessary by the Secretary to meet the pur-
22 pose described in subsection (a)(1), and shall make
23 a determination that the waiver can reasonably be
24 expected to result in reduced costs to students or in-
25 stitutions without an increase in Federal program

1 costs. The Secretary may not waive under this para-
2 graph the maximum award amounts for an academic
3 year or loan period.

4 “(3) ELIGIBLE APPLICANTS.—

5 “(A) ELIGIBLE INSTITUTIONS.—Except as
6 provided in subparagraph (B), only an institu-
7 tion of higher education that is eligible to par-
8 ticipate in programs under this title shall be eli-
9 gible to participate in the demonstration project
10 authorized under this section.

11 “(B) PROHIBITION.—An institution of
12 higher education described in section
13 102(a)(1)(C) shall not be eligible to participate
14 in the demonstration project authorized under
15 this section.

16 “(c) APPLICATION.—

17 “(1) IN GENERAL.—Each institution or system
18 of institutions desiring to participate in the dem-
19 onstration project under this section shall submit an
20 application to the Secretary at such time and in
21 such manner as the Secretary may require.

22 “(2) CONTENTS OF APPLICATIONS.—Each ap-
23 plication for the college affordability demonstration
24 project shall include at least the following:

1 “(A) a description of the institution or sys-
2 tem or consortium of institutions and what
3 quality assurance mechanisms are in place to
4 ensure the integrity of the Federal financial aid
5 programs;

6 “(B) a description of the innovation or in-
7 novations being proposed and the affected pro-
8 grams and students, including—

9 “(i) a description of any collaborative
10 arrangements with other institutions or or-
11 ganizations to reduce costs;

12 “(ii) a description of any expected
13 economic impact of participation in the
14 project within the community in which the
15 institution is located; and

16 “(iii) a description of any means the
17 institution will employ to reduce the costs
18 of instructional materials, such as text-
19 books;

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

23 “(D) a description of the expected out-
24 comes of the program changes proposed, includ-

1 ing the estimated reductions in costs both for
2 the institution and for students;

3 “(E) an assurance from each institution in
4 a system or consortium of a commitment to ful-
5 fill its role as described in the application;

6 “(F) an assurance that the participating
7 institution or system of institutions will offer
8 full cooperation with the ongoing evaluations of
9 the demonstration project provided for in this
10 section; and

11 “(G) any other information or assurances
12 the Secretary may require.

13 “(d) SELECTION.—In selecting institutions to partici-
14 pate in the demonstration project under this section, the
15 Secretary shall take into account—

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

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

21 “(3) an institution’s—

22 “(A) financial responsibility;

23 “(B) administrative capability;

24 “(C) program or programs being offered
25 via distance education, if applicable;

1 “(D) student completion rates; and

2 “(E) student loan default rates; and

3 “(4) the participation of a diverse group of in-
4 stitutions with respect to size, mission, and geo-
5 graphic distribution.

6 “(e) NOTIFICATION.—The Secretary shall make
7 available to the public and to the authorizing committees
8 a list of institutions selected to participate in the dem-
9 onstration project authorized by this section. Such notice
10 shall include a listing of the specific statutory and regu-
11 latory requirements being waived for each institution and
12 a description of the innovations being demonstrated.

13 “(f) EVALUATIONS AND REPORTS.—

14 “(1) EVALUATION.—The Secretary shall evalu-
15 ate the demonstration project authorized under this
16 section on a biennial basis. Such evaluations specifi-
17 cally shall review—

18 “(A) the extent to which expected out-
19 comes, including the estimated reductions in
20 cost, were achieved;

21 “(B) the number and types of students
22 participating in the programs offered, including
23 the progress of participating students toward
24 recognized certificates or degrees and the extent

1 to which participation in such programs in-
2 creased;

3 “(C) issues related to student financial as-
4 sistance associated with the innovations under-
5 taken;

6 “(D) effective technologies and alternative
7 methodologies for delivering student financial
8 assistance;

9 “(E) the extent of the cost savings to the
10 institution, the student, and the Federal Gov-
11 ernment resulting from the waivers provided,
12 and an estimate as to future cost savings for
13 the duration of the demonstration project;

14 “(F) the extent to which students saved
15 money by completing their postsecondary edu-
16 cation sooner;

17 “(G) the extent to which the institution re-
18 duced its tuition and fees and its costs by par-
19 ticipating in the demonstration project

20 “(H) the extent to which any collaborative
21 arrangements with other institutions or organi-
22 zations have reduced the participating institu-
23 tion’s costs; and

24 “(I) the extent to which statutory or regu-
25 latory requirements not waived under the dem-

1 onstration project present difficulties for stu-
2 dents or institutions.

3 “(2) POLICY ANALYSIS.—The Secretary shall
4 review current policies and identify those policies
5 that present impediments to the implementation of
6 innovations that result in cost savings and in ex-
7 panding access to education.

8 “(3) REPORTS.—The Secretary shall provide a
9 report to the authorizing committees on a biennial
10 basis regarding—

11 “(A) the demonstration project authorized
12 under this section;

13 “(B) the results of the evaluations con-
14 ducted under paragraph (1);

15 “(C) the cost savings to the Federal Gov-
16 ernment by the demonstration project author-
17 ized by this section; and

18 “(D) recommendations for changes to in-
19 crease the efficiency and effective delivery of fi-
20 nancial aid.

21 “(g) OVERSIGHT.—In conducting the demonstration
22 project authorized under this section, the Secretary shall,
23 on a continuing basis—

24 “(1) ensure compliance of institutions or sys-
25 tems of institutions with the requirements of this

1 title (other than the sections and regulations that
2 are waived under subsection (b)(2));

3 “(2) provide technical assistance to institutions
4 in their application to and participation in the dem-
5 onstration project;

6 “(3) monitor fluctuations in the student popu-
7 lation enrolled in the participating institutions or
8 systems of institutions;

9 “(4) monitor changes in financial assistance
10 provided at the institution; and

11 “(5) consult with appropriate accrediting agen-
12 cies or associations and appropriate State regulatory
13 authorities.

14 “(h) TERMINATION OF AUTHORITY.—The authority
15 of the Secretary under this section shall cease to be effec-
16 tive on October 1, 2012.”.

○