

113TH CONGRESS
2D SESSION

S. 2281

To amend the Higher Education Act of 1965 to make technical improvements to the Net Price Calculator system so that prospective students may have a more accurate understanding of the true cost of college.

IN THE SENATE OF THE UNITED STATES

MAY 1, 2014

Mr. FRANKEN (for himself and Mr. GRASSLEY) introduced the following bill; which was read twice and referred to the Committee on Health, Education, Labor, and Pensions

A BILL

To amend the Higher Education Act of 1965 to make technical improvements to the Net Price Calculator system so that prospective students may have a more accurate understanding of the true cost of college.

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 “Net Price Calculator
5 Improvement Act”.

1 **SEC. 2. MINIMUM STANDARDS FOR NET PRICE CALCULA-**
 2 **TORS.**

3 Section 132(h) of the Higher Education Act of 1965
 4 (20 U.S.C. 1015a(h)) is amended—

5 (1) by redesignating paragraph (4) as para-
 6 graph (6);

7 (2) in paragraph (2), by inserting before the pe-
 8 riod “, and, not later than 1 year after the date of
 9 enactment of the Net Price Calculator Improvement
 10 Act, shall meet the requirements of paragraph
 11 (4)(B)”;

12 (3) in paragraph (3), by inserting after the first
 13 sentence the following: “Not later than 1 year after
 14 the date of enactment of the Net Price Calculator
 15 Improvement Act, such calculator shall meet the re-
 16 quirements of paragraph (4).”; and

17 (4) by inserting after paragraph (3) the fol-
 18 lowing:

19 “(4) MINIMUM REQUIREMENTS FOR NET PRICE
 20 CALCULATORS.—Not later than 1 year after the date
 21 of enactment of the Net Price Calculator Improve-
 22 ment Act, a net price calculator for an institution of
 23 higher education shall, at a minimum, meet the fol-
 24 lowing requirements:

25 “(A) The link for the calculator—

1 “(i) is clearly labeled as a ‘net price
2 calculator’ and prominently, clearly, and
3 conspicuously (in such size and contrast
4 (such as shade) that it is readily noticeable
5 and readable) posted in locations on the in-
6 stitution’s website where information on
7 costs and aid is provided (such as financial
8 aid, prospective students, or tuition and
9 fees web pages);

10 “(ii) matches in size and font to the
11 other prominent links on the primary
12 menu; and

13 “(iii) may also be included on the in-
14 stitution’s compliance web page, which
15 contains information relating to compliance
16 with Federal, State, and local laws.

17 “(B) The results screen for the calculator
18 specifies the following information:

19 “(i) The individual net price (as cal-
20 culated under paragraph (2)) for the indi-
21 vidual student, which is the most visually
22 prominent figure on the results screen.

23 “(ii) Cost of attendance, including—

24 “(I) tuition and fees;

1 “(II) average annual cost of
2 room and board for the institution for
3 a first-time, full-time undergraduate
4 student enrolled in the institution;

5 “(III) average annual cost of
6 books and supplies for a first-time,
7 full-time undergraduate student en-
8 rolled in the institution; and

9 “(IV) estimated cost of other ex-
10 penses (including personal expenses
11 and transportation) for a first-time,
12 full-time undergraduate student en-
13 rolled in the institution.

14 “(iii) Estimated total need-based
15 grant aid and merit-based grant aid, from
16 Federal, State, and institutional sources,
17 that may be available to the individual stu-
18 dent, showing the subtotal for each cat-
19 egory and the total of all sources of grant
20 aid.

21 “(iv) Percentage of the first-time, full-
22 time undergraduate students enrolled in
23 the institution that received any type of
24 grant aid described in clause (iii).

1 “(v) The disclaimer described in para-
2 graph (6).

3 “(vi) In the case of a calculator
4 that—

5 “(I) includes questions to esti-
6 mate a student’s (or prospective stu-
7 dent’s) eligibility for veterans’ edu-
8 cation benefits (as defined in section
9 480) or educational benefits for active
10 duty service members, such benefits
11 are displayed on the results screen in
12 a manner that clearly distinguishes
13 them from the grant aid described in
14 clause (iii); or

15 “(II) does not include questions
16 to estimate eligibility for the benefits
17 described in subclause (I), the results
18 screen indicates that certain students
19 (or prospective students) may qualify
20 for such benefits and includes a link
21 to information about such benefits.

22 “(C) The institution populates the calcu-
23 lator with data from not earlier than 2 aca-
24 demic years prior to the most recent academic
25 year.

1 “(5) PROHIBITION ON USE OF DATA COL-
 2 LECTED BY THE NET PRICE CALCULATOR.—A net
 3 price calculator for an institution of higher edu-
 4 cation shall—

5 “(A) clearly indicate which questions are
 6 required to be completed for an estimate of the
 7 net price from the calculator;

8 “(B) in the case of a calculator that re-
 9 quests contact information from users, clearly
 10 mark such requests as ‘optional’;

11 “(C) prohibit any personally identifiable in-
 12 formation provided by users from being sold or
 13 made available to third parties; and

14 “(D) clearly state ‘Any information that
 15 you provide on this site is confidential. The Net
 16 Price Calculator does not store your responses
 17 or require personal identifying information of
 18 any kind.’.”.

19 **SEC. 3. UNIVERSAL NET PRICE CALCULATOR.**

20 Section 132(h) of the Higher Education Act of 1965
 21 (20 U.S.C. 1015a(h)), as amended by section 2, is further
 22 amended by adding at the end the following:

23 “(7) UNIVERSAL NET PRICE CALCULATOR.—

24 “(A) IN GENERAL.—The Secretary may
 25 develop a universal net price calculator that—

1 “(i) enables users to answer one set of
2 questions and receive net prices for any in-
3 stitution that is required to have a net
4 price calculator under this subsection;

5 “(ii) provides the information required
6 under subparagraphs (B) and (C) of para-
7 graph (4) for each institution for which a
8 net price is being sought;

9 “(iii) is developed in consultation with
10 the heads of relevant Federal agencies; and

11 “(iv) before being finalized and pub-
12 licly released, is tested in accordance with
13 subparagraph (B).

14 “(B) CONSUMER TESTING.—

15 “(i) IN GENERAL.—If the Secretary
16 develops a universal net price calculator
17 under subparagraph (A), the Secretary, in
18 consultation with the heads of relevant
19 Federal agencies, shall establish a process
20 to submit the universal net price calculator
21 developed under this paragraph for con-
22 sumer testing among representatives of
23 students (including low-income students,
24 first generation college students, adult stu-
25 dents, and prospective students), students’

1 families (including low-income families,
2 families with first generation college stu-
3 dents, and families with prospective stu-
4 dents), institutions of higher education,
5 secondary school and postsecondary coun-
6 selors, and nonprofit consumer groups.

7 “(ii) LENGTH OF CONSUMER TEST-
8 ING.—The Secretary shall ensure that the
9 consumer testing lasts no longer than 6
10 months after the process for consumer
11 testing is developed under clause (i).

12 “(iii) USE OF RESULTS.—The results
13 of consumer testing under clause (i) shall
14 be used in the final development of the
15 universal net price calculator.

16 “(iv) REPORTING REQUIREMENT.—
17 Not later than 3 months after the date the
18 consumer testing under clause (i) con-
19 cludes, the Secretary shall submit to Con-
20 gress the final universal net price calcu-
21 lator and a report detailing the results of
22 such testing, including whether the Sec-
23 retary added any additional items to the
24 calculator as a result of such testing.

1 “(v) AUTHORITY TO MODIFY.—The
2 Secretary may modify the definitions,
3 terms, formatting, and design of the uni-
4 versal net price calculator based on the re-
5 sults of consumer testing required under
6 this paragraph and before finalizing the
7 calculator.

8 “(8) REPORT FROM SECRETARY.—Not later
9 than 1 year after the date of enactment of the Net
10 Price Calculator Improvement Act, the Secretary
11 shall submit a report to Congress on steps taken to
12 raise awareness of net price calculators among pro-
13 spective students and families, particularly among
14 students in middle school and high school and stu-
15 dents from low-income families.”.

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