

110TH CONGRESS
1ST SESSION

H. R. 4149

To limit excessive fluctuations in tuition to help students and families plan for college costs.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 9, 2007

Mr. PATRICK J. MURPHY of Pennsylvania introduced the following bill; which was referred to the Committee on Education and Labor

A BILL

To limit excessive fluctuations in tuition to help students and families plan for college costs.

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 “Truth-in-Tuition Act
5 of 2007”.

6 **SEC. 2. PURPOSE.**

7 It is the purpose of this Act to assist students and
8 families in multi-year financial planning for the full cost
9 of a post-secondary education program, while not restrict-

1 ing the ability of institutions of higher education to raise
2 tuition and fee levels from one year to the next.

3 **SEC. 3. COMMITMENT TO AND NOTICE OF TUITION LEVELS.**

4 Section 487(a) of the Higher Education Act of 1965
5 (20 U.S.C. 1094(a)) is amended by adding at the end the
6 following new paragraph:

7 “(24)(A) The institution will provide to each
8 perspective cohort of students applying to enter a
9 program of undergraduate or graduate education a
10 binding, multi-year tuition and fee schedule for that
11 cohort of students for the duration of the normal
12 length of the relevant undergraduate or graduate
13 program.

14 “(B) At the discretion of the institution, the
15 multi-year tuition and fee schedules required by sub-
16 paragraph (A)—

17 “(i) are not limited in their year-to-year
18 growth;

19 “(ii) may include a percentage or dollar in-
20 crease from one year to the next for a relevant
21 cohort of students: and

22 “(iii) may reflect a consistent per year dol-
23 lar amount for the normal length of the rel-
24 evant undergraduate or graduate program.

1 “(C) The Secretary shall waive the require-
2 ments of subparagraph (A), and of the binding com-
3 mitment made thereunder, if the institution dem-
4 onstrates to the Secretary that the institution is un-
5 able to comply because of the occurrence of one or
6 more events causing the institution severe economic
7 distress.”.

8 **SEC. 4. INCENTIVES AND REWARDS FOR LOW TUITION.**

9 (a) REWARDS FOR LOW TUITION.—

10 (1) COMPETITIVE GRANTS.—The Secretary of
11 Education shall award grants on a competitive basis
12 to institutions of higher education that, for academic
13 year 2008–2009 or any succeeding academic year,
14 have an annual net tuition increase (expressed as a
15 percentage) for the most recent academic year for
16 which satisfactory data is available that is equal to
17 or less than the percentage change in the higher
18 education price index for such academic year.

19 (2) USE OF FUNDS.—Funds awarded to an in-
20 stitution of higher education under paragraph (1)
21 shall be distributed by the institution in the form of
22 need-based grant aid to students who are eligible for
23 Federal Pell Grants, except that no student shall re-
24 ceive an amount under this section that would cause
25 the amount of total financial aid received by such

1 student to exceed the cost of attendance of the insti-
2 tution.

3 (b) REWARDS FOR GUARANTEED TUITION.—

4 (1) BONUS.—For each institution of higher
5 education that the Secretary of Education of Edu-
6 cation determines complies with the requirements of
7 paragraph (2) or (3) of this subsection, the Sec-
8 retary of Education shall provide to such institution
9 a bonus amount. Such institution shall award the
10 bonus amount first to students who are eligible for
11 Federal Pell Grants who were in attendance at the
12 institution during the award year that such institu-
13 tion satisfied the eligibility criteria for maintaining
14 low tuition and fees, then to students who are eligi-
15 ble for Federal Pell Grants who were not in attend-
16 ance at the institution during such award year, in
17 the form of need-based aid.

18 (2) 4-YEAR INSTITUTIONS.—An institution of
19 higher education that provides a program of instruc-
20 tion for which it awards a bachelor's degree complies
21 with the requirements of this paragraph if such in-
22 stitution guarantees that for any academic year be-
23 ginning on or after July 1, 2008, and for each of the
24 4 succeeding continuous academic years, the net tui-

1 tion charged to an undergraduate student will not
2 exceed—

3 (A) the amount that the student was
4 charged for an academic year at the time he or
5 she first enrolled in the institution of higher
6 education, plus

7 (B) the product of the percentage increase
8 in the higher education price index for the prior
9 academic year, or the most recent prior aca-
10 demic year for which data is available, multi-
11 plied by the amount determined under subpara-
12 graph (A).

13 (3) LESS-THAN 4-YEAR INSTITUTIONS.—An in-
14 stitution of higher education that does not provide a
15 program of instruction for which it awards a bach-
16 elor’s degree complies with the requirements of this
17 paragraph if such institution guarantees that for
18 any academic year (or the equivalent) beginning on
19 or after July 1, 2008, and for each of the 1.5 suc-
20 ceeding continuous academic years, the net tuition
21 charged to an undergraduate student will not ex-
22 ceed—

23 (A) the amount that the student was
24 charged for an academic year at the time he or

1 she first enrolled in the institution of higher
2 education, plus

3 (B) the product of the percentage increase
4 in the higher education price index for the prior
5 academic year, or the most recent prior aca-
6 demic year for which data is available, multi-
7 plied by the amount determined under subpara-
8 graph (A).

9 (c) MAINTAINING AFFORDABLE TUITION.—

10 (1) INSTITUTION REPORTS.—If an institution
11 of higher education has an increase in annual net
12 tuition (expressed as a percentage), for the most re-
13 cent academic year for which satisfactory data is
14 available, that is greater than the percentage in-
15 crease in the higher education price index for such
16 academic year, the institution or a representative as-
17 sociation is required to submit to the Secretary of
18 Education the following information, within 6
19 months of such determination—

20 (A) a report on the factors contributing to
21 the increase in the institution's costs and the
22 increase in net tuition and fees charged to stu-
23 dents, including identification of the major
24 areas in the institution's budget with the great-
25 est cost increases;

1 (B) the institution's 3 most recent Form
2 990s submitted to the Internal Revenue Serv-
3 ice, as required under section 6033 of the Inter-
4 nal Revenue Code of 1986;

5 (C) a description of the major areas of ex-
6 penditures in the institution's budget with the
7 greatest increase for such academic year; and

8 (D) actions being taken by the institution
9 to reduce net tuition.

10 (2) REPORT TO CONGRESS.—The Secretary of
11 Education shall compile the information submitted
12 under this subsection and shall provide to the rel-
13 evant authorizing committees an annual report relat-
14 ing to such information.

15 (d) DEFINITIONS.—In this section:

16 (1) NET TUITION.—The term “net tuition”
17 means the average tuition and fees charged to a full-
18 time undergraduate student by an institution of
19 higher education for an academic year, minus the
20 average grant amount received by such a student for
21 such academic year.

22 (2) HIGHER EDUCATION PRICE INDEX.—The
23 term “higher education price index” means the high-
24 er education price index developed pursuant to sec-
25 tion 133(b).

1 (3) INSTITUTION OF HIGHER EDUCATION.—The
2 term “institution of higher education” has the
3 meaning provided in section 102 of Higher Edu-
4 cation Act of 1965 (20 U.S.C. 1002).

○