

114TH CONGRESS
2D SESSION

H. R. 4385

To amend the Higher Education Act to improve higher education programs,
and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 13, 2016

Mr. GRAYSON introduced the following bill; which was referred to the
Committee on Education and the Workforce

A BILL

To amend the Higher Education Act to improve higher
education programs, and for other purposes.

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 for All Act”.

1 **TITLE I—FEDERAL-STATE PART-**
2 **nership to Eliminate Tui-**
3 **tion**

4 **SEC. 101. GRANT PROGRAM TO ELIMINATE TUITION AND**
5 **REQUIRED FEES AT PUBLIC INSTITUTIONS**
6 **OF HIGHER EDUCATION.**

7 (a) PROGRAM AUTHORIZED.—

8 (1) GRANTS AUTHORIZED.—From amounts ap-
9 propriated under subsection (f), the Secretary of
10 Education (referred to in this section as the “Sec-
11 retary”) shall award grants, from allotments under
12 subsection (b), to States having applications ap-
13 proved under subsection (d), to enable the States to
14 eliminate tuition and required fees at public institu-
15 tions of higher education.

16 (2) MATCHING FUNDS REQUIREMENT.—Each
17 State that receives a grant under this section shall
18 provide matching funds for a fiscal year in an
19 amount that is equal to one half the amount received
20 under this section for the fiscal year toward the cost
21 of reducing the cost of attendance at public institu-
22 tions of higher education in the State.

23 (b) DETERMINATION OF ALLOTMENT.—

24 (1) INITIAL ALLOTMENT.—For fiscal year
25 2017, the Secretary shall allot to each eligible State

1 that submits an application under this section an
2 amount that is equal to 67 percent of the total rev-
3 enue received by the State's public system of higher
4 education in the form of tuition and related fees for
5 fiscal year 2017. For each of fiscal years 2018
6 through 2020, the Secretary shall allot to each eligi-
7 ble State that submits an application under this sec-
8 tion—

9 (A) an amount equal to the allotment the
10 State received for fiscal year 2017, plus

11 (B) if the State provides additional funds
12 toward the cost of reducing the cost of attend-
13 ance at public institutions of higher education
14 in the State for any of such fiscal years that is
15 more than the matching funds requirement
16 under subsection (a)(2), an amount equal to
17 such additional funding provided by the State,
18 which amount provided by the Secretary may be
19 used for the activities described in subsection
20 (e)(2).

21 (2) SUBSEQUENT ALLOTMENTS.—Beginning in
22 fiscal year 2021, the Secretary shall determine the
23 median allotment per full-time equivalent student
24 made to all eligible States under this section for fis-
25 cal year 2020 and incrementally reduce allotments

1 made to States under this section such that by fiscal
2 year 2026, no State receives an allotment under this
3 section per full-time equivalent student that exceeds
4 the median allotment per full-time equivalent stu-
5 dent made under this section for fiscal year 2020.

6 (c) STATE ELIGIBILITY REQUIREMENTS.—In order
7 to be eligible to receive an allotment under this section
8 for a fiscal year, a State shall—

9 (1) ensure that public institutions of higher
10 education in the State maintain per-pupil expendi-
11 tures on instruction at levels that meet or exceed the
12 expenditures for the previous fiscal year;

13 (2) ensure that tuition and required fees for in-
14 State undergraduate students in the State’s public
15 higher education system are eliminated;

16 (3) maintain State operating expenditures for
17 public institutions of higher education, excluding the
18 amount of funds provided for a fiscal year under
19 this section, at a level that meets or exceeds the level
20 of such support for fiscal year 2016;

21 (4) maintain State expenditures on need-based
22 financial aid programs for enrollment in public insti-
23 tutions of higher education in the State at a level
24 that meets or exceeds the level of such support for
25 fiscal year 2016;

1 (5) ensure public institutions of higher edu-
2 cation in the State maintain funding for institutional
3 need-based student financial aid in an amount that
4 is equal to or exceeds the level of such funding for
5 the previous fiscal year;

6 (6) provide an assurance that not later than 5
7 years after the date of enactment of this Act, not
8 less than 75 percent of instruction at public institu-
9 tions of higher education in the State is provided by
10 tenured or tenure-track faculty;

11 (7) require that public institutions of higher
12 education in the State provide, for each student en-
13 rolled at the institution who receives for the max-
14 imum Federal Pell Grant award under subpart 1 of
15 part A of title IV of the Higher Education Act of
16 1965 (20 U.S.C. 1070a et seq.), institutional stu-
17 dent financial aid in an amount equal to 100 percent
18 of the difference between—

19 (A) the cost of attendance at such institu-
20 tion (as determined in accordance with section
21 472 of the Higher Education Act of 1965 (20
22 U.S.C. 1087ll)), and

23 (B) the sum of—

24 (i) the amount of the maximum Fed-
25 eral Pell Grant award; and

1 (ii) the student's expected family con-
2 tribution; and

3 (8) ensure that public institutions of higher
4 education in the State not adopt policies to reduce
5 enrollment.

6 (d) SUBMISSION AND CONTENTS OF APPLICATION.—

7 For each fiscal year for which a State desires a grant
8 under this section, the State agency with jurisdiction over
9 higher education, or another agency designated by the
10 Governor or chief executive of the State to administer the
11 program under this section, shall submit an application
12 to the Secretary at such time, in such manner, and con-
13 taining such information as the Secretary may require.

14 (e) USE OF FUNDS.—

15 (1) IN GENERAL.—A State that receives a
16 grant under this section shall use the grant funds
17 and the matching funds required under this section
18 to eliminate tuition and required fees for students at
19 public institutions of higher education in the State.

20 (2) ADDITIONAL FUNDING.—Once tuition and
21 required fees have been eliminated pursuant to para-
22 graph (1), a State that receives a grant under this
23 section shall use any remaining grant funds and
24 matching funds required under this section to in-

1 crease the quality of instruction and student support
2 services by carrying out the following:

3 (A) Expanding academic course offerings
4 to students.

5 (B) Increasing the number and percentage
6 of full-time instructional faculty.

7 (C) Providing all faculty with professional
8 supports to help students succeed, such as pro-
9 fessional development opportunities, office
10 space, and shared governance in the institution.

11 (D) Compensating part-time faculty for
12 work done outside of the classroom relating to
13 instruction, such as holding office hours.

14 (E) Strengthening and ensuring all stu-
15 dents have access to student support services
16 such as academic advising, counseling, and tu-
17 toring.

18 (F) Any other additional activities that im-
19 prove instructional quality and academic out-
20 comes for students as approved by the Sec-
21 retary through a peer review process.

22 (3) PROHIBITION.—A State that receives a
23 grant under this section may not use grant funds or
24 matching funds required under this section—

1 (A) for the construction of nonacademic fa-
2 cilities, such as student centers or stadiums;

3 (B) for merit-based student financial aid;
4 or

5 (C) to pay the salaries or benefits of school
6 administrators.

7 (f) AUTHORIZATION AND APPROPRIATION.—There
8 are authorized to be appropriated to carry out this section
9 \$47,000,000,000 for fiscal year 2017, and such sums as
10 may be necessary for each of the fiscal years 2018 through
11 2026.

12 **TITLE II—STUDENT LOANS**

13 **SEC. 201. RESTORATION OF CERTAIN INTEREST RATE PRO-** 14 **VISIONS.**

15 Section 455(b) of the Higher Education Act of 1965
16 (20 U.S.C. 1087e(b)) is amended—

17 (1) in paragraph (8)—

18 (A) in the heading, by striking “ON OR
19 AFTER JULY 1, 2013” and inserting “ON OR
20 AFTER JULY 1, 2013, AND BEFORE JULY 1,
21 2016”; and

22 (B) by striking “on or after July 1, 2013”
23 and inserting “on or after July 1, 2013, and
24 before July 1, 2016” each place the term ap-
25 pears;

1 (2) by redesignating paragraphs (9) and (10)
2 as paragraphs (10) and (11), respectively; and

3 (3) by inserting the following after paragraph
4 (8):

5 “(9) INTEREST RATE PROVISIONS FOR NEW
6 LOANS ON OR AFTER JULY 1, 2016.—

7 “(A) RATES FOR FDSL AND FDUSL.—Not-
8 withstanding the preceding paragraphs of this
9 subsection, for Federal Direct Stafford Loans
10 and Federal Direct Unsubsidized Stafford
11 Loans for which the first disbursement is made
12 on or after July 1, 2016, the applicable rate of
13 interest shall, during any 12-month period be-
14 ginning on July 1 and ending on June 30, be
15 determined on the preceding June 1 and be
16 equal to—

17 “(i) the bond equivalent rate of 91-
18 day Treasury bills auctioned at the final
19 auction held prior to such June 1; plus

20 “(ii) 2.3 percent,
21 except that such rate shall not exceed 8.25 per-
22 cent.

23 “(B) IN SCHOOL AND GRACE PERIOD
24 RULES.—Notwithstanding the preceding para-
25 graphs of this subsection, with respect to any

1 Federal Direct Stafford Loan or Federal Direct
2 Unsubsidized Stafford Loan for which the first
3 disbursement is made on or after July 1, 2016,
4 the applicable rate of interest for interest which
5 accrues—

6 “(i) prior to the beginning of the re-
7 payment period of the loan; or

8 “(ii) during the period in which prin-
9 cipal need not be paid (whether or not
10 such principal is in fact paid) by reason of
11 a provision described in subsection (f),

12 shall be determined under subparagraph (A) by
13 substituting ‘1.7 percent’ for ‘2.3 percent’.

14 “(C) PLUS LOANS.—Notwithstanding the
15 preceding paragraphs of this subsection, with
16 respect to Federal Direct PLUS Loan for which
17 the first disbursement is made on or after July
18 1, 2016, the applicable rate of interest shall be
19 determined under subparagraph (A)—

20 “(i) by substituting ‘3.1 percent’ for
21 ‘2.3 percent’; and

22 “(ii) by substituting ‘9.0 percent’ for
23 ‘8.25 percent’.

24 “(D) CONSOLIDATION LOANS.—Notwith-
25 standing the preceding paragraphs of this sub-

1 section, any Federal Direct Consolidation loan
 2 for which the application is received on or after
 3 July 1, 2016, shall bear interest at an annual
 4 rate on the unpaid principal balance of the loan
 5 that is equal to the lesser of—

6 “(i) the weighted average of the inter-
 7 est rates on the loans consolidated, round-
 8 ed to the nearest higher $\frac{1}{8}$ of 1 percent;
 9 or

10 “(ii) 8.25 percent.”.

11 **SEC. 202. BORROWER MODIFICATION OF INTEREST RATES**

12 **UNDER TITLE IV.**

13 Section 455(b) of the Higher Education Act of 1965
 14 (20 U.S.C. 1087e(b)), as amended by section 201, is fur-
 15 ther amended by adding at the end the following:

16 “(12) BORROWER MODIFICATION OF INTEREST
 17 RATE.—

18 “(A) MODIFICATION.—Notwithstanding
 19 any other provision of law, the borrower of a
 20 Federal Stafford Loan under section 428, a
 21 Federal Direct Stafford Loan, a Federal Un-
 22 subsidized Stafford Loan under section 428H, a
 23 Federal Direct Unsubsidized Stafford Loan, a
 24 Federal PLUS Loan under section 428B, a
 25 Federal Direct PLUS Loan, a Federal Consoli-

1 dation Loan under section 428C, or a Federal
2 Direct Consolidation Loan may elect to modify
3 the interest rate of the loan to be equal to—

4 “(i) in the case of a Federal Direct
5 Stafford Loan, a Federal Direct Unsub-
6 sidized Stafford Loan, a Federal Direct
7 PLUS Loan, or a Federal Direct Consoli-
8 dation Loan, the interest rate that would
9 be applicable to such loan if such loan were
10 first disbursed (or in the case of a Federal
11 Direct Consolidation Loan, first applied
12 for) on the date on which such borrower
13 elects to modify the interest rate of such
14 loan; and

15 “(ii) in the case of a Federal Stafford
16 Loan, a Federal Unsubsidized Stafford
17 Loan, a Federal PLUS Loan, or a Federal
18 Consolidation Loan, the weighted average
19 of the interest rates applicable to loans
20 under part B on the date the loan was first
21 disbursed (or in the case of a Federal Con-
22 solidation Loan, first applied for).

23 “(B) FIXED RATE.—Except as provided in
24 subparagraph (C), an interest rate elected

1 under subparagraph (A) for a loan shall be
2 fixed for the life of the loan.

3 “(C) CONTINUING AUTHORITY TO MOD-
4 IFY.—A borrower may elect to modify the inter-
5 est rate of a loan in accordance with subpara-
6 graph (A) at any time during the life of the
7 loan.”.

8 **TITLE III—FEDERAL WORK-** 9 **STUDY PROGRAMS**

10 **SEC. 301. AUTHORIZATION OF APPROPRIATIONS.**

11 Section 441(b) of the Higher Education Act of 1965
12 (42 U.S.C. 2751(b)) is amended to read as follows:

13 “(b) AUTHORIZATION OF APPROPRIATIONS.—There
14 are authorized to be appropriated to carry out this part—

15 “(1) \$975,000,000 for fiscal year 2017;

16 “(2) \$1,500,000,000 for fiscal year 2018;

17 “(3) \$2,000,000,000 for fiscal year 2019;

18 “(4) \$2,500,000,000 for fiscal year 2020; and

19 “(5) \$3,000,000,000 for fiscal year 2021.”.

20 **SEC. 302. FEDERAL WORK-STUDY ALLOCATION OF FUNDS.**

21 Section 442 of the Higher Education Act of 1965 (42
22 U.S.C. 2752) is amended—

23 (1) by striking subsection (a) and inserting the
24 following:

1 “(a) REVISION TO THE FEDERAL WORK STUDY AL-
2 LOCATION.—The Secretary shall allocate funds under this
3 section solely on the basis of the self-help need determina-
4 tion described under subsection (c).”;

5 (2) in subsection (c)—

6 (A) in paragraph (2), by striking “To de-
7 termine the self-help need of an institution’s eli-
8 gible undergraduate students,” and inserting
9 “Until such time as the Secretary establishes a
10 revised method to determine the self-help need
11 of an institution’s eligible undergraduate stu-
12 dents, in accordance with paragraph (5),”;

13 (B) in paragraph (3), by striking “To de-
14 termine the self-help need of an institution’s eli-
15 gible graduate and professional students,” and
16 inserting “Until such time as the Secretary es-
17 tablishes a revised method to determine the
18 self-help need of an institution’s eligible grad-
19 uate and professional students, in accordance
20 with paragraph (5),”; and

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

22 “(5) Not later than 1 year after the date of en-
23 actment of the College for All Act, the Secretary
24 shall establish revised methods for determining the
25 self-help need of an institution’s eligible under-

1 graduate students, as described in paragraph (2),
2 and eligible graduate and professional students, as
3 described in paragraph (3), that shall take into ac-
4 count the number of Federal Pell Grant eligible low-
5 and moderate-income students that an eligible insti-
6 tution serves and provide considerations for eligible
7 institutions that successfully demonstrate improved
8 employment outcomes. The Secretary shall promul-
9 gate any regulations necessary to carry out the re-
10 vised methods of determining an eligible institution's
11 self-help need under this subsection.”; and

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

13 “(f) FUNDS TO EXPAND JOB LOCATION DEVELOP-
14 MENT PROGRAMS.—Notwithstanding any other provision
15 of this part, to promote career readiness and improve the
16 employment skills of Federal Pell Grant-eligible students,
17 the Secretary is authorized to enter into agreements with
18 eligible institutions under which such institution may not
19 use more than 20 percent or \$150,000 of its allotment
20 under this section, whichever amount is less, to expand
21 job location development programs, which can be coordi-
22 nated with State and local workforce development
23 boards.”.

1 **TITLE IV—OFFERING NEC-**
2 **CESSARY ELIGIBILITY FOR**
3 **TIMELY INSTITUTIONAL MA-**
4 **TRICULATION AND ENROLL-**
5 **MENT**

6 **SEC. 401. FAFSA PILOT PROGRAM.**

7 Part G of title IV of the Higher Education Act of
8 1965 (20 U.S.C. 1088 et seq.) is amended by inserting
9 after section 483 the following:

10 **“SEC. 483A. FAFSA PILOT PROGRAM.**

11 “(a) PURPOSES.—The purposes of this section are—

12 “(1) to streamline the annual process by which
13 students apply for Federal financial assistance;

14 “(2) to reduce the need for students to reapply
15 for such assistance each year;

16 “(3) to lower the cost of student borrowing by
17 maintaining important student loan protections,
18 such as the in-school interest subsidy;

19 “(4) to strengthen the middle class and reduce
20 income inequality by targeting financial aid to low-
21 and middle-income students; and

22 “(5) to ensure that the financial aid application
23 uses income data from prior tax years readily avail-
24 able to students and families to facilitate the wide-
25 spread and increased use of automated processes,

1 such as at the IRS–Data Retrieval Tool (IRS–
2 DRT), with the goal of reducing errors and easing
3 the time and rigor of the application process.

4 “(b) PILOT PROGRAM AUTHORIZED.—The Secretary
5 is authorized to establish a pilot program and select 5 eli-
6 gible States—

7 “(1) in which a student who attends an institu-
8 tion of higher education in the eligible State may
9 submit a single Free Application for Federal Stu-
10 dent Aid, as described in section 483 and modified
11 under subsection (d) (referred to in this section as
12 the ‘FAFSA’), to be used as the application to de-
13 termine the need and eligibility of the student for fi-
14 nancial assistance under this title during the official
15 length of the student’s proposed postsecondary de-
16 gree program; and

17 “(2) that shall each receive a grant in accord-
18 ance with subsection (e).

19 “(c) ELIGIBLE STATES.—The Secretary shall select
20 5 eligible States that are determined by the Secretary to
21 have a strong record of increasing college access and af-
22 fordability, especially for low-income students, to partici-
23 pate in the pilot program described in subsection (b). The
24 selection of eligible States shall be based on the extent
25 to which the State has—

1 “(1) invested, and continues to invest, signifi-
2 cantly in public higher education, resulting in a com-
3 paratively lower net price for low-income students;

4 “(2) allocated State financial aid primarily on
5 the basis of need; and

6 “(3) agreed, as a condition of the State’s appli-
7 cation for the pilot program under this section, to
8 provide all in-State students (as determined by the
9 State) with an offer for State financial aid that—

10 “(A) is valid for not less than 2 years and
11 not more than 4 years, as determined by the
12 State; and

13 “(B) shall be subject to change only upon
14 certain conditions, such as significant changes
15 in a student’s financial circumstances.

16 “(d) SINGLE FAFSA SUBMISSION.—The Secretary
17 shall implement, in consultation with the 5 selected eligible
18 States, a pilot program to streamline the process of appli-
19 cation to determine the need and eligibility of a student
20 for financial assistance under this title that incorporates
21 the following:

22 “(1) An option for students that are enrolled in
23 an institution of higher education in a selected eligi-
24 ble State to submit a single FAFSA at the begin-
25 ning of the student’s postsecondary degree program

1 and receive a determination of financial assistance
2 under this title that shall, on a contingent basis, be
3 valid for not less than 2 years and not more than
4 4 years, as determined by the State.

5 “(2) The determination of financial assistance
6 under paragraph (1) shall be made in accordance
7 with part F, except that relevant calculations shall
8 be made using a multi-year average, of 2 or 3 years,
9 from the most recent tax years for which data are
10 available. A student may use previously submitted
11 student and parent taxpayer data to prepopulate the
12 electronic version of the FAFSA, as described in sec-
13 tion 483(f).

14 “(3) As a condition of the continued receipt of
15 financial assistance under this section, the Secretary
16 may require a student who submits the single
17 FAFSA to respond to a short number of questions
18 (which may be determined by the Secretary), on an
19 annual basis, to determine if there is a change in the
20 financial status of the student (such as whether the
21 student or the student’s parent has experienced a
22 substantial increase in annual income) in order to
23 ensure that the student continues to receive the ap-
24 propriate amount of financial assistance under this
25 title.

1 “(4) Notwithstanding paragraph (1), a require-
2 ment that students who experience significant
3 changes in their financial circumstances, as deter-
4 mined by the Secretary, will be required to resubmit
5 the FAFSA in order to receive a new determination
6 of financial assistance under this title.

7 “(5) An income verification process—

8 “(A) which the Secretary, through the es-
9 tablishment of a memorandum of under-
10 standing with the Secretary of the Treasury,
11 will develop to share the income tax data of a
12 random sample of students who have received
13 Federal assistance under this title, including
14 Federal Pell Grants under section 401 and
15 loans made under part D;

16 “(B) to ensure that students who have not
17 resubmitted a FAFSA in accordance with para-
18 graph (3) did not have a significant change in
19 financial circumstances that would have re-
20 quired them to do so;

21 “(C) that shall be carried out in a way so
22 as to ensure that no personally identifiable in-
23 formation is made public through the income
24 verification process; and

1 “(D) that will be carried out only with the
2 consent of students, whose consent will be re-
3 quested as part of the annual response required
4 under paragraph (3).

5 “(6) An option for students to request profes-
6 sional judgment or resubmit their FAFSA each
7 year, to receive a new determination of eligibility for
8 financial assistance under this title.

9 “(e) GRANT AMOUNT.—Each eligible State selected
10 under this section shall receive a grant to increase public
11 awareness of, and promote the use of, the single FAFSA
12 that may be submitted under the pilot program to be used
13 as the application to determine the need and eligibility of
14 the student for financial assistance under this title during
15 the official length of the student’s proposed postsecondary
16 degree program.

17 “(f) SUPPLEMENT NOT SUPPLANT.—Grants pro-
18 vided under this section shall be used to supplement, and
19 not supplant, State funds that are used to improve college
20 access and affordability.

21 “(g) EVALUATION.—Not later than 3 years after the
22 date of enactment of the College for All Act, and 5 years
23 thereafter, the Secretary shall prepare and submit to the
24 authorizing committees a report that contains an evalua-
25 tion of the effectiveness of the pilot program under this

1 section in improving college access, increasing FAFSA
2 submission rates, and increasing postsecondary education
3 credit and course accumulation.”.

4 **SEC. 402. PRIOR, PRIOR YEAR.**

5 Section 480(a)(1) of the Higher Education Act of
6 1965 (20 U.S.C. 1087vv(a)(1)) is amended by striking
7 subparagraph (B) and inserting the following:

8 “(B) Notwithstanding section 478(a) and beginning
9 not later than 180 days after the date of enactment of
10 the College for All Act, the Secretary shall provide for the
11 use of data from the second preceding tax year when and
12 to the extent necessary to carry out the simplification of
13 applications (including simplification for a subset of appli-
14 cations) used for the estimation and determination of fi-
15 nancial aid eligibility. Such simplification shall include the
16 sharing of data between the Internal Revenue Service and
17 the Department, pursuant to the consent of the tax-
18 payer.”.

○